

FLORIDA COMMISSION ON HURRICANE LOSS PROJECTION METHODOLOGY

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Vacant
Professional Structural Engineer

May 23, 2017

Mr. Mel Montagne
President
Fair Insurance Rates in Monroe
422 Fleming Street #5
Key West, Florida 33040

Dear Mr. Montagne:

Thank you for your December 2, 2016 letter to the Florida Commission on Hurricane Loss Projection Methodology (Commission). This letter is to respond to the points of your letter and also to brief you on Commission efforts to date regarding Monroe County modeled output.

In response to the items within your letter, we consider each in turn here.

1. The Commission considers the geography of the entire state, including Monroe County. The details are incorporated by the modelers.
2. Upon receipt of your vulnerability study, the Commission will be pleased to make the report available on the Commission's website.
3. The Governor is responsible for appointing the structural engineer to the Commission. The statute is specific in that the structural engineer is to be "a licensed professional structural engineer who is a full-time faculty member in the State University System and who has expertise in wind mitigation techniques. This appointment shall be made by the Governor."

Mr. Mel Montagne
May 23, 2017
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4. The terms *accuracy* and *reliability* as applied to the Commission's model Acceptability Process are defined in the *Report of Activities as of November 1, 2015* pages 41-42. The process for providing information to the Commission is addressed under item 6, below.
5. This issue is covered in Standard A-1, Modeling Input Data and Output Reports, on pages 170-171 of the *Report of Activities as of November 1, 2015*.
6. The Commission's process for input from outside parties is outlined on pages 37-38 of the *Report of Activities as of November 1, 2015*.
7. The Commission meets as required by Florida Statute, s. 627.0628(3)(f) and otherwise as needed. In the interest of the public, the Commission does not meet on an ad hoc basis. All meetings are noticed to the public in advance.

The *Report of Activities as of November 1, 2015*, as well as the most recent model submissions and review documents, are available on the Commission website at www.sbafla.com/methodology.

In addition to your letter, the Commission also received a letter from Insurance Commissioner David Altmaier regarding Monroe County (primarily) concerns. We enclose here his September 28, 2016 letter and our October 5, 2016 response to it.

The Commission met on May 10-12, 2017 to review models submitted for approval under the 2015 Commission standards. During these meetings the Commission spent time discussing, with each of the five modeling organizations with models under review, Monroe County modeled loss costs as well as mitigation efforts that are likely to effect the most improvement (reduction) in these estimated loss costs.

We have sent an update to Commissioner Altmaier to relay the information shared by the modeling organizations in the public (open) discussions of Monroe County. That letter is enclosed here so that you may utilize the information to edify residents of Monroe County.

The Commission shares your concerns that the models be credible and reliable representations of the hurricane wind risk in Florida. We strive to serve as a monitor of the models in the public interest as they continue to evolve.

Thank you for your interest in the work of the Commission.

Sincerely,



Lorilee Medders, Ph.D.
Chair

Florida Commission on Hurricane Loss Projection Methodology



December 2, 2016

Lorilee Medders, Ph.D., Chair
Florida Commission on Hurricane Loss Projection Methodology
Post Office Box 13300
1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308

RE: Monroe County Hurricane Loss Projection Model Results

Dear Dr. Medders:

Fair Insurance Rates in Monroe (FIRM) attended the August rate hearing for Citizens Property Insurance Corporation (CPIC). At the hearing there were several issues raised relating to the models that were used to determine their rates. Commissioner Altmaier stated that he would ask the Florida Commission on Hurricane Loss Projection Methodology (Commission) to review certain model aspects and characteristics as they relate to Monroe County. With that in mind we would like to present several additional items for the Commission to consider at the December 13, 2016 meeting.

We respectfully request that the Commission address the following issues:

1. We request that Commission look at the geographic standards and formulas that are currently being used and whether or not the concentration and distribution of risk unique to the geography of Monroe County are taken into account. Monroe County is linear--approximately 120 miles long and approximately 4 miles at its widest point. It is the largest county in Florida by total area (3,738 square miles) with a total land area of 137.3 square miles. As of the 2010 census the population was 73,090 with an average density of 532.34 per square mile, although much of the population is concentrated in a few areas of much higher density, such as the City of Key West and Key Largo which are over 100 miles apart.
2. We request that findings from our vulnerability study be incorporated into the models. Features such as roof type, roof deck attachments and opening protection need to be specifically reviewed.
3. We seek understanding as to why the Structural Engineer appointment to the Commission that was approved by the Florida Legislature in 2013 remains vacant.

FAIR INSURANCE RATES IN MONROE

(305) 294-FIRM (3476) - 422 Fleming Street #5 - Key West, FL 33040

www.firmkeys.org [facebook.com/FIRMKeys](https://www.facebook.com/FIRMKeys) firmkeys@gmail.com

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FIRM Requests to FCHLPM

December 2, 2016

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4. We request that we be allowed the opportunity to present recommendations regarding the terms reliable, evaluation and accuracy on wind and flood loss projections.
5. We request the ability to discuss oversight and requirements of inputs to determine outputs for projections.
6. We request that we be allowed to present recommendations for changes to the process, procedures or forms used by the Commission.
7. We request that the Commission consider meeting on a consistent annual basis, even if approvals are bi-annual.

Thank you for your assistance and consideration of this request. Please feel free to contact me if you have any questions.

Best regards,

A handwritten signature in black ink, appearing to read "Mel Montagne". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mel Montagne,

President