



CORPORATE
HEADQUARTERS
7575 Gateway Blvd.
Newark, CA 94560
Tel: 1.510.505.2500
Fax: 1.510.505.2501

EUROPEAN
HEADQUARTERS
Risk Management
Solutions Ltd
Peninsular House
30 Monument Street
London EC3R 8NB UK
Tel: 44.20.7444.7600
Fax: 44.20.7444.7601

www.rms.com

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: Interim Model Update.

Dear Mr. Yager:

We would like to submit for the Commission's consideration an updated model, North Atlantic Hurricane Models 18.2 (Build 1960) which contains model changes that may affect the acceptability of our previous model, North Atlantic Hurricane Models 18.1 (Build 1945).

In accordance with the Process for Determining the Acceptability of a Computer Simulation Model, Section VI.G, **(Interim Model Updates 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 18.2 (Build 1960) (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 updated the North Atlantic Hurricane Models 18.2 (Build 1960) to add the following functionality:

- Support newer versions of Windows Server, Windows SQL Server, and Windows High Performance Computing (HPC)

The Effect to the Underlying Acceptable Model

The updates align RMS products with the latest technologies and risk management workflows that are being deployed across the insurance industry.

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 the RiskLink and RiskModeler platforms. 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,

Matthew Nielsen
Matthew.Nielsen@rms.com
510-608-3392 (office)
510-284-7820 (mobile)

