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2023 Hurricane Guide:
How to Move from "React & Respond" to "Prepare & Serve"

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Shifting from "React & Respond" to "Prepare & Serve"

Hurricane season brings with it much more than the hurricanes themselves: inland flooding, wind, storm surge, hail, and even tornadoes can all occur during a hurricane. Beyond the loss exposure, insurers must deal with operational and organizational strain. It's a season, perhaps more than any other, when insurers need to have their proverbial "ducks in a row." This means preparing now for the possibility of the worst.

Globally, tropical cyclones remain the costliest peril since the start of the 21st century. Losses are mainly driven by extreme loss years and single catastrophic events. In 2022, for example, **Hurricane Ian drove an estimated $50-65 billion in insured losses and was responsible for up to 49% of all global insured losses**. Hurricane Ian is one example of a worrying trend: billion-dollar events in concentrated areas of wealth. In fact, **75% of all global insured losses were recorded in the U.S. in 2022**.

Cumulative Insured Loss by Peril
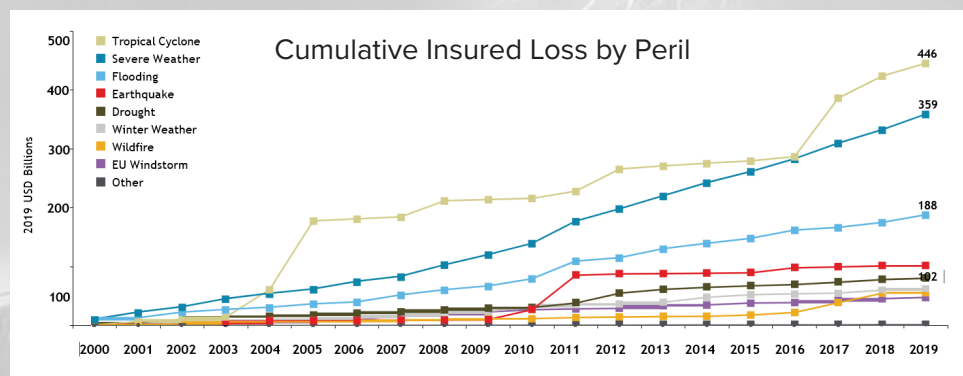
Source: Aon, "2023 Weather, Climate and Catastrophe Insight Report"

Bottom line: Risk is evolving and preparedness must evolve with it in order to provide timely response and meet ever-increasing customer demands.

2023 Hurricane Season Forecast

	1991 - 2020 Average	2022	Colorado State Univ	The Weather Company
Total Named	14	14	13	15
Hurricanes	7	8	6	7
Category 3+	3	2	2	3

Automate your event response operations with Insurity

With the frequency and severity of catastrophes on the rise, event response teams must replace their existing manual processes with automation to effectively keep up, mitigate losses, and provide the level of service customers now expect.

With Insurity's automated event alert and analysis solution, you'll be the first to know about an event and the extent of its impact on your portfolio. Our Geospatial Event Response solution, powered by SpatialKey and Maprisk, integrates with your portfolio and provides real-time support for eight catastrophic events: hurricane, surge, wildfire, wind, hail, flood, tornado, and earthquake.

- Proactively monitor and automatically analyze your portfolio against new and updated event data
- Receive immediate notifications when your portfolio impacts reach your specified threshold
- Remove analysis bottlenecks and reduce time spent evaluating claims exposure and downstream costs
- Proactively pinpoint and reach out to insureds who have been impacted by an event
- Provide real-time updates to stakeholders to keep them informed of portfolio impacts.

Learn more about Insurity Geospatial Event Response, or reach out to your Insurity account manager directly.

PRE-EVENT
Planning Now for Fewer Downstream Costs Later

Now is the time to make sure you have the capacity to handle what Mother Nature throws your way this season, including using historical data to conduct dry runs (*see page 6*).

It's also important to ensure your data licensing is in place for third-party data providers and modelers. For example, during hurricanes Ian and Nicole, many of our customers had access to event footprints as they became available from data providers like NOAA, JBA, KatRisk, and Kinetic.

These up-to-date footprints, coupled with policy exposed limits (*PEL*), helped insurers understand actual exposure and focus their response efforts.

Take a look at the following best practices.

How many boxes can you check?

Pre-event: Best Practices Checklist

✔ **Make sure your automated analytic capabilities are good to go**:

- Sync your policies-in-force (*PIF*) with a solution like Insurity Geospatial Event Response so when an event hits, you know you've got the most accurate and up-to-date exposure information.

- Set up automated email alerts for real-time event monitoring.

- Customize your thresholds by peril (*e.g., set a threshold to only receive a notification when wind speeds of 74+ mph impact your portfolio*) so you can cut through the noise and only receive relevant automated alerts.

✔ **Anticipate the questions you'll be under pressure to answer, such as**:

- What is our loss potential?

- Do we have adequate reserves and reinsurance in place?

- Which major contacts, companies, and/or clients are at risk?

- Is call center staffing sufficient to handle an influx of claims?

- Do we have a communication strategy in place to begin outreach for insureds most at risk?

