



# **ANALYTICS** AND HOW THEY INFORM THE MOST EFFICIENT **RISK TRANSFER SOLUTION**



CAYMAN  
CAPTIVE  
FORUM  
2018

## WAIT....WHAT ARE WE TALKING ABOUT?

- **Blending Insurable Risk**
- **Pandemic**
- **Parametric Triggers**
- **Quantifying Operational Risk**
- **Houston....we have no data**
- **Telematics....Ten Years Later**
- **How Much Limit do I Really Need**
- **ILS and Longer Tail Risk**



# BLENDING INSURABLE RISK

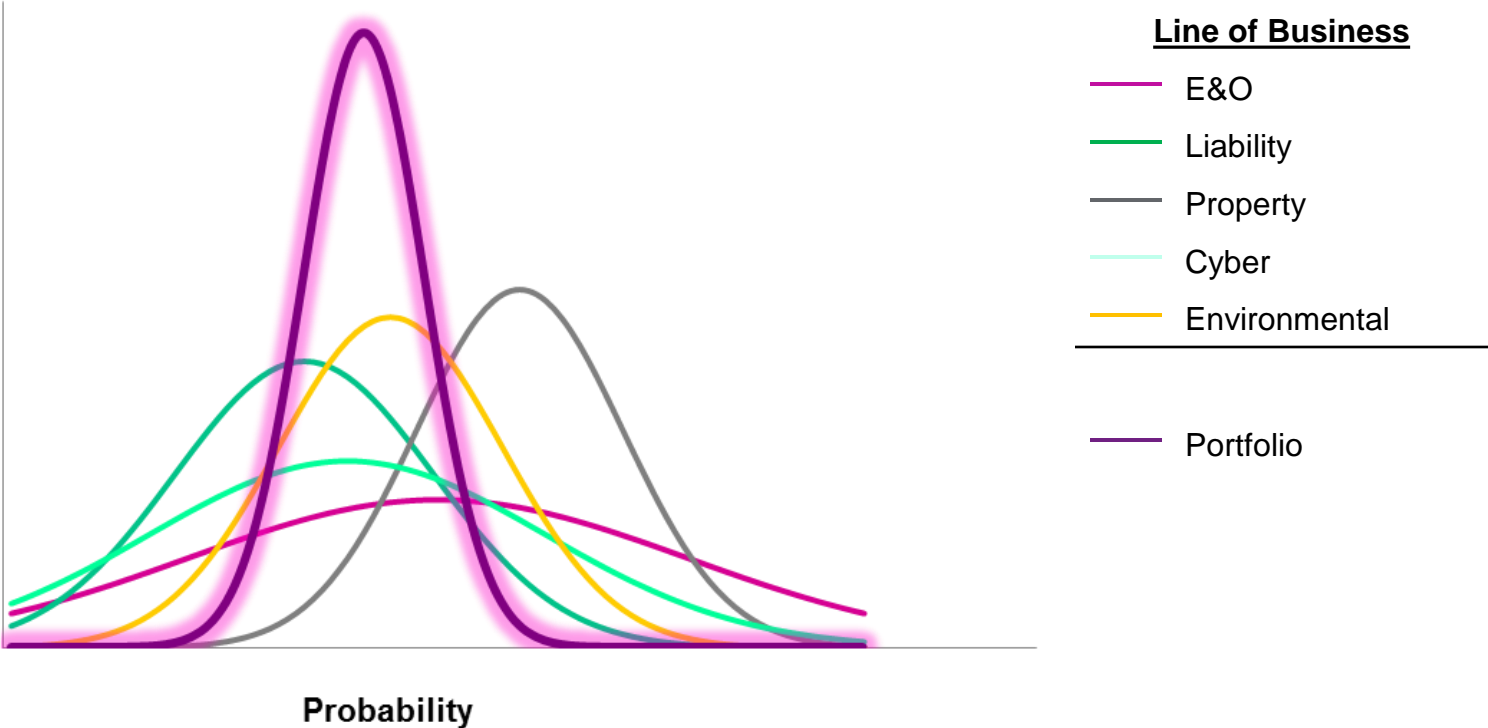


