



Loss Benchmarking Quick Start Guide



December 2017

Introduction

What is Loss Benchmarking?

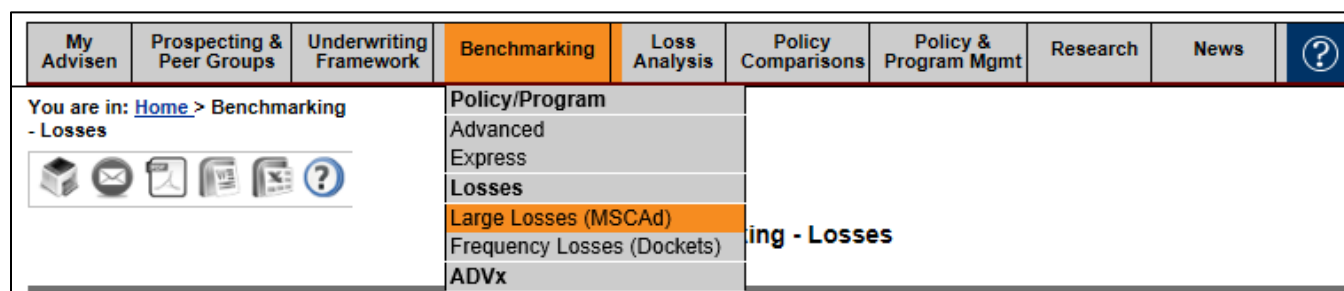
It is a comparison to gauge the frequency and severity of losses that have been experienced by a company against their industry peer group, in a selected line of coverage.

What purpose does Severity Loss Insight Benchmarking serve?

It provides a true median limit for a group of similar companies – to determine if an insured has an adequate limit for their risk.

Loss Benchmarking – Severity

1. For **severity benchmarking against Large Losses**, go to top menu Benchmarking → Large Losses (MSCAd)



2. Select a company to benchmark against its peer group.

This can be done in 2 ways for MSCAd:

- Select a company from the dropdown which has the most recent 5 companies OR
- Click on “Find Company” and enter the company’s Name/Advisen ID/Ticker

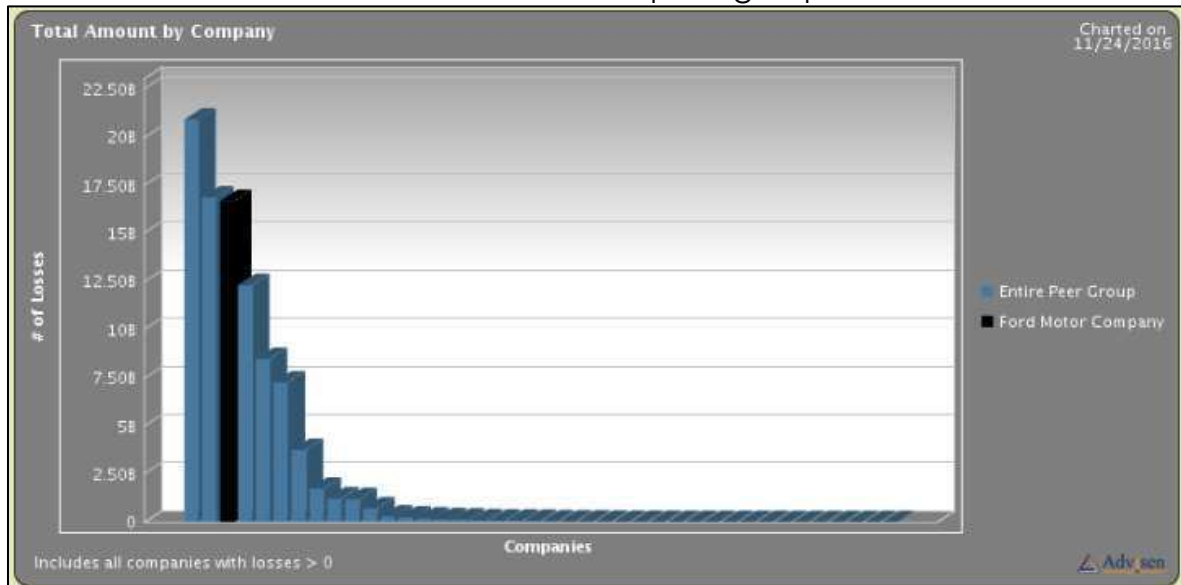
Benchmark Company:	<input type="text" value="Ford Motor Company"/>	<input type="button" value="Find Company"/>
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By selecting a company, system displays losses from the entire hierarchy of the selected company.

