

# MOODY'S

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**Win Larger Clients with Data and Modeling**

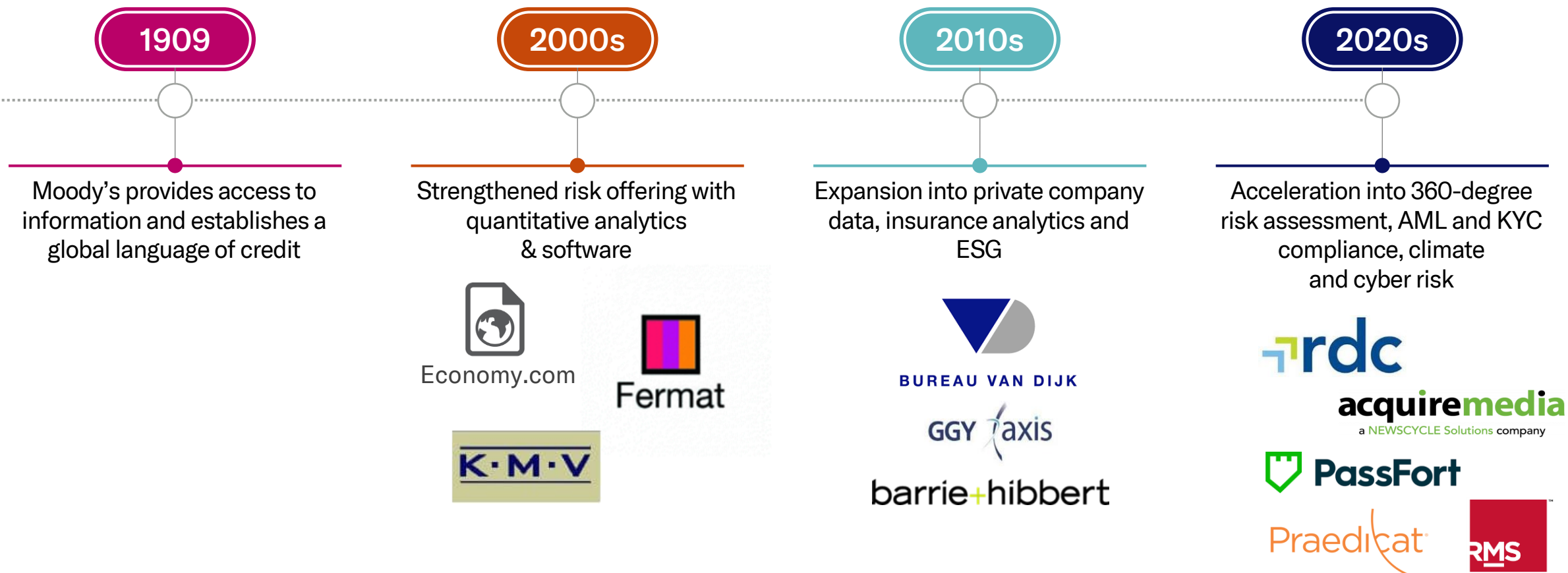
**Brokerslink – Abu Dhabi, November 2024**



Introduction to *Moody's*

# Moody's Journey

## Becoming the global leader in integrated risk solutions



# Moody's Insurance Solutions Today

Our unique depth and breadth of expertise serving the overall insurance industry ecosystem



## 1,700 Professionals

- Actuaries
- Accountants
- Economists
- Researchers
- Nat Cat Scientists
- Consultants
- Software Engineers
- Product Managers



## 900+ Customers

- Insurers
- Re-insurers
- Life, P&C, composite
- Brokers
- Asset managers
- Pension funds
- Consultants
- From large multinationals to smaller institutions



## 65+ Countries

- North America
- Europe
- Africa
- Central and South Americas
- Asia Pacific
- Middle East

# Moody's in Insurance

We aim to become *the market standard for data, analytics, and insight* across the insurance value chain to help clients maximize the opportunities these pressures present.

**We have invested ~\$7B+** to consolidate the science, modeling, and technology required to reduce silos across a firm, enabling our clients to more efficiently **decode risk and unlock opportunity**.



The background features large, bold, blue letters 'NMA' and a blue quote mark on the right side. The text is white and centered over the 'NMA' letters.

# Challenges and Opportunities Facing Independent Brokers





**“Despite the availability of a wide range of digital tools ... many brokers cite continuing to rely on outdated, manual processes that are not fit for the future”.**

