

Budget Detail Request - Fiscal Year 2016-17

Your request will not be officially submitted unless all questions and applicable sub parts are answered.

1. Title of Project: Florida Public Hurricane Loss Model: Surge and Flood Enhancements
2. Date of Submission: 12/18/2015
3. House Member Sponsor(s): Jeanette Nunez

4. DETAILS OF AMOUNT REQUESTED:

- a. Has funding been provided in a previous state budget for this activity? Yes
If answer to 4a is ?NO? skip 4b and 4c and proceed to 4d
- b. What is the most recent fiscal year the project was funded? 2015-16
- c. Were the funds provided in the most recent fiscal year subsequently vetoed? No
- d. Complete the following Project Request Worksheet to develop your request (Note that Column E will be the total of Recurring funds requested and Column F will be the total Nonrecurring funds requested, the sum of which is the Total of the Funds you are requesting in Column G):

FY:	Input Prior Year Appropriation for this project for FY 2015-16 (If appropriated in FY 2015-16 enter the appropriated amount, even if vetoed.)			Develop New Funds Request for FY 2016-17 (If no new Recurring or Nonrecurring funding is requested, enter zeros.)			
	Column: A	B	C	D	E	F	G
Funds Description:	Prior Year Recurring Funds	Prior Year Nonrecurring Funds	Total Funds Appropriated (Recurring plus Nonrecurring: Column A + Column B)	Recurring Base Budget (Will equal non-vetoed amounts provided in Column A)	INCREASED or NEW Recurring Requested	TOTAL Nonrecurring Requested (Nonrecurring is one time funding & must be re-requested every year)	Total Funds Requested Over Base Funding (Recurring plus Nonrecurring: Column E + Column F)
Input Amounts:	0	1,700,000	1,700,000	0	0	850,000	850,000

- e. New Nonrecurring Funding Requested for FY 16-17 will be used for:
 Operating Expenses Fixed Capital Construction Other one-time costs
- f. New Recurring Funding Requested for FY 16-17 will be used for:
 Operating Expenses Fixed Capital Construction Other one-time costs

5. Requester:

- a. Name: Shahid Hamid
- b. Organization: Florida International University's International Hurricane Research Center
- c. Email: hamids@fiu.edu
- d. Phone #: (305)348-2727

6. Organization or Name of Entity Receiving Funds:

- a. Name: Florida International University
- b. County (County where funds are to be expended) Miami-Dade
- c. Service Area (Counties being served by the service(s) provided with funding) Statewide

7. Write a project description that will serve as a stand-alone summary of the project for legislative review. The description should summarize the entire project's intended purpose, the purpose of the funds requested (if request is a sub-part of the entire project), and most importantly the detail on how the funds requested will be spent - for example how much will be spent on positions and associated salaries, specifics on capital costs, and detail of operational expenses. The summary must list what local, regional or statewide interests or areas are served. It should also document the need for the funds, the community support and expected results when applicable. Be sure to include the type and amount of services as well as the number of the specific target population that will be served (such as number of home health visits to X, # of elderly, # of school aged children to receive mentoring, # of violent crime victims to receive once a week counseling etc.)

The Florida Public Hurricane Loss Model (authorized by the Legislature in 2000) provides the Florida Office of Insurance Regulation with a fair, open and transparent tool for reviewing rate filings of insurance companies and to determine actuarially sound pricing for flood insurance. The Model will help ensure pricing that is fair to consumers and to insurance companies. This will be the final year of funding for the model flood enhancement effort which now includes various flood control measures (i.e. hurricanes, riverbank, alluvial). This project will provide an innovative, transparent, combined model that can separate wind losses from flood losses and help resolve the issue of who should pay for property damages. The questions of separation between flood and wind loss has not been resolved scientifically. The Model will aid in determining who is responsible for flood versus wind insurance payments, which will also reduce significant litigation costs as recently seen by other States dealing with the aftermaths of storms such as Katrina, Ike and Sandy. The model acts as a check and balance to private models in determining property insurance premiums and has led in some cases to lower rates and savings for consumers and in other cases to more adequate rates to ensure company solvency. The model estimates the reductions in losses from mitigation measures and provides appropriate justification for actuarially sound premium discounts that result in savings for consumers and Florida tax payers. As flood insurance becomes increasingly available to the private sector, the Model can be used to conduct stress tests on insurance companies and ensure they charge adequate premiums to maintain solvency and capital adequacy. It can ensure companies do not lower the rates to unsustainable levels to increase market shares. This can help reduce bankruptcies and save the state and taxpayers hundreds of millions in post hurricane bailouts and surcharges. Experts from FIU, UF, FSU, FIT and UM devise the team which makes Florida a leader in hurricane research. In addition the model supports post-docs, graduate students and undergraduate students providing them with unique catastrophe modeling experience highly sought-out by the private sector. Funds will be used to support the execution of Year 4 tasks and will

include software development; validation and calibration of the enhanced flood model; increasing the performance and efficiency of the model; and the addition of new functions due to the evolving flood standards prescribed by the Florida Commission on Hurricane Loss Projection Methodology.

8. Provide the total cost of the project for FY 2016-17 from all sources of funding:

Federal: 0

State: 850,000 (Excluding the requested Total Amount in #4d, Column G)

Local: 0

Other: 0

9. Is this a multi-year project requiring funding from the state for more than one year?

No