



QUESTIONS AND ANSWERS #2

QUESTION #1

The insurance industry in Canada already leverages commercial CAT Models for Winter storm and Severe Convective Storm (SCS) AAL losses and exceedance probability curves, did Public Safety Canada considered leveraging the existing commercial tools which have years of data, science, and validation against the financial market? If no, is there interest in validating this custom tool against the industry standard? If no, is there interest in validating this custom tool against the industry standard?

ANSWER #1

Public Safety Canada requires a methodology for calculating Average Annual Loss for natural hazards. As per section 7 of Part 2 – Bidder Instructions, Canada will retain all intellectual property rights arising from the performance of the work under any resulting contract. Although Public Safety will retain all intellectual property rights arising from the performance of the work under the resulting contract, Public Safety may grant a no-fee end-use restricted license.

The requirement of this RFP is for a methodology for the calculation of AAL values that leverages existing data and datasets, rather than a catastrophe model. The contractor can use existing commercial datasets and catastrophe models in concert with the methodology, but the core deliverable is a unique methodology, not a catastrophe model or dataset.

Validating the methodology against industry standards and other jurisdictions is not a required component of the RFP, but can be a way to demonstrate the effectiveness of the tool. However, it is the responsibility under the resulting contract to ensure that the core deliverables, including the methodology and final report, meet the content requirements as set forth in section 7 of Annex A – Statement of Work. As mentioned above, section 7 of Part 2 – Bidder Instructions identifies the treatment of intellectual property for work arising from the resulting contract.

QUESTION #2

Will these model losses be shared publicly?

ANSWER #2

The report resulting from this RFP will belong to Canada and the information contained in it will be made public.

QUESTION #3

Will you only accept submissions for custom models, or do the above models being utilized by the insurance industry suffice?

ANSWER #3

The requirement of this RFP is for a methodology for the calculation of AAL values that leverages existing data and datasets, rather than a catastrophe model. The contractor can use existing commercial datasets and catastrophe models in concert with the methodology, but the core deliverable is a methodology, not a catastrophe model or dataset. Commercial datasets and data models can be used as data sources to fill the requirements, but it is the responsibility under the resulting contract to ensure that the core deliverables meet the meet the content requirements as set forth in section 7 of Annex A – Statement of Work.

If a methodology being used by the insurance industry fills the requirements set forth in this RFP, including the stipulations noted above in section 7 of Annex A – Statement of Work, then it will be



acceptable for consideration under this RFP. Bidders are reminded, that per section 7 of Part 2 – Bidder Instructions, Canada will retain all intellectual property rights arising from the performance of the work under any resulting contract. Although Public Safety will retain all intellectual property rights arising from the performance of the work under the resulting contract, Public Safety may grant a no-fee end-use restricted license.

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