Insurance Distribution Trends 2023 – Deloitte



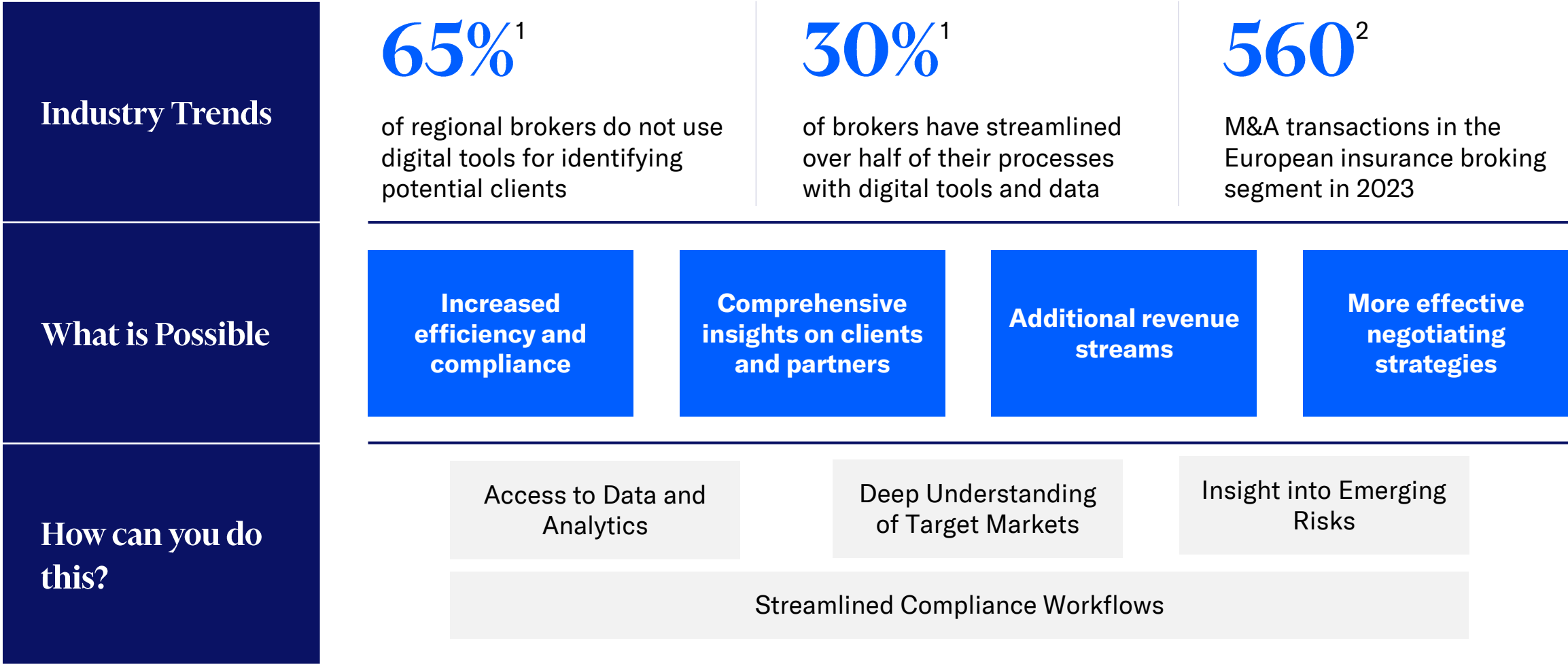
**M'**

**“This year we have committed over a billion dollars to evolve the way we organize and manage our data”.**

Jillian Slyfield – Chief Innovation Officer, Aon



# Broker Market – Trends & Art of the Possible



<sup>1</sup>Insurance Distribution Trends 2023 – Deloitte <sup>2</sup>Marshberry -European Insurance Distribution M&A Remains Robust in Q2 2024

# Market Pressures



## Evolving Client Needs

Evolving client needs and changing expectations that go beyond traditional placement

## Emerging Risks

Emerging risk categories (e.g., cyber, climate, ESG) need to be considered in market negotiations and risk consultancy

## Insolvencies on the rise

Inflation, debt refinancing on adverse terms, and recessionary pressures are leading to higher probability of default among clients and partners

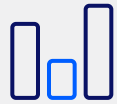
## Technology Shortfalls

Technology and data shortfalls leading to poor integrations and lack of efficient and automated workflows

## Market Disruption

Disruption from advanced analytics and GenAI is reshaping placement, advisory, and claims advocacy

# Feedback from Independent Brokers



## Increased Competition

Global brokers increasingly targeting mid-market accounts, intensifying competition



## Compliance Pressures

Regulators are increasing their focus on compliance in wake of increasing sanctions and avoidance activity



## Client Demands

Clients expect their brokers to add additional value beyond placement – including data transformation, risk advisory etc



## Data Quality and Availability

Industry struggles with chronic data quality issues, reducing efficiency and leading to lost business



## Incomplete View of Risk

Establishing a comprehensive view of exposure across lines and regions is challenging, yet essential for large clients



## Need for Automation

Current placement and administration processes are manual and error prone, leading to revenue leakage and poor scalability



## Lack of modelling insights

Independent brokers fail to take full advantage of existing Nat Cat & secondary peril modeling



## Need for Additional Revenue Streams

Investors and C-level leaders are increasingly looking to risk advisory as an additional revenue stream, requiring new capabilities



## Need to Leverage Historical Data

Historical client data is often unused, leading to missed cross-sell and expansion opportunities