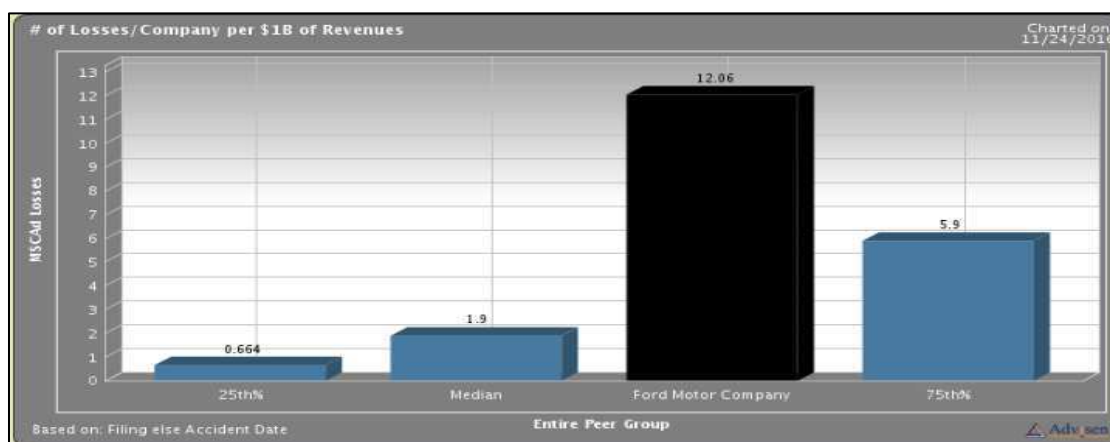
3. View charts on "Show Charts" tab.

On this tab, 5 charts are displayed by default:

