










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
EXPOSURE MANAGEMENT CAPABILITIES		
1	 <p>BUSINESS HIERARCHIES 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>SCALABILITY 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>LINES OF BUSINESS 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>COMPLEX TREATY STRUCTURES 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>MAPPING AND ENHANCED ANALYTICS 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>DETAILED EVENT RESPONSE 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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BUSINESS INTEGRATION TOOLS		
7 	<p>FINANCIAL CONSISTENCY</p> <p>Does your exposure management application use the same financial engine as your catastrophe modeling?</p>	<p>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.</p>
8 	<p>REAL-TIME DECISION SUPPORT</p> <p>Does your application support near real-time visualization and accumulation analytics?</p>	<p>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.</p>
RISK FUNDAMENTALS		
9 	<p>EXPOSURE DATA CONSISTENCY</p> <p>How do you ensure that exposure data is consistent between your modeling and exposure applications?</p>	<p>You may be required to export the data and then transfer it to another application, leading to complex workflows with lots of manual steps.</p>
10 	<p>FINANCIAL MODELING</p> <p>Does your application's financial engine cater to all of the complexity of insurance contracts?</p>	<p>Some applications have limited financial engines that can only approximate exposed limits and cannot cater to complex policy terms.</p>
11 	<p>DATA MANAGEMENT</p> <p>Can you seamlessly import, export, and analyze multiple data formats?</p>	<p>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.</p>
12 	<p>DATA ACCESS CONTROLS</p> <p>Does your platform allow you to define which users have access to which data, enabling usage across multiple teams and entities?</p>	<p>Applications may not support the ability to control access to the exposure data, limiting the ability to use the application across teams.</p>