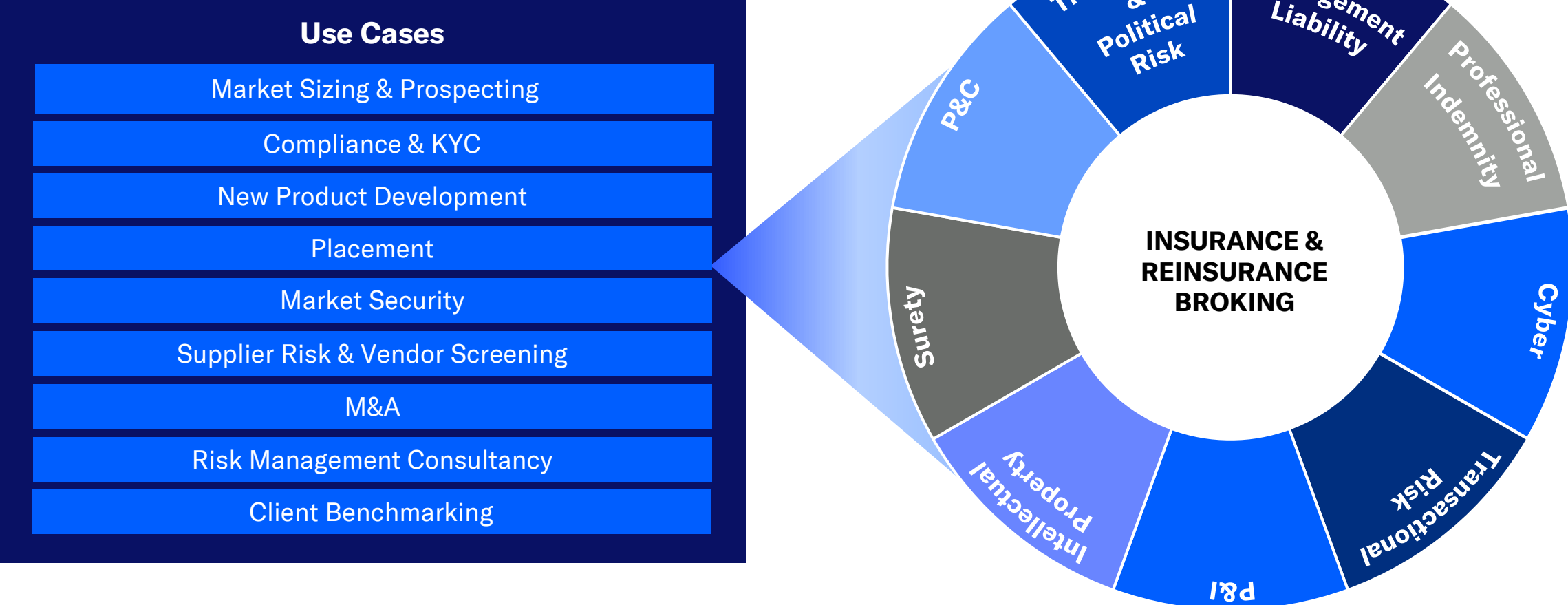


**Data for Successful Adaptation**



# Company Data to Unlock Opportunity

Single source of truth can be used across all key functions



# Useful Datapoints for Broking

Adding value every step of the way

## Client Lifecycle

### PUBLIC & PRIVATE ENTITY DATA

#### DATA MANAGEMENT



Name Matching



Core Firmographics  
Validated Name, Sector, Country



KYC  
Sanctions, PEPs

#### OWNERSHIP



Corporate Hierarchy



Shareholder Information



Directorship

#### FINANCIAL STRENGTH



Standardized Financials



Stock Market Performance



Probability of Default



Early Warning Signals

#### CORPORATE BEHAVIOUR



M&A Activity



Litigation Incidents



ESG Scores

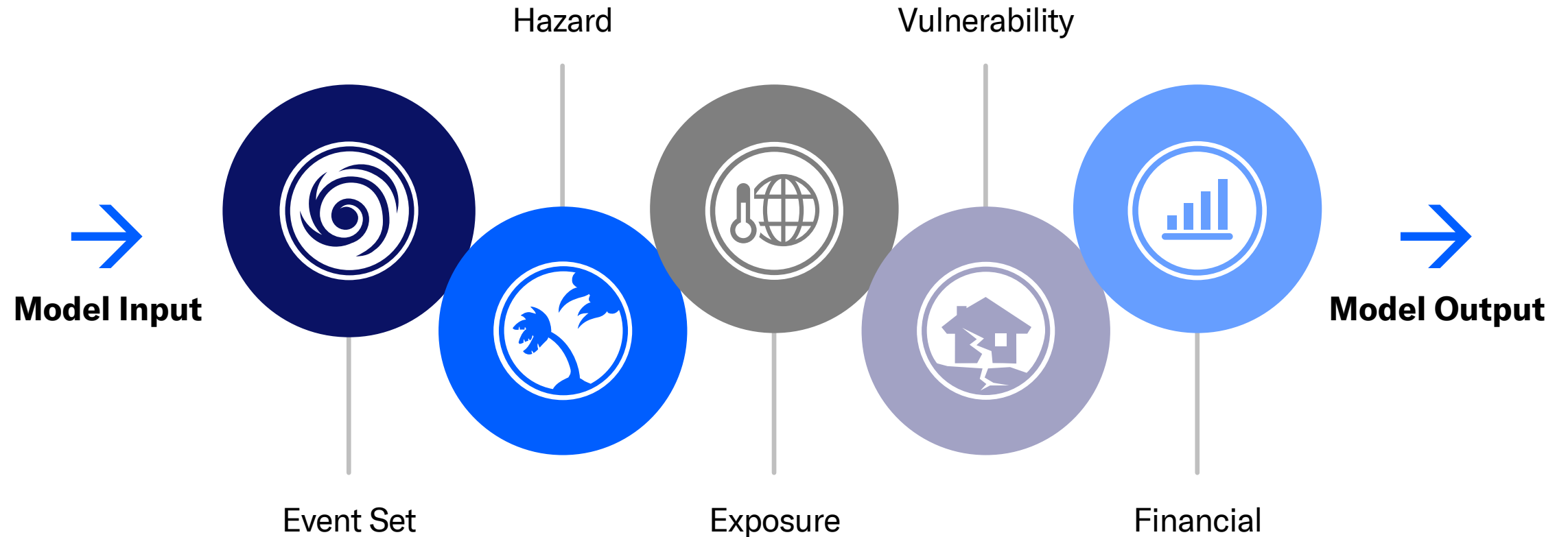


Cyber Risk Data & Analytics



News Sentiment

# Catastrophe Modeling for Exposed Accounts



The background of the slide is a solid dark blue. Overlaid on this are several sets of thin, light blue wavy lines that create a sense of depth and movement. These lines are arranged in a way that suggests a 3D landscape or a series of overlapping planes, with some areas being more densely packed than others. The overall effect is modern and sophisticated.

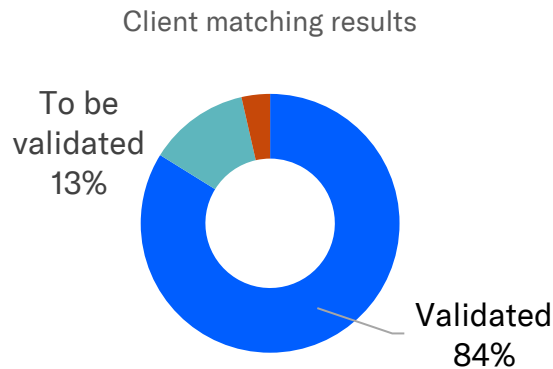
# Case Studies



# Client Target Market Study

Market share is made up of entities in client's portfolio (matching results below) vs potential mining clients in country

- Sector codes used: NAICS mining codes (212 and 213)
- Size: Using Moody's size indicators for Very Large, Large and Medium

