

Own the Risk in Commercial Underwriting in Touchstone

Managing Catastrophe Risk in Commercial Underwriting Webinar Series
Peter Baltatzidis, Director of Product Management



Webinar Series Agenda

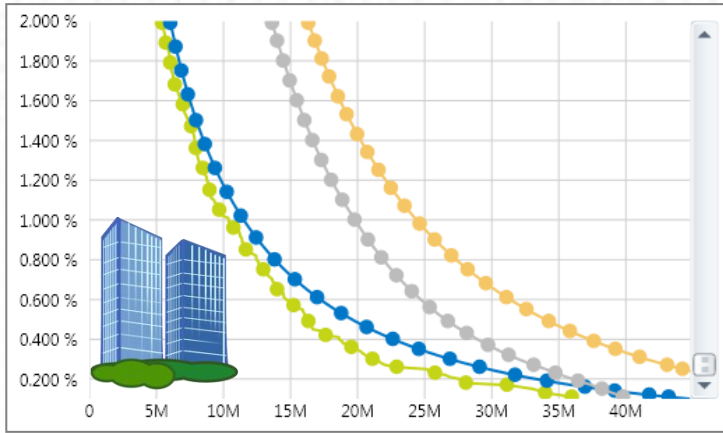


June 2 Own the Risk in Commercial Underwriting
in Touchstone

June 23 Using Touchstone for Accumulation
Management and Advanced Geospatial Analysis

July 14 The Broader Solution Set for Commercial
Underwriting from AIR and Verisk Analytics

AIR's Models and Software Are Widely Accepted for Commercial and E&S Underwriting



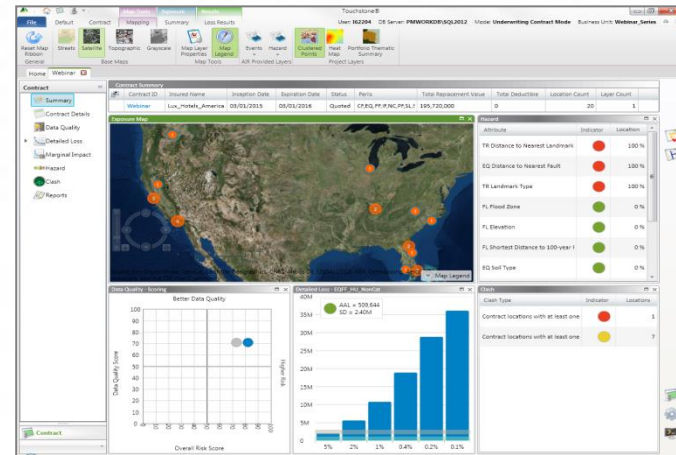
Enhanced Modeling Capabilities for Commercial Risks



