



September 25, 2019

Floyd Yager, 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 Hurricane Model for the United States Version 16.0.0 as Implemented in Touchstone 4.1.0

Dear Mr. Yager,

We have discovered some editorial errors in Form M-3 that need to be made to our submission under the 2015 Standards. The edits relate to information we discussed with the Professional Team while they were on site for the audit under the 2017 Standards, and are consistent with the Form M-3 editorial edits to our submission under the 2017 Standards discussed in our letter dated July 23, 2019. This difference does not impact the hurricane model, U.S. or Florida loss costs or probable maximum loss levels (PMLs).

We were advised that the most appropriate provision in the Report of Activities under which to submit these edits to our submission is Acceptability Section V.F. *Discovery of Differences in a Model after a Model has been Determined to be Acceptable by the Commission*. Therefore, in the nomenclature of this section, we would like to inform the Commission of a Type I difference in the submission document related to AIR's software platform, Touchstone 4.1.0, containing the AIR Hurricane Model for the United States (the U.S. Hurricane Model) which was submitted to the Florida Commission on Hurricane Loss Projection Methodology (Commission) and found acceptable under the 2015 Standards on May 10, 2017.

AIR would like to request permission to append these edits to our submission document for AIR Hurricane Model for the United States Version 16.0.0 as Implemented in Touchstone 4.1.0 under Report of Activities, Section VI.F as a Type I Difference Update.

In accordance with the 2015 Report of Activities, Section VI.F, we have provided the following forms from the previously acceptable version, 4.1.0:

- Form A-1 (Zero Deductible Personal Residential Loss Costs by ZIP Code)
- Form A-4 (Output Ranges)
- Form A-8 (Probable Maximum Loss for Florida)
- Form S-5 (Average Annual Zero Deductible Statewide Loss Costs – Historical versus Modeled)
- Form V-2 (Hurricane Mitigation Measures and Secondary Characteristics, Range of Changes in Damage)

Please also see the Errata Sheet on the third page of this letter, along with Appendix A for our original Submission graphs from Form M-3 and Appendix B for the revised graphs, with track changes:

- Appendix\_A\_AIR2015\_FCHLPM\_Original\_Submission\_Graphs

Floyd Yager  
9/25/2019

Page 2

- Appendix\_B\_AIR2015\_FCHLPM\_Submission\_Corrected\_Graphs\_Track\_Changes

Best regards,



Brandie Andrews, CEEM  
Vice President, Regulatory and Rating Agency Client Services



*AIR Hurricane Model for the United States v16.0.0*  
Implemented in Touchstone 4.1.0

September 25, 2019

## ***Errata Sheet***

### Important Corrections

- PAGE 233, Figure 71 histogram: x-axis showed ranges of central pressures ascending instead of descending maximum thresholds of central pressures
- PAGE 233, Figure 71 first box plot: y-axis titled "Probability" instead of "Frequency (%)"
- PAGE 233, Figure 71 second box plot: x-axis showed ranges of central pressures ascending instead of descending maximum thresholds of central pressures