

Florida Commission on Hurricane Loss Projection Methodology
Issues and Inquiries
January 7, 2019

The Commission requests the Modeling Organizations address the following issues with the Professional Team during the on-site reviews and with the Commission during the meetings to review the models for acceptability under the 2017 hurricane standards.

1. For Standard V-1, Audit item 7, how the county as well as statewide building codes are reflected in the model vulnerability functions.
2. For Standard V-1, Audit item 9, how the building codes are reflected in the model vulnerability functions, including whether current statewide and county building codes are incorporated.
3. Justification if the high-velocity hurricane zone included in the statewide Florida Building Code is not reflected in the model vulnerability functions.
4. For Standard M-4, Audit item 8, the science underlying the maximum windspeeds in Form M-2.
5. Form A-6, Building Code/Enforcement (Year Built) Sensitivities, in particular for Manufactured Homes.

Commissioner Robert Lee requested the following items be reviewed by the Professional Team during the on-site reviews. These items will be included in the Professional Team pre-visit letters to the Modeling Organizations.

1. For all Modeling Organizations, Standard A-1: Explain how the input and output forms demonstrate that there is no requested or implemented, respectively, storm surge, storm frequency adjustment, or capability of the user to alter the meteorology, vulnerability, or actuarial components with reference to storm surge or storm frequency.
2. For AIR Worldwide, G-1 Disclosure 5: Explain in detail justification for the model default to new roof for structures built within the last ten years.
3. For CoreLogic, V-3 Disclosure 3: Explain why BCEGS is a Secondary Structural Feature for Design Code rather than for Code Enforcement. (In rate filings, BCEGS reflect enforcement not building code due to implementation of wind mitigation discounts and areas can opt out and only be reviewed for certain construction years.) Explain how BCEGS relate to local building codes.

The Commission requests the Modeling Organizations discuss the following inquiry with the Professional Team during the on-site reviews. The Professional Team will report on the inquiry prior to the 2019 standards committee meetings.

Impact of Legal and Claims Environment

Investigate the impact of the legal and claims environment (e.g., assignment of benefits, attorney fees, increased litigation) on modeled hurricane loss costs and hurricane probable maximum loss levels. Is the impact of the legal and claims environment evident in the claims data provided to the modeling organizations for validation of the modeled hurricane loss costs and hurricane probable maximum loss levels? Should the impact of the legal and claims environment be incorporated in the hurricane model results, and if so, how? Should the impact of the legal and claims environment be incorporated into the hurricane standards?