



**Casualty Catastrophe Risk
in a Time of Social Inflation**
Landscape, Modeling, and Action

**NAIC 2021
SUMMER NATIONAL MEETING
TUESDAY, AUGUST 17TH
8:30 AM – 10:30 AM (EDT)**



NAIC National Meeting

Casualty Catastrophe Risk in a Time of Social Inflation:
Landscape, Modeling, and Action

August 17, 2021

8:30 – 10:30 am EDT

Overview

Recent U.S. Property/Casualty insured loss estimates for asbestos (\$100 billion) and environmental pollution (\$46 billion) stemming from the 1970s and 1990s respectively would rank at the top of the list of the costliest U.S. insured losses from natural disasters. In addition to these ongoing asbestos-related and environmental claims, other new product and behavioral liability exposures (such as PFAS, Opioids, and Climate Liability) are emerging with the potential to result in such casualty catastrophes, especially when combined with the concept of “social inflation.” Despite this latent casualty catastrophe risk, the Bank of England’s Prudential Regulation Authority recently found that—“most firms in our sample were less mature in capturing data, developing tools, and making decisions based on exposure management information for casualty lines compared to property.” During this session we will explore the casualty catastrophe emerging risk landscape, tools available to understand it, and actions industry and regulators can take to address it.



NAIC National Meeting

Casualty Catastrophe Risk in a Time of Social Inflation: Landscape, Modeling, and Action

- 8:30 – 8:35 Welcome & Introductions
Jeff Czajkowski and
Rhode Island Superintendent of Insurance,
Elizabeth Dwyer
- 8:35 – 9:00 ***Overview of casualty emerging risk landscape***
Presenter
Dr. Robert Reville, CEO, Praedicat
- 9:00 – 9:30 ***Approaches to modeling casualty catastrophe risk***
Presenters
Melissa Boudreau, FCAS, SVP and
Head of Modeling, Praedicat
Robin Wilkinson, SVP and Managing Director,
Casualty Analytics, AIR
- 9:30 – 10:30 **Panel: Taking action on casualty emerging risk**
Moderator: Jeff Czajkowski, Director,
Center for Insurance Policy and Research,



9: 30 – 10:30 **Panel: Taking action on casualty emerging risk**

Panelists

Robert Reville, PhD, CEO, Praedicat

Melissa Boudreau, FCAS, SVP and Head of Modeling,
Praedicat

Robin Wilkinson, SVP and Managing Director,
Casualty Analytics, AIR

Justin Schrader, Chief Examiner, NE

Elizabeth Dwyer, Rhode Island Superintendent of
Insurance

David Brooks, CRO North America, AXA XL

What is next for state regulators – practical next steps



MELISSA BOUDREAU

FCAS, SVP and Head of Modeling, Praedicat

Melissa Boudreau is the Senior Vice President, Modeling at Praedicat. In her 30+ year professional tenure, Ms. Boudreau has built mathematical models and commercial software for quantifying complex and specialized risks, including tropical cyclone and severe convective storms, weather derivative risks, environmental impairment liability, and emerging market risks. Prior to joining Praedicat, Ms. Boudreau was Director of General Insurance Software for Actuarial Resources Corporation, where she led the creation of actuarial and risk management software and related consulting services, assisting insurers in Mexico with understanding their risk profiles and complying with evolving solvency regulations. Previously, Ms. Boudreau was Senior Manager of Advanced Analytics for SAS, assisting insurers with Solvency II compliance. As Senior Consultant with Towers Perrin, Ms. Boudreau led the development of capital models, pioneering many of the techniques commonly used in today's models. Ms. Boudreau is a Fellow of the Casualty Actuarial Society (FCAS) and holds a B.S. in Mathematics from Rensselaer Polytechnic Institute.



DAVID BROOKS

CPCU, ARM

AXA XL

SVP, Chief Risk Officer – Americas

David Brooks is the America's Chief Risk Officer for AXA XL. He also leads AXA XL's emerging risk activities and is a member of the AXA XL Leadership Network. David joined the XL organization in 1998 as part of a small team that built the XL Aerospace operations from initial formation to premiums in excess of \$380M by 2004.

In 2005, he assumed his current position of Chief Risk Officer. David has been responsible for the identification and management of all material underwriting and enterprise risks throughout the organization, with primary focus on man-made perils and emerging risks. In addition to overseeing high risk underwriting, catastrophe aggregation and emerging risk identification, additional past responsibilities also included four years heading the ceded reinsurance operations as well as the continued evolution of enterprise risk management initiatives into the various (re)insurance businesses and legal entities. He currently sits as a director on eight of the AXA XL insurance company boards.

Prior to joining the XL organization in 1998, David worked for 16 years in the insurance brokerage industry, with primary involvement in the sales and servicing of large, multi-national Fortune 1000 accounts.

David is a Magna Cum Laude BS graduate of Finance from the University of Southern California, and a MS graduate of Insurance and Risk Management from Florida State University. David has earned the Chartered Property and Casualty Underwriter (CPCU) and Associate in Risk Management (ARM) professional designations. He was also an Associate of Risk Management instructor for twelve years.



JEFF CZAJKOWSKI

Director

Center for Insurance Policy and Research, NAIC

Dr. Jeffrey Czajkowski serves as the Director of the Center for Insurance Policy and Research (CIPR) for the National Association of Insurance Commissioners (NAIC). The CIPR provides research and education to drive discussion and advance thought leadership as well as action on current and emerging insurance issues amongst insurance regulators, policymakers, industry, and academics. This is accomplished through CIPR's events, research publications, newsletter and website, the Journal of Insurance Regulation, and its extensive NAIC research library holdings.

