



July 23, 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 that some edits to Standard CI-7 did not make it into the final submission reviewed by the Professional Team and Commission in June. The edits relate to information we discussed with the Professional Team while they were on site for the audit and reflect business practices already in place within the organization. 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 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 language for Standard CI-7 and Appendix B for the revised language, with track changes.

AIR would like to request permission to append these edits to our submission document for 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 a Type I Difference Update.

In accordance with the 2017 Report of Activities, Section VI.F, we have provided the following forms from the currently acceptable version, 6.1.0:

- Form A-1 (Zero Deductible Personal Residential Loss Costs by ZIP Code)
- Form A-4B (Output Ranges)
- Form A-8B (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 appendices of this letter, which show the difference between Standard CI-7 in the current submission and the revised version of Standard CI-7:

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- Appendix_A_Standard_CI_7_Current_Submission
- Appendix_B_Standard_CI_7_Amendment_to_Current_Submission

Best regards,



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

