



RMS Marine Cargo and Specie Model

Increase your confidence in the modeling, underwriting, and accumulation management of static and in-transit cargo risk



THE MARINE CARGO AND SPECIE MODEL AT A GLANCE

- A comprehensive vulnerability scheme comprising more than 2,000 combinations of product and storage options for wind, storm surge, and earthquake
- Secondary modifiers for customized views of risk on salvage potential, packaging, sprinkler systems, and storage protection
- High-resolution Industry Exposure Databases (IEDs) for 11 of the world's biggest ports
- Medium-resolution IEDs for 140 ports across 43 countries
- Shape files for important global areas of exposure accumulation, including free ports, regional ports, and auto storage facilities

Take control of your cargo catastrophe exposure

Severe cargo loss from catastrophic events in the 21st century – from Typhoon Maemi and the Tohoku Earthquake to Hurricane Sandy and the Tianjin Port Explosions – have put pressure on already thin underwriting margins in cargo insurance. With unprecedented amounts of capital forcing cheaper rates, broader coverage, and increased regulatory scrutiny on portfolio management practices, marine insurers face many headwinds in today's marketplace. Understanding their catastrophe loss potential has never been more important.

The RMS® Marine Cargo and Specie Model provides detailed insight into cargo fragility and exposure accumulation, enabling the identification of vulnerable concentrations of static cargo, the measurement of port accumulations, and the analysis of loss severity for key events.

Detailed vulnerability for a diverse line of business

Cargo is one of the world's oldest and most diverse lines of business – encompassing products from petroleum and coal to wedding rings, iPads, and cattle. Storage can be equally distinctive, including not only warehouses but also tanks, silos, retail stores, and distribution centers. Adding to this challenge is that marine cargo is not at risk 365 days per year (unlike buildings and their contents), so the proportion of time it's at risk must be considered in catastrophe analysis.

The vulnerability module within the RMS Marine Cargo and Specie Model is the first to explicitly consider these variables and how they influence loss outcome. Calibrated with large volumes of claims data, the curves may be supplemented with secondary modifiers to provide a customized, definitive, and credible view of risk.

COVERAGES SUPPORTED BY THE MARINE CARGO AND SPECIE MODEL

- **Static Risk:** Using standard COPE information, gain unprecedented insight into cargo loss potential across a variety of perils.
- **Transit Risk:** RMS industry exposure databases (IEDs) enable market-share port accumulation analysis categorized by product, storage configuration, or terminal.
- **Stock Throughput (STP):** Seamlessly model an entire supply chain, from raw materials and work in progress to finished goods and inventory at all insured locations using this purpose-built cargo model.

Better accumulation management, more informed capital allocation decisions

The world's largest ports extend for dozens of kilometers, comprising many types of storage structures across varying elevations. Large, unprotected open lots may contain billions of dollars of stacked containers, fleets of new cars, and expensive project cargo. Tank farms store large volumes of petroleum and chemicals, which spend long periods in port. And warehouses contain expensive cargo, which requires specialized handling. RMS Port Industry Exposure Databases (IEDs) quantify this exposure, delivering high-resolution insight appropriate for high-gradient perils like surge and flood. The IEDs incorporate many critical port characteristics, including:

- Average and peak exposure at risk, incorporating data on trade and shipping seasonality
- Geospatial representation of risk across thousands of individually geocoded structures and terminals
- Elevation profiles of cargo concentrations using high-resolution topography data provided by the Shuttle Radar Topography Mission (SRTM)
- Commodity dwell time incorporating regional and product-specific data for usage in accumulation analysis

Find out more

To find out more about RMS Cargo and Specie Model, contact your RMS account representative, or send an email to sales@rms.com.

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RMS is the world's leading catastrophe risk modeling company. From earthquakes, hurricanes, and flood to terrorism and infectious diseases, RMS helps financial institutions and public agencies understand, quantify, and manage risk.

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