**On-Site Review by Professional Team**

***General Purpose***

The purpose of the on-site review is to evaluate the compliance of the hurricane model with the hurricane standards. The on-site review is conducted in conjunction with the **Process for Determining the Acceptability of a Computer Simulation Hurricane Model**. It is not intended to provide a preliminary peer review of the hurricane model. The goal of the Professional Team’s efforts is to provide the Commission with a clear and thorough report of the hurricane model as required in the acceptability process, subject to non-disclosure conditions. All modifications, adjustments, assumptions, or other criteria that were included in producing the information required by the Commission in the hurricane model submission shall be disclosed to the Professional Team to be reviewed.

The Professional Team will begin the review with a briefing to modeling organization personnel to discuss the review schedule and to describe the subsequent review process.

The on-site review by the Professional Team involves the following:

1. Due diligence review of information submitted by the modeling organization. For existing modeling organizations, the due diligence review concentrates on any changes in the disclosures and forms from the previously-accepted hurricane model.

2. On-site tests of the hurricane model under the control and supervision of the Professional Team. The objective is to observe the hurricane model in operation and the results it produces during a “real time” run. This is necessary in order to avoid the possibility that the modeling organization could recalibrate the hurricane model solely for producing desirable results.

3. Verification that information provided by the modeling organization in the disclosures and forms is valid and is an accurate and fairly complete description of the hurricane model.

4. Review for compliance with the hurricane standards.

5. Review of trade secret items.

Feedback regarding compliance of the hurricane model with the hurricane standards will be provided to the modeling organization throughout the review process.

***Preparation for On-Site Review***

The Professional Team assists the Commission and the SBA staff in determining if a modeling organization is ready for an on-site review.

The Professional Team assists the modeling organization in preparing for the on-site review, by providing to SBA staff a detailed pre-visit letter (to be sent to the modeling organization) outlining specific issues to be addressed by the modeling organization unique to the hurricane model submission. The Professional Team makes every effort to identify substantial issues with the hurricane model or the hurricane model submission to allow the modeling organization adequate time to prepare for the on-site review. As the Professional Team continues to prepare for the review, it may discover issues not originally covered in the pre-visit letter prior to the on-site review. Such issues will be introduced at the opening briefing of the on-site review. The discovery of errors in the hurricane model by the Professional Team is a possible outcome of the review. It is the responsibility of the modeling organization to assure the validity and correctness of the hurricane model.

**Telephone Conference Call:** After the Commission has determined the modeling organization is ready to continue in the review process and prior to the on-site review, at the request of the Commission or the modeling organization, the SBA staff will arrange a telephone conference call between the modeling organization and the Professional Team or a subset of the Professional Team. The purpose of the call is to review the pre-visit letter, material, data files, and personnel that need to be on-site during the review. This does not preclude the Professional Team from asking for additional information during the on-site review that was not discussed during the conference call or included in the pre-visit letter. The call allows the modeling organization and the Professional Team the opportunity to clarify any concerns or to ask questions regarding the upcoming on-site review. This call is the only scheduled opportunity for the modeling organization to clarify any questions directly with the Professional Team prior to the on-site review.

**Scheduling:** The SBA staff is responsible for scheduling on-site review dates. Each modeling organization will be notified at least two weeks prior to the scheduled review. The actual length of the review may vary depending on the preparedness of the modeling organization and the depth of the inquiry needed for the Professional Team to obtain an understanding of the hurricane model. The Commission expects hurricane models under consideration to be well-prepared for a review by the Professional Team. In particular, it is suggested that a modeling organization conduct a detailed self-audit to assure that it is ready for the Professional Team review.

**Presentation of Materials:** The modeling organization shall have all necessary materials and data on-site for review. All material referenced in the hurricane model submission as “will be shown to the Professional Team” and all material that the modeling organization intends to present to the Commission, including trade secret items, shall be presented to the Professional Team during the on-site review.

The modeling organization shall provide upon arrival of the Professional Team, and ***before the review can officially commence***, six printed copies of:

1. The modeling organization’s presentations,
2. The tables required in CI-1, Hurricane Model Documentation, Audit 6,
3. All figures with scales for the *x-* and *y-*axes labeled that are not so labeled in the hurricane model submission. The figures should be labeled with the same figure number as given in the hurricane model submission,
4. Form V-3, Hurricane Mitigation Measures, Mean Damage Ratios and Hurricane Loss Costs (Trade Secret Item), and
5. Form A-6, Logical Relationship to Hurricane Risk (Trade Secret Item), (all eight worksheets), color-coded contour map of the hurricane loss costs for strong owners frame buildings (Notional Set 6), scatter plot of the hurricane loss costs (*y*-axis) against distance to closest coast (x-axis) for strong owners frame buildings (Notional Set 6).

