

# RMS Terrorism Solutions

A range of solutions to enable portfolio managers and underwriters to quantify, underwrite, manage, and transfer terrorism risk



## KEY FEATURES

- Models and data provide deep insight into risk selection, management, and transfer
- Data-driven view of terrorism frequency and conditional probability
- Target data layer provides location and likely attack points for high-risk global terrorism targets
- High-resolution hazard footprints covering eight countries

(Re)insurers can find terrorism risk hard to diversify and insure. Where the exposure is highest, so is the risk, and consequently where the exposure is low, there is little risk. A single event can render an insurer insolvent, and the uncertainty around loss outcomes is high. To help, terrorism modeling has continued to develop and evolve, incorporating a wider range of data sources and applying the latest science for modelers and analysts. (Re)insurers who leverage the insight of terrorism models can now obtain a clear competitive advantage in pricing, risk selection, and capital management.

RMS offers a full suite of terrorism solutions including deterministic scenarios, accumulation management, and probabilistic modeling to assess the threat terrorism poses to a (re)insurer's exposure.

### An evolving peril

The global terrorism risk landscape has shifted in the face of increased counterterrorism funding and the sophistication of counterterrorism efforts, towards a higher frequency of low-tech attacks resulting in minimal insurable damages. The terrorism landscape continues to be fluid and risk remains high, therefore (re)insurers must understand these shifts and the possible implications on their portfolios.

### RMS Probabilistic Terrorism Model

The RMS® Probabilistic Terrorism Model provides a comprehensive analysis of terrorism risk across eight countries, including the U.S., key cities in Canada, across Europe, and Turkey – all regularly updated over 14 years. Using data from over 125,000 historical attacks, including known plots, the targeting preferences and risk patterns of terrorist groups in each country are reflected in the relative likelihood of attack scenarios and attack frequency, as is the potential for multiple synchronous attacks.

Using the model helps inform decisions such as risk selection, risk transfer, and pricing with key return-period losses, pure premiums and uncertainty calculations. It provides the ability to:

- Identify the most critical terrorist attack scenarios for your portfolio
- Analyze key drivers of loss by account, location, target type, and city

- Design and implement underwriting guidelines to diversify portfolio risk
- Quantify the risk of fire losses following terrorist attacks for policies without terrorism coverage

### **RMS Terrorism Scenario Model**

The RMS® Terrorism Scenario Model assesses the severity of terrorist attacks to quantify the risk from a range of terrorism scenarios, including conventional weapon and chemical, biological, radiological, and nuclear (CBRN) attacks:

- Assess property, business interruption, workers' compensation, and life insurance loss for any geographic location worldwide, including over 9,800 high-risk potential terrorist targets across 18 countries
- Manage modeled loss to acceptable thresholds using benchmark scenario events such as a 2-ton and 5-ton bomb attack
- Identify the attack scenarios that pose the greatest threat to a given portfolio

### **Accumulation management**

RMS has a range of accumulation management tools designed to help identify multi-line exposure accumulations that may exceed an organization's risk tolerance. High-resolution geocoding data and the benefit of a spider accumulation tool proprietary to RMS together deliver the necessary geographic precision to accurately identify and manage accumulations that could generate unexpected loss.

### **Find out more**

Contact [sales@rms.com](mailto:sales@rms.com) or visit the RMS website at [www.rms.com](http://www.rms.com) for more information about RMS solutions for terrorism risk.

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

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