

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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