

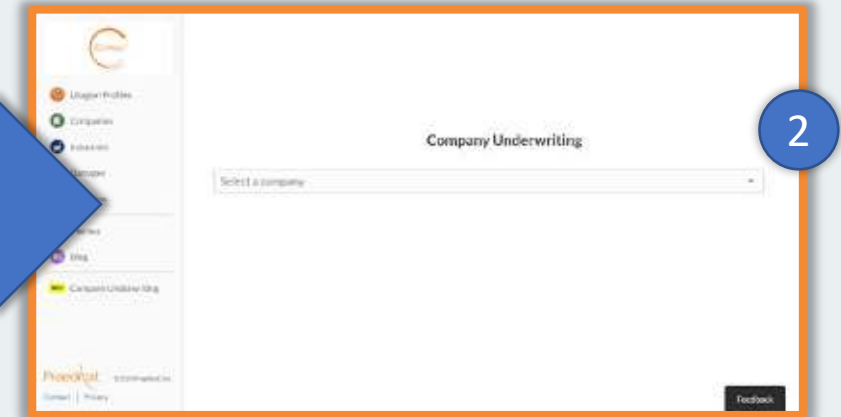
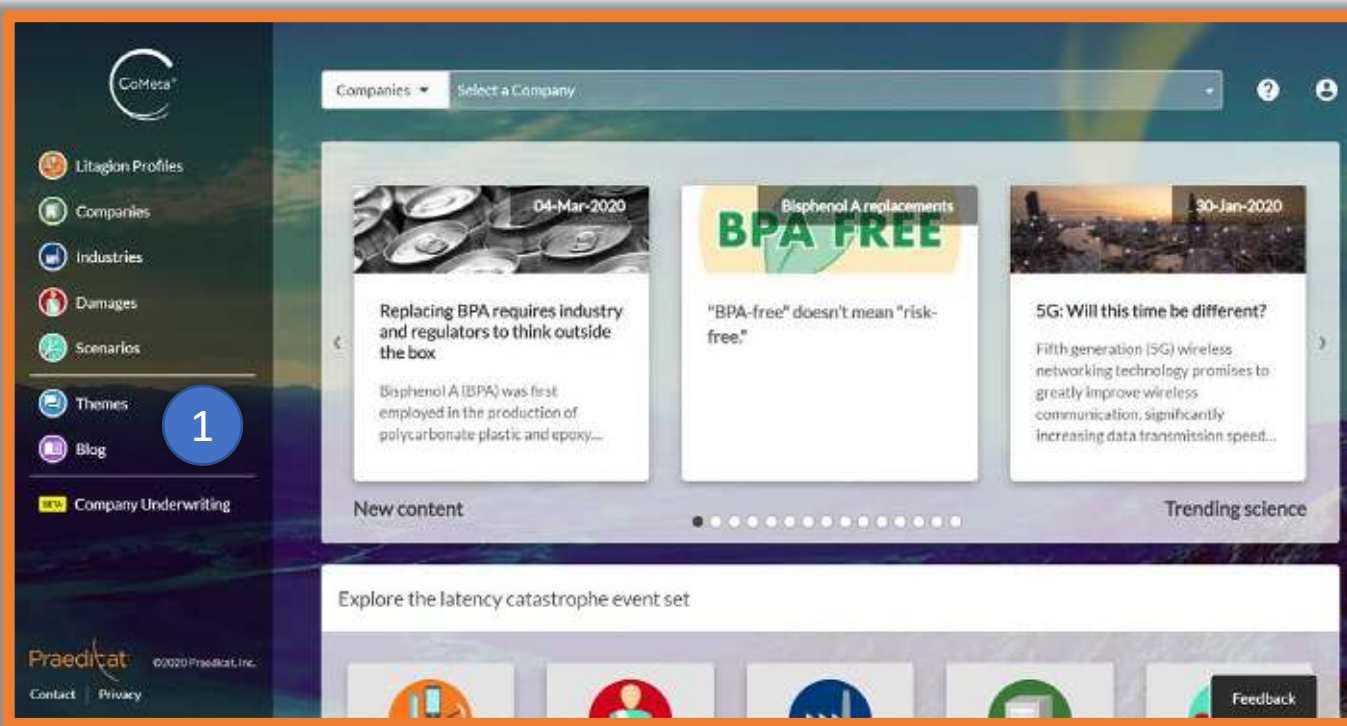


