

COOPERATION OF RHMZ AND GOS

Role of RHMZ in support of Generali Insurance Serbia product development process

Agenda

- Importance of weather reports and forecasts for GOS
- Example - Drought insurance product
- Valuable cooperation

Importance of weather reports and forecasts for GOS

Actuality and prospects

- Clear motive for the insurance industry :
 - Insurance in agriculture
 - Other property insurances
 - Motor Casco insurance
 - ...
- Climate elements of relevance for insurance business:
 - Hail
 - Storm
 - Precipitation
 - Temperature
 - ...

Importance of weather reports and forecasts for GOS

Existing levels of cooperation

- Using data from RHMS's web site:
 - Historical data
 - Current/actual data
- Using specific data on request
- Common efforts made on “drought insurance project”

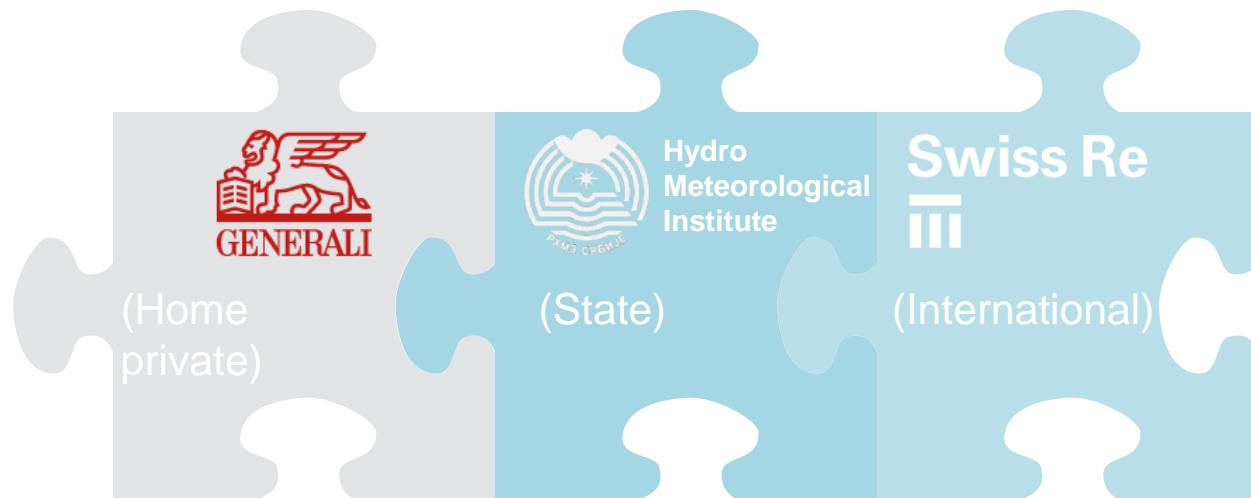
Importance of weather reports and forecasts for GOS

Drought insurance project

- First product of this kind not only in Serbia, but in this part of Europe
- Cover based on weather index correlated to yield reduction
- Relevant data: total precipitation during observed period
- Statistical analysis basis: historical precipitation data (source: RHMS of Serbia) and historical yield data (source: Statistical Office of Serbia)
- Source for actual precipitation: selected climatology stations of RHMS
- Publishing all relevant data (web-site of RHMS)