## BLENDING INSURABLE RISK

**What Impact does this have on expected Loss and Premium?**

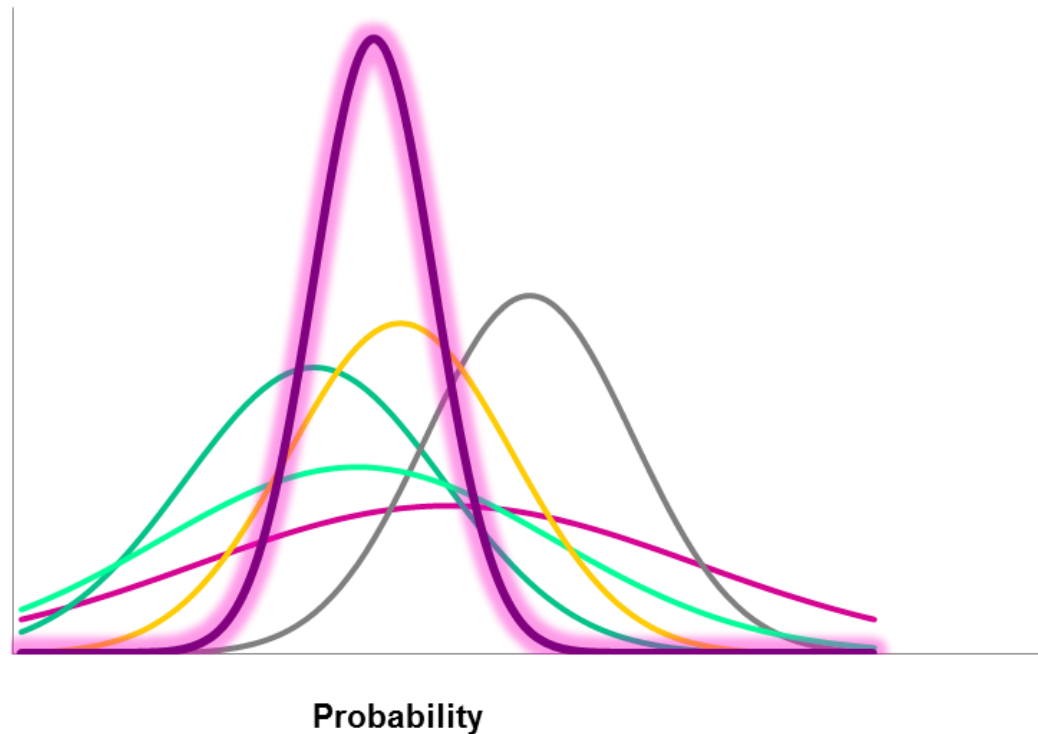
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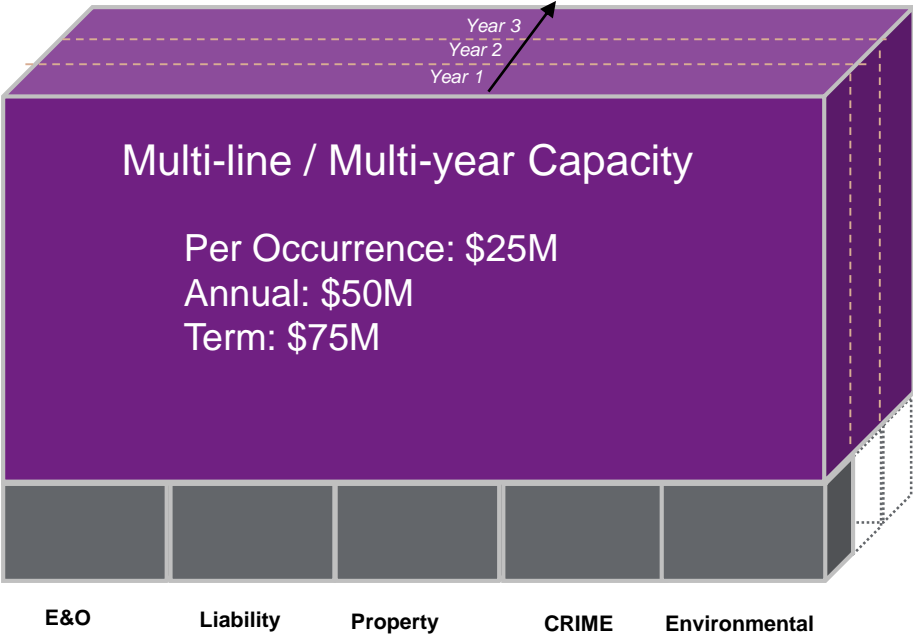
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<u>Line of Business</u>	<u>Expected Loss</u>
E&O	\$150K
Liability	\$300K
Property	\$600K
Cyber	\$200K
Environmental	\$50K
<hr/>	
	<b>\$1.3M</b>
Portfolio	<b>?</b>