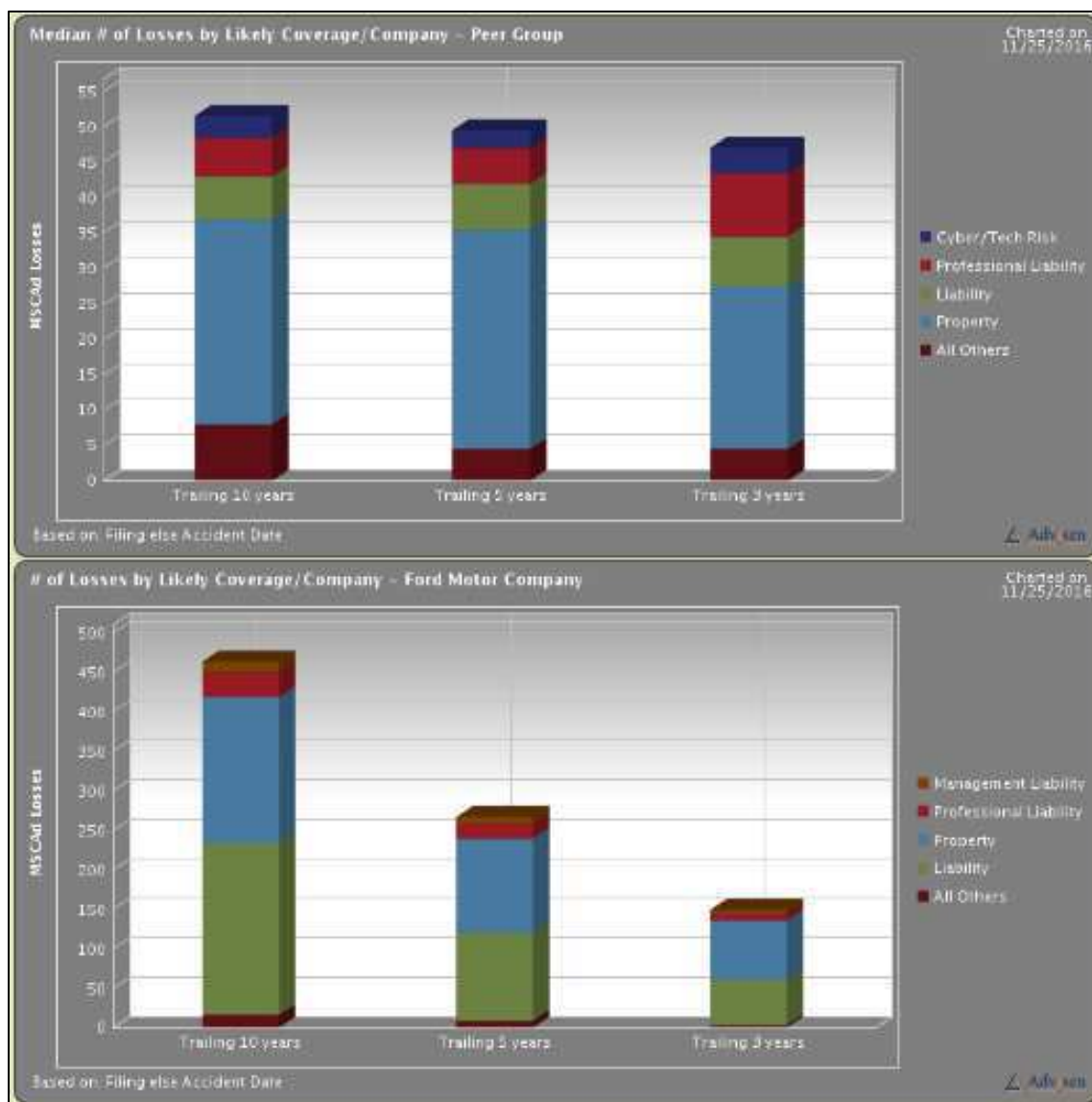
- **Loss by size** which is relationship chart & provides the ordered Value of losses per company to illustrate where the benchmark company's loss experience ranks relative to its peer group.



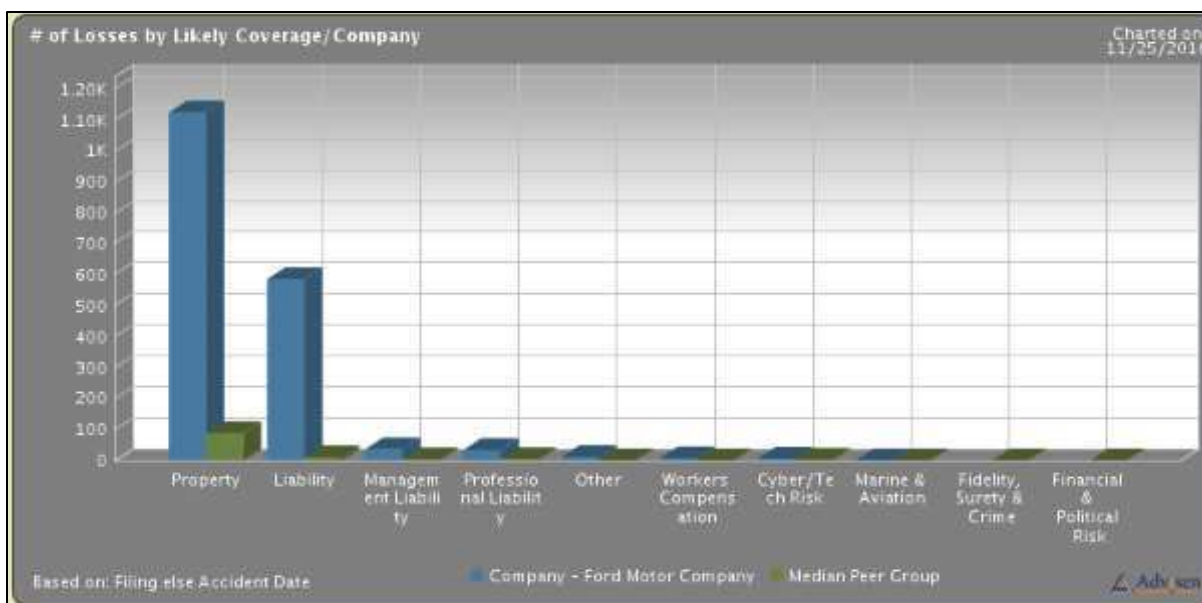
- Quartile by Exposure** which is a comparison chart defaulted to Revenue. This chart displays the range of Counts of losses per company in order to contrast a peer group of companies (the candlestick) with the benchmark company (the black line). The results have been normalized based on the most current Revenues value to minimize differences resulting from company size.



