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2011 Vendor Model Updates

Contributed by: Nicholas DiMuzio

Here is a brief update on the vendor model updates for 2011:

RMS

RMS Version 11 North Atlantic Hurricane Model

The version 11.0 update of the RMS U.S. Hurricane Model is driven by the significant amount available since previous updates to the model. The last major upgrade of the U.S. hurricane model was in 2003, while a 2006 release focused primarily on vulnerability changes.

Changes in hazard modeling have been significantly influenced by thousands of additional observations gathered over the past 10 years, which provide an updated view of the behavior wind fields before and after landfall. In addition, advances in computing power allow more simulations, and in greater detail than before, improving our understanding of hurricane behavior.

Updates to U.S. hurricane vulnerability are driven by engineering-based principles combined analysis of \$18 billion in claims data from the past 20 years. The analysis of claims data into building performance in Texas during Hurricane Ike, further complemented by expert building codes and practices throughout the hurricane states, and validation against industry reconstructions for more than 20 hurricanes that have made landfall since 1985.

The updated model (which is now basin-wide) is expected to double RMS's one-in-100-years estimate for insured hurricane losses in Texas, and increase estimates in the mid-Atlantic by more than 75%. Nationwide, the one-in-100-years loss estimate will increase by 15% to 25%

AIR

AIR Version 12: North Atlantic Hurricane Model & European Windstorm Model

The release of Version 12.0 of CLASIC/2[®] features major enhancements to the AIR Hurricane Model for the U.S. and the AIR Extratropical Cyclone Model for Europe. Both models incorporate significant multi-year investments in research and development at AIR, and indeed both represent step advances in the modeling of wind risk. In addition, a newly generated basin-wide hurricane catalog for the North Atlantic has resulted in changes to the modeled losses for Caribbean countries and Mexico. Significant enhancements have also been made to the U.S. Hurricane Model for Offshore Assets.

EQECAT

EQECAT WORLDCATenterprise 3.16

EQECAT announced its plans to release WORLDCATenterprise 3.16 on June 30, 2011. Additional features and functionality have been added to this release, including updates to the Asia Typhoon Model and improved event loss table outputs. As a result, the release date of WORLDCATenterprise 3.16 will be early July 2011.

Version 3.16 will feature updates to the North Atlantic Hurricane Model and the Canada Earthquake Model, including updated industry exposure databases for US hurricane and Canada earthquake. For installations using SQL Server, this release will also include the ability to dynamically connect and disconnect portfolio databases.