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Moody's boosts investment in casualty risk assessment with acquisition of Praedicat.

What does this mean? Read our frequently asked questions to find out more.



MOODY'S BOOSTS INVESTMENT IN CASUALTY RISK ASSESSMENT WITH ACQUISITION OF PRAEDICAT.

What was the strategic rationale behind the acquisition of Praedicat?

As part of our continued investment in integrated risk assessment, Moody's is making significant investments in the casualty data and analytics space. The Praedicat integration is part of the growth strategy and provides unparalleled liability modeling with our extensive data, analytics, and technological expertise. Our investment in data, analytics, and Praedicat is to help the market develop a more comprehensive view of risk.

How will this acquisition help our customers?

Praedicat customers will continue to benefit from its award-winning modeling and innovative software; while Praedicat and Moody's begin exciting work on the next generation of casualty risk modeling using Moody's market-leading data and technologies. Among the exciting new capabilities planned, are loss modeling for public and private D&O insurance; global loss estimates for general liability insurance; and robust capabilities for portfolio loss modeling delivered into the underwriting, pricing, and reserving workflows.

What does it mean for casualty insurers more generally?

In recent years, the casualty risk environment has changed significantly, with social inflation driving increased losses and a wave of reserve restatements. With Moody's and Praedicat working together to deliver next generation risk modeling into casualty insurance, casualty insurers can have the tools to grow profitably in the face of social inflation.

How does this acquisition align with Moody's long-term vision and goals?

This acquisition aligns with Moody's vision of providing a comprehensive approach to integrated risk assessment, supporting the insurance industry with data and analytics, and responding to the increasing demand for science-based risk evaluation within the insurance industry. It helps propel our overall growth and leadership in the insurance casualty data and analytics space.

What does the Praedicat acquisition mean for Moody's efforts to support the insurance industry's climate exposure?

Aon has described the three climate risks for insurance: 1.) Increased natural catastrophes; 2.) climate transition risks to businesses; and 3.) climate casualty. With the addition of Praedicat's award-winning climate casualty solution, Moody's brings a comprehensive approach to climate to its insurance industry customers.

Why are you announcing acquisition just before Monte Carlo RVS?

The RVS is the premier annual meeting of the global reinsurance industry. In 2024, elevated casualty risks, particularly in the United States, are expected to be a significant focus of reinsurance renewals. The combined resources of Moody's and Praedicat enable us to deliver capabilities to support innovative new reinsurance products, the entry of capital markets into casualty insurance, and significant growth in casualty reinsurance in the coming years. One of the first priorities for Moody's and Praedicat's co-development is in casualty portfolio modeling technology, which will create greater transparency into casualty risks, delivered into the short underwriting timeframe of a renewal. Monte Carlo is the best place to announce this exciting vision.

What are the immediate next steps following the acquisition?

We are beginning to work towards integrating Praedicat's technologies and methodologies into Moody's offerings, preparing a seamless transition for customers, and leveraging our combined capabilities to enhance our casualty underwriting solutions.

Will there be any changes to our pricing structure?

While the acquisition is aimed at enhancing value to customers through superior solutions and insights, any changes to the pricing structure will be communicated transparently, ensuring customers receive clear value from the enhanced offerings.

How will this acquisition impact our existing relationships and contracts?

Existing relationships and contracts will continue as before, now augmented by the enhanced capabilities and comprehensive resources of Moody's Analytics.

Who should customers contact if they have questions or concerns about the acquisition?

Customers should reach out to their existing account managers.

What measures are being taken to integrate Praedicat into Moody's operations?

A comprehensive integration plan is in place, focusing on combining Praedicat's technologies and methodologies into Moody's operations to create a smooth and effective transition.

How will this acquisition enhance Moody's competitive advantage?

By integrating Praedicat's leading liability modeling with our established expertise, we significantly enhance our competitive advantage, offering unmatched casualty underwriting solutions that address the evolving needs of the P&C insurance industry.

What impact will this acquisition have on Moody's financial performance?

The acquisition is expected to drive growth in the casualty insurance market and enhance our financial performance by expanding our capabilities and market reach.

How will the acquisition affect Moody's workforce?

The integration of Praedicat will bring new expertise and opportunities for collaboration within the Moody's workforce, strengthening our overall capabilities.

What new capabilities or technologies does Praedicat bring to Moody's?

Praedicat brings unparalleled liability modeling capabilities, advanced analytics, and methodologies that enhance our ability to offer integrated risk solutions in the casualty insurance market.

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