



December 16, 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 17.0.0 as Implemented in Touchstone 6.1.0

Dear Mr. Yager,

We have discovered an editorial error in two numbers in Form S-5 within the submission of Touchstone 6.1.0. This difference does not originate from or impact the hurricane model, U.S. or Florida loss costs or probable maximum loss levels (PMLs), but is typographical.

Therefore, in the nomenclature of the 2019 Standards, Acceptability Section VI.F. *Discovery of Editorial Errors or Discrepancies in a Submission after a Model has been Determined to be Acceptable by the Commission*, we would like to inform the Commission of editorial errors in the submission for AIR's software platform, Touchstone 6.1.0, 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 2017 Standards on June 11, 2019. Please see Appendix A for our current Submission Form S-5, Appendix B for the revised Form S-5 without track changes and Appendix C for the revised Form S-5 with track changes.

AIR would like to request permission to append these edits to our submission document for the AIR Hurricane Model for the United States Version 17.0.0 as Implemented in Touchstone 6.1.0 under Report of Activities, Section VI.F as an editorial update.

Please see the Errata sheet on the third page of this letter, along with the attached appendices, which show the difference between Form S-5 in the current submission and the revised version of Form S-5:

- Appendix_A_Form_S_5_Original_Submission
- Appendix_B_Form_S_5_Revised_Without_TrackChanges
- Appendix_C_Form_S_5_Revised_With_TrackChanges

Floyd Yager
12/16/2019

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Best regards,

A handwritten signature in blue ink that reads "Brandie Andrews". The signature is fluid and cursive, with the first name "Brandie" being more prominent than the last name "Andrews".

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



AIR Hurricane Model for the United States v17.0.0
Implemented in Touchstone 6.1.0

December 16, 2019

Errata Sheet

Important Corrections for typographical errors:

- PAGE 271, Table 39: changed 3.536 billion to 3.537 billion
- PAGE 271, Table 39: changed -1.66% to -1.67%

Form S-5: Average Annual Zero Deductible Statewide Hurricane Loss Costs – Historical versus Modeled

A. Provide the average annual zero deductible statewide personal and commercial residential hurricane loss costs produced using the list of hurricanes in the Base Hurricane Storm Set as defined in Standard M-1, Base Hurricane Storm Set, based on the 2012 Florida Hurricane Catastrophe Fund personal and commercial zero deductible residential exposure data found in the file named “hlpm2012c.exe.”

The average annual zero deductible statewide personal and commercial residential loss costs produced using the list of hurricanes in M-1 based on the 2012 FHCF aggregate data has been provided in [Table 39](#).

Table 39. Average Annual Zero Deductible Statewide Personal and Commercial Residential Hurricane Loss Costs

Time Period	Historical Hurricanes	Produced by Hurricane Model
Current Submission	3.478 billion	4.325 billion
Previously Accepted Hurricane Model* (2015 Standards)	3.505 billion	4.331 billion
Percentage Change Current Submission/Previously Accepted Hurricane Model*	-0.77%	-0.13%
Second Previously-Accepted Hurricane Model* (2013 Standards)	3.536 billion	4.337 billion
Percent Change Current Submission / Second Previously-Accepted Hurricane Model*	-1.66%	-0.27%

*NA if no previously accepted hurricane model

B. Provide a comparison with the statewide personal and commercial residential hurricane loss costs produced by the hurricane model on an average industry basis.

The average annual zero deductible statewide loss cost produced using the list of hurricanes in the Base Hurricane Storm Set and the 2012 FHCF aggregate personal and commercial

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Second Previously-Accepted Hurricane Model* (2013 Standards)	3.5376 billion	4.337 billion
Percent Change Current Submission / Second Previously-Accepted Hurricane Model*	-1.676%	-0.27%

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