- Trailing Characteristics** which are composition charts defaulted to Risk Category. These charts display the composition of Counts of losses per company for the top 4 Likely Coverages; the remaining Likely Coverages are combined in the "All Others" section of the chart within each period. This illustrates the degree of similarity of the makeup of the Benchmark Company's loss experience to its peer group. It also helps to identify changes in trends and performances, as well as how narrow or broad the historical results have been. Median values are used to keep any one company from overly distorting the results for a given Likely Coverages.



- Losses Characteristics** which is a composition chart defaulted by Coverage. These charts display the composition of Counts of losses per company for the top 9 Likely Coverages; the remaining Likely Coverages are combined in the "All Others" segment. This illustrates the similarity of the Peer Group losses to the Benchmark Company's loss experience. Median values are used to keep any one company from overly distorting the results of a given Likely Coverages.



4. Advanced Graphs

- a. By selecting a line of business from the Loss Characteristics tab you will be able to focus the results to a single line of business.

Loss Data to use: ☐ Large Losses (MSCAd) ☒ Frequency Losses (Federal Dockets)

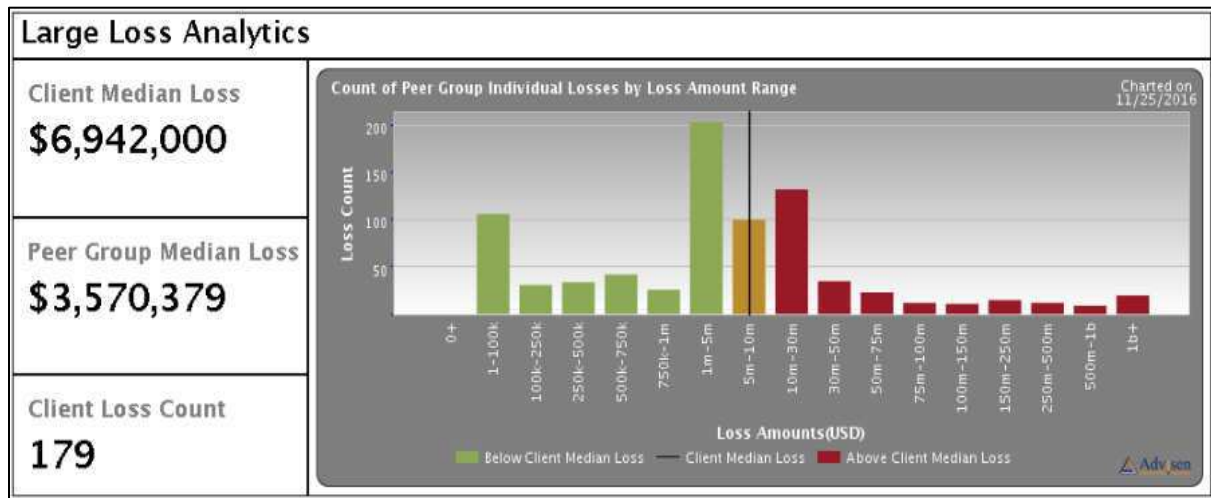
Benchmark Company: ☒ Include All Hierarchy [What's This?](#)