AIR Catastrophe Risk Engineering



Access to Verisk Analytics Assets



Touchstone®

AIR's Comprehensive Risk Management Platform

Enhanced Modeling Capabilities for Commercial Risks

Enhancements to vulnerability

Expanded range of commercial classes

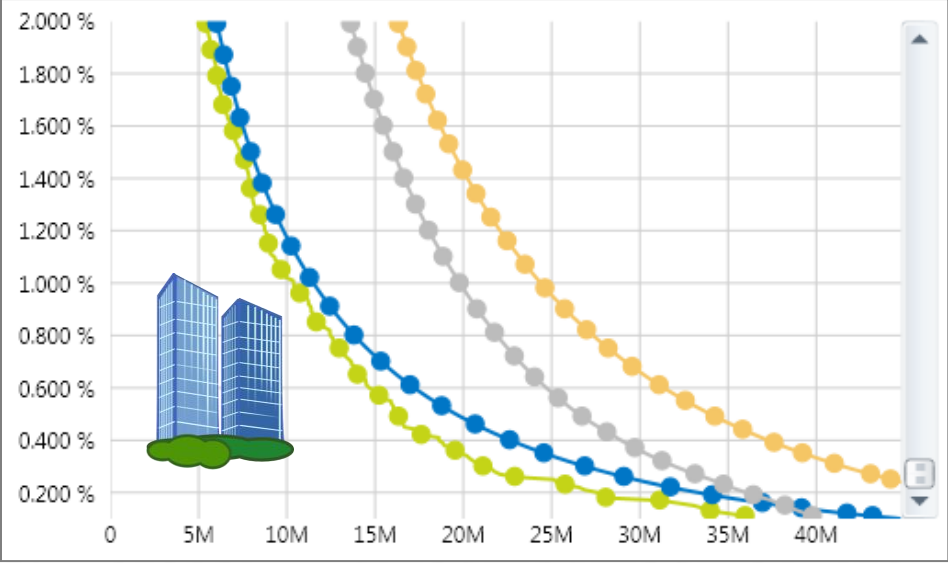
Enhanced storm surge

Improvements to business interruption

Industrial facilities module

Builder's risk

Robust financial module



AIR Catastrophe Risk Engineering

Catastrophe risk engineering consulting practice offers supplemental services that can help you reduce uncertainty for individual risks and get the best estimate of risk.



Access to Verisk Analytics Assets

Claims data

Property data

Non-cat perils

Replacement valuation

Verisk data layers



Touchstone: AIR's Comprehensive Risk Management Platform

The screenshot displays the Touchstone software interface with the following components:

- Contract Summary Table:**

Contract ID	Insured Name	Inception Date	Expiration Date	Status	Perils	Total Replacement Value	Total Deductible	Location Count	Layer Count
Webinar	Lux_Hotels_America	03/01/2015	03/01/2016	Quoted	CP, EQ, FF, IF, NC, PP, SL, S	195,720,000	0	20	1
- Exposure Map:** A satellite map of the United States with orange circular markers indicating risk locations across the country.
- Hazard Panel:** A table listing various hazards and their indicators.

Attribute	Indicator	Location
TR Distance to Nearest Landmark	Red Circle	100 %
EQ Distance to Nearest Fault	Red Circle	100 %
TR Landmark Type	Red Circle	100 %
FL Flood Zone	Green Circle	0 %
FL Elevation	Green Circle	0 %
FL Shortest Distance to 100-year I	Green Circle	0 %
EQ Soil Type	Green Circle	0 %
- Data Quality - Scoring:** A scatter plot titled "Better Data Quality" showing a positive correlation between "Data Quality Score" (y-axis, 0-100) and "Overall Risk Score" (x-axis, 0-100). Two data points are shown: a grey one at approximately (85, 70) and a blue one at approximately (95, 70).
- Detailed Loss - EDFF, HU, NonCat:** A bar chart showing loss distribution. The y-axis is labeled "Higher Risk" (0-40M) and the x-axis shows percentages: 5%, 2%, 1%, 0.4%, 0.2%, and 0.1%. A callout box indicates: AAL = 509,644 and SD = 2,40M.
- Clash Panel:** A table listing clash types and their indicators.

Clash Type	Indicator	Locations
Contract locations with at least one	Red Circle	1
Contract locations with at least one	Yellow Circle	7

Touchstone Designed as a Platform for Your Risk Modeling Workflow

Hazard Analytics

Name	Date	Intensity	Distance	Intensity
Hugo	9/22/1989	4	5	4
Clive	9/29/1959	3	55	3
Unlabeled	5/11/1940	2	40	2
Irene	10/15/1959	1	54	2
Unlabeled	10/11/1943	2	62	2

