



LOSS MODELLING
FRAMEWORK

OED integration proposal

Prepared by members of the Technical Working Group (TWG) of ODS within Oasis Loss Modelling Framework

Friday 8th March 2024

Proposal 1

Create a single integrated OED specification which is consistent across property, cyber and liability classes in the next major release.

- In particular, this involves a major revision of Cyber v1 and Liability v1 specs to bring them in line with property, but with **minimal impact** on the property standard.
- Marine Cargo v1 is in progress but would be integrated in the same way as introduced here.

Background

- The OED standard for property has stabilized over the last 5 years into annual major releases with only minor intra-year updates.
- Cyber and Liability v1 standards have been developed independently by separate groups of market experts, without reference to the existing OED standard. These first versions have begun to be used in practice.
- Cyber and Liability v1 lack consistency with the OED standard for property (using different field names to mean the same thing, for example).
- Before the new schemas get too “bedded-in” it is proposed to consolidate the OED standard and restructure it as a coherent and consistent data standard across the three covered classes of business and logically extensible to additional classes.

Proposal 2

Adopt or develop a suitable taxonomy for class and line of business as extra fields and closed code list in OED.

- Liability spec v1 introduced fields to classify lines of business
- There is no equivalent classification for property (res/com etc.). OED has 'LOB' field which is a free text entry field.
- Classification system should ideally be applied consistently and comprehensively across all the classes.
- Opportunity to align with existing LOB definitions in the insurance industry. This will help standardize reporting levels across users of ODS.
- Retain the use of 'LOB' as a free form field to add extra detail or regional terminology to describe the line of business.

