



RMS corporate risk services are designed to help clients save money through an improved understanding of catastrophe exposures unique to their business. RMS helps clients achieve this objective by applying nearly twenty years of experience in consulting and risk modeling for a wide range of perils and sources of risk. Using the results of an RMS analysis, risk managers can make informed decisions on reducing risk or establishing comprehensive risk management strategies.

## Corporate Risk Services

### INNOVATIVE RISK MANAGEMENT STRATEGIES

Mounting catastrophe losses and insurance costs in recent years have led to a deeper use of risk modeling and computer technology to manage and price catastrophe risk. Techniques originally developed for insurers and reinsurers have now expanded to become components of corporate risk management. RMS has been at the forefront of these trends, working with multinational corporations, as well as governments and financial institutions to model natural catastrophe events and estimate potential risk costs.

Corporate risk managers are taking advantage of the unparalleled knowledge and technology developed by RMS to quantify corporate catastrophe risks and devise innovative risk management strategies. RMS has the expertise to assess and quantify catastrophe risks from multiple sources, including:

#### KEY PERILS MODELED

- Earthquake
- Hurricane
- Windstorm
- Severe Storm
- Winterstorm
- Tornado & Hail
- Fire
- Flood
- Terrorism
- Influenza  
Pandemic

- Property damage
- Employee injury & illness
- Business interruption & continuity planning
- Operational and financial risk
- Risks associated with climate change over the next 20+ years

Risk managers can use the results of an RMS study to actively manage the trade-offs of risk retention, risk transfer, mitigation/disaster planning, business continuity/loss of revenue planning, and short and long-term strategic asset planning.

### THE RMS INTEGRATED APPROACH

The RMS approach is designed to address the most important issues driving a corporation's catastrophe risk management strategy. The first step is to screen for risks that are most likely to impact financial performance. This may include an analysis of various perils using RMS models, as well as the exploration of where there are operations, facilities, or investments liable to be subject to increasing catastrophe exposure in the future. RMS then performs a detailed quantification of key risk drivers unique to the client portfolio, including site analysis and business network analysis. Finally, RMS works with risk managers to capture cost savings and minimize risk through alternatives such as an evaluation of existing insurance programs, a cost-benefit analysis for mitigation efforts, or development of disaster contingency plans to minimize business interruption risk.

## VALUABLE RESULTS AND INFORMATION

Through an RMS corporate risk project, risk managers receive access to RMS engineering teams and catastrophe models, encompassing a comprehensive set of simulated events and associated probabilities for key perils. Results are delivered through the insurance industry-leading RMS risk management framework, and can include:

- Identification of key risk drivers
- Exposure concentration analysis
- Critical scenario analyses
- Average annual loss (AAL) or pure premium/burn rate
- Exceedance probability (EP) loss, or the annual probability of various levels of loss by peril
- Probable maximum loss (PML)

## A COMPREHENSIVE SOLUTION SET

- Risk modeling unique to individual needs
- Insurance purchasing/program review
- Corporate catastrophe bonds
- Global portfolio risk management
- Property damage and business interruption
- Risk mitigation and cost benefit analysis
- Site-specific engineering
- Real-time catastrophe event modeling
- Future risks associated with climate change

## BUSINESS INTERRUPTION ANALYSIS

RMS works closely with client personnel who are knowledgeable in company operations to perform direct and contingent business interruption analyses. This may include loss of revenue and time element factors, impacts of external dependencies such as suppliers, vendors, subcontractors, and the company's own customer schedules and deliverables. Business interruption can also lead to loss of market share which is typically uninsured.

## CLIMATE CHANGE RISK ASSESSMENT

Preparedness for climate change involves not only identifying how commercial operations will perform in an economy in which carbon dioxide emissions are priced but also identifying what can be expected in terms of changes in risk. RMS climate scientists have adapted the core proprietary weather and catastrophe risk models to explore how a wide range of facilities and operations may be exposed to the direct impacts of changes in catastrophe occurrence, such as with flood or hurricane activity, as well as what to expect for mean climate, as it relates to purchasing, travel, and agricultural activities.

# About RMS

Founded at Stanford University in 1988, Risk Management Solutions (RMS) is the world's leading provider of products, services, and expertise for the quantification and management of catastrophe and complex business risks. RMS risk modeling solutions are used by over 400 leading insurers, reinsurers, industrial corporations, governments, and financial institutions worldwide. As an established provider of risk modeling to companies across all market segments, RMS provides solutions that can be trusted as reliable benchmarks for strategic pricing, risk management, and risk transfer decisions.

With over 1,000 employees in offices throughout the North America, Europe, and Asia, RMS continues to grow through market leadership, superior client service, research and technology innovation, and international expansion.

Risk Management Solutions, Inc. ■ 7015 Gateway Blvd., Newark, CA 94560, USA ■ <http://www.rms.com>

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