## Introduction to CoMeta<sup>®</sup>

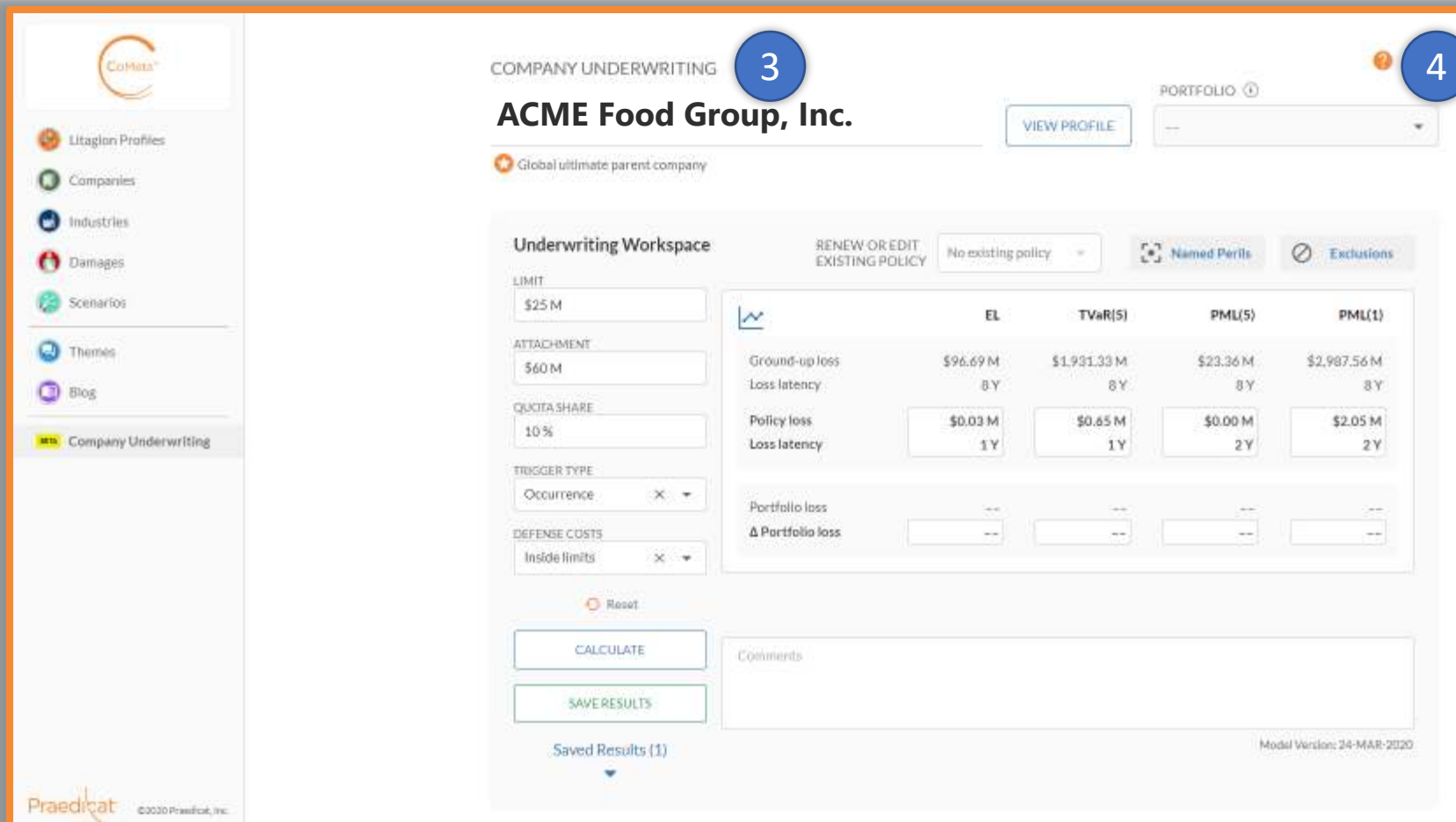
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### Underwriting Workspace Example