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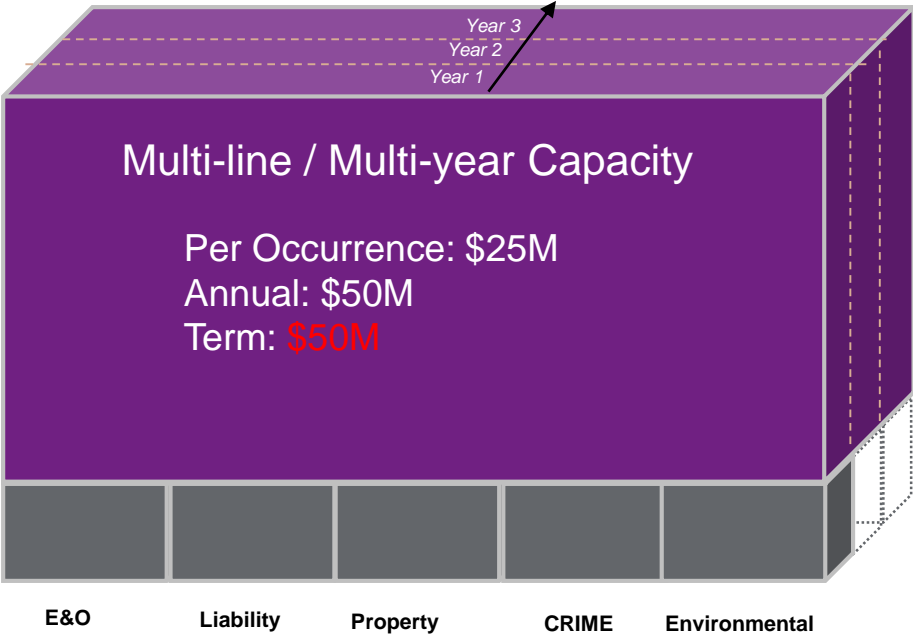
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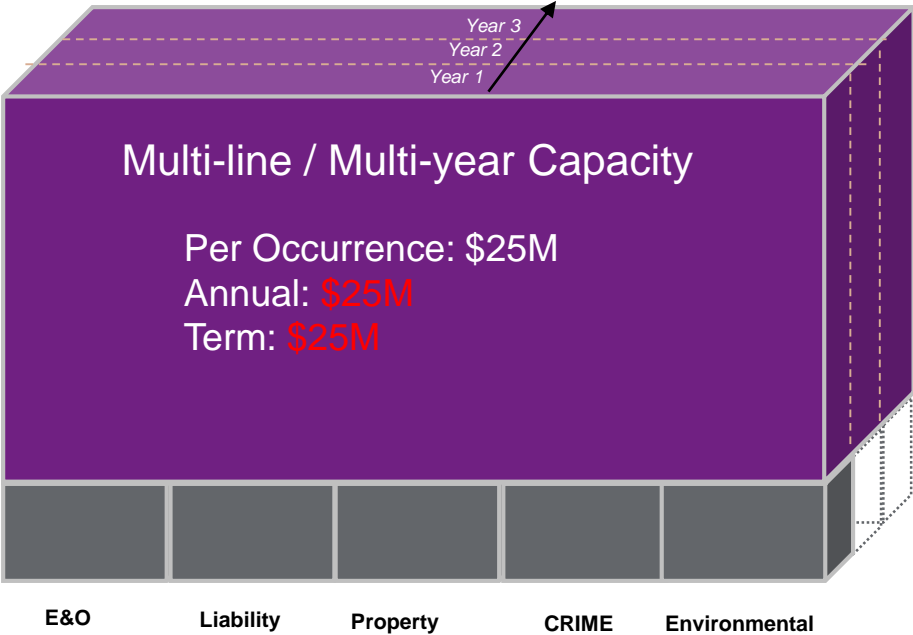


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Is it possible to create a parametric EQ / Windstorm Program that dove tails with a traditional Property program so that NDBI and BI losses are covered with no gaps or overlaps?



# PARAMETRIC SOLUTIONS

Can data and analytics overcome Basis Risk?



# QUANTIFYING OPERATIONAL RISK

## What about Operational Risk?

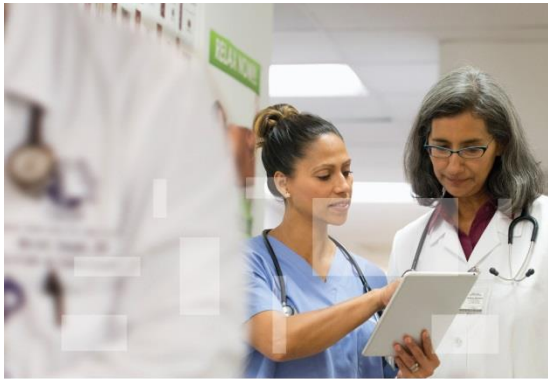
The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.



