













# Exposure Management Application Buyer's Guide

**Exposure management tools help you understand risk concentrations**, identify blind spots, and respond to events, enabling you to make better-informed decisions. When evaluating potential tools, it's important to ask questions about the application's **exposure management capabilities**, **business integration tools** and **risk fundamentals** for each system.

TOP QUESTIONS TO CONSIDER	WHAT TO ASK	COMMON PITFALLS
<b>EXPOSURE MANAGEMENT CAPABILITIES</b>		
1	 <p><b>BUSINESS HIERARCHIES</b> Can you manage both insurance and reinsurance accumulations within the same application?</p>	Some applications can only run insurance or reinsurance portfolios but not both, resulting in complex and time-consuming processes to get an enterprise-level view of risk.
2	 <p><b>SCALABILITY</b> Can you run accumulations across billions of locations and thousands of portfolios and programs?</p>	Most applications can only run accumulations for individual insurance or reinsurance portfolios rather than across all portfolios in the company, impacting your ability to identify blind spots and risk clashes.
3	 <p><b>LINES OF BUSINESS</b> Does your exposure management application analyze physical and man-made risks, such as terrorism and environmental, social, and governance (ESG)?</p>	Some applications can only analyze a limited set of physical risks and cannot run accumulations on man-made risks.
4	 <p><b>COMPLEX TREATY STRUCTURES</b> Does your application allow capturing of complex inward and outward treaty structures?</p>	Some applications use financial models that do not allow you to capture complex inward and outward reinsurance structures to give your true net accumulation metrics.
5	 <p><b>MAPPING AND ENHANCED ANALYTICS</b> Does your application create dynamic maps and reports to identify drivers of risk?</p>	Some applications have limited mapping and reporting capabilities, requiring a series of manual processes to transfer data to an alternative application.
6	 <p><b>DETAILED EVENT RESPONSE</b> Does your application support detailed event response analysis?</p>	Some applications struggle with displaying and accumulating large, highly granular footprints for events such as floods and windstorms, impacting the accuracy of event response estimates.

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<b>BUSINESS INTEGRATION TOOLS</b>		
7 	<b>FINANCIAL CONSISTENCY</b> Does your exposure management application use the same financial engine as your catastrophe modeling?	Some applications do not share the same financial engine as their modeling applications, and do not produce the same financial perspectives, reducing confidence in results.
8 	<b>REAL-TIME DECISION SUPPORT</b> Does your application support near real-time visualization and accumulation analytics?	During a catastrophe event, some applications struggle to ingest real-time event data and forecasting into the accumulation analysis, affecting the speed at which loss estimates can be produced.
<b>RISK FUNDAMENTALS</b>		
9 	<b>EXPOSURE DATA CONSISTENCY</b> How do you ensure that exposure data is consistent between your modeling and exposure applications?	You may be required to export the data and then transfer it to another application, leading to complex workflows with lots of manual steps.
10 	<b>FINANCIAL MODELING</b> Does your application's financial engine cater to all of the complexity of insurance contracts?	Some applications have limited financial engines that can only approximate exposed limits and cannot cater to complex policy terms.
11 	<b>DATA MANAGEMENT</b> Can you seamlessly import, export, and analyze multiple data formats?	Most applications can only analyze one type of data format, such as EDM, CEDE, or OED, leading to challenging manual transformations of data or limited analysis capabilities.
12 	<b>DATA ACCESS CONTROLS</b> Does your platform allow you to define which users have access to which data, enabling usage across multiple teams and entities?	Applications may not support the ability to control access to the exposure data, limiting the ability to use the application across teams.