

Catastrophe Reporting

a primary carrier's view

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Catastrophe Reporting Agenda

Definition of a Catastrophe

Data requests post event

Who? What? Where? When?

Case studies

Massachusetts Tornado

Sandy

Risk Based Capital Catastrophe Reporting

US GAAP Catastrophe Reporting



Catastrophe definition

- WHO?

PCS

State regulators

Rating Agencies

Contract

Company

Other regulators



Catastrophe definition

- WHAT?

Hurricane

Earthquake

Wildfire

Tornado

Hail

Snow/Ice

Terrorism

Workers Comp.

Super Storms



Catastrophe definition

- WHERE?

Boundaries – State, County, zip code, specific location

- WHEN?

Days or hours



PCS – Property Claim Services

- Identifies events
- Pro-active carrier outreach
- Monitors weather systems
- Designates a PCS Catastrophe Code (11-99)
- \$25M of loss and “significant” carrier and policyholder numbers



Other Definitions

- Reinsurance contract
- Catastrophe Bond contract
- State Regulators (zip codes/perils)
- Public companies have been reporting catastrophe losses separately
- Many use PCS or their own derivation



State Regulator Needs

Data requested may include

- Claims reported, paid, closed, denied, pending
- Service time metrics
- Losses and Expenses Paid
- Case Reserves
- IBNR

Segmented by line (coverage), county (zip code), legal entity



Why?

- Scope of event
- Solvency concerns
- Claims Adjuster licensing
- Complaint monitoring
- Press releases



Press Release

The Massachusetts Division of Insurance (DOI) said the state's insurers have so far received more than 1,300 claims from a rare tornado that ripped through the coastal city of Revere on July 28.

The DOI said regulators have been collecting data from Massachusetts insurers since mid-August on claims related to the July 28 tornado. "This data is being updated — and therefore refined — every other week," a DOI spokesperson said on Wednesday. "We have some totals from the first data report, which suggests that a large number of smaller claims related to tree and debris damage have been filed."

Insurance Journal 8/27/14



Massachusetts Tornado (Springfield)

- May 22, 2012 Report on June 1, 2011 event
- Top 25 carriers and FAIR Plan
- Personal and Commercial
- Average settlements and time to settle
- Public Adjuster usage
- Observations: 98% claims closed less than a year later



Super Storm Sandy

- Impacted many states and each regulator had different requests
- Frequency of updates
- Depth of information
- Data loaded onto websites – what should and should not be public



Best Practices

- Prepare before the event(s)
- Establish temporary catastrophe codes
- Know your claim catastrophe experts
- Work together to fill out information
- Influence regulators to be consistent



Summary

- Post-event primary carriers are first to provide actual data and information
- Valuable data sources for actuaries
- Catastrophe definitions vary widely
- Standardization of catastrophe definitions, data elements and requests may be forthcoming

