



Praedicat launch new scenario platform which makes reporting on Lloyd's Liability Scenarios easy and business relevant

14 April, Los Angeles, CA. Praedicat, Inc., the leading-edge liability emerging risk analytics company, has announced the launch of its new Risk Scenario Analysis Platform, which widens the cross-line clash scope of their scenario suite, whilst making it easier for syndicates at Lloyd's of London to produce fully compliant reports on the six liability scenarios recently created by Lloyd's.

Praedicat's new risk scenario analysis platform allows clients to access a range of emerging risk liability clash scenarios, including COVID-19 liability; PFAS (per- and polyfluoroalkyl substances) drinking water contamination litigation; building product litigation; mobile phones; next generation opioids; and many other 'next asbestos' scenarios. Clients can upload their casualty book into the platform to understand how their casualty business is exposed to these emerging risk scenarios, and there is also the functionality to modify assumptions in the software to stress test portfolios against social inflation risk.

"With social inflation driving a surge in mass litigation in the United States, it is more important than ever to monitor aggregations of latent casualty risk. Praedicat's newly released emerging risk scenario analysis platform can help," said Robert Reville, Praedicat's CEO. "We plan to release new scenarios on the platform throughout 2021, including a set of climate liability scenarios later this year."

In 2021 UK regulators are requiring firms to implement forward-looking risk management frameworks for man-made risk. Praedicat's new scenario platform directly addresses this requirement, with a robust business focus for emerging casualty risk.

The platform also includes scenarios which have been developed with Lloyd's, to make reporting on the six new Lloyd's liability scenarios straightforward and efficient, as well as business relevant. The six liability scenarios were produced by Lloyd's in response to increasing regulatory focus on how insurance companies are managing their exposure to man-made risks. Lloyd's will collect syndicates' responses to the liability scenarios in two periods in 2021.

"Praedicat's risk scenario analysis platform helps syndicates choose appropriate scenarios to report to Lloyd's based upon the book that the syndicate writes," said Lauren Restell, Director, Rating & Regulatory Affairs at Praedicat. "Our bottom-up approach goes further to identify company and industry scenario risk drivers, delivering actionable insights to decision makers while simultaneously meeting all of Lloyd's reporting requirements."

Praedicat are helping their clients to generate a Lloyd's compliant output, only requiring provision of basic portfolio information – company name, insurance type (directors' & officers', general liability and environmental impairment liability), attachment point, trigger, limit, share, and defense cost assumptions – which is then run against their entire scenario suite, and additionally the Lloyd's damage factors, should syndicates wish to take that approach. Praedicat's platform allows syndicates to report Lloyd's liability scenarios as required – both gross and net of reinsurance – and for all impacted jurisdictions and lines as defined by the scenario descriptions.

"Understanding casualty risk to enable effective exposure management is a priority focus area for Lloyd's in 2021 and beyond. It is great to see new tools being developed to build an emerging risk framework to dynamically identify, monitor and manage future casualty accumulations," said Kirsten Mitchell-Wallace, Head of Portfolio Risk Management at Lloyd's of London.



The six liability scenarios created by Lloyd's are: financial product mis-selling (UK); financial market manipulation (US); pharmaceutical product (US); construction product global; chemicals in food (US); and offshore/onshore energy (US).

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Notes to Editor

About Praedicat

Praedicat is a liability emerging risk analytics company for casualty insurers and global industrial companies. Praedicat's emerging risk framework makes emerging risk actionable across its lifecycle, helping companies to better identify liabilities early, track the risks and take action as they mature, and defend claims if litigation emerges. Praedicat is creating the technology for a growing and sustainable casualty market.

Praedicat was established in 2012, is based in Los Angeles, California and has offices in New York and London. Praedicat successfully participated in Lloyd's Lab Cohort 3 and 5, partnered with SOMPO to win an SMA Underwriting Innovation award in 2019, and has made the InsurTech Impact 25 of 2020 list by Oxbow Partners as one of the top-25 most promising insurance technology solution providers. Praedicat's ultimate aim is to deliver the science around health and environmental risks to businesses, driving smarter decisions that make the world cleaner, safer and healthier.

To learn more, visit www.praedicat.com

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