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December 21, 2020

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, FL 32308

Re: Notification of Type I Error.

Dear Mr. Yager:

We would like to submit for the Commission's consideration an updated model, North Atlantic Hurricane Models 18.1.1 (Build 1945) which contains model changes that may affect the acceptability of our previous model, North Atlantic Hurricane Models 18.1 (Build 1945). The models are available on both the RiskLink and RiskModeler platforms. The RiskLink version of 18.1.1 was approved for functional equivalency in August of 2020. This letter provides notice for the RiskModeler version of the same model. The delay in submitting RiskModeler version 18.1.1 was tied to general availability of this platform.

In accordance with the Process for Determining the Acceptability of a Computer Simulation Model, Section VI.F, (**Discovery of Differences in a Model after a Model has been Determined to be Acceptable by the Commission**) in the November 1, 2017 Report of Activities, we have prepared the following forms for the Commission's review. These are provided for the currently accepted model, the proposed updated/revised version of the model software and the comparison between the two versions demonstrating no change.

- 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 (Average Annual Statewide Loss Costs – Historical versus Modeled)
- [Form V-2 \(Hurricane Mitigation Measures and Secondary Characteristics, Range of Changes in Damage\)](#)

In addition, revised Appendices E and F are also enclosed, which show North Atlantic Hurricane Models 18.1.1 (indicating the revised version) on relevant screens and reports.

The forms have been provided for both the current model and the revised version of the model. A percentage change comparison demonstrates that there is no change in output between the two versions.

Nature of the Software Updates/Revisions

RMS has determined that the following item, addressed in North Atlantic Hurricane Models 18.1.1 (Build 1945), constitutes a Type I error:

- Geocoding updates introduced in Version 18.1 were not showing in the software. The Prevent Regeocoding feature, which prevents regeocoding of exposures that are already geocoded in the current software release, is preventing the deployment of Version 18.1 geocoding updates. This error was resolved in Version 18.1.1.
- A small percentage (0.05%) of United States locations that are geocoded at the parcel level may show distance shifts between versions 18.0 and 18.1 for the same address. The error was resolved in Version 18.1.1.

The Effect to the Underlying Acceptable Model

Logic within the model has been revised as described in the items above.

The Effect on the Model Results

The forms in the submission (as demonstrated), as well as extensive internal testing, show no difference in Florida model results for both the RiskLink and RiskModeler platforms. It is theoretically possible that conditions may exist that could alter results in specific locations under specific circumstances, as described above. We have not seen any changes or problems, heard of any related to these issues, and do not expect changes in results any time in the future under realistic conditions.

Thank you for your consideration.

Sincerely,

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