

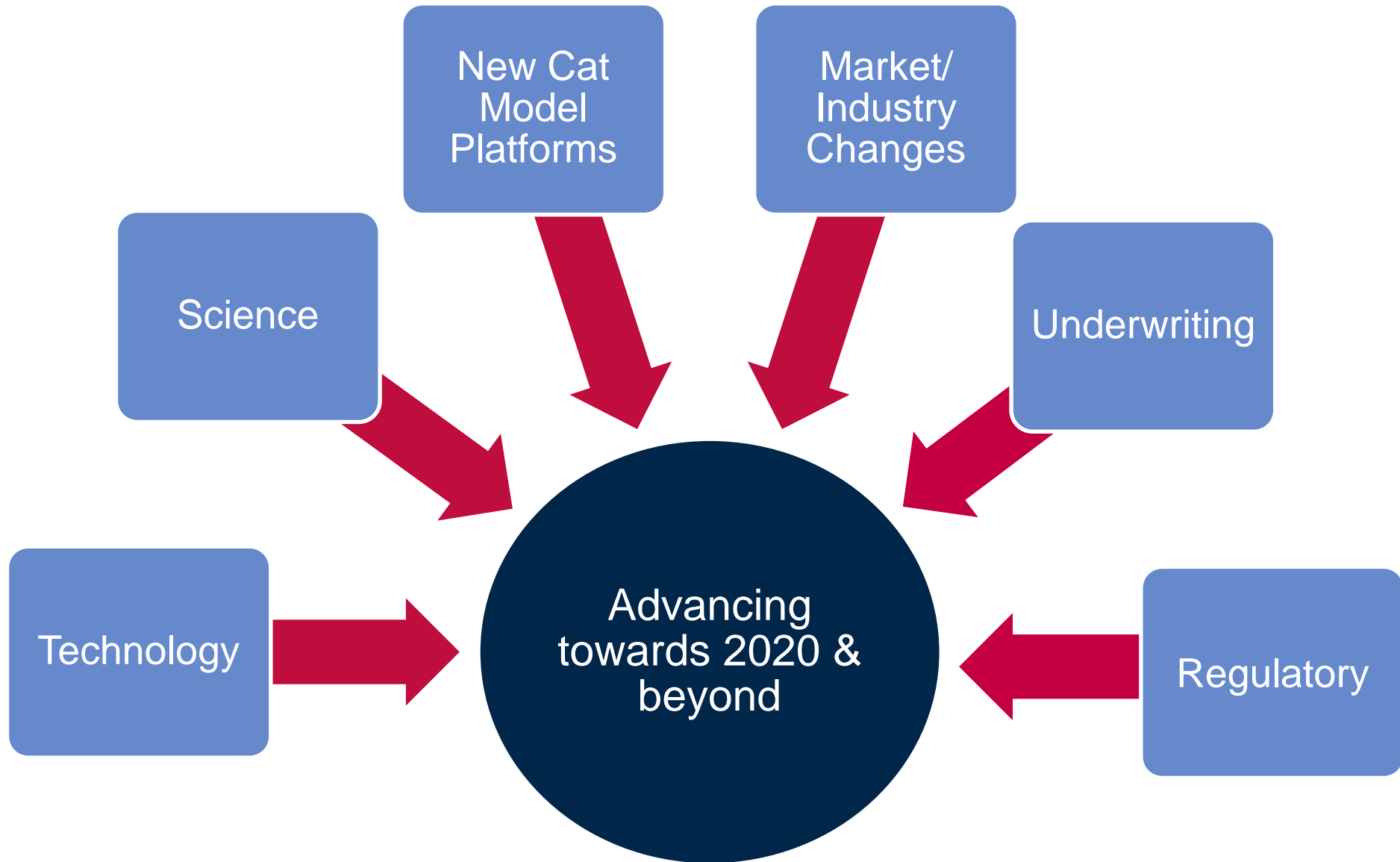
While the Cat's Away, the Mice Will Play

2020 – THE YEAR OF PERFECT  
VISION (20/20)?

Tuesday, June 2, 2015

# WHILE THE CATS AWAY THE MICE WILL PLAY

ADVANCING TOWARDS 2020 – THE YEAR OF PERFECT VISION (20/20)!





