

Covéa anticipates and reduces its risk exposure with Spectrum Spatial Analyst.

Client profile

Covéa

covea.eu

- A mutual insurance group, comprising the MAAF, MMA and GMF brands.
- Ensures over 11.5 million people in France
- 26,000 employees worldwide with over 21,000 in France
- €16.3 billion in premiums received in 2017



Summary

Covéa is a French mutual insurance group company (SGAM) comprising the MAAF, MMA and GMF brands. A major player in the insurance industry, present in the main markets, the Covéa group is a leader in France in damages and liabilities. Its size, financial strength and risk knowledge enable it to differentiate itself in an increasingly competitive environment. The Covéa Risks Analytics Center provides group entities worldwide with solutions for better managing portfolio exposure, improving risk selection and anticipating the occurrence of climate crises. Covéa uses Spectrum® Spatial Analyst software from Pitney Bowes® both for risk management work and for customer-facing services.

The Challenge

The risk analytics department defined a clear vision that is indispensable in today's context. Insurers offering coverage against damage are confronted with an increasing impact of major climate- and technology-related risks on their financial results. Faced with a worsening of these risks and their unfavorable outlook, insurance companies must reconsider their exposure and management of these risks, especially as there are constraints of a restrictive legal and prudential framework (the Solvabilité 2 directive and changes to the Catnat (natural disasters) system). These challenges led to the need for an enterprise risk management (ERM) culture at Covéa, in which Location Intelligence solutions play an essential role.

Solution

Covéa relies on the Spectrum software suite from Pitney Bowes for:

- **Spatial data analysis**, which leverages the dynamic integration of geocoded addresses. The Location Intelligence module instantaneously interprets data coming from BI (Business Intelligence) systems and provides dynamic, navigable maps in a simple web browser display.

Technology used

- Spectrum® Spatial Analyst

"Today, the combination of all this information into 'Cogéorisks', is not only an operational response to the risk management issues, but also paves the way for new marketing and client relationship initiatives and can serve to combat fraud."

— Charles Dumartinet, Project Director, Analytics Risks, in charge of the major P&C risks management program for the Covéa group

- **Dissemination of maps over the corporate intranet** for quick and easy access by various teams (e.g. technical leadership, actuaries, disaster management and the commercial network in charge of geomarketing).

The application combines third-party information displayed on a map (climate, natural disasters, social demographics data, etc.) with data from inside the group (risk portfolios, contract coverages, previous losses, etc.). At the same time, it combines geographic information systems (GIS) and Business Intelligence technologies for cartographic display of portfolios by anticipating loss trends.

Benefits

Because of the integration of meteorological data flows, both forecasts and reports, algorithms can be continuously improved for an increasingly refined calculation of the risk for a given space. Thus, risk managers can evaluate pricing for complex industrial sites, calculate risks over a specific area, and organize customer support to be made available on site.

For several years now, the teams from Covéa have been turning spatial analysis into a competitive advantage in strategic transformation projects by using it as the core of their risk management capabilities. Only a few years ago, internal data was mainly used and analyzed by Covéa actuaries to measure risk exposure. The third-party data, especially geographic data, was

hard to include in this risk management. Spatial analysis was restricted to desktop usage reserved for specialists and not incorporated into the information system. Today, the combination of all this information and its integration into "Cogéorisks" is an operational response to risk management issues, such as natural disaster modeling, smart subscription tools, management of individual and company market portfolio exposure, management of climate crises, climate risk prevention and customer service programs.

Unprecedented on the French insurance market, the application also provides each business leadership with an appropriate and effective decision-making tool. All entities involved in risk management now have a technology platform suited to the needs of the group's three brands.

Facing the high frequency of climate events, combined with the prudential regulation framework relating to risks and natural disasters exposure, such a Location Intelligence application supports the deployment of multiple strategies and a comprehensive cross-disciplinary approach involving all of the risk management professions.

The entire risk management chain benefits from the outcome of this analytics capability through dashboards and maps. With this newfound competence, the group intends to expand into the sectors of professional and business risk.



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