

CoreLogic® HailRisk™

Accurate Block-Level 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 homeowners' hail damage claims currently averaging \$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.

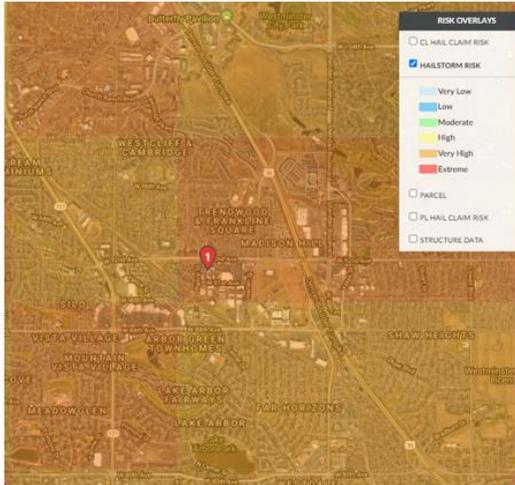
The CoreLogic® HailRisk™ service is the first and only hail risk solution to combine the pioneering new data-driven science on claim patterns with detailed and proprietary meteorological science, making the product uniquely valuable for helping reducing losses while appropriately underwriting hail coverage 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 estimated annual probability of 0.75", 1", 1.5" and 2" or greater diameter 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 Potential Benefits

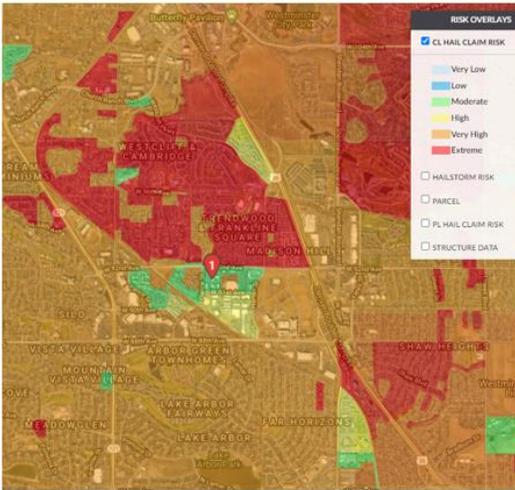
HailRisk helps identify granular hail claim risk using an easy-to-understand 1 to 100 score for both personal and commercial line losses.

- Reduce higher frequency business
- Improve re-underwriting actions
- Better tier placement
- Adjust deductibles
- Enhance eligibility lines
- Reduce inspection costs
- Streamline underwriting decisions



HAILSTORM RISK SCORE 77

HailStorm Risk



PL HAIL CLAIM RISK SCORE 51.9

Hail Claim Risk

Top: CoreLogic meteorological hailstorm data shows high hailstorm frequency in Westminster, CO.

Bottom: The higher the HailRisk, the higher the frequency/severity of claims at the block level. Same geographic area.

Together, the power of HailRisk.

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 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 Potential Benefits

HailRisk is predictive of hail insurance loss in a way that can be useful for both underwriting and rate making. It generates 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.
- Address possibly inadequate coverage with policyholders and offer additional hail coverage solutions that may be appropriate in high risk areas where hail coverage is limited.
- Strategically underwrite hail risk and evaluate portfolio risk distribution.



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

For more information, please call 866-774-3282.

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