

Willis Re adopts SpatialKey to help insurance company clients manage risk and boost profitability

CLIENT PROFILE

As a leading global reinsurance intermediary, Willis Re, a unit of Willis Group Holdings, helps insurance companies mitigate risk through business and reinsurance strategies.

CLIENT CHALLENGE

Willis Re's Catastrophe Management Services (CMS) team is tasked with helping its insurance clients quantify and understand their exposures to natural hazards such as hurricanes, tornadoes, and wildfires. Day in and day out, CMS analyzes the locations and other characteristics of clients' exposures in relation to potential hazards. For example, they look at factors such as construction type, building age, insured value, and potential loss of all properties a client has insured in a hurricane-prone area.

"Our main objective is to help our clients understand and manage catastrophe risk. Identifying concentrations or density of exposure geographically is one of the keys to managing this risk successfully," says Vaughn Jensen, Executive Vice President at Willis Re and head of CMS in the United States. Jensen explains that insurance companies must maintain sufficient capital, including reinsurance, to provide sufficient liquidity and solvency to withstand catastrophic losses. Thus, if companies do not carefully balance their exposures and capital, a single catastrophe can destroy their franchise.

"Because our clients' portfolios are large and complex, transparency of their geographic concentrations is one of the keys Willis Re brings to our clients' business," says Jensen. "If we can show our clients the true makeup of their portfolios and the catastrophe events that may occur, we can help them make decisions that will optimize their portfolios for greatest profitability."

"Our main objective is to help our clients understand and manage catastrophe risk. Identifying concentrations or density of exposure geographically is one of the keys to managing this risk successfully."

- Vaughn Jensen
EVP, Head of CMS, USA
Willis Re



Until recently, the CMS team felt limited by available technology. “We were handcuffed by GIS software tools, which are not fast, flexible, or easy to use,” says Jensen. “Our professionals had to be trained extensively, but even so, the tools did not truly facilitate risk analysis.”

More critically, it was difficult to communicate risk exposure information to clients. Traditional GIS and spreadsheet tools delivered their results in static formats that were difficult for clients to comprehend. “It’s tough for the typical business user to look at things by ZIP Code or county in a spreadsheet and really understand how the data correlates,” says Jensen. “Most people need a visual component.”

Roy Cloutier, a Vice President at Willis Re who is responsible for catastrophic event response in the United States, agrees. “We needed a better way to show our clients where they’re properly insured as well as where they’re in jeopardy and need to more aggressively manage their portfolio and capital.”

CLIENT RESULT

Since CMS adopted SpatialKey location intelligence software, the team has seen immediate benefits as well as exciting possibilities. The web-based SpatialKey product suite brings tabular client data and hazard data together in highly visual, interactive maps and analyses that make risk levels instantly apparent, enhancing client communication and understanding.

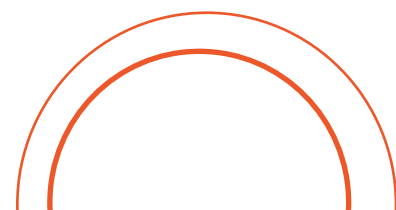
“SpatialKey enables us all to visualize concentrations of risk, and to then determine the best mitigation strategies,” says Jensen. “Now that everyone can clearly see risk correlations, we can more properly address the question of ‘How will you get a better return on your capital?’”

The interactive nature of SpatialKey has boosted the CMS team’s productivity. Seeing data visualized on a map typically raises more questions that demand further explanation, but with static maps this exploration took many more hours of an analyst’s time. “With SpatialKey, intensive analytical mapping projects that used to take two days can now be done in a few hours,” says Jensen

The SpatialKey application enables the CMS team to assess multiple perils and to overlay multiple datasets for on-the-fly analyses. Now, the Willis team can quickly correlate client portfolio risk with data from developing and real-time hazardous weather events like hurricanes and deliver interactive risk assessment scenarios in minutes. Jensen cites SpatialKey’s histogram, filtering, and heat-mapping capabilities as key to his team’s work. “With SpatialKey at our fingertips,” says Jensen, “we can do more in-depth, insightful analysis.” “One thing SpatialKey has that other software doesn’t is the kernel density map, which is great for viewing exposure concentrations,” Cloutier adds. “But really, there isn’t one feature in SpatialKey that we don’t use.”

“With SpatialKey, intensive mapping projects that used to take days can now be done in a few hours.”

- Vaughn Jensen
EVP, Head of CMS, USA
Willis Re



In addition to analysis tools, the CMS team has taken advantage of the ability to share SpatialKey’s interactive capabilities with clients via a simple web interface. With direct access to the data, Willis Re’s clients and prospects can independently explore their questions and quickly gain insight without having to wait for new cuts of the data. “Both clients and prospects have told us they appreciate SpatialKey’s speed and flexibility,” says Jensen.

Jensen also sees the potential for Willis Re’s clients to use SpatialKey internally to help underwriters see where they can minimize loss and maximize profit, help claims analysts visualize claims over time, and even help marketing teams maximize campaign take-up rates.

“But, really, there isn’t one feature in SpatialKey that we don’t use.”

- Roy Cloutier
VP, Catastrophic Event
Response
Willis Re

LOOKING AHEAD

While Willis Re has benefited from using SpatialKey’s out-of-the-box capabilities, the global reinsurance broker is also partnering with SpatialKey to develop customized products that will help them address other specific industry needs. For example, working with Willis Re, the SpatialKey development team has created an Event Response module for hurricanes that Willis Re will use to examine maximum sustained wind data in geographic areas of client exposure, and then calculate the likelihood of damage. Jensen and Cloutier believe this will greatly benefit their clients, for example by helping them determine the right number of claims adjusters to deploy to an area anticipating a hurricane. “Willis Re is committed to innovating to help our clients progress their businesses,” Jensen concludes. “We’re excited about working with SpatialKey to offer new capabilities in the marketplace. If the early signs are any indication, these new capabilities will help both Willis Re and their clients gain competitive advantage.”

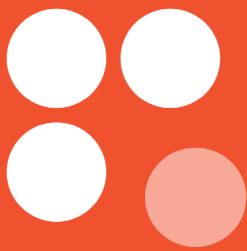
ABOUT SPATIALKEY

SpatialKey is the leader in geospatial insurance analytics. SpatialKey delivers intuitive and visual analytics—purpose-built for underwriting, claims, and exposure management—that empower insurers to transform data into actionable intelligence.

ABOUT WILLIS RE

One of the world’s leading reinsurance brokers, Willis Re is known for its world-class analytics capabilities which it combines with its capital markets and reinsurance expertise in a seamless, integrated offering that helps clients increase the value of their businesses. A division of Willis Group Holdings, Willis Re serves the risk management and risk transfer needs of a diverse, global client base that includes all of the world’s top insurance and reinsurance carriers, as well as national catastrophe schemes in many countries around the world. The broker’s global team of experts offers services and advice that help clients make better reinsurance decisions, access worldwide capital markets and negotiate optimum terms.





Discover new ways to analyze risk with SpatialKey
Get started today
spatialkey.com/contact-us