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STEEL CITY RE OFFERS IMPROVED MODEL FOR ANALYZING AND UNDERWRITING REPUTATIONAL RISK

PITTSBURGH, PA – April 30, 2018 – Steel City Re, whose insurance products protect companies, their officers and directors against financial losses resulting from reputational crises, announced that it has incorporated new improvements into its value loss algorithms – improvements that will reduce costs and enhance underwriting clarity for its Reputation Assurance clients.

Over the past 17 years, Steel City Re has created, monitored, and indexed measures of reputation value – "Reputational Value Metrics" – which it uses to advise clients on sources of reputation risk, qualify clients for risk transfer, and trigger indemnification. It operates as a managing general agency to various Lloyd's syndicates and other insurers led by Tokio Marine Kiln, helping its clients reduce their reputational risk exposures and deploying its algorithms to indemnify financial losses resulting from reputational damage.

Dr. Nir Kossovsky, CEO of Steel City Re, said: "The weaponization of social media has placed every person, company and institution in a reputational tornado zone. Attacks may come from any direction, they may be based on fact, fiction or some combination, and they hit with tornado-force speed and ferocity. Our solutions are designed as virtual storm shelters, enabling our clients to build robust reputational defenses before hazardous conditions appear on the horizon. It is incumbent on us to be constantly reviewing our analytic methodologies and underwriting strategies to reflect current threat trends and common loss trajectories."

The new risk of loss probability and trigger algorithms offer several specific market benefits:

- They shorten the elapsed time between an adverse event and quantitative evidence of reputational value loss. While immediate losses in market cap are not always a good indicator of sustained damage, they can cause impacts that are deeply felt. The new criteria give great weight to these shorter-term indicators, without waiting for additional changes in the behavior of disappointed or angry stakeholders.
- They are better able to separate impacts at a specific company from general market behavior. Steel City Re's algorithms will now more precisely recognize equity price changes reflecting investor expectation changes that might otherwise be obscured by the momentum of the overall stock markets.
- They present the opportunity for more integrated enterprise risk management, enabling coordination between marketing, communications, investor relations and risk management by reporting reputational value and risk in formats – such as rankings relative to industry peers – that are familiar to these otherwise unrelated corporate silos.

Today, more than 9 of every 10 companies discuss reputation issues in their annual reports. "Whether they are seeking reputation risk solutions for regulatory compliance, elevation and differentiation in the capital markets, or protection for directors and officers who are personally exposed to the punishment of weaponized social media," Dr. Kossovsky continued, "the improved ability to measure, manage and insure risk at a lower cost will enable companies to more quickly create value for their stakeholders."

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