



Windstorm Mitigation Committee

Florida Commission on Hurricane Loss Projection Methodology

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Bringing Science to the Art of Underwriting™



Wind Mitigation Inspections:

- Require mandatory inspection of all structures
 - Current reporting is biased – beneficial characteristics are reported but detrimental ones are less prevalent
 - Mandatory reporting obviates adverse selection
 - Will encourage private reinsurers to reflect mitigation credits.
- Make insurance companies responsible for inspections
 - Allow pass through of inspection cost.
 - This will reduce errors/fraudulent inspection data

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Allow Wind Mitigation Surcharges

- Allowing only credits creates unnecessary complication
- Unrealistic base
- Misleading message
- Need to rebalance/reset current rate level/base rate?

Simplify Mitigation Relativity Matrix

- Separate rating characteristics from mitigation factors
 - Rating factors = roof shape, wall construction
 - Mitigation factors = opening protection, roof cover. etc.
 - Only include items that can be changed in the mitigation matrix
- Geographic location impact

Modify FHCF Premium Calculation and Process

- Process and algorithms are sound
- Data and credits should follow primary companies
 - Missing certain fields in data call:
 - Number of Stories
 - Roof Cover type (including presence of Secondary Water Resistance).
 - Roof Slope
 - Living area (square footage).
- Mandatory data collection would solve many current issues
- Signal to private reinsurance market?

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