Prior to joining the CIPR, he served as the Managing Director for the Wharton Risk Management and Decision Processes Center at the University of Pennsylvania, conducting research on various economic and risk-related issues of natural disasters and resilience, as well as on issues of environmental economics. His work has been published in leading risk management, insurance, natural hazards, and environmental economics journals. A significant amount of his research involves working collaboratively in cross-disciplinary research teams and applying research findings through various interactions with top policymakers and senior executives in the insurance industry. This has included serving on two National Academy of Sciences committees, being an academic advisory board member for the World Economic Forum's Global Risk Report, and a member of the Federal Alliance for Safe Homes (FLASH) Resilience Policy Council amongst other appointments. He holds a B.S. from Carnegie Mellon University, an M.S. in environmental and urban systems from Florida International University, and a Ph.D. in economics from Florida International University. Preceding graduate school, he worked in New York City as a research associate for Coopers & Lybrand Consulting and was a vice-president for JP Morgan. He has taught economic courses for over 15 years at a number of universities, and was an adjunct assistant research professor at the International Hurricane Research Center (IHRC) at FIU.



ELIZABETH KELLEHER DWYER

Superintendent, State of Rhode Island
Department of Business Regulation
Division of Insurance

Beth Dwyer was appointed Superintendent of Insurance on January 11, 2016. Prior to this appointment she had been employed by the Rhode Island Department of Business Regulation for fifteen years, first as General Counsel to the Insurance Division and later as Associate Director. Prior to government service, Ms. Dwyer was engaged in private law practice in California and Rhode Island specializing in litigation and insurance regulation.

Ms. Dwyer is a member of the National Association of Insurance Commissioners and has served as Chair and Vice Chair of various Committees, Task Forces and Working Groups. She currently serves as Chair of the Interstate Insurance Product Regulation Compact (IIPRC) and Restructuring Mechanisms (E) Working Group; Co Chair of the Producer Licensing (D) Task Force; Vice Chair of the Financial Regulation Standards and Accreditation (F) Committee and the Big Data (EX) Working Group and Secretary/Treasurer of the National Insurance Producers Registry (NIPR) Board of Directors.

Ms. Dwyer is a past president of the Rhode Island Women's Bar Association and served on the Rhode Island Supreme Court Advisory Committee on Gender in the Courts. She was awarded the 2010 Rhode Island Attorney General's Justice Award for Consumer Protection. She completed the Senior Executives in State and Local Government Program at Harvard University, John F. Kennedy School of Government Executive Education.

Ms. Dwyer holds the designations of Chartered Life Underwriter (CLU) from The American College and Senior Professional in Insurance Regulation (SPIR) from the NAIC. Ms. Dwyer was admitted to practice law in California, Rhode Island, Massachusetts, the Federal District Courts of California and Rhode Island and the Ninth Circuit Court of Appeals. She received a JD from Pepperdine University and a BA in Political Science and Public Administration from Providence College.



DR. ROBERT T. REVILLE

PhD, CEO, President
Praedicat

Dr. Robert T. Reville is the CEO and cofounder of Praedicat, the liability risk analytics company. Praedicat’s risk models are used for underwriting and risk management by leading P&C insurers and global industrials. Prior to co-founding Praedicat, Bob was Senior Economist at the RAND Corporation, where he conceived and led an R&D project mining the text of peer-reviewed science to identify emerging “next asbestos” risks. The project provided the foundation for Praedicat and Bob traded policy research for start-up life. Bob’s research career focused on liability, risk and insurance. He was the Director of the RAND Institute for Civil Justice, a liability research center which published influential research on asbestos; and co-director of the RAND Center for Terrorism Risk Management Policy, which published research on terrorism insurance that was cited in congressional debates over the Terrorism Risk Insurance Act. Bob has also written over a dozen studies on workers’ compensation. He received his Ph.D. in economics from Brown University.



JUSTIN C. SCHRADER

Chief Financial Examiner
Nebraska Department of Insurance

Justin Schrader currently serves as the Chief Financial Examiner of the Nebraska Insurance Department. Justin has over 21 years of state insurance examination experience. He currently oversees the Financial Examination Division, which include the Company Administration, Holding Company, Actuarial, Financial Examination, and Financial Analysis areas; which are responsible for regulating the financial solvency of the insurance industry.

Justin started as a financial examiner with the Nebraska Department of Insurance soon after he graduated from the University of Nebraska with a Bachelors of Science degree in Business Administration with an emphasis in Accounting and Management. Justin has moved up within the Department from Financial Examiner, to Examiner-in-Charge, to Deputy Chief Examiner, to his current position.

Justin is currently serving as the Chair of the NAIC Risk-Focused Surveillance Working Group, the Group Solvency Issues Working Group, and the Liquidity Assessment Subgroup and is an active member on many of the NAIC's financial Task Forces, committees and working groups, and is on the SOFE Board of Governors and Executive Committee.



ROBIN WILKINSON

Senior Vice President and Managing Director,
Casualty Analytics

Robin Wilkinson has more than 20 years' experience in legal risk management and has been developing risk models for the aviation industry, legal compliance, early predictive models, portfolio accumulation tools and policy models. She was the founder and CEO of Arium Risk Architecture. Following the company's acquisition by Verisk Analytics, she became Vice President and Managing Director of Casualty Analytics at AIR Worldwide. Robin began her career as a corporate lawyer, serving as Head of Legal Services at British Airways Plc. She earned a B.A. in Philosophy from Reed College and graduated from New York University School of Law.

For further reading on casualty catastrophe risk, see CIPR's topic page:
https://content.naic.org/cipr_key_issues.htm

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

For more information, visit www.naic.org.