

Impact Forecasting

Aon Benfield Analytics

Impact Forecasting is a center of excellence within Aon Benfield, providing risk assessment and analytics for re/insurance and financial decision making. Approaches using scientific simulation modeling and various engineering-based methodologies are used to provide risk managers, underwriters and other decision makers with sound quantitative results. Detailed financial reporting is also used to provide portfolio-level aggregate loss expectations for property, casualty and other lines of business, along with loss information for country, region, ZIP/postal code, CRESTA or other divisional breakout. Meanwhile, real-time support is provided via “Cat Alerts” and “Cat Reports”, which detail ongoing natural disasters.

The Impact Forecasting team combines the knowledge of more than 35 applied scientists globally (US, Europe and Asia) who analyze portfolio risk and provide data output in a way suited to each individual client. The team responds quickly to global events to help re/insurers quantify their risks and exposures, having produced models for all the major perils including crop insurance, wildfire, and terrorist attacks.

Impact Forecasting Capabilities

Impact Forecasting is the only catastrophe modeling firm integrated into a global reinsurance broker. Its models specifically focus on territories and perils where commercial modeling firms have not yet ventured or existing models are not credible. Modeling projects have included:

- Complete coverage of models for the US territory
- Wildfire loss modeling with an emphasis on duration and distance reporting for optimal catastrophe cover purchases
- Offshore oil platforms for the Gulf of Mexico
- Flood risk quantification in Central and Eastern Europe
- Extensive coverage of earthquake models in Europe
- Support for various existing natural catastrophe insurance pools (e.g. New Zealand)
- Customized loss modeling for unusual or difficult structures which other models cannot process or analyze

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Sophisticated Analytic Tools and Technology

ELEMENTS is Aon Benfield’s proprietary software package developed for catastrophe modeling and exposure reporting, which easily accommodates custom reporting and bespoke models for specialty purposes. Its programming model and rigorous maintenance is key in terms of consistency and compatibility. Input exposure data can be analyzed at both an aggregated and individual level (using latitude and longitude when available). ELEMENTS enables the utilization of primary insurance policy conditions on all levels, i.e. coverage, location and policy, as well as the utilization of various reinsurance conditions. Uncertainty forms the core of the application and is defined on both hazard and damage/loss calculation.