



AN ABS GROUP COMPANY

Capital Markets Consulting

EQECAT provides innovative risk modeling services in support of insurance, reinsurance, corporate and government clients to assist in the placement of insurance risk into the capital markets. These services include full probabilistic risk analysis of client portfolios, assistance in the design of risk transfer structures and loss triggers, basis risk studies, transaction risk analysis, disclosure and documentation, rating agency and investor marketing support. Our services may extend beyond closing, through the life of the deal and include model and portfolio resets, loss event reporting and monitoring of natural catastrophe activity that could impact pricing of the bonds in the secondary market.

- **Probabilistic Risk Analyses:** EQECAT analysts use the **WORLDCA**Tenterprise™ cat modeling software platform to quantify risks to be included in a transaction. Outputs, such as the loss exceedance curve, are used to establish the layers of risk to be transferred, the expected loss and a quantification of uncertainty.
- **Risk Transfer Design Including Loss Triggers:** Working with our clients, EQECAT analysts assist in the design of a transaction structure to include attachment and exhaustion levels, potential loss triggers (e.g. indemnity, industry loss, parametric index, pure parametric), per occurrence or aggregate covers, single vs. multi-peril, etc.
- **Basis Risk Analysis:** Working closely with clients, EQECAT analysts assess the likelihood that a proposed deal structure will not match the underlying expected loss characteristics as defined by the model. The basis risk can then be managed and/or mitigated.
- **Transaction Risk Analysis, Disclosure and Documentation:** EQECAT provides complete probabilistic risk analysis of the defined transaction structure providing full risk metrics, as well as descriptions of the peril(s), underlying models used, data sources, historical cat activity and descriptions of the risk (portfolio) being transferred. Risk results typically include simulations of major historical scenarios and credible hypothetical future scenarios. Documentation can be made by a Rule 144a placement, or by a private cat swap placement.
- **Rating Agency Presentations:** EQECAT analysts work with the client and underwriter to achieve the targeted rating using descriptions of the risks, models, key assumptions and limitations and additional sensitivity analyses requested by the rating agency.
- **Investor Marketing Support:** EQECAT provides marketing support to underwriters in placing the securities by investor presentations, one-on-one meetings and telephone calls related to the risk assessment and risk disclosure prepared in the offering documents.
- **Post Closing Services:** Following deal completion, EQECAT may provide additional services including acting as calculation agent for loss determination and resets to accommodate changes in underlying ceded portfolios, industry loss exposures, or updates to the models issued after the deal was placed. EQECAT may also advise the client and rating agencies on major cat events that could result in attachment to the issue and/or one of its tranches.

For more information, contact EQECAT, Inc.:

AMERICAS/BERMUDA: 201-287-8320 ■ UK/EUROPE/ASIA: +44 207 265 2030
information@eqecat.com ■ www.eqecat.com