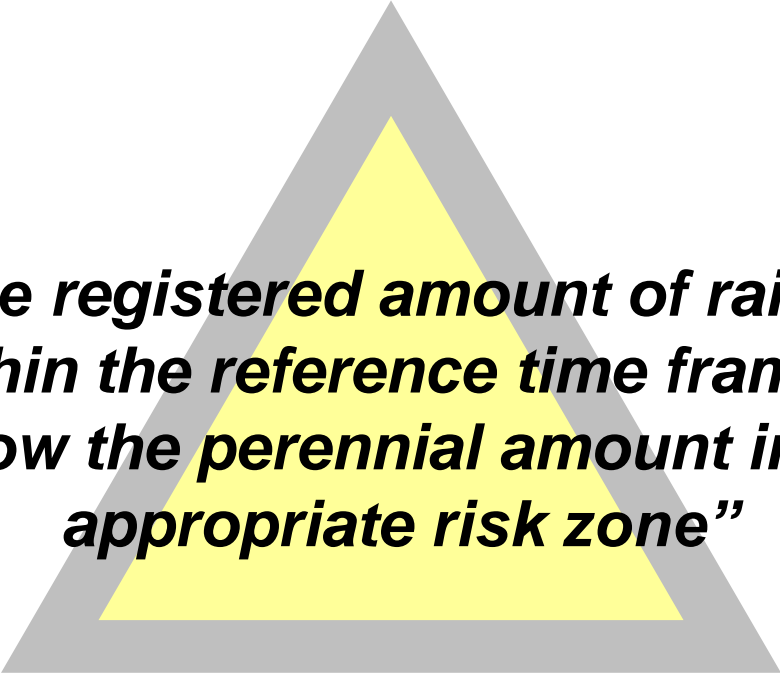
Example - Drought insurance product

Trustiness, reliability, synergy



Example - Drought insurance product

The basis: Simple and easy to understand definition of “drought”



***“The registered amount of rainfall
within the reference time frame is
below the perennial amount in the
appropriate risk zone”***

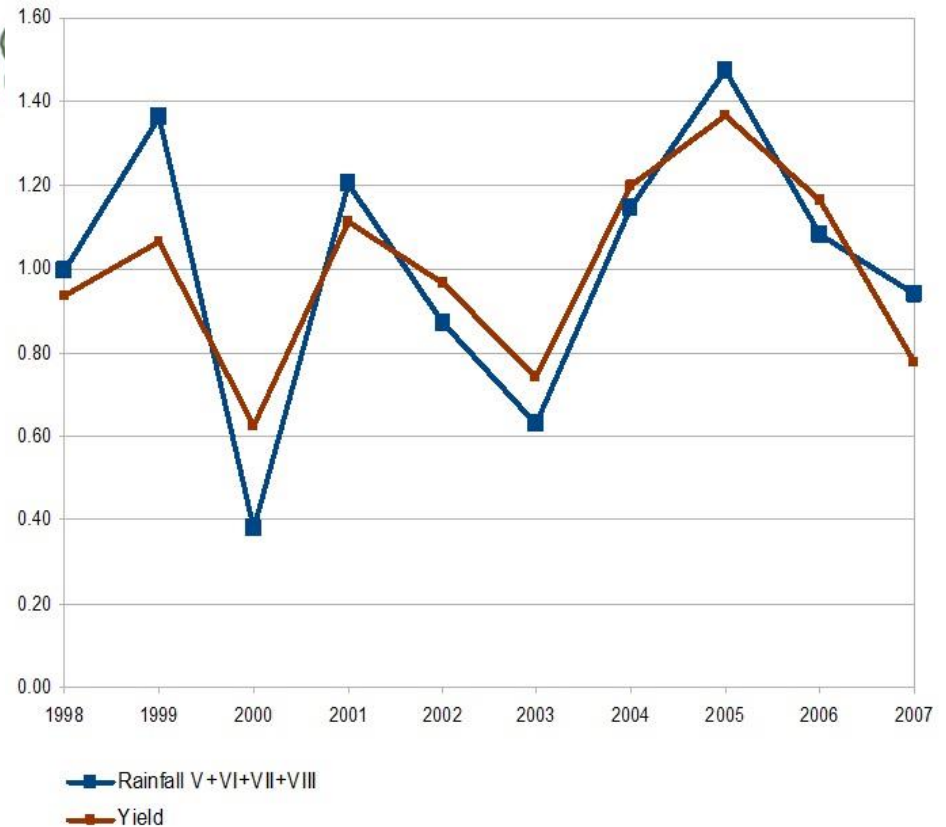
Example - Drought insurance product

Risk modeling

- Access to Hydro-Meteorological Institute's extensive historical databases
- Objective and independent institutions as measuring points; well defined risk zones
- Relying on the strong correlation between achieved yield and amount of rainfall



Corn V+VI+VII+VIII 1998-2007



Valuable cooperation

Prospects

- Cooperation at many levels, which could result in :
 - Providing more detailed actual data (higher station density)
 - Providing more precise actual data (automatic, excluding moral hazards)
 - Common involvement in new insurance product modeling
 - Creating seasonal and other long term forecasts
 - ...

Valuable cooperation

Seasonal forecasts

- Existing of a reliable seasonal forecast will be a tool of a highest importance for industry of insurance, and will provide:
 - product optimizations
 - possibilities for preventive actions
 - better risk management
 - new product development
 - ...



**Generali Osiguranje
Srbija**

Weather Index Product in Serbia

A success story