

Non-Catastrophe Analytics in Touchstone

HIGHLIGHTS

- Explore the impact of risk from non-catastrophe perils
- Calculate ground-up non-cat losses for each location and distribute losses into excess layers, using integrated ISO data products or your own loss costs and first loss curves
- Streamline underwriting workflow and increase productivity in a single platform

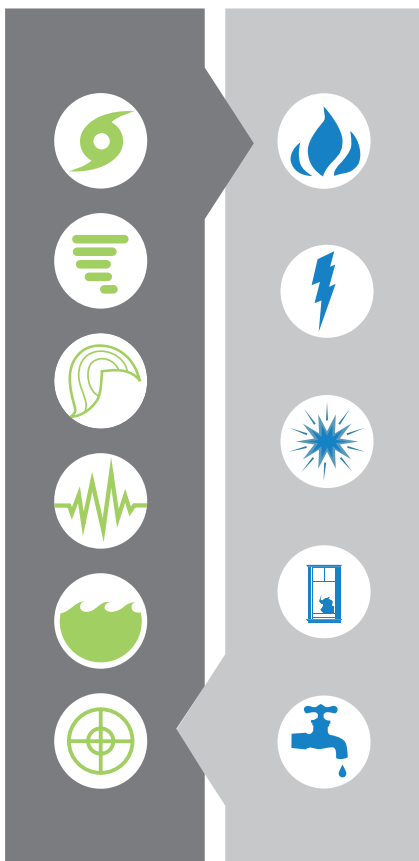
Increasingly, companies are seeking a comprehensive view of their risk, and that requires accounting for both catastrophe and non-catastrophe perils. With the integration of non-catastrophe (non-cat) analytics in Touchstone®, companies have a powerful way to assess their risk not only from catastrophes, but also from perils such as fire, lightning, explosion, vandalism and malicious mischief, and sprinkler leakage.

Touchstone provides insurers and reinsurers with a comprehensive solution to understand the risk presented by a broad range of cat and non-cat perils within a single workflow, helping them to make better informed pricing, underwriting, and risk transfer decisions.

Catastrophe and Non-Catastrophe Loss Analyses Can Be Conducted Simultaneously

Touchstone enables companies to conduct cat and non-cat analyses simultaneously using the same exposure attributes already collected and imported for catastrophe modeling (including location, construction, occupancy, coverage terms, and reinsurance). In addition, Touchstone's exposure data schema has been expanded to enable you to capture location-level exposure attributes that are critical to understanding the risk presented by non-catastrophic perils. These attributes are: the presence of a sprinkler system and ISO Public Protection Class, Construction, and Occupancy codes.

Users can input custom non-cat data for their analyses, or leverage some of ISO's industry-leading products—developed based on more than 20 years of data collected by AIR's parent company, Verisk Analytics—that have been seamlessly integrated into Touchstone.



Calculate Expected Ground-Up Losses

Right within Touchstone, users can apply loss cost data to calculate expected ground-up losses (or average annual loss) for non-cat perils at the location level.

Users with the appropriate licensing can leverage ISO loss cost data for commercial and residential properties. Advisory Prospective Loss Costs are available for commercial property for the Basic Group I perils (fire, lightning, explosion, vandalism and malicious mischief, and sprinkler leakage) and the Special Causes of Loss perils (theft; weight of snow, ice, or sleet; water damage; and glass breakage). Homeowner's Loss Costs (with hurricane loss costs removed) are also available for residential property. Touchstone selects which to apply based on occupancy and user-set defaults.

Alternatively, users can apply their own custom loss costs to each location. These can be imported as a template, or entered manually through the Touchstone user interface.

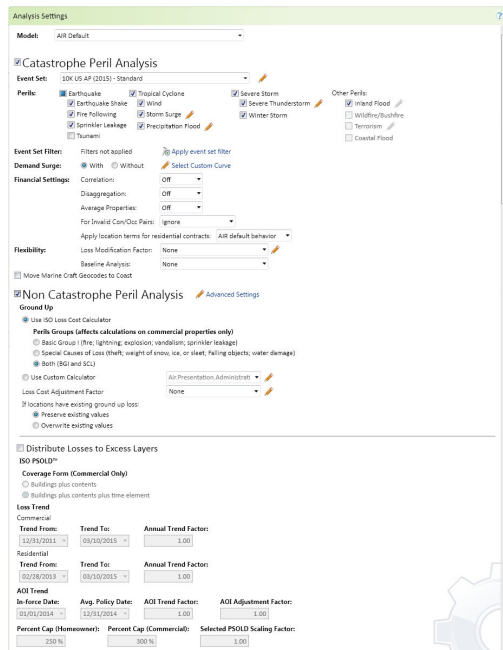
Distribute Non-Cat Losses into Excess Layers

In addition to calculating non-cat ground-up losses, Touchstone allows you to distribute gross and/or net losses into your company's contract layers and excess per risk treaties. Users can leverage ISO's Property Size-of-Loss Database (PSOLD™) curves for commercial and residential properties, which have been integrated into Touchstone and are available if licensed.

PSOLD curves are the most robust set of first loss curves in the industry and are based on 20 years of U.S. claims data collected by ISO with loss detail linked to exposure information by amount of insurance, state, occupancy, coverage, and peril. With over 1 million individual curves, PSOLD has been tested and validated to be able to distribute losses into multiple layers of coverage, both in the U.S. and around the world.

ABOUT AIR WORLDWIDE

AIR Worldwide (AIR) provides risk modeling solutions that make individuals, businesses, and society more resilient to extreme events. In 1987, AIR Worldwide founded the catastrophe modeling industry and today models the risk from natural catastrophes, terrorism, pandemics, casualty catastrophes, and cyber attacks, globally. Insurance, reinsurance, financial, corporate, and government clients rely on AIR's advanced science, software, and consulting services for catastrophe risk management, insurance-linked securities, site-specific engineering analyses, and agricultural risk management. AIR Worldwide, a Verisk (Nasdaq:VRSK) business, is headquartered in Boston with additional offices in North America, Europe, and Asia. For more information, please visit www.air-worldwide.com.



Cat and non-cat analysis options are available in the Detailed Loss Analysis window and can be run in parallel or independently

Workflow Has Worldwide Applicability

AIR Worldwide provides catastrophe models for over 90 countries, and ISO is expanding the applicability of their loss cost data for use in countries outside the U.S. by adjusting for differences such as construction, occupancy, protection, exposure, and amount of insurance. ISO has already released PSOLD curves for the United Kingdom, Germany, France, the Netherlands, and Australia. Other countries such as Brazil and Japan are in the process of being validated. Future versions of Touchstone will support non-catastrophe analysis for countries outside the United States.

To learn more, please contact your AIR representative or visit us at: <http://www.air-worldwide.com/Software-Solutions/Touchstone/>