

CoreLogic® HailRisk™

Accurate Prediction of Hail Claims and Losses— Not Just Hailstorms

Hail damage and its associated insurance claims is one of the leading causes of loss from natural hazards—and the losses have been growing. Carriers have witnessed significant hail losses over the past 10 years, with the average homeowners hail damage claim currently running at \$9,000. A single hailstorm in populated areas of the country can cause billions in hail damage and losses.

To date, one of the most common industry tools used to assess and price for hail damage risk is to determine where hailstorms occur, and the severity of the storms. Research has shown, however, that claims frequency and losses often vary significantly—even within the same small area. This makes it extraordinarily difficult for insurers to confidently underwrite hail coverage in areas that receive frequent hailstorms.

Segmenting Risk – Even Within High Hail Hazard Areas

The challenge for insurers is twofold: knowing where severe hailstorms are most likely to occur, and identifying where hail claims and losses are most likely to arise.

CoreLogic® HailRisk™ is the first and only hail risk solution to combine the pioneering new data-driven science on claim patterns with detailed and proprietary meteorological science, making the product uniquely valuable for avoiding losses while profitably underwriting hail coverage even in areas of highly frequent hailstorms. To accomplish this, HailRisk methodology provides:

- More than 15 years of primary research into the correlation between hail losses and a multitude of proprietary and public data tested by Location Inc., now part of CoreLogic.
- An overall risk score of 1–100, and information on the expected hail claim frequency, average claim severity, and average loss per policy associated with that score, as well as the annual probability of 0.75", 1", 1.5" and 2" or greater hail stones impacting a specific location.
- Highly granular, localized data: helping insurers understand their hail losses by predicting the risk at a block level.



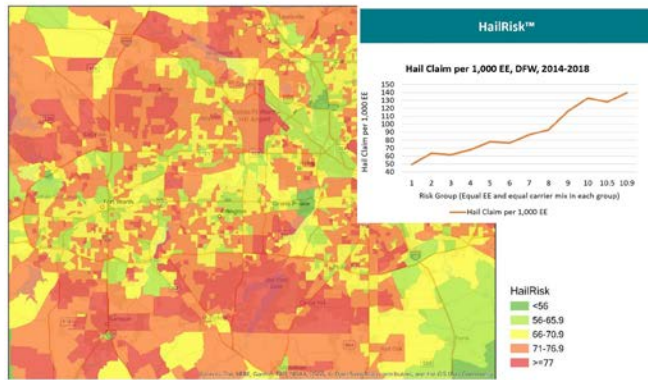
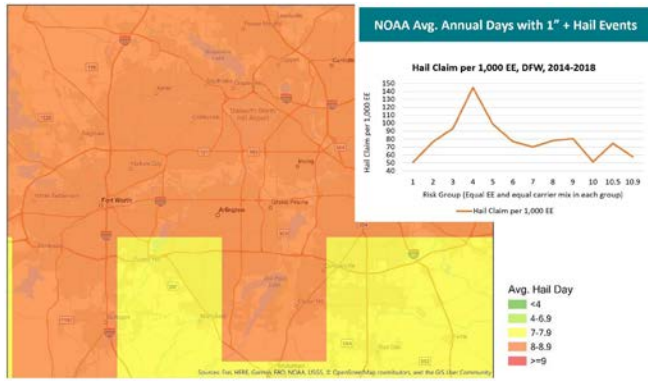
Key Benefits:

HailRisk helps identify granular hail claim risk using an easy-to-understand 1 to 100 score for both personal and commercial line losses:

- Avoid higher frequency business
- Improve re-underwriting actions
- Better tier placement
- Adjust deductibles
- Optimize eligibility lines
- Reduce inspection costs
- Automate underwriting decisions

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Top: NOAA hailstorm frequency in the Dallas-Fort Worth, TX area is all high. But the line graph below the map shows no relationship between hailstorm risk in the metro area and hail claim frequency. Bottom: The higher the HailRisk™ score, the higher the frequency/rate of hail claims—even in the Dallas-Fort Worth, TX area, where hailstorm risk is high everywhere.

Why CoreLogic

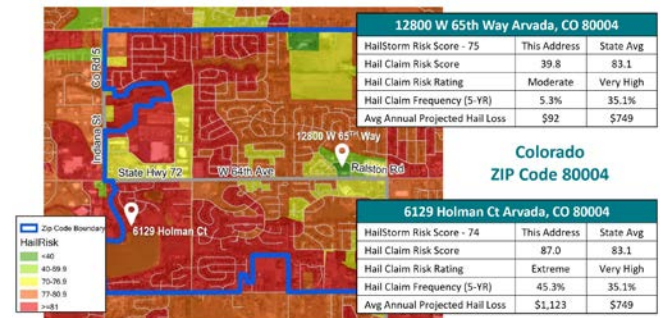
Carriers know where damaging hail is likely to fall. But where hail falls and where hail claims occur are two different things. HailRisk accurately predicts hail claims and losses specifically, rather than only predicting the likelihood of a hailstorm event.

Available through RiskMeter™, Enterprise Spatial API, and batch/book of business processing, HailRisk empowers insurers to mitigate losses when writing hail coverage even in areas of high frequency hail events.

Key Benefits:

HailRisk is highly predictive of hail insurance loss in a way that is useful for both underwriting and rate making, generating a score to help residential and commercial property insurers:

- Segment risk for high hail hazard areas so they can more confidently write coverage even in areas of frequent severe hailstorm events.
- Protect policyholders from inadequate coverage by offering additional hail coverage solutions in high risk areas where hail coverage is limited.
- Strategically underwrite hail and distribute risk throughout their portfolio.



HailRisk™ reveals hail claims variation – even within the same ZIP Code

For more information please call 866-774-3282.

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