



October 6, 2015

Lori Medders, Chair
Florida Commission on Hurricane Loss Projection Methodology
c/o Donna Sirmons
Florida State Board of Administration
1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308

Re: AIR Atlantic Tropical Cyclone Model Version 15.0.1 as Implemented in Touchstone Version 3.1.0

Dear Dr. Medders:

AIR recently has released updates that do not impact the Atlantic Tropical Cyclone Model v15.0.1 but require an update to the version of the software, Touchstone, as instructed by the AIR internal versioning policy. The updated software version contains the same Atlantic Tropical Cyclone Model v15.0.1 as implemented in Touchstone Version 3.0.0, which was certified by the Florida Commission on Hurricane Loss Projection Methodology (the Commission) on June 3, 2015. AIR would like to request that the Commission consider reviewing the acceptability of the AIR Atlantic Tropical Cyclone Model v15.0.1 as implemented in Touchstone 3.1.0 under the 2013 Report of Activities, Section VI.G.

Below is a list of enhancements included in Touchstone 3.1.0 but do not have any impact on the Atlantic Tropical Model v15.0.1 and cause no differences in loss costs for any five digit ZIP Code area in Florida and in probable maximum loss levels for any return period:

- Updates to the AIR Inland Flood Model for the United States
- Updates to the AIR Typhoon Model for Japan
- Software enhancements relating to the user workflow improvements that include:
 - An additional hyperlink that enables easy navigation back to an exposure display screen
 - Greater flexibility in sample exposure creation
 - Greater flexibility in moving and exporting exposure data
 - Ability to customize analysis name displayed on the UI. Note that this does not change any information disclosed on the Output Report used for rate filing
- Updates to the geospatial and map layer used in the AIR Geospatial and Hazard Analytics. The Geospatial and Hazard Analytics are additional functionalities that can be licensed within the software platform, which provide accumulations on location information by geography or building attributes (e.g. the sum of replacement values by customized zones or construction types) and hazard diagnostics for locations (e.g. how many locations are within 5 miles to the coast). This module is separated and not related to the Detailed Loss Analysis where losses are generated for ratemaking

Dr. Lori Medders

10/06/2015

Page 2

In accordance with the Report of Activities, Section VI.G., we have prepared the following forms for the Commission's review:

- Form A-1 (Zero Deductible Personal Residential Loss Costs by ZIP Code)
- Form A-4B (Output Ranges, 2012 FHCF Exposure Data)
- Form A-8 (Probable Maximum Loss for Florida)
- Form S-5 Part B (Average Annual Statewide Loss Costs – Historical versus Model, 2012 FHCF Exposure Data)

The forms have been provided for the current model and the updated/revised version of the model, and a percentage change comparison demonstrates no change.

AIR would like to request that the same consideration be given to Touchstone 3.1.0 as has been given to other past interim software releases. We ask that the Commission confirm that the Atlantic Tropical Cyclone model v15.0.1 as implemented in Touchstone 3.1.0 is considered as equivalent to the Atlantic Tropical Cyclone model v15.0.1 as implemented in Touchstone 3.0.0 and accepted under the 2013 Standards.

Best regards,

A handwritten signature in blue ink that reads "Brandie Andrews". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brandie Andrews, CCM
Assistant Vice President, Regulation and Rating Agency