From CoMeta's landing page, simply click on Company Underwriting **1** in the left-hand navigation menu. A search bar will open on a separate page allowing you to search for your account **2**. Let's say you wish to underwrite ACME Food Group, Inc. and are curious what latent casualty risk may exist for that company that are driving losses. Type ACME Food Group, Inc.



The screenshot shows the 'Company Underwriting' page for 'ACME Food Group, Inc.'. The interface includes a sidebar with navigation options: Litaglin Profiles, Companies, Industries, Damages, Scenarios, Themes, Blog, and Company Underwriting (selected). The main content area has a header with 'COMPANY UNDERWRITING' and a blue circle '3' next to the company name. A 'VIEW PROFILE' button is next to the company name. A 'PORTFOLIO' dropdown menu is on the right, with a blue circle '4' next to it. Below the header, there's a 'Global ultimate parent company' tag. The 'Underwriting Workspace' section contains several input fields: LIMIT (\$25 M), ATTACHMENT (\$60 M), QUOTA SHARE (10 %), TRIGGER TYPE (Occurrence), and DEFENSE COSTS (Inside limits). There are 'CALCULATE' and 'SAVE RESULTS' buttons. A table shows various loss scenarios and their corresponding values. A 'Comments' text area is at the bottom right. The footer includes the Praedicat logo and copyright information.

**Underwriting Workspace**

RENEW OR EDIT EXISTING POLICY: No existing policy

Named Perils Exclusions

	EL	TVar(5)	PML(5)	PML(1)
Ground-up loss	\$96.69 M	\$1,931.33 M	\$23.36 M	\$2,987.56 M
Loss latency	8 Y	8 Y	8 Y	8 Y
Policy loss	\$0.03 M	\$0.65 M	\$0.00 M	\$2.05 M
Loss latency	1 Y	1 Y	2 Y	2 Y
Portfolio loss	--	--	--	--
Δ Portfolio loss	--	--	--	--

Comments

Model Version: 24-MAR-2020

Once you've selected your account you'll be on the Company Underwriting page. Where, if you so desire, you can choose another account **3** or choose a book of business (portfolio) to which you are underwriting **4**. You can also set a default portfolio that will be loaded every time you return to this page. Selecting a portfolio is not required here and you may find that you need to reach out to your account manager to enable this functionality.

COMPANY UNDERWRITING

ACME Food Group, Inc.

VIEW PROFILE

PORTFOLIO ①

Global ultimate parent company

Underwriting Workspace

RENEW OR EDIT EXISTING POLICY

Nonwriting policy

Named Perils

Exclusions

LIMIT

\$25 M

ATTACHMENT

\$10 M

QUOTA SHARE

10 %

TRIGGER TYPE

Occurrence

DEFENSE COSTS

Inside limits

Reset

CALCULATE

SAVE RESULTS

6

	EL	TVar(S)	PML(S)	PML(1)
Ground-up loss	\$96.69 M	\$1,931.33 M	\$23.36 M	\$2,987.56 M
Loss latency	8 Y	8 Y	3 Y	8 Y
Policy loss	\$0.07 M	\$1.35 M	\$0.09 M	\$2.50 M
Loss latency	1 Y	1 Y	2 Y	2 Y
Portfolio loss	--	--	--	--
Δ Portfolio loss	--	--	--	--

5

Model Version: 24 MAY 2020

Exceedence Probability & Loss Latency

EL

ELTVar(S)

ELPML(S)

ELPML(1)

GROUND-UP LOSS

Probability of Loss

Ground-up Loss (\$M)

POLICY LOSS

Probability of Loss

Policy Loss (\$M)

Having selected an account and portfolio, you can now examine the "Underwriting Workspace." You might want to start by entering in the terms as they are in your submission. For example, imagine you are interested in a 10% part of \$25M xs \$10M policy written on the occurrence form with defense costs inside limits. Enter these terms and click "Calculate". **5** To view the EP and ELL curves click the graph icon. **6**

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COMPANY UNDERWRITING

ACME Food Group, Inc.