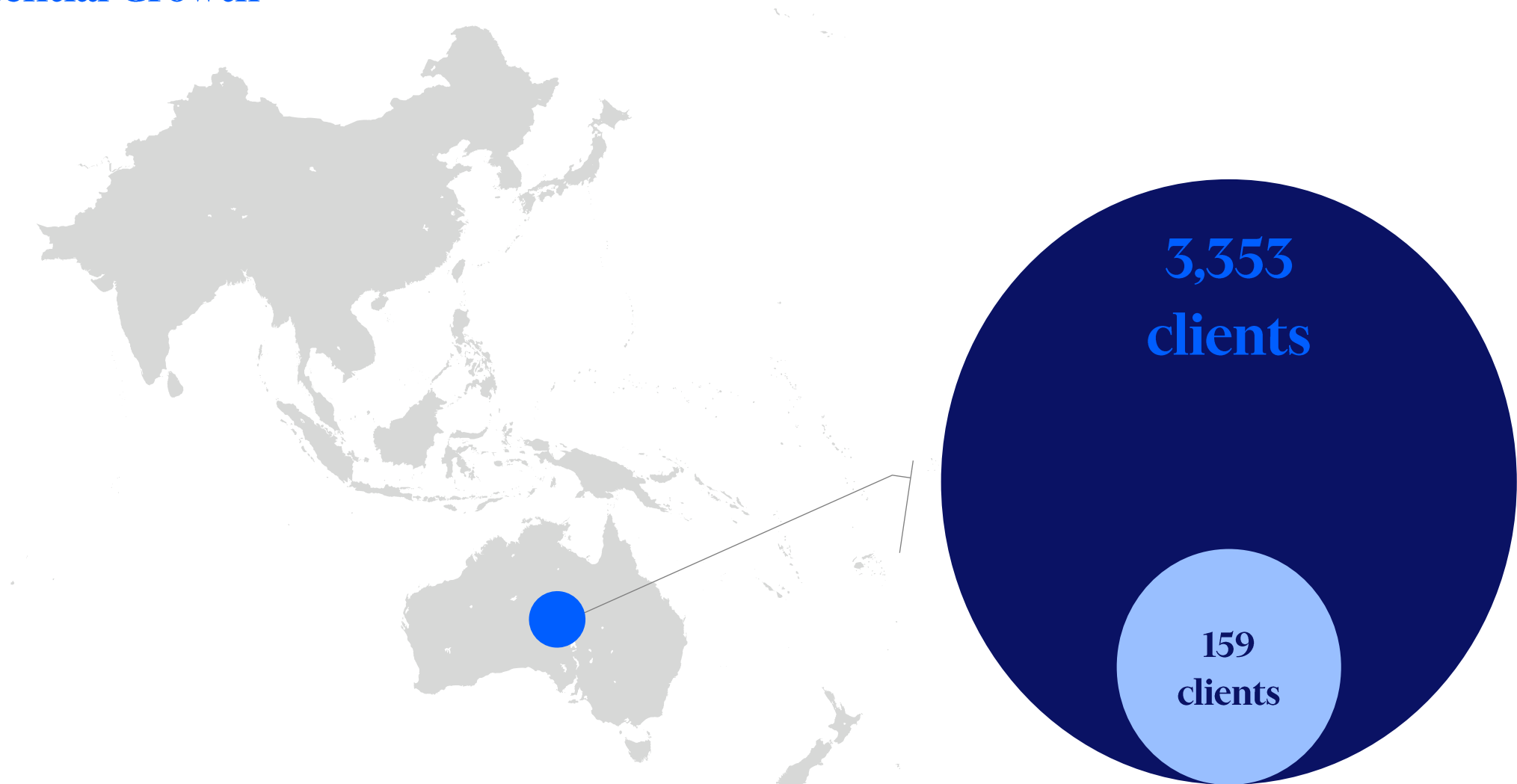


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# Australia Deep Dive

## Potential Growth



# New Markets Identified

## Existing Client Universe

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**~300 entities**

Original list had 365 entities. After removing duplicates, and companies that couldn't be matched, we are left with 302 companies.

→ Operating in select countries

## New Clients

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**~420**

Mining companies globally not in client database

→ Using NAIC code 212 and 213

→ Have revenue over GBP 500m

## New Territories

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**Looking Beyond LatAm, Australia**