✔ **Identify your most at-risk properties and devise strategies to mitigate risk**:

- **Claims**: Determine if your claims staff is ready and appropriately staffed. Will you need other departments within your company or independent contractors to help with the influx of claims?

- **Underwriting**: Issue moratoriums for new business and existing policy increases. Notify your underwriting department that they will need to review moratorium guidelines and prepare for an influx of underwriting reviews and coverage questions.

- **Reinsurance**: Review agreements to see if they apply. If they will apply, know how to engage to provide coverage for your insureds.

- **Risk Management**: Review business continuity plans for your operation.

✔ **Renew or expand third-party data licenses now**:

- Assess your data licensing and success to inland flood, storm surge, and wind event footprints. (*see chart on page 7*)

- Work with a data aggregator like Insurity Geospatial, so you have access to everything you need all in one place.

- Know how you will use this data to formulate your response and communicate potential exposure to your stakeholders.

Conducting a Hurricane Dry Run

01. **Stress test with past scenarios to gain insight into the composition of your portfolio of risk and identify the location characteristics likely to drive losses, as well as the impact it will have on your teams**:

- Use past hurricane events to understand weaknesses in your processes as well as your organizational triggers. For example, do you know what constitutes an "event" and when to start pulling in other representatives?

- Visualize your portfolio performance against your past hurricane claims and exposure data, then develop risk mitigation measures.

03. **Test your entire workflow from end-to-end**:

- Now, take the results from your dry run and trigger moratoriums, stage adjusted, and claims vehicles to quantify potential losses and develop mock notifications / communications and updates for policyholders, insureds, and clients.

02. **Perform "what-if" analyses to see how a historical hurricane would impact your portfolio today**:

- What would have happened if Hurricane Ian had hit St. Petersburg, Florida, as predicted instead of veering to the south? Consider what would happen if another Harvey hit? (*e.g., with this wind speed and storm surge at landfall, we can expect X losses*)

- What if an event shut down your home office? What's the process for redundancies? Can you still serve your clients, and what are your vulnerabilities for handling the influx of claims, etc.?

04. **Debrief with your team**:

- What went well? What didn't go well? Identify pain points that can be addressed before a real event strikes.

- Define next steps, assign sponsors, and determine timeline to correct pain points.

Hurricane Data Available to Insurity Customers

During the 2022 hurricane season, Insurity customers who used our Geospatial solutions were able to access near real-time data from expert providers like JBA, KatRisk, Kinetic, NOAA, and a host of others. Tell us the data you need, and we'll do our best to expedite your request.

Data Provider	Flood Depths (inland & surge)	Wind	Event Footprint	Aerial Imagery	Data Updated
JBA	✔	✔	✔		As available
KatRisk	✔	✔	✔		As available
Kinetic	✔	✔	✔		Every 3-6 hours
NOAA	✔	✔	✔	✔	Every 3-6 hours
Ad-Hoc Customer Requested	✔	✔	✔	✔	Available per request

Interested in integrating any of this data? Or do you have other data needs? Reach out to your Insurity account manager or contact us at info@insurity.com.

EVENT
Understanding Your Actual Exposure & Making Sense of the Data

Now that you have procured access to all the data you'll (*hopefully*) need, it's time for the hard part: making sense of it. Even with the best technology and in-house GIS experts at your disposal, hurricanes can create a scramble. A key challenge is converting data files into usable information and then quickly extracting insight. However, a solution like Insurity Geospatial Event Response removes the technical and time-consuming burden of working with massive streams of complex hazard and event data by automating the entire data process.

Your Insurity account manager can advise you on all your data needs - so you can save time and get the work of understanding and executing on what all the data actually means.

Event: Best Practices Checklist

✔ **Monitor your email for automated notifications**:

- With the custom thresholds that you already set (*see the Pre-event checklist on page 5*), you'll receive relevant automated alerts via email

✔ **Ready your response**:

- Quantify potential losses and communicate impacts to stakeholders
- Send notifications and updates to policyholders
- Deploy disaster response teams

✔ **Analyze potential impact to locations when you receive an alert**:

- View potential exposure, including net of policy structures
- Visualize storm track & wind bands
- Compare multiple modeler views of risk side-by-side
- Filter by wind speed, flood depth, etc.
- View and filter highest value properties and associated building characteristics
- View before and after satellite imagery to identify potential claims hot spots
- Assess proximity with distance and radius tools

Gaining a Complete View of Risk Means Leveraging Multiple Sources of Data

"**How can I gain a more complete understanding of risk?**" is a question many of our customers ask during events. The answer? Insurity Geospatial Event Response allows you to pull together multiple sources of data into a single session for a more complete view of risk. The ability to compare multiple hazards and/or models in one place is increasingly important with complex events like hurricanes.

For example, one dashboard can contain multiple hazard layers that you can compare. In the Hurricane Ian example shown below, the before and after views confirm severe data using high-resolution post-event imagery.