Global ultimate parent company

VIEW PROFILE

PORTFOLIO

Underwriting Workspace

RENEW/EDIT EXISTING POLICY

Renewing policy

Newsl Portfolio

Exclusions

8

LOSS

\$25 M

ATOC (SIGHT)

\$40 M

EXPECTED LOSS

\$700 K

TOA

TOO GOOD TO BE TRUE

Occurrence

X

UNDERLYING LOSS

Policy limit

X

RECALCULATE

SAVE RESULTS

7

CL

TVAR(5)

PML(5)

PML(1)

Ground up loss

\$46.69 M

\$1,824.00 M

\$0.00 M

\$2,837.00 M

Loss follow-up

0 Y

0 Y

0 Y

0 Y

Policy limit

\$2.00 M

\$1.35 M

\$0.00 M

\$2.00 M

Loss intensity

0 Y

0 Y

0 Y

0 Y

Portfolio loss

Portfolio loss

6 Portfolio loss

Version 1.0 (1/1/2018)

Select Litigation agents for exclusion

Ground up Loss Loss Detail

Litigation Agent	CL	TVAR(5)	PML(5)	PML(1)
<input checked="" type="checkbox"/> Diisobutyl phthalate	\$59.1 M	\$1,181.1 M	\$0.0 M	\$1,302.4 M
<input type="checkbox"/> Bisphenol A	\$32.6 M	\$652.7 M	\$0.0 M	\$231.8 M
<input type="checkbox"/> Sugar	\$3.0 M	\$59.3 M	\$0.0 M	\$0.0 M
<input type="checkbox"/> Di(2-ethylhexyl) phthalate	\$1.7 M	\$34.4 M	\$0.0 M	\$13.5 M
<input type="checkbox"/> Arsenic	\$0.2 M	\$3.5 M	\$0.0 M	\$0.0 M
<input type="checkbox"/> 1,3-butadiene	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M
<input type="checkbox"/> Acrylamide	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M

NA - Losses not available

DONE CANCEL

Explore Litigation agent drivers and scenario losses

Litigation Agent Drivers Scenario Losses

Ground up Loss Loss Detail

Litigation Agent	CL	TVAR(5)	PML(5)	PML(1)
Diisobutyl phthalate	\$59.1 M	\$1,181.1 M	\$0.0 M	\$1,302.4 M
Bisphenol A	\$32.6 M	\$652.7 M	\$0.0 M	\$231.8 M
Sugar	\$3.0 M	\$59.3 M	\$0.0 M	\$0.0 M
Di(2-ethylhexyl) phthalate	\$1.7 M	\$34.4 M	\$0.0 M	\$13.5 M
Arsenic	\$0.2 M	\$3.5 M	\$0.0 M	\$0.0 M
1,3-butadiene	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M
Acrylamide	\$0.0 M	\$0.0 M	\$0.0 M	\$0.0 M

NA - Losses not available

The Expected Loss shows \$700K. However, the 1 in 100 (PML1) is a full limit loss. Perhaps this is unacceptable. To understand which Litigation Agents are resulting in these losses we can click on the “**Explore Litigation agent drivers and scenario losses**” **8** or the “**Exclusions**” tab. **7** Noticing that DIBP is contributing heavily to ACME Food Group’s tail, let’s try excluding it by checking the box next to Diisobutyl Phthalate on the exclusions tab and clicking “DONE” and recalculate your losses. If exclusions are a nonstarter for this insured, this could also be thought of as the modeled loss net of ceded named peril facultative reinsurance for DIBP, if this option exists.

