

FLORIDA COMMISSION ON HURRICANE LOSS PROJECTION METHODOLOGY

Post Office Box 13300
32317-3300
1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308
(850) 413-1349
www.sbafla.com/methodogy

Anne Bert
Chief Operating Officer,
Florida Hurricane Catastrophe Fund

Lorilee Medders, Ph.D., Chair
Statistics Expert,
Florida State University

Robert Lee, FCAS
Actuary,
Florida Office of Insurance Regulation

Patricia Born, Ph.D.
Insurance Finance Expert,
Florida State University

Floyd Yager, FCAS, Vice Chair
Actuary,
Florida Hurricane Catastrophe Fund Advisory Council

Minchong Mao, FCAS, ASA, MAAA
Actuary,
Property and Casualty Industry

Barry Gilway
President/CEO & Executive Director,
Citizens Property Insurance Corporation

Jainendra Navlakha, Ph.D.
Computer Systems Design Expert,
Florida International University

Sha`Ron James
Insurance Consumer Advocate,
Florida Department of Financial Services

Hugh Willoughby, Ph.D.
Meteorology Expert,
Florida International University

Bryan Koon
Director,
Florida Division of Emergency Management

Vacant
Professional Structural Engineer

December 14, 2016

Dr. Shahid Hamid
Florida International University
International Hurricane Research Center
10800 SW 10th Street
AHC 5, Room 222
Miami, Florida 33199

Dear Dr. Hamid:

The Florida Commission on Hurricane Loss Projection Methodology met yesterday to review the Florida Public Hurricane Loss Model submission received under the 2015 Standards. The Commission deemed the following as deficiencies in your submission.

1. A list of acronyms used in the submission is not included, non-responsive to Acceptability Process II.A.5.m requirement (page 49) in the *Report of Activities*.
2. Standard G-1, Disclosure 5.A.2 (page 106)
Response is unclear as changes in the Low-rise Commercial Residential model appear to result in changes to loss costs in Florida.
3. Standard G-1, Disclosure 5.B.1 (page 107)
Response is non-responsive as "all model changes combined" is not given.
4. Standard G-2, Disclosure 2.C (page 122)
Response is incomplete as personnel in Figure 29 have not been updated.

5. Standard G-2, Disclosure 3.A (page 123)
Response is incomplete as the date of the actuarial review has not been given.
6. Form M-1 (pages 155-157 and 478-479)
Form M-1 being split between pages 155-157 and 478-479 is non-responsive to the Acceptability Process II.A.5.l requirements (page 49) in the *Report of Activities*.
7. Form M-3 (pages 159-161 and 486-487)
Form M-3 being split between pages 159-161 and 486-487 is non-responsive to the Acceptability Process II.A.5.l requirements (page 49) in the *Report of Activities*.
8. Standard S-1, Disclosure 1 (page 162)
Response is unclear related to the chi-square goodness-of-fit test for landfalling hurricanes in the final paragraph.
9. Standard V-3.A (page 261)
Response is incomplete as the impact of mitigation measures on associated uncertainties is not given.
10. Standard A-1 (page 280)
Standard A-1 is non-responsive to the Acceptability Process II.A.5.d requirements (page 48) in the *Report of Activities*.
11. Standard A-1, Disclosure 1 (page 280)
Response is incomplete as a sample calculation for determining the property value is not given.
12. Standard A-1, Disclosure 2 (page 280)
Response is incomplete as a sample calculation for determining the amount of depreciation and the actual cash value losses is not given.
13. Standard A-2 (page 294)
Standard A-2 is non-responsive to the Acceptability Process II.A.5.d requirements (page 48) in the *Report of Activities*.
14. Standard A-3 (page 295)
Standard A-3 is non-responsive to the Acceptability Process II.A.5.d requirements (page 48) in the *Report of Activities*.
15. Standard A-4 (page 299)
Standard A-4 is non-responsive to the Acceptability Process II.A.5.d requirements (page 48) in the *Report of Activities*.
16. Standard A-5 (page 304)
Standard A-5 is non-responsive to the Acceptability Process II.A.5.d requirements (page 48) in the *Report of Activities*.

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17. Standard A-6 (page 307)

Standard A-6 is non-responsive to the Acceptability Process II.A.5.d requirements (page 48) in the *Report of Activities*.

18. Form A-6 (pages 449-450)

Response is unclear as both the 18th and 20th floors are listed.

On page 31 of the *Report of Activities as of November 1, 2015*, a deficiency is defined as a lack of required documentation. As stated on page 50 under the Process for Determining the Acceptability of a Computer Simulation Model, "Failure of the modeling organization to correct any deficiencies or to submit Form S-6, Hypothetical Events for Sensitivity and Uncertainty Analysis, if required, within the time frame specified will result in the termination of the review process."

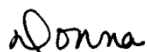
Please provide the Commission with the information to correct the deficiencies noted above by Wednesday, January 4, 2017, 4:00 p.m. ET.

During the meeting, the Commission also identified the following inquiries to be discussed with the Professional Team during the on-site review.

1. Investigate the condo-unit floor location impact on loss costs. How is lack of floor location treated?
2. Investigate aspects of the model and inputs that could lead to the greatest reduction in the uncertainty in model outputs (e.g., hurricane frequency, damage functions, incorrect data input, granularity of exposure location (ZIP Code centroid versus street address) data input).
3. Investigate how contamination of claims data (flood loss counted as wind loss) impacts validation and model output.
4. Investigate how the treatment of inland versus coastal exposures has an effect on the spatial evaluation of vulnerability functions.

If you have any questions, please contact me at (850) 413-1349.

Sincerely,



Donna Sirmons
Staff
Florida Commission on Hurricane Loss Projection Methodology

cc: Dr. Lori Medders, Chair