The hazard layers and aerial imagery provide a complete view of your impacted portfolio. You can use this information to direct your claims response more effectively.
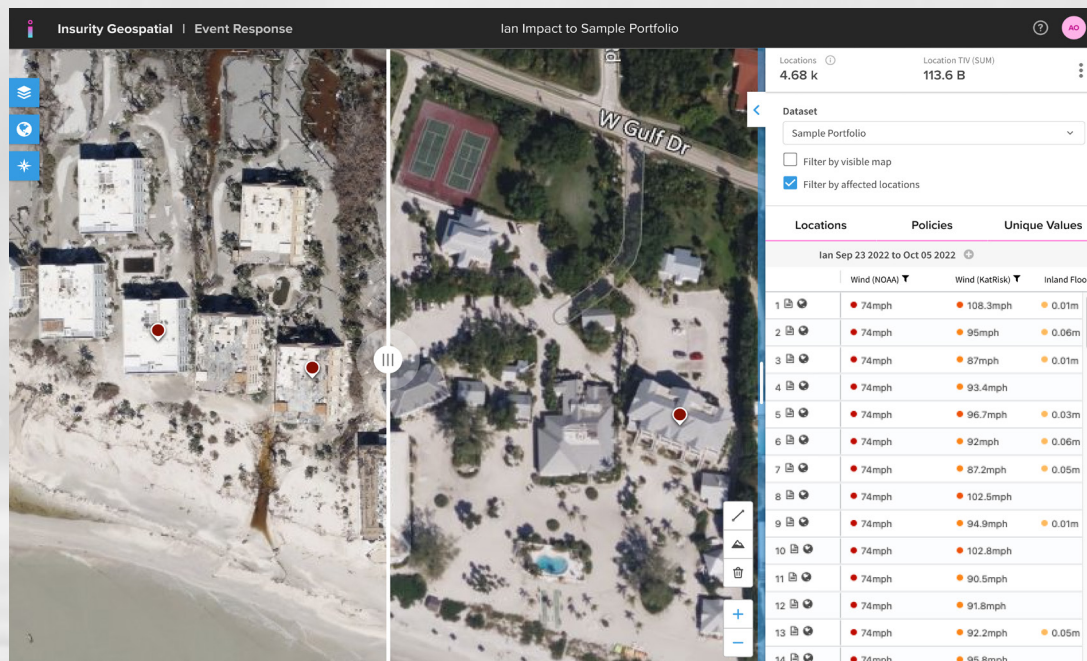
Shown in the above image is a before and after view of the damage that Hurricane Ian brought to Sanibel Island in Florida. In addition to viewing hurricane footprints and wind-speed bands, post-event aerial imagery offers a way to confirm damage faster than you can get boots on the ground.

POST-EVENT
Use Data & Visual Analytics to Understand Potential Losses & Quickly Respond to Claims

Immediately following an event, it's important that you have the data and analytics in place to understand and gain an accurate idea of potential concentrations of loss. This information helps you anticipate the extent of claims and pinpoint exactly where those claims will be coming from - without the need to have boots on the ground to get the initial estimates. Insurity Geospatial Event Response can provide you with "ground truth" data such as FEMA, as well as aerial imagery and analytics, to help you formulate your claims response and deployment as well as investigative efforts.

Post-event: Best Practices Checklist

✔ **Respond to claims faster & estimate losses with the right data**:

- Access to data is paramount. For example, the ability to bring in aerial imagery data may help you pinpoint potential claims and more accurately assess damage before claims are even filed.

✔ **Plan a debrief immediately following each event**:

- Discuss what went well and where improvements can be made.

✔ **Consult with trusted advisors**:

- Tap into industry experts, such as your Insurity account manager, who can provide added perspective and suggestions for improving your processes, data sources, and share how the rest of the market responded.

✔ **Assess and review vendor performance**:

- Which solutions providers shined and who wasn't as responsive or attentive to your needs?

✔ **Conduct an end-of-season historical analysis/audit**:

Understand gaps in your processes, analytics tools, data, and concentrations of accumulations so you can spot trends and make changes prior to next season:

- How quickly were you able to generate an accurate estimate of losses?

- Were you satisfied with the data and analytics that helped inform your claims responsiveness and accuracy?

- How satisfied were your customers with your responsiveness?

- Are your risk accumulations at acceptable levels in hurricane-prone areas?

- How will the impact of this season's hurricanes influence your underwriting pricing and strategy?

Shine in the Eyes of Your Customers with Your Data & Analytics

Having a robust data and analytics solution that goes beyond public or open-source data and simple analytics is paramount during large-scale events. With data and analytics that work for you, you'll be able to demonstrate the strength of your service and insurance program.

The Insurity Geospatial Event Response solution creates operational efficiency by automating the entire event response process - from real-time event notifications to data processing, portfolio impact, and reporting. This enables your team to focus on what matters: providing exemplary customer service in the moments that matter most.

Insureds will judge their insurance investment based on your level of response. Insurity Geospatial Event Response enables you to be precise and proactive with your outreach. When the time comes for your customers to make renewal decisions, your new level of service will ensure solid retention.

Interested in learning more about automating your event response operations? Download our latest guide for P&C insurers: How to Make Your Event Response Operations Run Like Clockwork.