[Adjust peer group default filters](#) [Adjust the target company's exposure details](#)

[Company Profile](#) [Industry](#) [Loss Characteristics](#) [Company's Exposures](#)

Insurance Coverage	Selection
Likely Coverage:	
All	All
Cyber/Tech Risk	
Farm	
Fidelity, Surety & Crime	
Financial & Political Risk	

Median Loss Amount If there happens to be losses for the account you are working on, it will display their relation to the peer group



To access the above chart you must first select “Chart Options” from the top menu, then select “Create your own”

Company Profile | Industry | Loss Characteristics | Company's Exposures | **Chart Options**

Benchmarking Reports: Your selections will generate 7 Benchmark Charts

☐ Use Default (Recommended) [View Sample Report](#)
☒ **Create Your Own**

- From there you will want to select the radio button to graph each loss separately
 - Next select Median Loss Amount from the distribution chart options

☒ **Relationship Charts:**

Loss by Size
More charts coming soon

☒ **Distribution Charts:**

Median Loss Amount
More charts coming soon

Calculated Based on: ☒ **Each Individual Loss**

☐ Losses for all company hierarchy

Compare To: ☐ None

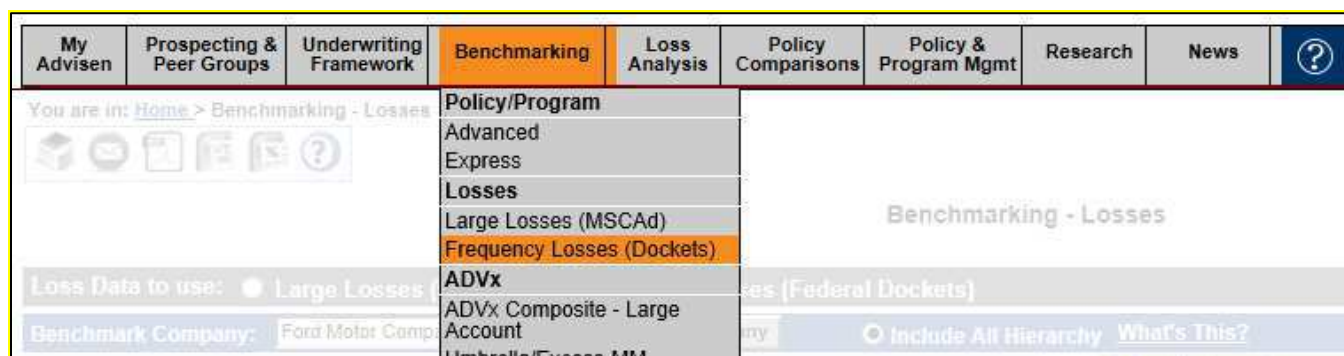
☒ Company's Losses including in Peer Group

Characteristics (Select one):

Risk Category
Industry
Status
Likely Coverage
Likely LOB

Large Loss Benchmarking – Frequency

1. For **Federal Dockets (frequency) benchmarking**, go to top menu Benchmarking
→ Frequency Losses (Dockets)



2. Select a company to benchmark against its peer group.

This can be done in 2 ways for Federal Dockets:

- Select a company from the dropdown which has the most recent 5 companies OR
- Click on “Find Company” and enter the company’s Name/Advisen ID/Ticker

Benchmark Company:

By selecting a company, system displays the selected company's dockets.

3. View charts on “Show Charts” tab.

On this tab, 5 charts are displayed by default similar to the Loss Severity Benchmarking:

- Loss by size which is relationship chart
- Quartile by Exposure which is a comparison chart defaulted to Revenue.
- Trailing Characteristics which are composition charts defaulted to Risk Category.
- Losses Characteristics which is a composition chart defaulted by Coverage.