

CAT KIT: DATA DRIVEN DECISIONS

According to Swiss Re Institute, the global insured catastrophe losses in 2021 rose to USD112 billion, which is the fourth highest on record. Hurricane Ida was the main loss event, but, once again, more than half of the global losses came from secondary perils.

Much has been documented about the post-pandemic recovery and expected investment and stimulus plans for infrastructure across the globe. This increase in construction GDP activity will likely coincide with an increase in the frequency and severity of losses arising from natural catastrophe. This will, in turn, likely have a further impact on the pricing and availability of natural catastrophe coverage for insureds, which is why it is imperative, as an insured, to have a detailed understanding of the exposure to your project and/or your portfolio.

Total economic and insured losses in 2021 and 2020

USD billion (in 2021 prices)

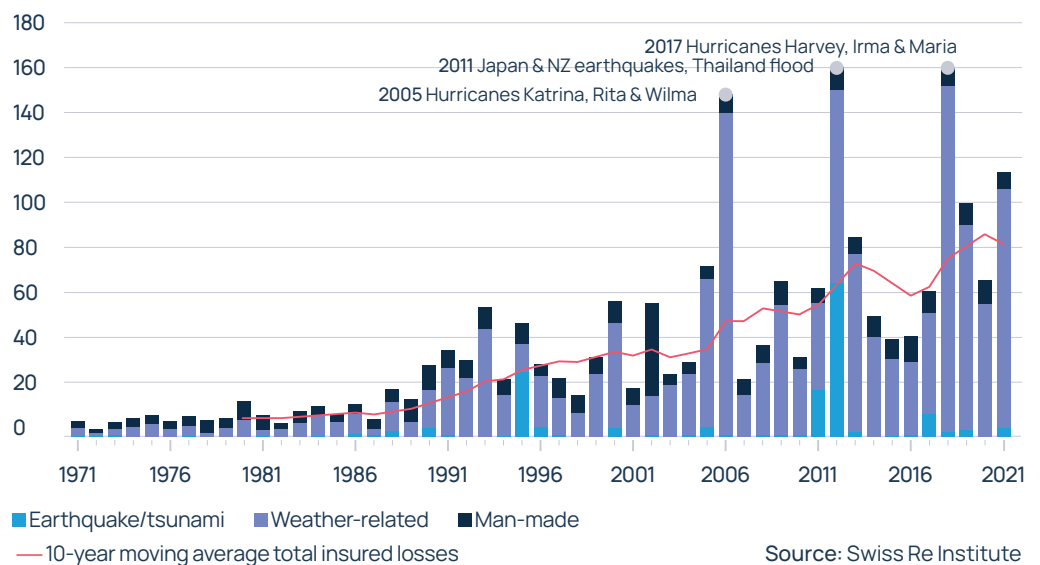
	2021	2020	Annual Change	Previous 10year average
Economic losses (total)	259	216	20%	229
Nat cat	250	202	24%	216
Man-made	9	14	-38%	13
Insured losses (total)	112	99	13%	86
Nat cat	105	90	17%	77
Man-made	7	10	-24%	9

Source: Swiss Re Institute

Note: Due to rounding, some totals may not correspond with the sum of the separate figures

Insured losses since 1970

USD billion (in 2021 prices)



Cat-Kit

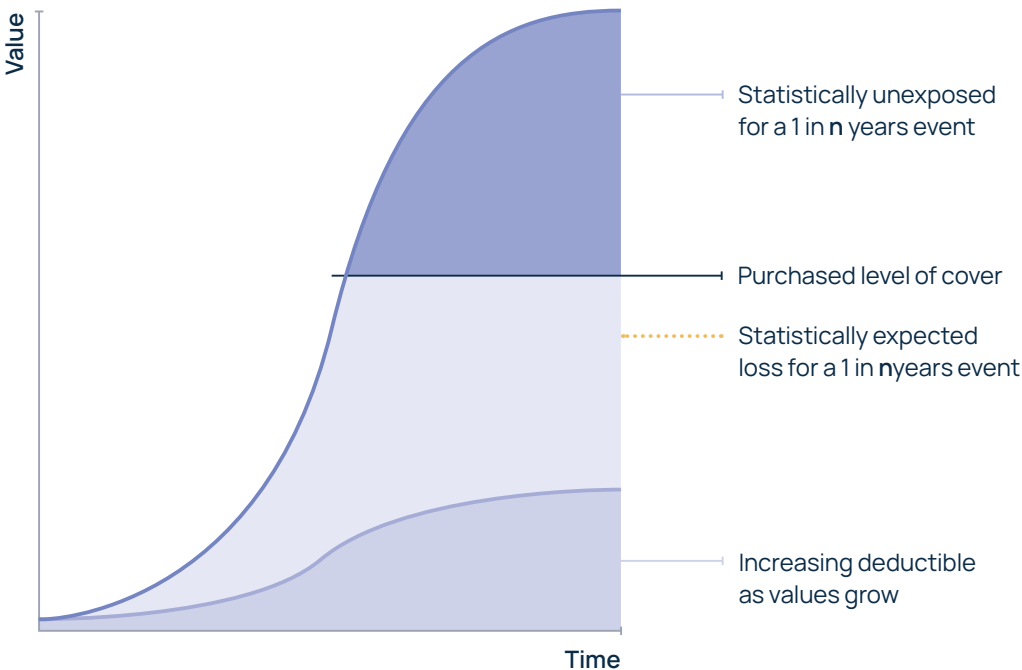
Cat-Kit is Howden's proprietary in-house tool that uses leading natural catastrophe models to analyse the exposure to Natural Catastrophe Perils throughout the lifecycle of a project. Cat-Kit takes into consideration the build-up of values during the construction period, as well as highlighting value-based deductible exposures for the owner or contractor depending on who retains this risks. This is an area we have found is often overlooked by most parties to the construction contract.

Cat-Kit offers a valuable insight into how natural catastrophe perils could affect your project by projecting the potential severity of events based on different probability scenarios / return periods.

Analysing the monetary impact of potential damage events at different stages of a project will enable informed decision on the purchase of both Limits and Deductibles, illustrating where to strike the balance between cost of capacity and risk appetite.

Cat-Kit models can be developed for you by the Howden team in a very short time frame and will be at no cost.

Project Exposure to Natural Catastrophe Perils



What we model:



Earthquake



Named
Windstorm



Flood



Convective
Storm

How it works

The end-to-end process of the catastrophe modelling begins with the location data and building characteristics. Geocoding the location data to its geographic coordinates, the model identifies a location's underlying hazard statistics including distance to coast, soil type and elevation.

A database of scenarios defines the event set for the specified location and catastrophe perils. Each event is defined by a specific strength or size, location or path, and probability of occurring.

1 Minimum data input required



Zip Code / Lat / Long



Insured Values



Delay Exposure



Type of Construction
Occupancy



Construction
Material



Project
Period

2 Key outputs



Expected loss based on various return periods e.g 1 in 100 vs 1 in 250 years



Expected loss across varying phases of the project



Potential Deductible exposure per phase

3 Key benefits



Informed purchase / efficient sculpting of critical capacity over time



Dollar savings as more informed purchase of insurance protection



Understanding of true deductible exposure

Connect



to more

We create and configure specialist insurance services by giving our people the infrastructure, technology and freedom to get the best results for clients.

Get in Touch



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