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**Underwriting Workspace**

RENEW OR EDIT EXISTING POLICY: No existing policy

Named Perils Exclusions

LIMIT: \$25 M

ATTACHMENT: \$10 M

QUOTA SHARE: 10 %

TRIGGER TYPE: Occurrence

DEFENSE COSTS: Inside limits

Reset

CALCULATE

SAVE RESULTS

Saved Results (1)

	EL	TVaR(5)	PML(5)	PML(1)
Ground-up loss	\$96.69 M	\$1,931.33 M	\$23.36 M	\$2,987.56 M
Loss latency	8 Y	8 Y	8 Y	8 Y
Policy loss	\$0.03 M	\$0.66 M	\$0.00 M	\$2.02 M
Loss latency	2 Y	2 Y	2 Y	3 Y
Portfolio loss	--	--	--	--
Δ Portfolio loss	--	--	--	--

EXCLUDED LITIGATION AGENTS

Diisobutyl phthalate

Comments

Model Version: 24-MAR-2020

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**Underwriting Workspace**

RENEW OR EDIT EXISTING POLICY: No existing policy

Named Perils Exclusions

LIMIT: \$25 M

ATTACHMENT: \$60 M

QUOTA SHARE: 10 %

TRIGGER TYPE: Occurrence

DEFENSE COSTS: Inside limits

Reset

CALCULATE

SAVE RESULTS

Saved Results (1)

	EL	TVaR(5)	PML(5)	PML(1)
Ground-up loss	\$96.69 M	\$1,931.33 M	\$23.36 M	\$2,987.56 M
Loss latency	8 Y	8 Y	8 Y	8 Y
Policy loss	\$0.03 M	\$0.65 M	\$0.00 M	\$2.05 M
Loss latency	1 Y	1 Y	2 Y	2 Y
Portfolio loss	--	--	--	--
Δ Portfolio loss	--	--	--	--

Comments

Model Version: 24-MAR-2020

Excluding DIBP from the EP curve has a significant impact on the modeled EL and tail. <sup>9</sup> However, if exclusions or named peril fac are not options, and the risk is still unacceptable, you can try adjusting the attachment point to attach above where most of our event set is expected to hit ACME Foods Group, Inc. Let's remove the Diisobutyl Phthalate exclusion <sup>10</sup> and try a different layer, such as \$25M xs \$60M. <sup>11</sup>

### Underwriting Workspace

LIMIT  
\$25 M

ATTACHMENT  
\$60 M

QUOTA SHARE  
10 %

TRIGGER TYPE  
Occurrence

DEFENSE COSTS  
Inside limits

Reset

CALCULATE

SAVE RESULTS


Saved Results (1)

RENEW OR EDIT EXISTING POLICY

No existing policy

Named Perils

Exclusions



	EL	TVaR(5)	PML(5)	PML(1)
Ground-up loss	\$96.69 M	\$1,931.33 M	\$23.36 M	\$2,987.56 M
Loss latency	8 Y	8 Y	8 Y	8 Y
Policy loss	\$0.03 M	\$0.65 M	\$0.00 M	\$2.05 M
Loss latency	1 Y	1 Y	2 Y	2 Y
Portfolio loss	--	--	--	--
Δ Portfolio loss	--	--	--	--

Comments

Model Version: 24-MAR-2020

Attaching at \$60M puts the excess policy above where all but the worst latent mass action scenarios for ACME Food Group, Inc. are expected to settle. The EL is down around the expected loss we saw after excluding DIBP, the 1 in 20 is zero, and only at the 1 in 100 do you have an expected loss approaching the full limit. As you can see, Company Underwrite Mode in CoMeta is a powerful tool for any excess casualty underwriter.



The logo for Praedicat, featuring the word "Praedicat" in a white serif font. A thin white curved line starts above the 'c' and arcs under the 't', ending below the 't'. A small registered trademark symbol (®) is located at the top right of the 't'.

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