Cloud-based Applications

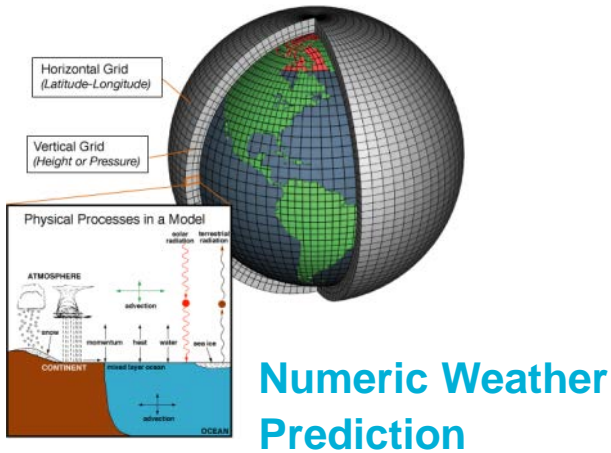


Mobile Technology & App Development

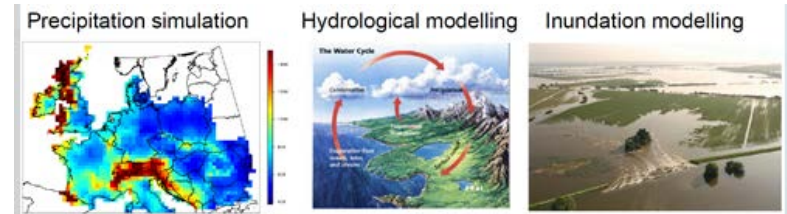
**MPP Platforms**



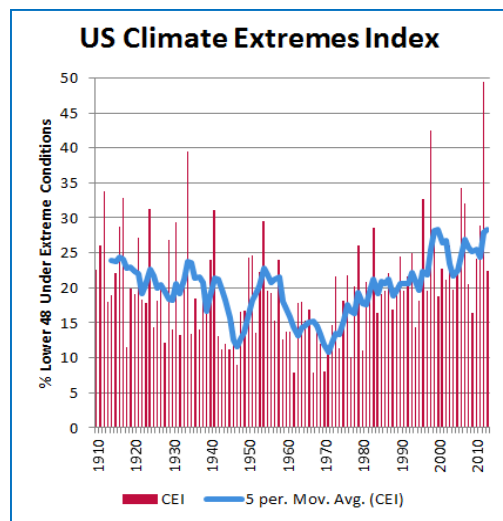
Massive Parallel Processing (MPP) – allows for complex analytics on extremely large databases quickly



**NFIP Reform**



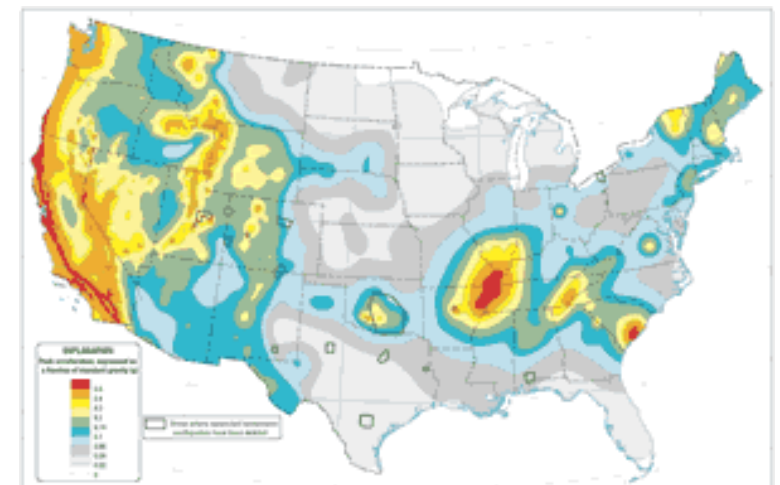
**Inland Flood Modeling/Tropical Induced Rainfall**



**Impact of Climate Change?**



**Research by IBHS**



**USGS Hazard Map Updates – 2020 & 2026 (every 6 yrs)**



## Touchstone

- Faster run-times
- New, improved and enhanced analytics, including new financial module
- Deployment options – internally, in a private cloud or in a 3<sup>rd</sup>-party cloud
- Ability to integrate 3<sup>rd</sup>-party models



## RQE

- Speed through grid-based computing/modelling
- New financial module
- Evaluating cloud options
- Enhanced integration and automation features



## RMS(One)

- Speed that will support decision making in what seems like real-time
- Hi-Def Models including new financial module
- On-premise or cloud deployment options
- Freedom and flexibility to use your own models or other's models

## Lessons Learned from Real-time Events will be incorporated into the Models as well as Emerging Risks



Black Swan Event yet to happen but most likely will before 2020



EMERGING RISKS



## POSSIBILITY → Market Reflections

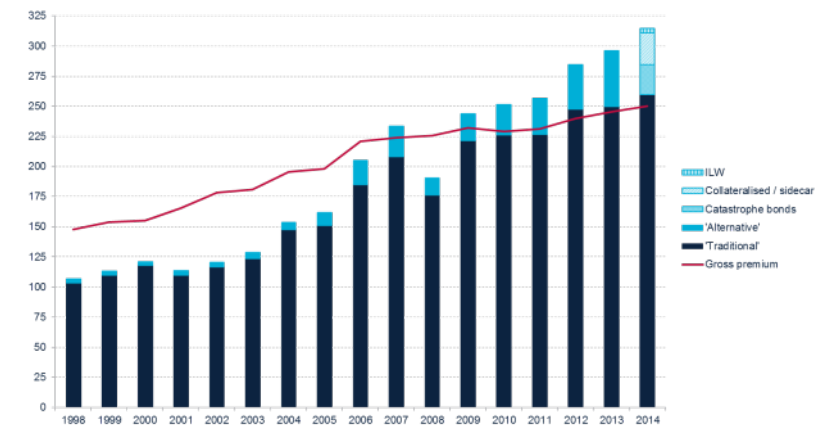


### CONSOLIDATIONS








Note: Paul Ingrey developed the "underwriting clock" in 1985 to illustrate the cyclical nature of the (re)insurance industry. This is a useful tool for determining the cycle's current stage.

### INSURANCE CYCLES



### 'TRADITIONAL' VS 'ALTERNATIVE' VS GPW (LIFE & NON-LIFE)

### INTEREST RATES & INFLATION

	<ul style="list-style-type: none"><li>• Standard/Reference View</li></ul>
	<ul style="list-style-type: none"><li>• Diagnostic Views – sensitivity tests</li></ul>
	<ul style="list-style-type: none"><li>• Adjusted Views - company's own modified version of modelled output</li></ul>
	<ul style="list-style-type: none"><li>• Alternative Views – 3rd-party model outputs</li></ul>
	<p><b><i>Transparency, understanding the models and having your own view of risk</i></b></p>





**A.M. Best Stochastic-based BCAR**

**Other Regulatory Changes?**

**Elements of an ORSA Process**



**ORSA Implementation & other similar regulations**

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