



February 7, 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, Florida 32308

Re: AIR Hurricane Model for the United States Version 17.0.1 as Implemented in Touchstone 7.3.0

Dear Mr. Yager,

AIR released an updated software platform, Touchstone 7.3.0, 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. Touchstone 7.3.0 contains software updates described below.

AIR would like to submit the AIR Hurricane Model for the United States Version 17.0.1 as Implemented in Touchstone 7.3.0 under Report of Activities, Section VI.G as an Interim Software Update.

## Updates to Model Components

There were no changes to the AIR U.S. Hurricane Model.

## Updates to Software Components

AIR has made the following updates to usability and functionality. None of these updates impact the AIR U.S. Hurricane Model, Florida loss costs or PMLs:

- AIR has made an update to a specific output file format, used exclusively for exporting aggregated analysis results, that gets used in the pricing of reinsurance treaties. The output file format is compatible only with AIR's aggregate loss analytics software, which is a separate platform from Touchstone. These exported files are not used in insurers' ratemaking.
- AIR has made enhancements to other tools/offerings, not including the AIR U.S. Hurricane Model, that can be used with/within AIR's Touchstone platform (e.g. APIs). These updates have no impact on the AIR U.S. Hurricane Model.

In accordance with the 2017 Report of Activities, Section VI.G, we have prepared the following forms with results from the currently acceptable version, 6.1.0 and the updated version, 7.3.0, as well as a percentage change that demonstrates no change for the Commission's review:

- 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)

AIR would like to submit and request the review of Touchstone 7.3.0 under the Report of Activities, Section VI.G., for consideration of an interim software update. We ask that the Commission confirm that the AIR Hurricane Model for the United States v17.0.1 as Implemented in Touchstone 7.3.0 is considered acceptable under the 2017 standards.

Best regards,



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

