

ClauseLens Investor Report

I. Treaty Overview

Cedent: Lakeside Mutual

Peril: Hail

Region: Texas

Line of Business: Property Cat XL

Exposure: \$4,800,000

Limit: 35%

Quota Share Cap: 55%

Notes: High hail frequency in Tornado Alley; XOL coverage required.

II. Winning Bid (MARL Agent)

Quota Share: 31%

Premium: \$333,285

Expected Loss: \$249,393

Tail Risk (CVaR): \$112,767

III. Key Performance Indicators

Profit: \$83,892

CVaR (Tail Risk): \$112,767

Regulatory Compliance: Pass

- Quota Share OK: True
- Premium OK: True
- Tail Risk OK: True

IV. ClauseLens Explanation

Lakeside Mutual's reinsurance program for Hail in Texas is evaluated against key regulatory and risk guidelines. Based on retrieved clauses, the proposed treaty aligns with:

- Diversification: Excess-of-loss treaties require reinsurer participation to be well diversified.
- Catastrophe Risk: All catastrophe treaties must comply with local solvency stress testing for hurricane and earthquake scenarios.
- Accounting & Reporting: IFRS 17 requires discounting of future cash flows in reinsurance contract measurement.

V. Retrieved Clauses

1. [Diversification] Excess-of-loss treaties require reinsurer participation to be well diversified.
(Jurisdiction: Global)
2. [Catastrophe Risk] All catastrophe treaties must comply with local solvency stress testing for hurricane and earthquake scenarios. (Jurisdiction: Global)
3. [Accounting & Reporting] IFRS 17 requires discounting of future cash flows in reinsurance contract measurement. (Jurisdiction: Global)

VI. Portfolio Summary

Episodes: 4

Average Profit: \$56,939

Average CVaR: \$76,971

Compliance Rate: 100%

VII. Episode Results Summary

Ep	MARL Profit	MARL CVaR	M Comp	Baseline Profit	Baseline CVaR	B Comp
1	45,732	78,791	P	22,116	33,173	P
2	64,853	82,625	P	28,590	42,885	P
3	33,279	33,702	P	20,021	30,031	P
4	83,892	112,767	P	33,520	50,280	P

Profit vs Tail-Risk (CVaR)

