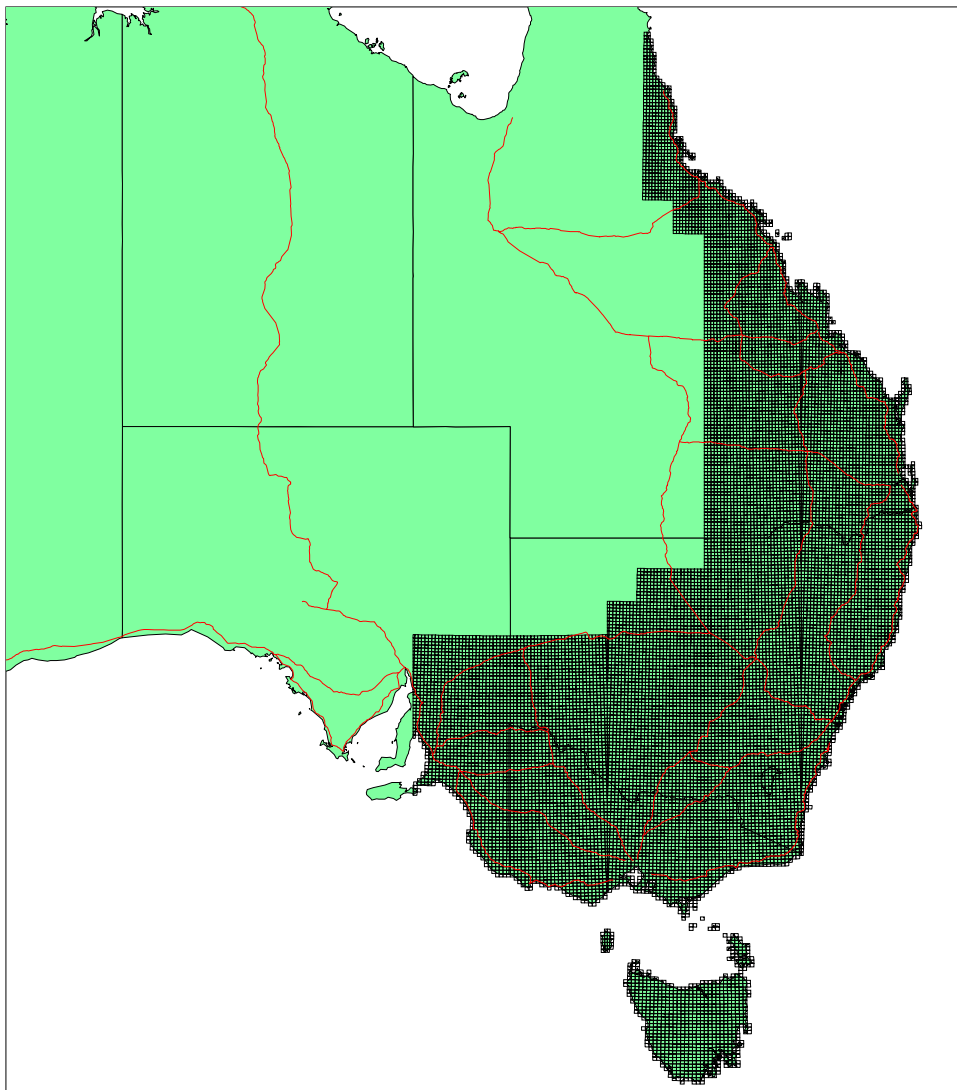


10 Kilometre RiskGrid

Our 10 Kilometre RiskGrid is the standard product, designed as a general purpose risk selection, rating and accumulation control tool for insurers and risk managers who are currently mapping their risks. At this scale, risk contouring and aggregation can best be analysed on a more localised basis. High-risk accumulation can still be identified for analysis at a finer scale using one of our more detailed RiskGrid products.

Here is a map showing the current coverage for our 10 Kilometre RiskGrid product.



About 10 Kilometre RiskGrid

We have developed a 10 Kilometre by 10 Kilometre grid for the part of Australia. The grid has been created using MapInfo™ so you can map your risk exposures. Based on the Australian Mapping Grid, a Universal Transverse Mercator projection, our RiskGrid will overlay the existing grid on the Auslig 1:250,000 scale map series as shown at the top of the previous page.

With Australia aligning spatial coordinates with international systems from 2000, RiskGrid has been created using Geocentric Datum of Australia (GDA) coordinates. This provides global integration and supports the direct use of satellite positioning systems such as Global Positioning Systems (GPS). For more information about GDA visit the Intergovernmental Committee on Surveying and Mapping website at <http://www.anzlic.org.au/icsm/gda/index.htm>.

Why use RiskGrid

Underwriters and risk managers have traditionally had to rely on administrative boundaries to aggregate homogeneous risks and for accumulation control. The types of administrative boundaries used have been Local Government Areas (LGA's) and Postcodes. This places severe restrictions on underwriters and risk managers ability to delineate homogeneous risks and set effective accumulation controls for the following reasons:

- Homogeneous risk groups seldom if ever correspond to administrative boundaries.
- It is totally inappropriate to aggregate some perils such as flood at such a coarse scale as administrative boundaries.
- Administrative boundaries are inflexible as they do not allow underwriters and risk managers to select coarseness or fineness appropriate for their specific needs.
- Administrative boundaries change, creating inconsistencies in data aggregation overtime.
- Administrative boundaries are not of a uniform size making risk accumulation controls based on a set limit disproportionate and ineffective.
- Comparison of risk accumulations across portfolios is difficult while units of exposure are not linked to common units of area.

RiskGrid overcomes these restrictions by offering underwriters and risk managers a range of unchanging grid sizes to choose from. Starting at 100 square kilometres or 1,000,000 hectares and reducing to 1 hectare an appropriate homogeneous risk aggregation unit and accumulation control unit can be selected. By geo-coding your portfolio, risks can be aggregated for different perils using different grids (a single risk could be rated for earthquake based on 100 kilometre grids and flood using 1 hectare grids by simply identifying its coordinates) and accumulation could be managed based on 10 kilometre grids.

RiskGrid equals a quantum leap forward in an underwriter or risk manager's ability to more equitable price and manage accumulation within their portfolios.

Innovation

A profoundly simple enhancement gives the Aboriginal spear thrower the critical edge in the battle for survival

