

# Informed decision making with catastrophe risk insights

Guy Carpenter's Kimberly Roberts, Jeffrey Schmidt and Shannon Peterson outline the benefits of advanced analytics in managing catastrophe risk

**G**lobally, natural catastrophe risk and loss costs are growing, primarily driven by urbanization, economic growth, the impact of inflation on loss costs and the effects of climate change. While insurance carriers focus on achieving positive underwriting results, these catastrophe events – and the related complexities in underwriting, portfolio management and event response – all present headwinds.

## Event response

Among the many issues carriers face, unexpectedly large losses from convective and hail storms, for example, may strain company resources needed for swift claims handling and reporting.

Improvements in the speed of event response, combined with the analytics necessary to help drive more effective strategies for loss control, are key factors in enabling informed decisions and better overall financial management in disaster preparedness.

Knowing where claims might arise makes managing adjuster deployment easier and ensures that cases are handled promptly and efficiently, helping to reduce claim costs while improving the overall experience for policyholders. Accurate data supports reserving by enhancing an insurer's ability to be best prepared to fulfill claims needs while keeping an eye on operating profitability.

## Underwriting/portfolio management

Many carriers struggle with evaluating underwriting guideline adherence in high-risk areas at the point of sale, leading to risk evaluation being slower and less complete. Effective tools that streamline catastrophe risk quantification – while at the same time connecting users with risk advisory data curated by experts to better identify, manage and monitor exposures – help carriers thrive.

Companies with product and target market segments geared to larger concentrations of risk in urban areas, for instance, may experience growing accumulations, impacting their cost of reinsurance. Thorough analysis of current policies can help with decision making on policy limits offered and management of exposure aggregate thresholds. The analysis may also inform non-renewal, limits to additional writings or facultative placement needs.

## How Guy Carpenter can help

To support clients in transforming data into actionable insights to better manage exposure, improve risk selection, minimize losses and unlock opportunities within their portfolios, Guy Carpenter offers GC AdvantagePoint®. It streamlines the quantification of catastrophe risk and connects users with risk advisory data and experts to better identify, manage and monitor exposures.

The application suite is rooted in geospatial technologies and insights, providing users with the ability to leverage vast amounts of peril and hazard data live on the platform, and overlay data from their in-force portfolio.

Ensuring prompt, effective preparation and disaster response is what helps insurers differentiate themselves in serving policyholders. The Event Impact module within GC AdvantagePoint provides clients direct access to Guy Carpenter's extensive catalog of live event feeds, historic events and hazards. Events can be monitored live as they unfold across several perils, including automatic email updates for severe convective storm, hurricane, wildfire and earthquake.

For improved risk selection and profitability, underwriters need a deep understanding of local exposures when considering a new risk. One key feature of GC AdvantagePoint is the Underwriter+ module, which delivers access to hazard data, local accumulation insights and modeled loss information. A suite of additional capabilities provides relevant risk scoring, satellite data, map measurement tools, and the ability to save risks and generate reports. This dataset is curated regularly by our in-house peril experts, leading to a qualitative set of risk information that is consistent from peril to peril.

GC AdvantagePoint provides an opportunity for insurers dealing with natural catastrophe exposures to take fullest advantage of pertinent data. The platform uses extensive natural peril datasets that add context and help insurers manage catastrophe events as they happen, while helping underwriters develop quick, consistent premium quotes in areas likely to experience a wide range of catastrophic perils. This technology, combined with Guy Carpenter's tailored analytic and strategic solutions, helps clients make much more informed risk decisions.



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