Model Transparency

S_a ^{mph} **PGA** _{m/s}

Account Underwriting



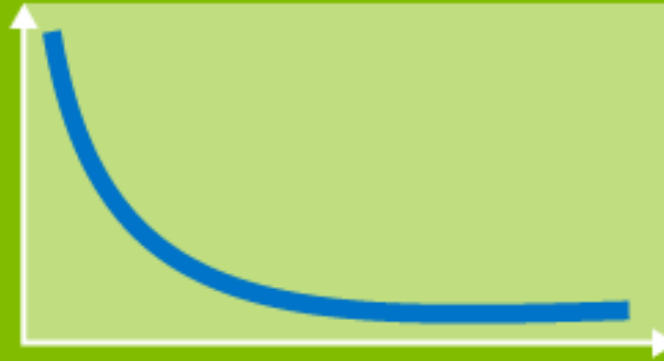
Non-Cat Analytics



Geospatial Analytics



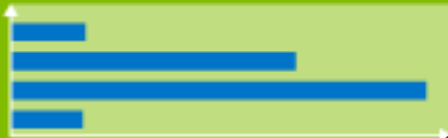
CAT Loss Analytics



Verisk Data



Data Quality Analytics



Enterprise Portfolio and Exposure Management



Multi-Modeling and Non-Modeled Perils



Flexibility to Adjust Model Output and Parameters



More to Come



APIs, Mobile and External Apps



Let's Evaluate Luxury Hotels of America



Statement of Values as Received from Broker

Street	City	State	Postal	Construction	Occupancy	YearBuilt	Stories	Sq Ft	PPC	Sprinkler	Building	Contents	TimeElement
2500 STIRLING RD	HOLLYWOOD	FL	33020	Reinforced Concrete	Temporary Lodging	1997	5	65271	2	Y	\$ 8,800,000	\$ 90,000	\$ 880,000
150 ANZA BLVD	BURLINGAME	CA	94010		Temporary Lodging			273698	1	Y	\$ 40,800,000	\$ 410,000	\$ 4,080,000
5001 W 79 ST	BURBANK	IL	60459	Steel	Temporary Lodging	1965	2	67090	7	Y	\$ 6,300,000	\$ 60,000	\$ 630,000
103 EASTPARK DR	BRENTWOOD	TN	37027	Masonry	Temporary Lodging	1986	2	75904	7	Y	\$ 5,000,000	\$ 50,000	\$ 500,000
1101 BEACH BLVD	JACKSONVILLE BEACH	FL	32250	Reinforced Concrete	Temporary Lodging	2008	3	54258	3	Y	\$ 5,000,000	\$ 50,000	\$ 500,000
433 W PICO BLVD	LOS ANGELES	CA	90015	Masonry	Temporary Lodging	2000	3	73625	8	Y	\$ 9,800,000	\$ 100,000	\$ 980,000
3135 S ATLANTIC AVE	DAYTONA BEACH	FL	32118	Reinforced Concrete	Temporary Lodging	2000	2	74886	4	Y	\$ 7,900,000	\$ 80,000	\$ 790,000
2550 ERRINGER RD	SIMI VALLEY	CA	93065	Reinforced Concrete	Temporary Lodging	1985	3	58000	1	Y	\$ 5,500,000	\$ 60,000	\$ 550,000
1001 KLUMAC RD	SALISBURY	NC	28147	Masonry	Temporary Lodging	1990	4	56421	5	Y	\$ 7,000,000	\$ 70,000	\$ 700,000
7120 S SPRINGS DR	FRANKLIN	TN	37067		Temporary Lodging			38738	8	N	\$ 3,600,000	\$ 40,000	\$ 360,000
2000 ESTERO BLVD	FORT MYERS BEACH	FL	33931		Temporary Lodging			178149	9	N	\$ 12,100,000	\$ 120,000	\$ 1,210,000
42200 ALBRAE ST	FREMONT	CA	94538	Unknown	Temporary Lodging	2000	5	75924	2	N	\$ 7,600,000	\$ 80,000	\$ 760,000
1100 EL CAMINO REAL	MILLBRAE	CA	94030		Temporary Lodging			23616	9	N	\$ 5,100,000	\$ 50,000	\$ 510,000
480 BOYNTON BEACH BLVD	BOYNTON BEACH	FL	33435	Reinforced Concrete	Temporary Lodging	1981	4	44210	9	N	\$ 4,700,000	\$ 50,000	\$ 470,000
151 VAN CAMPEN BLVD	WILMINGTON	NC	28403	Masonry	Temporary Lodging	1996	0	72740	3	Y	\$ 6,300,000	\$ 60,000	\$ 630,000
2066 BIRD ST	OROVILLE	CA	95965	Unknown	Temporary Lodging	1929	0	56211	8	Y	\$ 5,500,000	\$ 60,000	\$ 550,000
4681 LENOIR AVE	JACKSONVILLE	FL	32216	Reinforced Concrete	Temporary Lodging	2000	4	53136	6	Y	\$ 4,500,000	\$ 50,000	\$ 450,000
1020 S FIGUEROA ST	LOS ANGELES	CA	90015		Temporary Lodging			143954	3	Y	\$ 18,100,000	\$ 180,000	\$ 1,810,000
8822 CYNTHIA ST	WEST HOLLYWOOD	CA	90069	Reinforced Concrete	Temporary Lodging	1979	4	68715	5	N	\$ 6,200,000	\$ 60,000	\$ 620,000
486 BRADLEY BLVD	RICHLAND	WA	99352	Woodframe	Temporary Lodging	1996	3	89684	8	N	\$ 6,500,000	\$ 70,000	\$ 650,000

