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Event definition
Do wordings match models?

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Where we are today ...

- Currently used loss occurrence clauses /event definitions have provided high contract and coverage certainty in the past for the industry, based on the principle of 'common cause'.
- In some areas in Europe and for some perils, aggregation over time rather than a common cause clause has been introduced into reinsurance covers, changing the nature and risk assessment considerably.
- A choice of loss occurrence clause can influence the need for maximum capacity as well as the price.
- Models today have an inherent assumption regarding the event definition and limited capabilities to quantify alterations.

Discussion

- How do the various Cat models represent the often complex reality of event definitions?
- Which perils or combinations of perils present the most issues for developers and users?
- Which inconsistencies between models and the reality of event definitions will lead to the most serious issues?
- How can we improve models to reflect underlying event definitions?

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