# BLENDING INSURABLE RISK

**What about Operational Risk?**

**Can operational Risk for Non Financial Institution's be quantified and insured?**



# HOUSTON.....WE HAVE NO DATA



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If data builds credibility around risk, what do we do when an organization has little or no data for a specified risk?





# HOUSTON.....WE HAVE NO DATA

## Pandemic

.....specifically generating a loss cost / expected loss on both the extra expenses and potential liability associated with a Pandemic event



# HOUSTON.....WE HAVE NO DATA

## CTE - Chronic Traumatic Encephalopathy

.....specifically, how to manage the IBNR given the long term nature, volatility and potential accumulation issues with the risk



# HOUSTON.....WE HAVE NO DATA

## Reputational Risk

.....specifically, how do we define the trigger and quantify the loss



# TELEMATICS

10 Years later....What do we know?



# TELEMATICS

**What impact has telematics had on the modeling, pricing and structuring of Auto Liability Insurance programs in the US?**



# TELEMATICS

## What impact will Autonomous Vehicles have on Telematics?



## ILS & LONGER TAIL RISK

**Will data and analytics generate interest from the capital markets for longer tail risk?**



## HOW MUCH LIMIT DO I REALLY NEED

**What is the best way to determine how much liability limit an insured should buy?**





# APPENDIX

## Panelists information

# PANELIST

## **Ann Conway** **Willis Towers Watson**



Ann is a managing director at Willis Towers Watson, providing consulting services to numerous clients in the private and public sectors. She specializes in commercial lines and has worked on reserving and pricing for insurance companies and self-insurers, captive feasibility analyses, and capital adequacy reviews. She also acted as an expert witness in several occasions. She is an active volunteer in the CAS, having served on the CAS Board of Directors and chaired several committees, including the CAS Risk Management Committee.

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# PANELIST

**Robert Curtis**  
**SCOR Reinsurance Company**  
Senior VP, Alternative Solutions



Robert Curtis is currently a Senior Vice President for SCOR Reinsurance Company's Alternative Solutions Division. This group is responsible for developing unique, parametric and structured solutions for both the reinsurance and corporate segments of the business. Mr. Curtis is responsible for underwriting and business development of these solutions for the Americas' territory which includes North, Central/Latin and South America. Prior to SCOR Mr. Curtis held various senior positions at Zurich Insurance, including leading its US Energy Property, Structured Solutions, and Mergers & Acquisitions units. Mr. Curtis has a Masters in Business Administration from Thunderbird School of Global Management and a Bachelors of Arts in Economics from Pacific Lutheran University.

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# PANELIST

## **Parag Bavishi** **Allianz Risk Transfer** Vice President



Parag Bavishi is a Vice President at Allianz Risk Transfer, Inc. (“ART”) in their New York Office. Parag is responsible for pricing, underwriting and structuring customized risk financing solutions for corporate clients. Parag joined ART in 2013 and since joining has been integral part of the team that help ART built their US operation, which now includes inforce business of USD 75mn Gross Written Premium. In addition, Parag works collaboratively with brokers and consultants to drive client engagement and business development.

Prior to joining ART, Parag served as Head of actuarial division for Zurich’s SRS unit responsible for integrated solutions and structured solutions. Parag was also VP at Northbridge Insurance responsible for western region’s portfolio optimization to drive the region’s focus towards profitability

Parag received a Master’s in Chemical Engineering and PhD in Quantitative Finance from Imperial College of Science Technology and Medicine, UK.

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# MODERATOR

**Michael Southers**  
**Willis Towers Watson**  
Director, Alternative Risk Transfer



Mike is a Director in the Alternative Risk Transfer Solutions practice. Based in New York, he is responsible for the generation, support and delivery of custom risk financing opportunities in the Americas.

Mike recently joined Willis after working on the carrier side as an ART underwriter for both Zurich and SCOR where he specialized in designing Structured and Integrated insurance programs. With 10+ years of experience, he has worked with Risk Managers and CFO's to design and implement a wide range of solutions in the Chemical, Transportation, Healthcare, Construction, Retail and Technology sectors.

Mike has a BS in Risk Management and Insurance as well as Associate in Risk Management (ARM).

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# THANK YOU