Existing file structure

Property

Account

Location

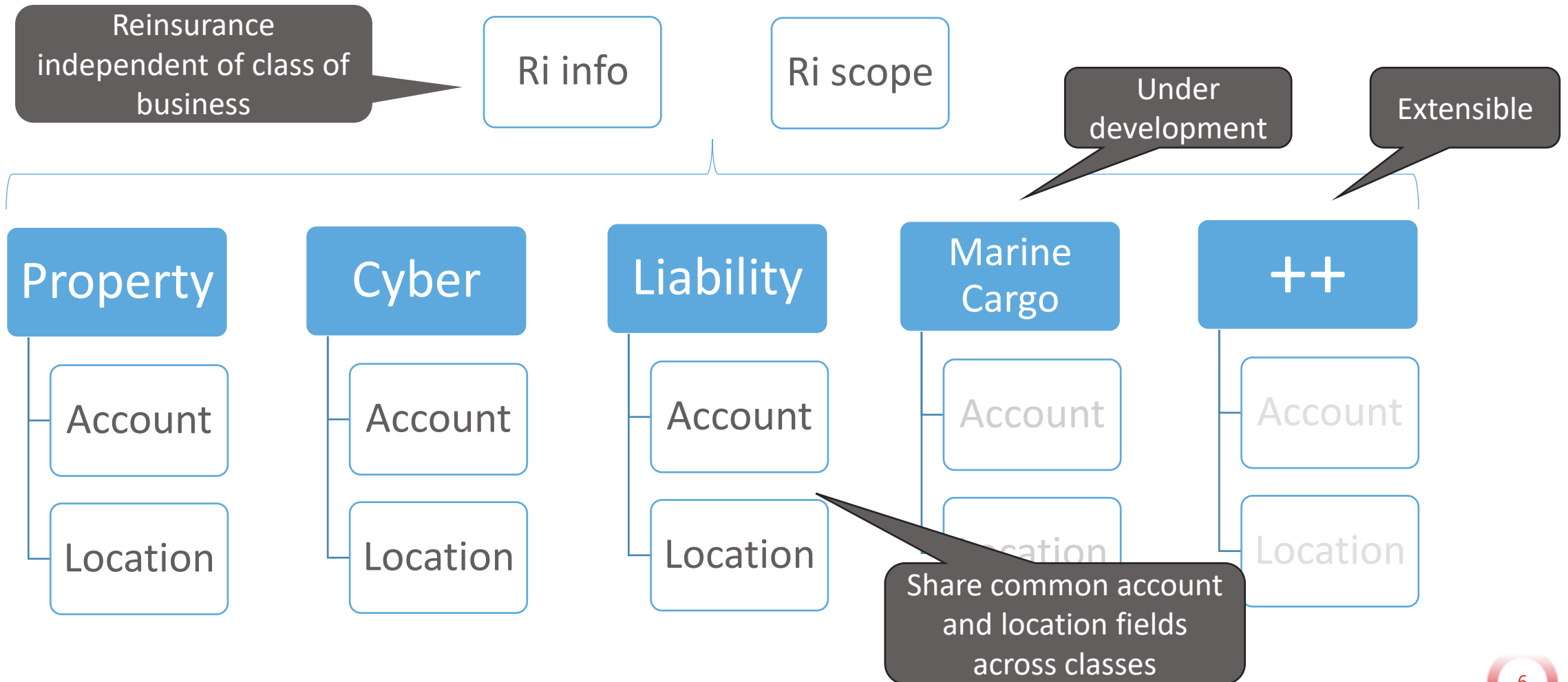
Ri info

Ri scope

Cyber

Liability

Proposed file structure




Existing specification structure

- The specification is a machine-readable excel workbook with a list of fields as follows;

File Name	Input Field Name	Type & Description	Required Field	Data Type	Allow blanks?
Acc; Loc	PortNumber	Portfolio number	R	varchar(20)	NO
Acc	PortName	Portfolio name	O	varchar(40)	YES
Acc; Loc	AccNumber	Account number	R	nvarchar(40)	NO
Acc	AccName	Account name	O	nvarchar(100)	YES

Proposed specification structure

- Extend fields list and add columns for each class of business to specify which fields are covered for each;



File Name	Input Field Name	Type & Description	Required Field	Data Type	Allow blanks?	Property	Cyber	Liability
Acc; Loc	PortNumber	Portfolio number	R	varchar(20)	NO	YES	YES	YES
Acc	PortName	Portfolio name	O	varchar(40)	YES	YES	YES	YES
Acc; Loc	AccNumber	Account number	R	nvarchar(40)	NO	YES	YES	YES
Acc	AccName	Account name	O	nvarchar(100)	YES	YES	YES	YES
Loc	AnnualRevenue	Most recent estimate for annual total gross income (not profit)	R	float	NO	NO	YES	YES
Loc	AnnualRevenue Currency	Currency for AnnualRevenue in three digit format (ISO 4217)	R	char(3)	NO	NO	YES	YES

- Include new code lists for Cyber and Liability in 'Other values' tab and additional tabs.

Benefits of proposed changes for Cyber and Liability

- Changes are being proposed to bring Cyber and Liability fields in closer alignment with OED with the following goals;
 1. consistency and symmetry in exposure data storage across classes of business
 2. more clarity in the meaning of fields and the valid values they can contain
 3. more structured financial terms for clarity of processing rules, and
 4. to better enable validation of exposure data

Types of proposed changes for Cyber and Liability

- Rename Cyber/Liability fields to match existing OED fields
- Use common code sets where they already exist.
- Validation enhancements
 - Required field status
 - Explicit data types
 - Default values and blanks allowed status
- Follow the financial field conventions of OED
- Follow existing field naming conventions
- Inherit existing Portfolio and Account fields which are common across classes of business

Next steps

- High level approval of proposals
 - Proposal 1 – Integrate OED specification across classes of business
 - Proposal 2 – Develop class of business code list
- If proposal 2 approved, form a subgroup to develop or adopt a code list for class and line of business
- Produce detailed proposal for Liability (for review by subject expert group)
 - Cyber detailed proposal has been broadly accepted
- Begin integrated OED specification as OED v4 release candidate
- Plan next TSG for final approval
- Aim for OED v4 release in Q3

Proposed timeline

- Aim for OED v4 release in Q3 (end September 2024)

	April			May				Jun			
w/c	15-Apr	22-Apr	29-Apr	06-May	13-May	20-May	27-May	03-Jun	10-Jun	17-Jun	24-Jun
Tasks											
Cyber detailed proposal	Review		Integration								
Liability detailed proposal	Develop			Review		Integration					
Marine Cargo v1 specification	Develop					Review		Integration			
Class of business code list	Establish subgroup		Develop				Review		Integration		
Fully integrated specification	Develop						Review		Integration		
OED v4 release candidate							RC1				Final
TSG meetings	TSG										TSG

Questions?