

In\$urance CIO Outlook

FEBRUARY - 2021

ISSN 2644-2795

insuranceciooutlook.com



Holborn



*The annual listing of 10 companies that are the
forefront of providing Insurance Analytics Solutions and impacting the industry*

Holborn

Custom-tailored Analytics for Evaluating Insurance Risks

In insurance, understanding risk is vital. A deep and thorough understanding of risk enables better risk management and better results. But this is easier said than done. Risks are growing more and more complex, which means that insurers face increasing challenges to accurately measure them. Ironically, the current state of risk analysis adopted by the industry has shifted to an efficient but “one size fits all” approach. Leveraging



Scott Rosenthal

a set of standardized tools, brokers can analyze a large number of accounts quickly and consistently. But this process often does not adequately capture the unique and changing characteristics of every individual company. This is where Holborn, a reinsurance intermediary, comes into the picture, offering a unique approach that surpasses the regular risk analytical models and delivers custom-tailored, client-based insurance analytics.

They dig deep into the data to analyze the exposure profile of their

insurance carrier clients to deconstruct the risk into its components and identify risk trends, both to inform clients and to design optimized reinsurance programs. Unlike many standard models and analytic approaches, they take into account evolving and emerging trends and assess whether clients’ results are indicative of a trend or an anomaly. With a suite of flexible diagnostic tools, Holborn helps clients interpret frequency and severity shocks, shifts, and trends, which enables clients to proactively manage future portfolio risks.

This capability has helped them serve multiple clients in the Midwestern states exposed to frequent tornados, hail storms, hurricanes, and derechos. “We’ve customized our analysis based on individual clients’ needs and find alternatives to standard industry models to better understand and analyze catastrophe risk, reduce uncertainties and provide improved risk analysis models,” says Adam Manus, President and Chief Brokerage Officer, Director of Holborn.

Holborn deploys a broad spectrum of customized tools to analyze dynamic catastrophe risk exposures, utilizing a combination of commercially-available and proprietary tools. They have built a flexible risk modeling framework that customizes and captures each portfolio’s unique loss characteristics. For example, in this past year’s August derecho event in Iowa, with a maximum wind limit of 140 mph, comparable to a category four hurricane, Holborn provided mapping tools and a highly-granular analysis to help estimate the loss, its return period, and the impact of a similar storm in alternate geographies.

“For example, if the derecho had shifted by 30 miles, it could have had

extreme implications. It was a near miss. So we’ve used the information to develop other scenarios that can be



Adam Manus

measurable,” says Scott Rosenthal, Senior Vice President, Head of Analytics at Holborn. Another tool enables clients to better understand the risk to derecho-like events and how it compares to the third-party models available in the market.

“Every client is unique—the reason why we invest in client collaboration,” says Scott. Holborn’s team takes the time to learn about each client’s history, culture, and vision. The collective advocacy from brokers and analytics is put to work to help clients manage their risk appetite and reach their financial goals, leading to solid, often decades-long relationships.

Today’s pandemic has added to the insurance industry’s uncertainties, but their existing strategies of utilizing data for useful insights and focusing on skilled internal resources are expected to continue. Holborn has been hiring suitable talent in their analytics unit to strengthen their resource base further. **10**