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SIMPLITIUM PARTNERS WITH LEADING ACADEMICS TO IMPROVE RISK ASSESSMENT FOR (RE)INSURERS

Transparency provider Simplitium™ today announced it has partnered with Fathom, a global flood model provider formed out of the University of Bristol Hydrology Research Group, to offer its flood hazard data. Simplitium has also partnered with UCL Space & Climate Physics researchers to offer their wind hazard maps. Both hazard data sets are available via Simplitium's ModEx™ platform.

ModEx is the first independent multi-vendor cat risk modelling platform and operates on the Oasis Loss Modelling Framework (LMF). The platform bridges the gap between insurers and model vendors to provide the industry with more choice, better value and easier access.

Natural disasters have become increasingly common, leading to record insurance losses in 2017. Thirty-one percent of global economic losses due to natural hazards are being caused by flooding¹, with estimates suggesting that river flooding could affect 54 million people and cost up to \$521 billion per annum worldwide by 2030². In response to this increasing risk, ModEx will offer Fathom's global and US flood hazard data as part of its growing portfolio of cat risk solutions. Fathom's advanced global flood maps deliver a 90-metre resolution and its US maps have a resolution of 30 metres, providing (re)insurers with unrivalled precision of their flood risk. The company is also developing a probabilistic US inland flood model which will also be made available on ModEx upon completion later this year.

"Fathom represents the very latest in comprehensive flood modelling capability and we are hopeful that the flood maps and model's availability on the ModEx platform will enable more (re)insurers to access this new technology," says Andrew Smith, COO at Fathom. "As a team of scientists, we feel that transparency and validation of models is critical in delivering a high-quality tool. That is why we are excited to work with Simplitium and Oasis, whose values we feel align very well with ours."

Simplitium has also partnered with UCL's Professor Mark Saunders and Dr Adam Lea to offer their UK wind hazard maps on ModEx. Windstorm is one of the most expensive natural perils for UK insurers, contributing to 45% of UK household weather-related insurance claims between 1998 and 2013³. However, current estimates of UK wind hazard lack spatial resolution and are often based on model outputs. The peak 3-sec gust hazard maps created by UCL are available at 100-metre resolution and cover the whole UK. The maps deliver nearly 2,000 times better spatial area resolution than other offerings available in the market today. UCL windstorm data

is underpinned by observations and include the modifying impacts of terrain and land cover. By leveraging UCL data, ModEx enables UK insurers to price policies more accurately and make valuable cost savings concerning claims payments.

"We are delighted to be offering our UK 100m resolution windstorm data through Simplitium and its ModEx platform," says Mark Saunders, Professor of Climate Prediction at UCL. "Our data allow the substantial small-scale perturbations in wind hazard to be resolved for the first time. In keeping with the Simplitium service ethos of simplicity, efficiency and transparency, we provide clarity in methodology, accuracy and presentation. We know that Simplitium is a straightforward, reliable and, above all, efficient company to engage with for delivering new natural hazard risk data and services to the insurance industry."

James Lay, Commercial Director of Insurance at Simplitium, adds:

"As we move through 2018, ModEx looks to expand its availability of cat models and hazard maps, providing our clients with the tools they need to make more informed portfolio decisions. One of our aims with ModEx is to facilitate new model development. Fathom and UCL's commitment to develop models based on rigorous academic research makes them ideal partners. We look forward to working with Fathom and UCL Space & Climate Physics researchers as we take yet another step towards our goal of providing the industry with a better understanding of risk."

For further information, please contact:

Emmy Granström
Marketing Director
Simplitium
+44 (0)20 3735 4981
emmy.granstrom@cinnober.com

¹ UNISDR GAR 2015 Global Assessment Report on Disaster Risk Reduction, Making Development Sustainable: The Future of Disaster Risk Management.

² World Resources Institute, World's 15 Countries with the Most People Exposed to River Floods, Tianyi Luo, Andrew Maddocks, Charles Iceland, Philip Ward and Hessel Winsemius, March 05, 2015

³ Statistics from the Association of British Insurers

ABOUT MODEX™

ModEx is the cat risk modelling platform for the (re)insurance industry, delivered by Simplitium and powered by Oasis LMF.

ModEx delivers flexible, scalable and secure cat risk modelling services via a hosted and fully managed environment. The platform provides the (re)insurance industry with a cost-effective and reliable way to meet their cat risk modelling requirements. The ModEx solution caters for the full suite of perils and allows model providers and other (re)insurance systems to meet the individual needs of customers through a robust and secure shared services platform.

The platform is fully independent and transparent, and provides (re)insurance firms with the tools to gain a deeper understanding of their risk by accessing the best models from large and niche model developers from around the world. For further information, please visit www.simplitium.com/modex.

ABOUT SIMPLITIUM™

By listening and responding to the market, Simplitium (formerly known as Boat Services) transforms complex challenges into flexible, scalable and secure solutions. Simplitium's services help firms achieve greater efficiency and transparency in their daily operations, from regulatory compliance and cost management to catastrophe risk management.

As a subsidiary of Cinnober, one of the world's leading clearing and trading technology providers, Simplitium has the stability and structure to ensure secure and reliable delivery of world class services that cover the entire transaction chain. For further information, please visit www.simplitium.com.

ABOUT OASIS

Oasis is a global not-for-profit company limited by guarantee and owned by its 40 members who come from within the insurance and reinsurance community. Its mission is to create and foster links throughout the wide community of those interested in modelling catastrophic risk across business, academia, and government. For more information, please visit www.oasislmf.org