Of the new companies we found,

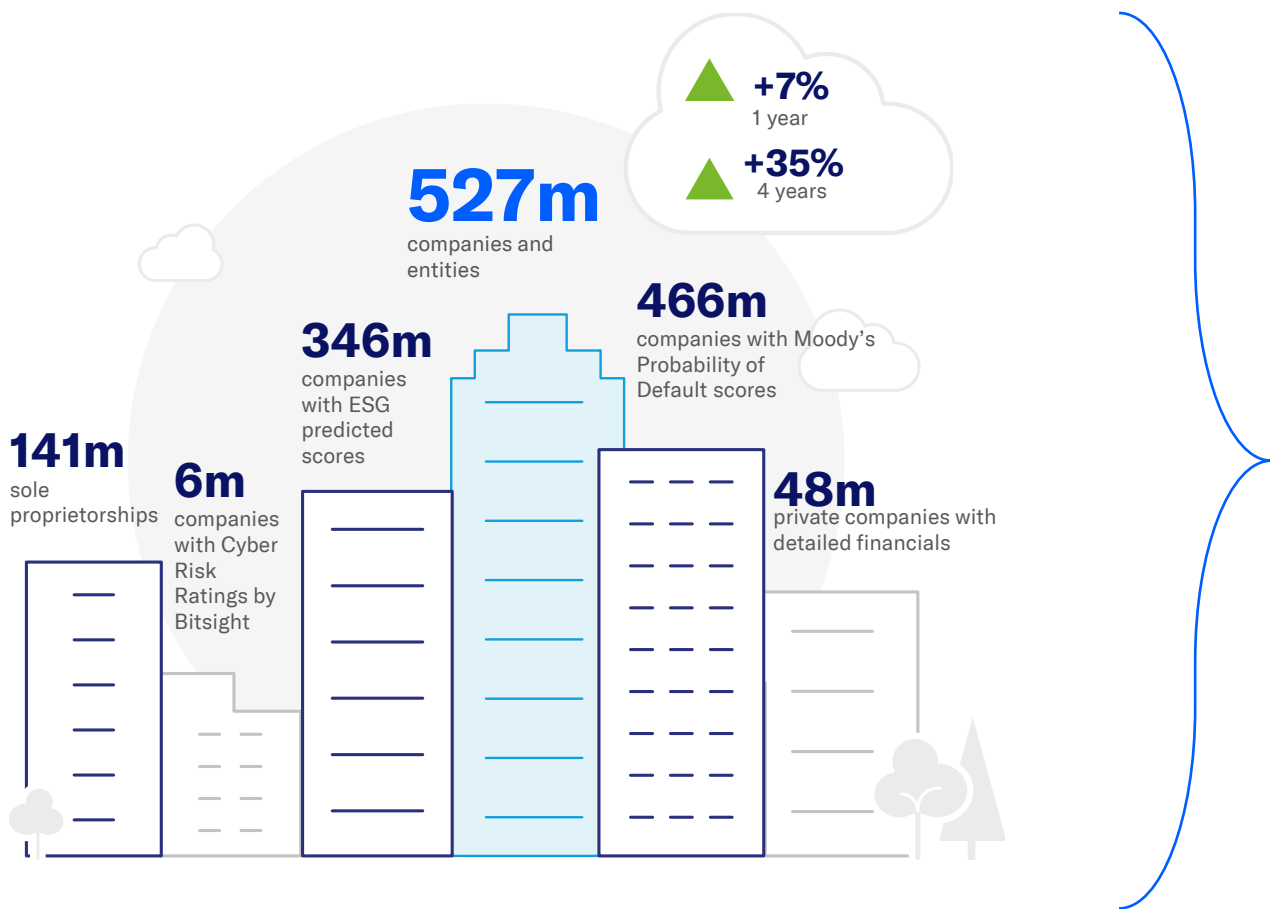
→ 14 are based in other African countries (other than South Africa)

→ 42 in European countries

→ 150 in China

→ 23 in India


# World's Largest Company Dataset



  
**877,000**  
banks

  
**856,000**  
insurance companies

  
**7.7m**  
non-bank financial institution

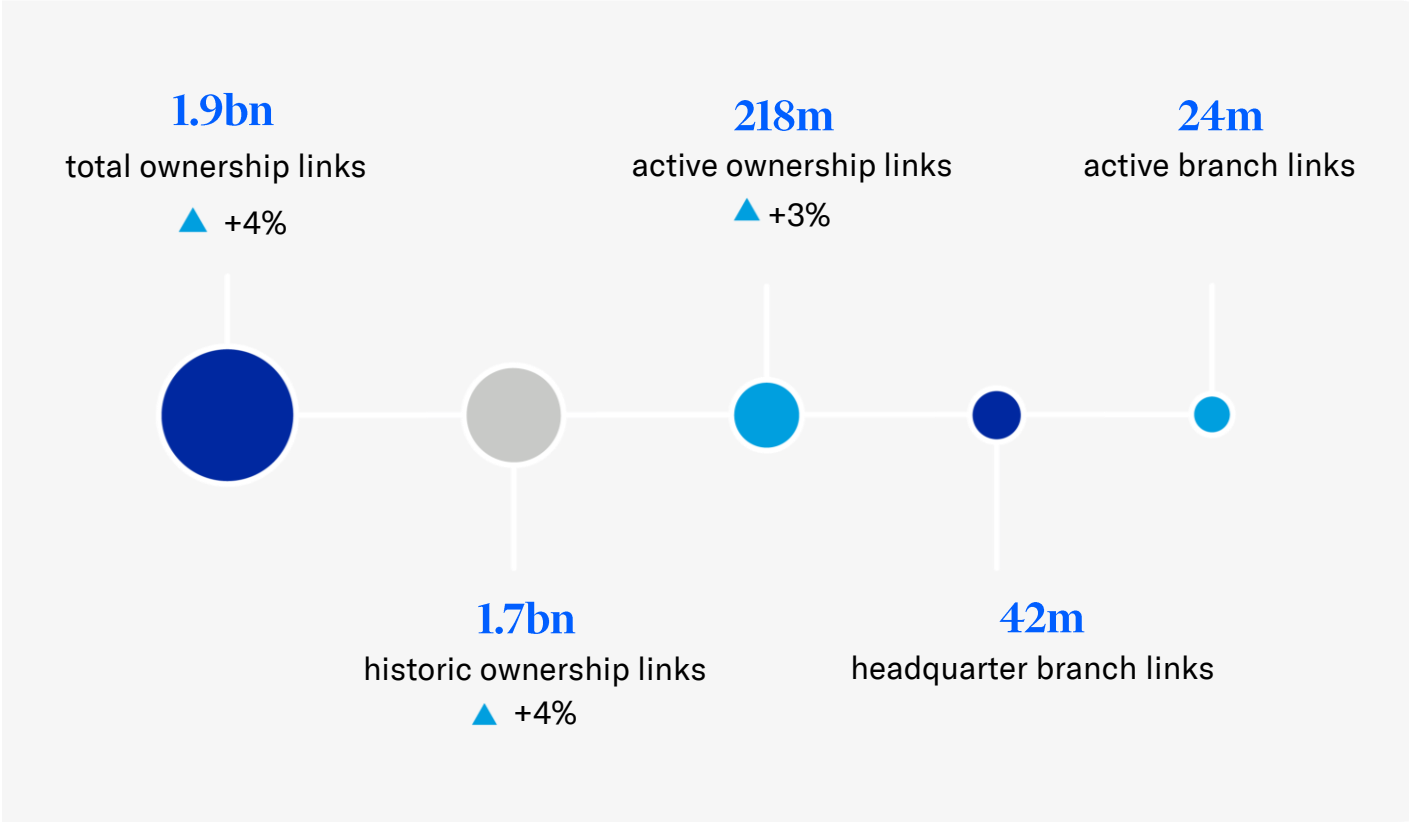
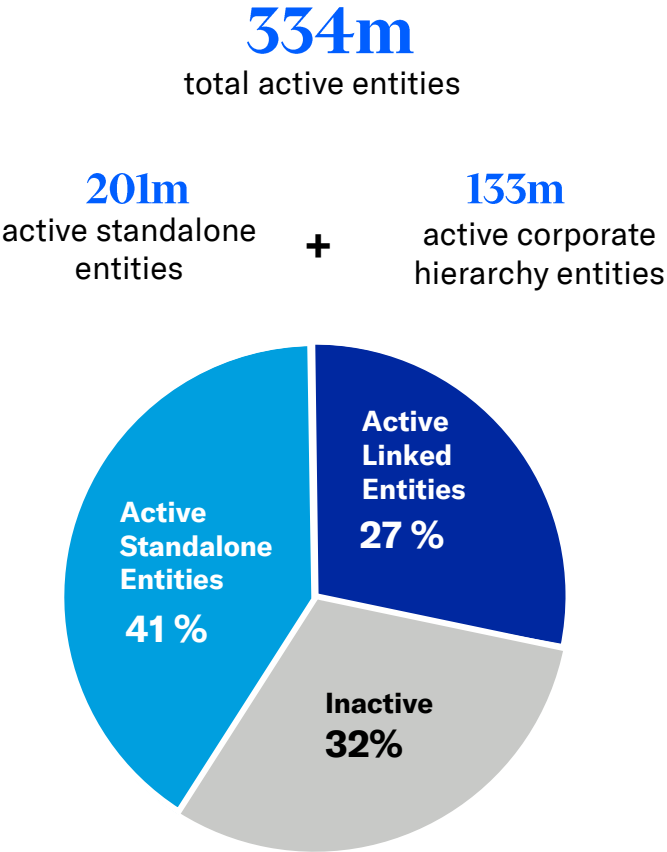
  
