



Commercial Properties at a Glance



Greg McCutcheon
President,
SCM Risk Management
Services

iClarify Commercial is rolling out across Canada, promising fast, efficient and simple validation of commercial property data.

The P&C insurance industry has been rapidly evolving through its use of technology, market selection and pricing techniques for personal property insurance, including developing rating-by-peril pricing models. Whereas organizations traditionally rated property risk and pricing from a broad-based perspective, leading underwriting organizations have developed extremely sophisticated and analytically predictive rating-by-peril models that consider many more "peril" factors related to a specific risk.

Key to this underwriting evolution is location-based, geo-pinpoint (GIS) technology combined with information and data analytics. Through the lens of accurate, easily accessible and risk-relevant information, iClarify Residential, a residential property validation tool, was deployed and is now used by the vast majority of the personal insurance market.

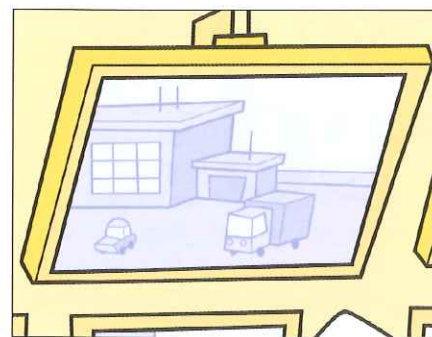
Now, given the market's focus on commercial insurance, iClarify is again playing a significant role.

iClarify Commercial, a validation tool for commercial properties, was conceived as a result of a single broker phone call in the early days of the personal property launch of iClarify in 2010. The call was an inquiry about when RMS planned to launch a commercial version of the service. This prompted an early staged alpha test of the information RMS held related to construction, occupancy, adjacent occupancies, distance to these premises, fire protection, claims history, satellite and streetscape imagery, environmental hazard potential and benchmark commercial rating for a particular address.

We were able to gather proprietary data from RMS sources quickly. Once again, we leveraged our exclusive relationship with iLookabout to obtain streetscape imagery unattainable through other Internet sources. We thus saved the broker a two-hour drive by providing immediate access to the information required to make quick, intelligent decisions. Inspired, we immediately began development of the iClarify Commercial platform.

In advance of SCM Risk Management Services' launch of our recently deployed iClarify Commercial services portal, our organization engaged several leading commercial brokers and insurers across Canada to gauge industry perception and guidance. Through an independent third party consulting firm, industry stakeholders brought forward key challenges, playing a vital role in the continual development and evolution of the platform. Crucial findings focused on three core messages:

- Reduce the time it currently takes a broker to provide an accurate commercial policy submission.
- Receive an immediate and accurate quote for mercantile new business.
- Develop a workflow that allows underwriters and brokers to quickly bind business and manage the renewal process.



A clear outcome of the stakeholder sessions was that actionable information is king. The more information available in the risk assessment process, the better brokers and insurers can identify risk, fully understand a client's needs, impress them with their level of knowledge and make the most salient recommendations. In effect, business portfolios and clients are better protected.

Stakeholders expressed that it could take anywhere from a couple of hours to a couple of days to research and gather preliminary client information from various sources. Our sources stressed the challenges involved in obtaining accurate construction and claims details from clients. They saw real value in a single tool providing access to the most essential commercial intelligence in real-time, and all in one place.

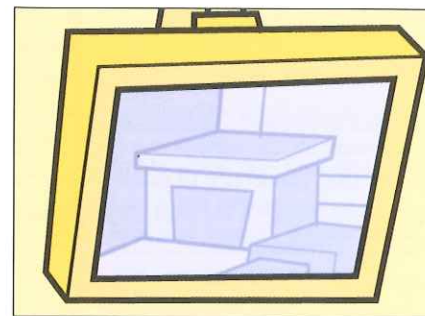
The efficiencies driven through iClar-

iClarify Commercial offers access to an unprecedented level of data related to more than 600,000 commercial properties in Canada. It allows brokers more time to identify risks that meet their insurer's appetite. Insurers save time and costs through the ability to pinpoint and make rapid decisions on properties requiring inspection.

ify in broker offices allows for more accurate, in-depth submissions with a quicker response time. This ultimately enhances the broker-underwriter relationship, making it more productive. The reduced time spent searching for data allowed brokers more time to identify risks that meet their insurer's appetite.

Insurers save time and costs through the ability to pinpoint and make rapid decisions on properties requiring inspection, allowing them to manage their inspection budget more efficiently.

With access to an unprecedented level of data related to more than 600,000 commercial properties in Canada, iClarify Commercial users gain a tremendous competitive advantage in attracting new business with a confident, sophisticated approach involving a detailed risk assessment of their business and

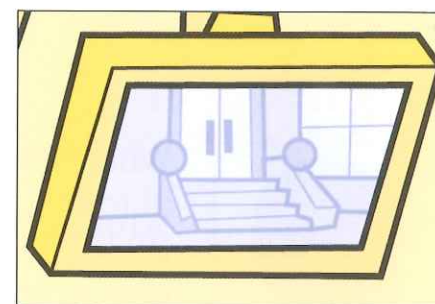


knowledgeable risk management strategies. iClarify allows users to distinguish themselves by educating new leads and existing customers on the most comprehensive, suitable commercial insurance coverage to meet their needs, ultimately

building a confident, trusting and loyal client base.

iClarify Commercial provides structured data information that aligns directly with the data necessary to provide an accurate and detailed business submission. Given that our industry is currently evaluating the use of social media data in the underwriting process, our focus groups were loud and clear about the need to accelerate the commercial process — not slow it down by providing data that currently does not align to any underwriting guideline. Simply put, with iClarify, brokers and underwriters benefit from efficiency, accuracy and simplicity.

Today, the service continues to evolve. The vision remains focused on future data enhancements, company and broker integration strategy and accumulation services. iClarify is the technological platform that will deliver all of SCM Risk Management Services to commercial, personal lines and risk managers across Canada.



As insurance companies adopt next-generation policy management systems, and as brokers enhance their broker management systems to store and exchange information with various insurance companies, undoubtedly there will be a tremendous amount of information integration within the underwriting process.

The question will ultimately come down to: "Can we as an industry automate commercial processes to deliver greater efficiencies and streamline underwriting without creating more risk within a company portfolio?" Based on the response we have received from customers with whom we consulted across Canada, the answer is an overwhelming "yes we can." ≡