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Suggestion from AIR:

**Problem Statement:** The audit generates a lot of paper that, after the audit, gets shredded. We would like the option to be more “green,” provided the Pro Team still has the information they need in a format that allows efficient review.

**Explanation:** We propose allowing dissemination of the information via provided electronic devices (i.e., iPad) during the audit. The option of receiving a hard-copy would still be provided.

**Amendatory Language:** Change wording of the first paragraph

The modeling organization shall provide upon arrival of the Professional Team, and ***before the review can officially commence***, six printed or electronically published copies of:

The modeling organization shall also provide upon arrival of the Professional Team, and ***before the review can officially commence***, the electronic files used to complete Form V-3, Hurricane Mitigation Measures, Mean Damage Ratios and Hurricane Loss Costs (Trade Secret Item), Form A-6, Logical Relationship to Hurricane Risk (Trade Secret Item), and any supporting files. The electronic files shall be provided on three removable drives.

The Professional Team will review selected computer/information components in conjunction with the review of various hurricane standards. Computer/information components shall be readily available and reviewable interactively allowing simultaneous visualization by all Professional Team members.

Access to critical articles or materials referenced in the hurricane model submission or during the on-site review shall be available on-site in hard copy or electronic form for the Professional Team.

The Professional Team shall be provided access to internet connections through the Professional Team members’ personal computers for reference work that may be required during the on-site review.

The modeling organization should be prepared to have available for the Professional Team’s consideration, all insurance claims data received or newly processed since the previous hurricane model submission, and be prepared to describe any processes used to amend or validate the hurricane model that incorporates this data.

The modeling organization should be prepared to provide for the Professional Team’s review, all engineering data (e.g., post-event site investigations, laboratory or field testing results) received since the previous review by the Professional Team, and be prepared to describe any processes used to amend or validate the hurricane model that incorporates this data.

***Professional Team Report***

After completing its review of the hurricane standards the Professional Team will conduct an exit briefing with the modeling organization. During this briefing, the Professional Team will provide a preliminary draft of the Professional Team report. This offers the modeling organization an opportunity to check for any factual errors and to expunge any trade secret information. The Professional Team will consider modeling organization suggestions for changes in its draft to correct factual errors. If the modeling organization and the Professional Team dispute a particular item as a factual error, then the report would adopt the phrasing, “In the opinion of the Professional Team, …”

Suggestion from AIR:

**Problem Statement:** The suggested changes to the last complete sentence above to eliminate the promise that the Professional Team will remove information that the modeler considers trade secret is troubling. Plus it is contradictory to the sentence immediately preceding.

**Explanation:** The proposed changes will retain the certainty that no information will be left in the public Pro Team report that the modeler considers trade secret.

**Amendatory Language:** Change back to stronger language to eliminate the uncertainty about whether proprietary material can be left in a report that will be in the public domain.

The Professional Team will consider modeling organization suggestions for changes in its draft to correct factual errors, and will redact information the modeler deems trade secret.

The preliminary draft of the Professional Team report shall be made available to the Commission at the closed meeting where trade secrets used in the design and construction of the hurricane model are discussed. Any material deemed proprietary will be designated as trade secret. The preliminary draft will be placed in a sealed envelope marked “Confidential” with the date, time, and Professional Team leader’s signature across the seal. The draft will be kept by the modeling organization and returned to the Professional Team leader during the closed meeting to discuss trade secrets. At the conclusion of the closed meeting, the draft will be returned to the modeling organization.

The report will include:

1. A list of participants,
2. A summary of significant revisions to the hurricane model from the previously-accepted hurricane model,
3. Any changes made to the hurricane model submission that were reviewed by the Professional Team during the on-site review. These changes shall be provided to the Commission in the revised hurricane model submission at least ten days prior to the Commission meeting to review the hurricane model for acceptability,
4. A verification that any deficiencies noted by the Commission have been resolved,
5. A copy of the pre-visit letter,
6. A verification of compliance with the hurricane standards,
7. A description of material reviewed in support of compliance with the hurricane standards ,
8. A list of materials needed in preparation for an additional verification review, if applicable,
9. A list of trade secret items the modeling organization intends to present to the Commission during the closed meeting portion of the Commission meeting to review hurricane models for acceptability, and
10. A statement indicating where proprietary information has been removed.

After leaving the modeling organization’s premises, the Professional Team, in coordination with SBA staff, will finalize its report and provide it to Commission members in advance of the meeting to review the hurricane model for acceptability. Any disparate opinions among Professional Team members concerning compliance with the hurricane standards will be duly noted and explained in the final report.

***Additional Verification Review***

It is possible that a subset of the hurricane standards or changes made to the hurricane disclosures, forms, and trade secret items may require further review by the Professional Team or a subset of the Professional Team. In such cases, the SBA staff will arrange an additional verification review, in accordance with the acceptability process, to verify those hurricane standards.

