



a  PERILS company

CEC Workshop

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Laura.Twiddle@catiq.com

What is CatIQ?

**CatIQ is Canada's
insurance loss and
exposure indices
provider**

**Subsidiary of
PERILS**



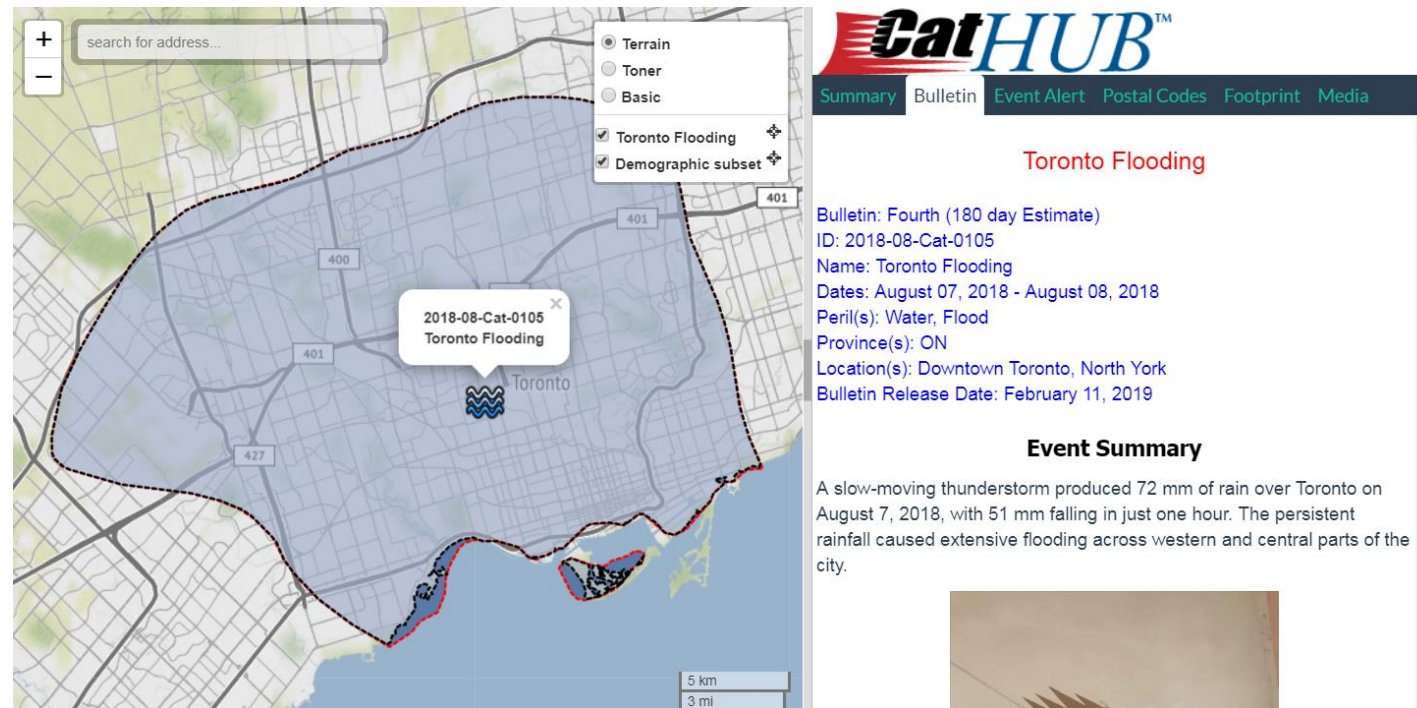
2020/2021 Advisory Committee

- **Joel Baker**, President & CEO, CatIQ
- **Claudette Cantin**, Chief Actuary & CRO, Munich Re Canada
- **Paul Cutbush**, Senior Vice President, Catastrophe Management, Aon
- **Dipika Deol**, Senior Treaty Underwriter, Property Underwriting US & Canada, Swiss Re
- **Caroline Floyd**, Asst. Director of CAT Loss Analysis, CatIQ
- **Luzi Hitz**, CEO, PERILS AG
- **Lee Marshall**, Senior Director – Commercial Lines & Reinsurance, SGI Canada
- **Glenn McGillivray**, Managing Director, ICLR
- **Alison Porter**, SVP, Treaty Head, SCOR Canada
- **Chris Rol**, Senior Policy Advisor, IBC
- **Anya Sri-Skanda-Rajah**, Managing Director, Guy Carpenter
- **David Storey**, National Claims Director, RSA Insurance Group
- **Laura Twidle**, Managing Director, CatIQ
- **Jeff Vannan**, Director, Cat Modeling, Travelers Canada
- **Rebecca Wagner**, Associate Director, Prediction Services Operations Centre, MSC, ECCC