My Underwriting Guidelines

Based on Hazard

- Distance to nearest earthquake fault = 1 mile
- Distance to coast = 0.5 mile
- Distance to 100-year floodplain = 0.25 miles

Clash

- USD 75 million for any 0.5-mile-radius ring

Pricing

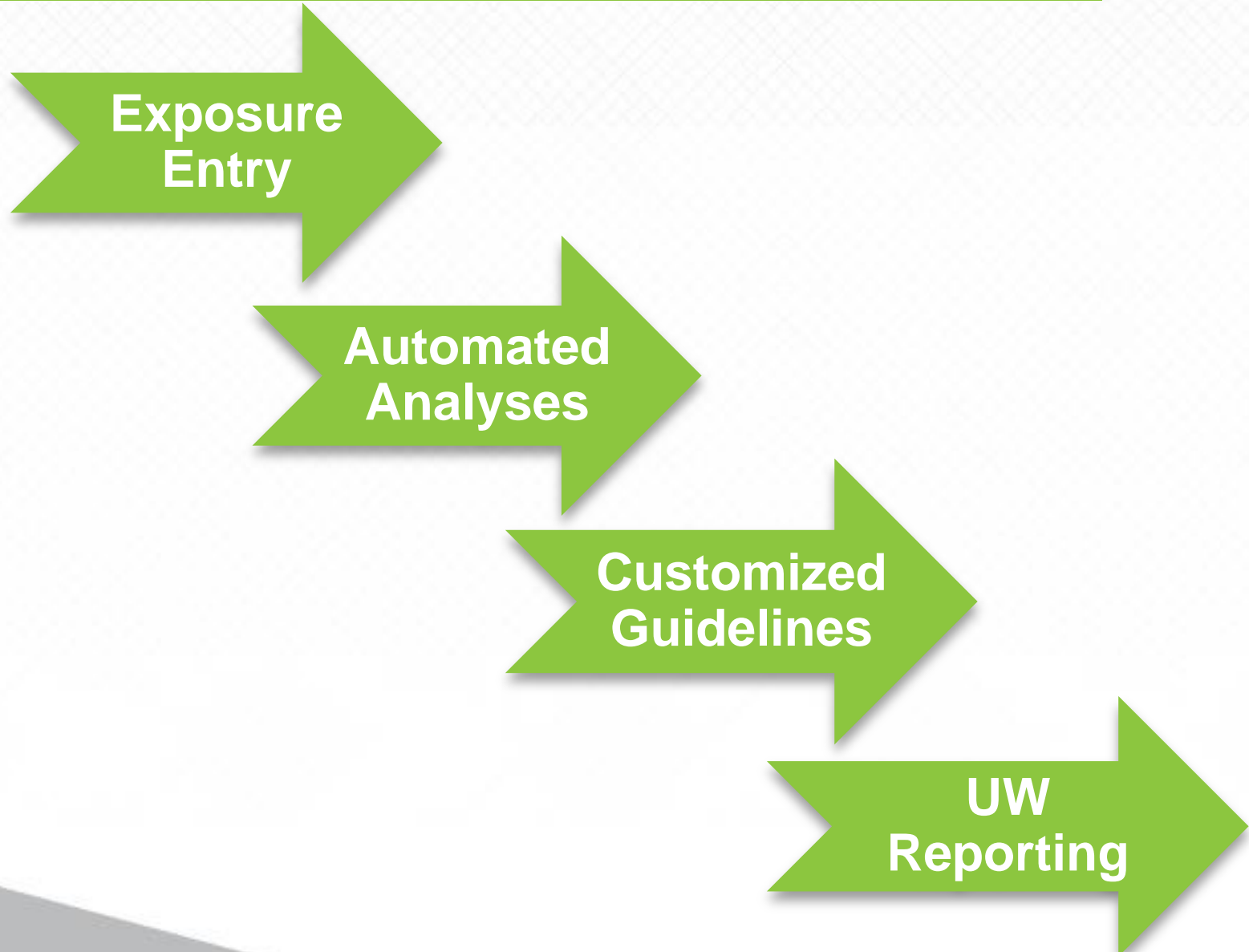
- AAL and standard deviation
- Non-Cat AAL
- 100-year and 250-year EP



Touchstone Demonstration



Summary: Touchstone Streamlines Account Underwriting



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Thank You