In preparation for an additional verification review, the Professional Team shall include in their report an initial set of materials needed for preparation prior to the re-visit. Non-trade secret materials shall be received by SBA staff no later than seven days prior to the additional verification review. Trade secret materials requested shall be provided at the onset of the additional verification review. Additional materials may be requested on-site by the Professional Team in order to verify the hurricane standards.

***Trade Secret Information***

While on-site, the Professional Team members are expected to have access to trade secret data and information. It is the responsibility of the modeling organization to identify to all Professional Team members what is a trade secret and is not to be made public.

All written documentation provided by the modeling organization to the Commission is considered a public document with the exception of documents provided during the closed meeting where trade secrets used in the design and construction of the hurricane model are discussed.

The modeling organization shall provide any additional information directly to the Commission rather than give it to Professional Team members to be brought back with them. Documents that the modeling organization indicates are trade secret that are viewed by Professional Team members are not public documents.

Any notes made by Professional Team members containing trade secrets will be expunged by the modeling organization and placed in a sealed envelope marked “Confidential” with the date, time, and Professional Team member’s signature across the seal. The notes will be kept by the modeling organization and returned to the Professional Team member during the closed meeting to discuss trade secrets. At the conclusion of the closed meeting, all notes will be returned to the modeling organization.

Trade secrets of the modeling organization learned by a Professional Team member shall not be discussed with Commission members.

Professional Team members shall agree to respect the trade secret nature of the hurricane model and not use trade secret information in any way detrimental to the interest of the modeling organization.

Professional Team members shall not discuss other hurricane and flood models being evaluated while they are on-site reviewing a particular hurricane model.

***On-Site Review Results***

The Professional Team will present the results of the on-site review to the Commission and answer questions related to their review.

The job of the Professional Team is to verify information and make observations. It is not part of the Professional Team’s responsibilities to opine or draw conclusions about the appropriateness of a particular hurricane model or a component part of a hurricane model.

Refer to the **Process for Determining the Acceptability of a Computer Simulation Hurricane Model** for additional information regarding the on-site review.

**Professional Team**

***Composition and Selection of the Professional Team***

A team of professional individuals, known as the Professional Team, conducts on-site reviews of modeling organizations seeking a determination of acceptability by the Commission. The Professional Team consists of individuals having professional credentials in the following disciplines with each area represented by one or more individuals: Actuarial Science, Statistics, Meteorology, Hydrology, Hydraulics, Computer/Information Science, Coastal Engineering, and Structural Engineering.

The SBA staff selects the Professional Team members, and the SBA enters into contracts with each individual selected.

Selection of the Professional Team members is an aggressive recruiting process to seek out qualified individuals who are capable of working closely with the Commission and who are available during specified time frames in order that the Commission can meet its deadline(s). Consideration is given to the following factors:

* Professional credentials, qualifications, and specialized experience
* Reasonableness of fees
* Availability and commitment to the Commission
* References
* Lack of conflicts of interest

***Responsibilities of the Professional Team***

## Team Leader: The SBA staff designates one member of the Professional Team as the team leader. The team leader is responsible for coordinating the activities of the Professional Team and overseeing the development of reports to the Commission.

**Team Members:**

1. Participate in preparations and discussions with the Commission and SBA staff prior to the on-site review.

2. Study, review, and develop an understanding of responses and materials provided to the Commission by the modeling organizations.

3. Participate with the Commission and SBA staff in developing, reviewing, and revising hurricane model tests and evaluations.

4. While on-site, verify, evaluate, and observe the techniques and assumptions used in the hurricane model for each member’s area of expertise.

5. Identify and observe how various assumptions affect the hurricane model so as to identify to the Commission various sensitive components and aspects of the hurricane model.

6. Discuss the hurricane model with the modeling organization’s professional staff to gain a clear understanding and confidence in the operation of the hurricane model and its description as provided to the Commission.

7. Participate in the administration of on-site tests.

8. Participate in the preparation of written reports and presentations to the Commission.

***Responsibilities of SBA Staff***

The Professional Team reports to designated SBA staff. SBA staff supervises the Professional Team and coordinates their pre-on-site planning activities, on-site reviews and activities, and post-on-site activities.

These responsibilities include:

1. Setting up meetings with Professional Team members individually and as a group. These meetings include conference calls and other meetings depending on circumstances and needs of the Commission.
2. Coordinating and scheduling on-site reviews.
3. Working with the Commission and Professional Team members in developing, reviewing, and revising hurricane model tests and evaluations.
4. Overseeing the supervision and administration of specified on-site tests and evaluations.
5. Working with the modeling organization to determine which professionals with the modeling organization should be available during the on-site review.
6. Briefing and de-briefing the Professional Team members prior to, during, and after the on-site review.
7. Coordinating the preparation of written reports and presentations to the Commission.
8. Coordinating the reimbursement of expenses per s. 112.061, F.S., for Professional Team members, Commission members, and SBA staff.