Declaring events

>\$25 million insured loss = **Catastrophe (CAT)**
\$10-25 million insured loss = **Notable Event (NE)**



The screenshot displays the CatHUB web application. On the left, a map of Toronto is shown with a blue shaded area representing the flooding event. A search bar at the top left contains the text "search for address...". A legend on the right side of the map includes options for "Terrain", "Toner", "Basic", "Toronto Flooding", and "Demographic subset". A callout box over the map identifies the event as "2018-08-Cat-0105 Toronto Flooding". On the right side of the interface, the "CatHUB" logo is at the top, followed by navigation tabs: "Summary", "Bulletin", "Event Alert", "Postal Codes", "Footprint", and "Media". The "Event Alert" tab is selected, showing the event title "Toronto Flooding" in red. Below the title, the following details are listed: "Bulletin: Fourth (180 day Estimate)", "ID: 2018-08-Cat-0105", "Name: Toronto Flooding", "Dates: August 07, 2018 - August 08, 2018", "Peril(s): Water, Flood", "Province(s): ON", "Location(s): Downtown Toronto, North York", and "Bulletin Release Date: February 11, 2019". An "Event Summary" section follows, describing a slow-moving thunderstorm on August 7, 2018, that produced 72 mm of rain, with 51 mm falling in one hour, causing extensive flooding. A small image placeholder is visible at the bottom of the summary section.

Loss estimates

Data collection from participating primary insurers to produce industry-wide estimates



Claim count	<u>Intervals:</u>
Case incurred	Initial
ALAE	45-days
	90-days
By province	180-days
By line of business	1-year
	2-years (if >\$500m)

Loss estimates

Data collection from participating primary insurers to produce industry-wide estimates

Province	Line of Business	Claim Count	Case Incurred + IBNR (\$)	Total Incurred	ALAE (\$)	MSA Market Share	Cat Market Share
AB	Personal Property			0		10.15	
	Commercial Property			0		6.67	
	Auto Property			0		7.73	
Total AB		0	0	0	0		

DATA

By province
By line of business

100-days
1-year
2-years (if >\$500m)

Loss estimates

Data collection from participating primary insurers

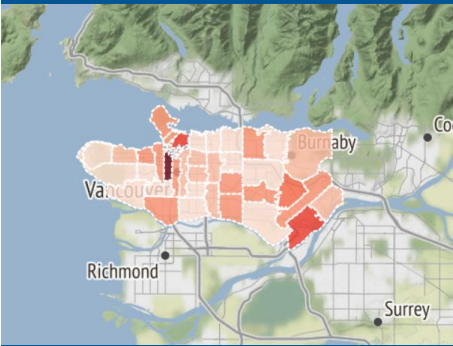
Would you like to include IBNR in Incurred column? Yes No

Province	Line of Business	Claim Count	Case Incurred (\$)	IBNR (\$)	Total Incurred (\$)	ALAE (\$)	Closed Claim Count	Closed Claims Incurred (\$)
NB	Personal Property							
	PD							
	Non PD							
	Sewer Backup / Water							
	Commercial Property							
	PD							
	Non PD							
	Large(>500K)							
	Small(<500K)							
	Auto							
	Total NB		0	0	0	0	0	0

By line of business

1-year
2-years (if >\$500m)

Industry Exposure Database (“IED”)



Industry Exposure Data

- ‘Exposure Data’**
- Risk count
 - Building value
 - Vehicle value
 - Contents value
 - BI value
 - ALE
 - Loss limit
 - Deductible

Updated once a year

For all of Canada

Industry Loss Data

‘Loss Data’

- Claim count
- Event loss

For any natural catastrophe event that causes an industry loss greater than C\$300M, 90 days, 180 days, and 1 year after the event (and 2 years after if industry loss exceeds C\$500M)

For affected areas in Canada

By FSA

By peril (windstorm, hail, fire, flood, sewer back-up, earthquake, and volcanic eruption)

By property LOB (personal, commercial, and auto) where applicable

CEC's Flood Costing Methodology

- How can we address the knowledge and data gaps?
 - Flood is a relatively new insured peril in Canada and there could be opportunities (for future events)
 - View of data gaps: Companies rely on their damage data to underwrite, however flood insurance is new, so (insured) historical data largely unavailable – reliance on models.
 - Addressing data gaps: When prompted and see the benefits, the data can be produced.
 - A majority of the industry needs to be on board.
- What are the potential challenges in real-world implementation?
 - Event loss publication and timing of data availability
 - Maintenance
 - Adapt to newly available data