North Atlantic Hurricane Model

A complete solution for managing hurricane risk in the North Atlantic

With a history of numerous devastating events, hurricane risk in the U.S. is a cause of great anxiety and concern. The significant potential for severe damage from this peril presents challenges to those who manage risk when quantifying potential losses to their books of business. Expert reviews of damage to property from hurricanes demonstrate the importance of location, occupancy and construction attributes in risk estimation. Thus, to accurately assess hurricane risk, a refined model that can provide better risk differentiation is needed. The North Atlantic Hurricane Model from CoreLogic® provides a granular, up-to-date, detailed risk model to appropriately and rationally estimate risk and obtain a better understanding of capital adequacy for the separate or combined perils of hurricane winds and coastal storm surge flooding.

Better Loss Estimates When the Real Event Occurs

Accurate risk estimation is at the core of successful business decisions. Comprising a robust stochastic event set, high resolution hazard that can take advantage of PxPoint™ parcel-level geocoding, and detailed component level vulnerability, the North Atlantic Hurricane Model advances improved location risk estimation. With detailed and rigorously validated model outputs that are easily examined using the RQE® (Risk Quantification & Engineering) reporting and business intelligence data visualization capabilities, the user is empowered with a higher level of control and confidence in meeting business and regulatory compliance requirements.

Detailed Modeling of Insurance Conditions

In the past, the lack of model granularity throughout the industry created inconsistencies when assessing risk. Sub-perils such as hurricane winds and coastal flooding can have their own insurance and reinsurance conditions where policy and treaty terms can vary by sub-peril. The ability to calculate the specific damage contribution for each of these sub-perils allows for a more transparent way of looking at loss. Through a robust stochastic event set with an emphasis on increased granularity, the RQE simulation financial model allows for specific results to be determined individually for each sub-peril, beginning at the insurance coverage level and calculated incrementally on ground-up values.

A Comprehensive Analytic View of Risk

Granular reporting enables a firm understanding of the drivers of portfolio risk to allow for better management, control and reporting of your portfolio. The high definition Year Loss Table (YLT) is distinctive to CoreLogic; delivering detailed results. The YLT offers transparency allowing clients to create and reproduce numerous reports and data visualization graphics to explore many risk perspectives and identify aspects and regions driving the risk.

The model includes a conditional weather frequency model that expresses current CoreLogic research into improving understanding of uncertainty in event frequency—delivering both a historical average risk model and a warm Atlantic Multi-decadal Oscillation risk model that enables risk managers to make better decisions.

Key Benefits:

► High resolution hazard, vulnerability and financial modeling; statistically reliable, transparent and defensible

► Validated against recent historical events

► Fit for purpose to aid in regulatory compliance

When Close Enough Isn't Good Enough

When it comes to catastrophe modeling, positional accuracy is critical. The North Atlantic Hurricane Model is integrated with PxPoint parcel-level geocoder from CoreLogic, a high-precision geocoding and analytics engine that uses multiple data sources to convert physical addresses or locations into precise geographic coordinates. Utilizing the largest parcel dataset available, geocoding and spatial processing capabilities from PxPoint provide accurate location intelligence that supports decision making for the insurance industry. PxPoint geocoder also includes the following advancements in data quality:

- ▸ Street geometry information
- ▸ Street-segment attribution
- ▸ Postal delivery locations
- ▸ Individual property parcels

Global Catastrophe Modeling Platform

Available through a suite of catastrophic risk management products from CoreLogic, the North Atlantic Hurricane Model is included in the global multi-peril catastrophe modeling platform, RQE (Risk Quantification & Engineering). RQE is a statistically robust simulation platform delivering high confidence outputs. As one of the most comprehensive full simulation Catastrophe Modeling solutions in the market, we offer a wide range of analytics outputs allowing for the assessment of catastrophe exposure, both gross and net of reinsurance contracts that can be used to inform underwriting decisions, pricing, diversification, portfolio accumulations and capital requirements.

Why Consider CoreLogic?

Increasing exposure to catastrophic events are challenging the P&C insurance industry to revisit existing catastrophic risk management and loss adjustment strategies by improving the overall understanding of all natural hazards. CoreLogic is dedicated to the science of understanding natural hazard risk and focused on delivering decision support data and products to the insurance industry. With a staff of Ph.D.-level scientists and engineers, we have taken risk assessment a step further by developing a proprietary methodology that enables a more granular level of risk management control and reporting. Catastrophe Risk Management from CoreLogic offers a comprehensive look at risk by evaluating probable events, and verifying current and post event impacts.

About CoreLogic Insurance Solutions

CoreLogic delivers unique and comprehensive data, analytics and services to property & casualty companies—powerful information found at the core of smart decisions. We offer Catastrophe risk models worldwide with easy access to extensive data visualization and reports.

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