



PERILS LAUNCHES INDUSTRY EXPOSURE DATABASE FOR INDONESIA, THE PHILIPPINES AND THAILAND

Zurich, 15 March 2021 – PERILS, the independent Zurich-based company providing industry-wide catastrophe insurance data, announced today that it has established the first detailed industry exposure database (IED) for Indonesia, the Philippines and Thailand.

For each of these territories, PERILS now provides the market-wide property sums insured exposed to earthquake, tropical cyclone (typhoon) and flood. The sums insured information for each market is broken down by CRESTA zone, property line of business and the coverage types of building, contents and business interruption. In addition, insurance cover conditions such as the applicable deductibles and loss limits per peril are included in the database.

The IEDs for Indonesia, the Philippines and Thailand can be used for a range of applications. These include the calculation of market loss-frequency curves using probabilistic Cat models, the pricing of industry-loss-based risk transfer products (Industry Loss Warranty, Cat bonds), the comparison of modelled market losses with actual market losses for the purpose of model calibration, and the detailed benchmarking of portfolio-specific sums insured versus market sums insured.

To create the IEDs, PERILS adopted a different approach when sourcing the exposure data. Following consultations with the insurance sectors in Indonesia, the Philippines and Thailand, it was acknowledged that the process of making exposure and loss data available by primary insurers would take time. Therefore, rather than securing this data directly from insurers, PERILS has collaborated with key stakeholders, including reinsurers, brokers and modelers, to establish a consensus on industry exposure levels in the three markets and has collected market sums insured information from these parties. This information has been thoroughly analysed by PERILS to establish the IEDs.

Darryl Pidcock, Head of PERILS Asia-Pacific, commented: "The Southeast Asian region continues to grow in terms of both natural catastrophe exposure and associated losses. PERILS is pleased to be able to provide an industry exposure database for these respective markets which also supports regional government and industry initiatives such as NatCatDAX and ADRIFI. We also plan to engage with the local primary insurers to offer an independent industry loss reporting service. This has the potential to enhance the availability of natural catastrophe risk capital through Insurance Linked Warranties or even Cat Bonds in Indonesia, the Philippines and Thailand as the availability and reliability of exposure and loss data increases."

Luzy Hitz, CEO of PERILS, added: "The expansion of our territorial scope in the Asia Pacific region to five countries, including Australia and New Zealand, is an important step for PERILS. We are particularly grateful for the strong support from key industry stakeholders in the region which has enabled this. During the process we observed that views of industry-level exposures can vary considerably from one source to another. By our novel approach of evaluating and testing these different market views to come up with a "Consensus IED", we are convinced that we contribute to a better and more realistic assessment of industry exposures in Indonesia, the Philippines and Thailand. This information is fundamental to understanding catastrophe risk in any market, and it is particularly valuable in these highly catastrophe-exposed Southeast Asian markets."



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About PERILS

PERILS is an independent Zurich-based organisation providing industry-wide natural catastrophe exposure and event loss data. The PERILS Industry Exposure & Loss Database is available to all interested parties via annual subscription. The database contains industry property sums insured and event loss information on a CRESTA zone level and per property line of business. PERILS industry loss estimates provided via the PERILS Industry Loss Index Service can be used as triggers in insurance risk transactions such as industry loss warranty contracts (ILW) or insurance-linked securities (ILS). The service currently covers the following 17 countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Switzerland, Turkey, and the United Kingdom. In addition, PERILS industry exposure data are available for Indonesia, the Philippines and Thailand. The use of PERILS exposure and loss data other than in conjunction with a valid PERILS License and according to its terms, by a Licensee or an Authorized User as defined in the License, is illegal and expressly forbidden.

More information can be found on www.perils.org

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