**195,000**  
marine vessels

  
**84,000**  
listed companies

Note: Figures collected January 31, 2024. Figures are rounded.



# World's Largest Collection of Hierarchy Linkages



Note: Figures collected January 31, 2024. Figures are rounded.

# Climate Change Impact Study

Risk managers at large corporates are increasingly looking into the future to understand and quantify the potential impact on their assets

Brokers are perfectly positioned to deliver value-added services to quantify this potential impact and enable forward-looking planning and regulatory reporting

Table 1. Facility Impact Score Table, RCP4.5 2020-2100

Assessment Date: 02/14/2024 Methodology: P.2023.2 Scenario: RCP4.5

CATEGORY	2020	2030	2040	2050	2075	2100
Floods	0	0	0	0	0	0
Heat Stress	9	17	26	35	48	56
Hurricanes & Typhoons	0	0	0	0	0	0
Sea Level Rise	0	0	0	0	0	0
Water Stress	0	0	0	0	0	0
Wildfires	26	26	26	29	28	31
Earthquakes	100	100	100	100	100	100
All Categories	99	99	99	99	99	99

Table 2. Facility Impact Score Table, RCP8.5 2020-2100

Assessment Date: 02/14/2024 Methodology: P.2023.2 Scenario: RCP8.5

CATEGORY	2020	2030	2040	2050	2075	2100
Floods	0	0	0	0	0	0
Heat Stress	9	23	33	43	69	82
Hurricanes & Typhoons	0	0	0	0	0	0
Sea Level Rise	0	0	0	0	0	0
Water Stress	0	0	0	0	0	0
Wildfires	26	26	26	29	35	40
Earthquakes	100	100	100	100	100	100
All Categories	99	99	99	99	99	99

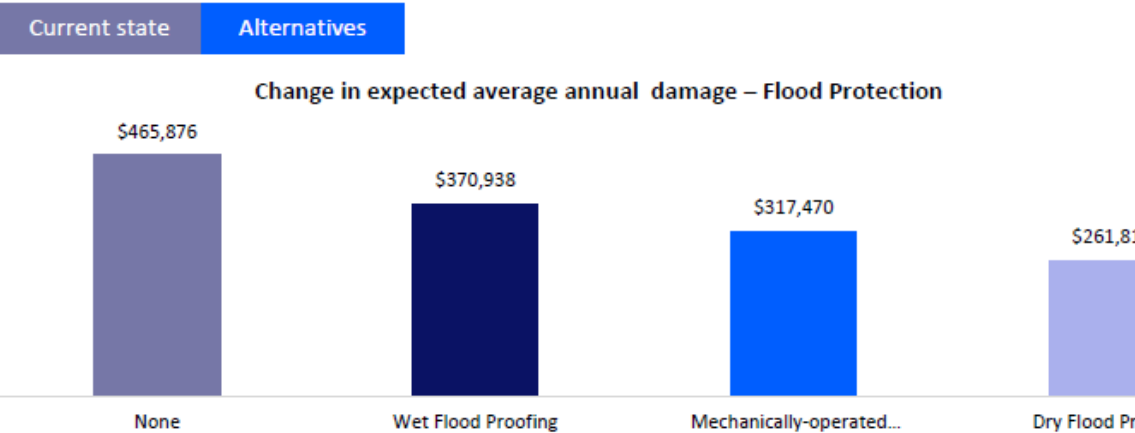
# Quantifying Clients' Risks and Advising on Mitigation

