



U.S. Storm Surge

Hurricanes such as Katrina, Ike, and Irene demonstrate that storm surge can have a material impact on insured loss. A complete understanding of storm surge risk at a location is critical for underwriters and risk managers to help minimize overall hurricane losses and the operational impact caused by such catastrophic events. Current strategies employed to assess and minimize this risk are often broad, and range from restricting policies on locations that lie within a certain distance of the coastline, to eliminating policies completely in coastal areas.

RMS U.S. Storm Surge hazard data can assist in defining these risk mitigation strategies by providing an indicator of the storm surge risk for a specific property. Developed in conjunction with the RMS v11 North Atlantic Hurricane Model, the data provides surge depth values for the 100, 250, 500, and 1,000-year return periods for all 21 U.S. hurricane states. The data enables underwriters and risk managers to quickly determine if a property is at risk from storm surge and if so, the return period, and indicative severity by storm surge depth.

RMS U.S. Storm Surge data incorporates site-specific risk factors, which can be utilized for a range of purposes:

- Understand the inherent risk to a property and the surrounding area/site and identify whether the loss is principally driven by the wind or surge damage
- Pre-screen locations at the point of underwriting to minimize adverse risk selection
- Establish and refine robust underwriting guidelines based on risk appetite
- Monitor exposure accumulations in high-risk areas to enhance risk diversification.



U.S. Subsidence

Subsidence, the gradual settling or sudden collapse of the Earth's surface has generated unexpectedly high insured losses in recent years. Florida alone has over 3,000 sinkholes, and this number is increasing each year, adding to the growing cost to insurers. Sudden collapse events are rarely seen as major catastrophic events as they are often localized; however, they can result in severe building damage, driving large associated losses. Slow subsidence can cause as much economic damage as a sudden collapse, despite occurring over a longer period of time.

RMS Subsidence hazard data provides three key metrics that indicate the risk from two key causes of subsidence—sinkholes and active or inactive underground mine tunnels and shafts—for properties in all 50 U.S. states:

- Sinkhole hazard zone
- Distance to nearest five sinkholes
- Distance to nearest five mines

These metrics can be used to differentiate individual risks on a site-specific basis. As local conditions can vary substantially depending on the proximity and density of sinkholes and mines, RMS Subsidence data helps to minimize adverse risk selection and maximize revenue through better informed price and rate setting.



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