

## An innovative 5-minute pricing tool for the excess and surplus (E&S) and reinsurance markets for commercial property



ISO Rapid Valuator completes a ground-up and excess loss cost analysis within five minutes.

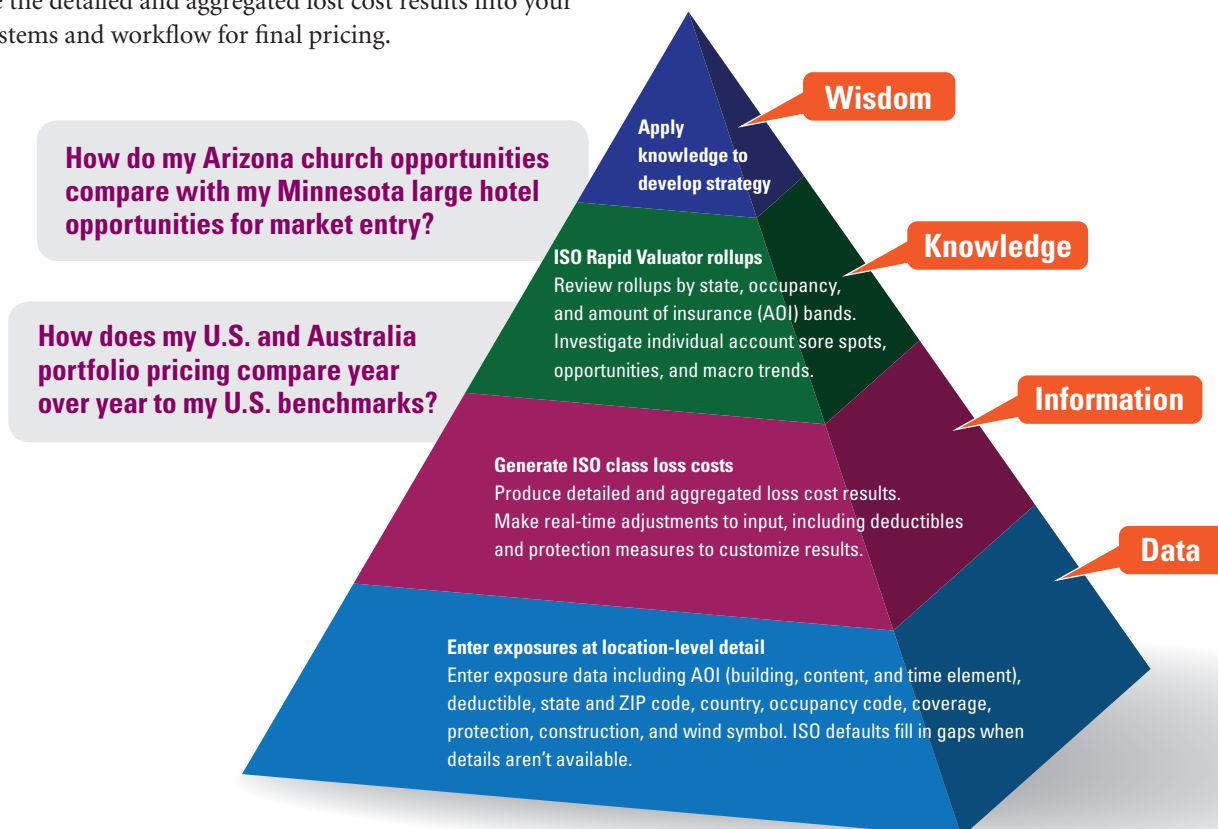
Our powerful pricing tool helps insurers independently analyze their own customized loss cost results in two easy steps:

- Gather detailed individual exposure data in Microsoft® Excel.
- Paste into ISO Rapid Valuator and calculate results.

After generating the loss costs, you can aggregate and review the information in many segments to evaluate market entry and exit opportunities and investigate other strategies. You can then easily include the detailed and aggregated loss cost results into your own systems and workflow for final pricing.

ISO Rapid Valuator gives you the power to:

- **automate detailed ground-up loss costs calculations** from individual exposures, make adjustments, and test scenarios
- **customize results** using your own experience and judgment and a solid foundation
- **produce renewal and multiyear price monitors** tracking actual charged premiums versus consistent benchmark loss costs
- **perform multilocation premium allocations** based on a full set of exposure characteristics for each underlying location



### Excess Layering

The E&S and reinsurance markets also make heavy usage of layering for reinsuring risks. For example, the E&S writer may take a 25 percent share of a \$2.5 million xs \$2.5 million layer for a \$10 million risk. The Commercial Property Size-of-Loss Database (PSOLD™) model links seamlessly to ISO Rapid Valuator, including syndication capabilities when needed. You can quickly see the layer results on the individual exposures and in the aggregate across all exposures.

ISO Rapid Valuator is a combination of two Verisk E&S offerings: the ISO portal and PSOLD. The ISO portal provides the database you need to run ISO Rapid Valuator, and PSOLD provides the excess layering capabilities. You can also directly import from catastrophe model exposure submissions, such as the Touchstone® model from AIR Worldwide.

### Excess and Reinsurance Package Plus and International

ISO Rapid Valuator for both U.S. and international is part of ISO's excess and reinsurance suite of property/casualty tools. We've built those tools specifically for the E&S and reinsurance markets for pricing and reserving needs. The tools include MILD™, the Size-of-Loss Suite, excess loss development manuals, and MarketWatch Unleashed™ for the following lines of business: general liability, commercial auto, medical professional liability, personal auto, and businessowners.

For more information about ISO Rapid Valuator, contact your Verisk sales representative or send e-mail to [excess-reinsurance@iso.com](mailto:excess-reinsurance@iso.com).

### Application to International Markets

Pricing insurance outside the United States can be especially challenging, as underwriters struggle to find rich data for estimates of ground-up loss costs and size-of-loss curves. ISO has addressed this need in ISO Rapid Valuator with a robust COPE (construction, occupancy, protection, and exposure) methodology that adjusts U.S. curves by country and creates country-specific curves and cross-country comparisons for validation.

The example below uses our procedure to compare two restaurants, including adjustments by portfolio and by individual account:



San Francisco, California



Bunbury, Australia

### ISO Class Loss Costs from ISO Portal Database

Amount of Insurance	\$10,000,000	AU \$10,000,000
Deductible	\$2,500	AU \$2,500
Occupancy	Restaurants and bars	Restaurants and bars
Construction Type	Noncombustible	Noncombustible
PPC	5	5 (equivalent)
Sprinklered Status	Sprinklered	Sprinklered
Combined Loss Cost Factor – Pre-COPE	0.250	0.250

### Country Validations/Customizations

Portfolio COPE Scalar	1.000	0.900
Account Experience Scalar	1.000	0.800
Expected Scaled Loss Costs	\$25,000	AU \$18,000

### PSOLD % of Loss (vary by AOI, occupancy, region, and so forth)

25% of AOI	60.0%	50.0%
50% of AOI	75.0%	75.0%
75% of AOI	87.5%	90.0%
Layer Loss Costs 2.5M xs 2.5M	\$3,750	AU \$4,500

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