## Precise Risk Quantification & Actionable Mitigation Plans

### Modifier: Flood Protection



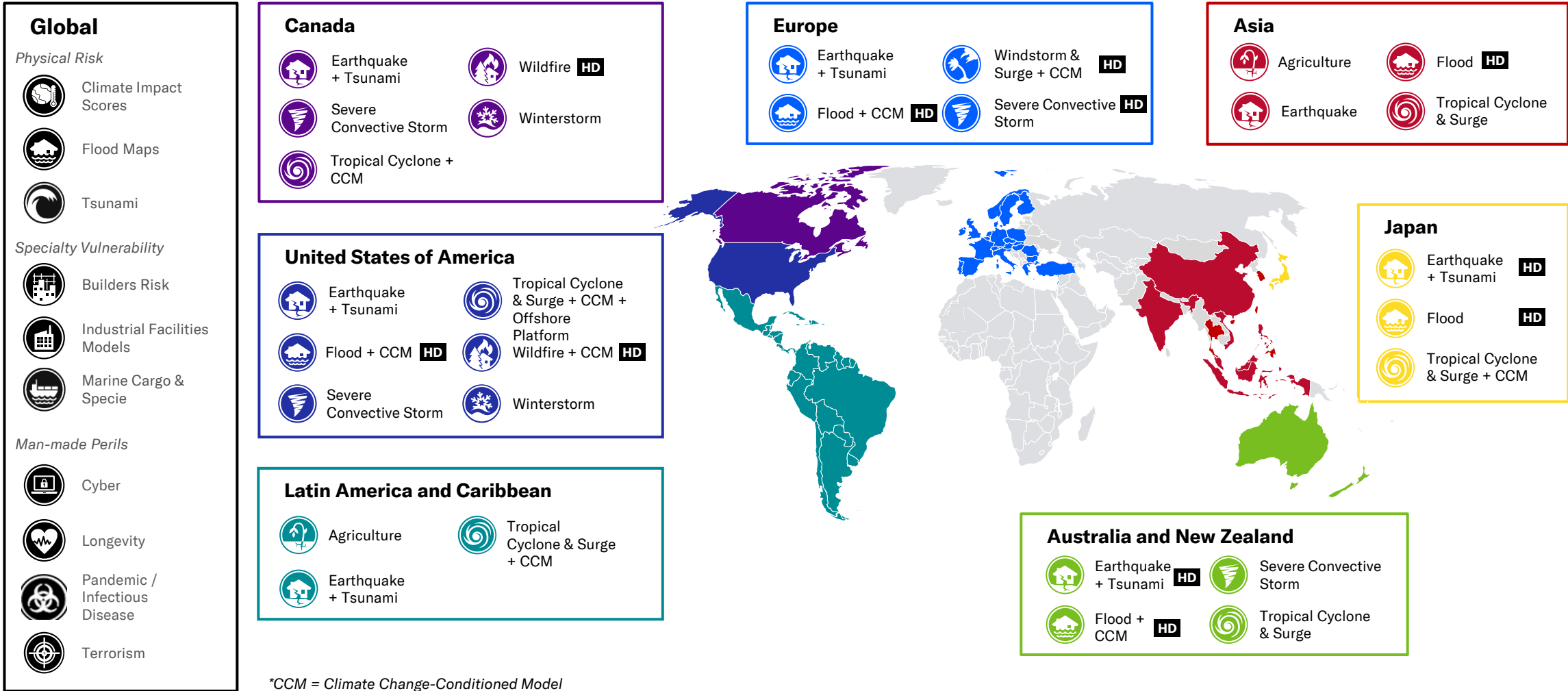
The facility does not have flood protection measures installed. Flood damage can be expected to be lowest with ‘Dry flood proofing’ measures, which prevent water from breaching the property walls. They elements such as installation of watertight doors/windows, reinforcement of walls, and of check valves to prevent backflows.



Property Details	
Property Name	ABC
Coordinates	
Address	18th St, Saint Petersburg, FL
Postal Code	33705
County	Pinellas
Country	US
Asset Type	Retail Shopping Center
Floor Area	1,100,000 sq ft
Stories	1
Year Built	1990

# Catastrophe modeling: The industry's most extensive solutions

Our models cover 90% of global property insurance premiums for a US\$1.6 trillion industry





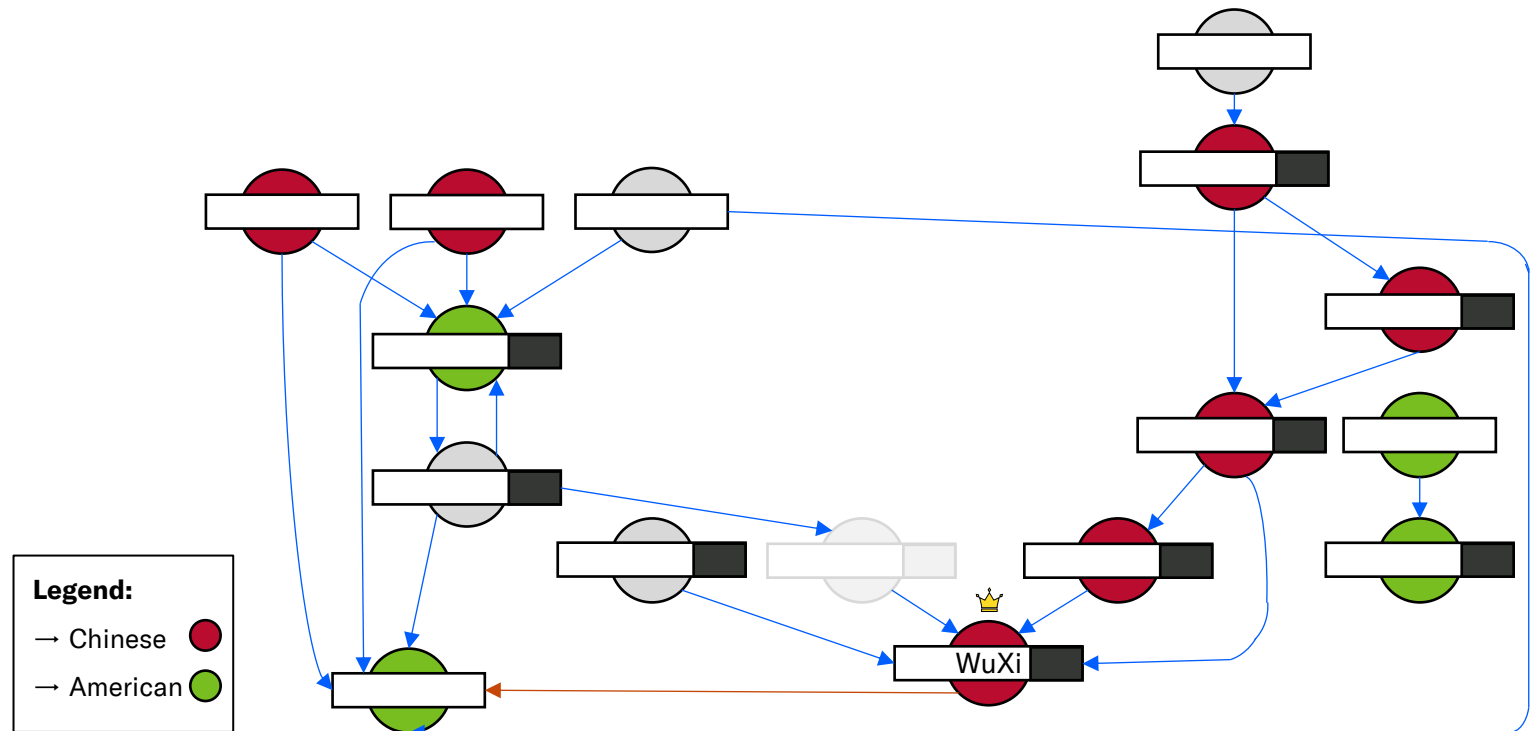
# Streamlining Compliance

Increase client service levels and speed of placement by automating compliance and due diligence workflows.

## Our Capabilities

Facilitate investigations into:

- Foreign government influence
- Beneficial ownership
- Sanctions, PEPs, state-owned enterprises
- Anti-bribery & corruption
- Nonconformance with European directive on Supply Chain



**Riskography:** A class action lawsuit was filed against WuXi PharmaTech (Cayman) Inc. under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, with the company's subsidiaries being WuXi AppTec, WuXi Biologics, and WuXi NextCODE.

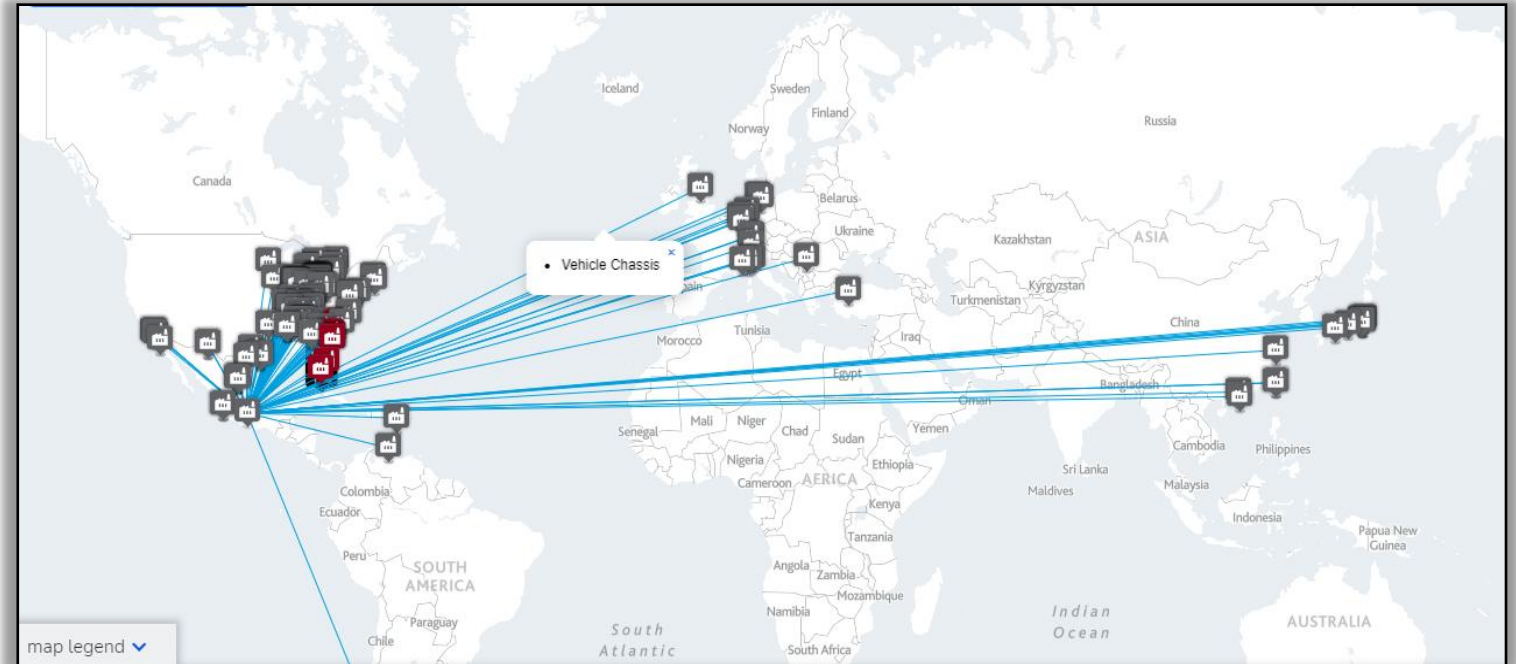
- US lawmakers urged the Biden administration to conduct a formal investigation into WuXi AppTec, citing concerns about its ties to the Chinese Communist Party (CCP) and military, potentially endangering US national security.
- The lawmakers accused WuXi AppTec of being closely affiliated with The People's Liberation Army, the armed wing of the CCP.
- Intelligence officials informed senators that WuXi AppTec had transferred US intellectual property to Beijing without consent, raising further concerns about the company's activities.

# Advise on Operational Risk

Gain visibility across client supply chains to identify and mitigate key factors that expose them to risk.

## Our Capabilities

- Gain visibility into geographic concentration, supplier concentration, and key parts/components concentration
- Identify vulnerabilities in critical suppliers



# MOODY'S

Thank you

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