



NEWS RELEASE

Lockton Re Selects Verisk U.S. Agricultural Risk Models to Develop New (Re)Insurance Solutions

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BOSTON, Nov. 20, 2024 (GLOBE NEWSWIRE) -- Lockton Re, a leading global reinsurance broker, has announced a strategic collaboration with Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, to bring new (re)insurance products to the market. Lockton Re will use **Verisk's agricultural risk modeling solutions** – including Verisk's Multiple Peril Crop Insurance (MPCI) and Crop Hail Model for the U.S. – to understand how climate change and meteorological factors are impacting crop production and potential insured losses.

Given significant changes to premium rates and commodity rates, simply relying on historical losses to assess today's risk is insufficient for reinsurers and insurers. Verisk's models offer comprehensive, scientific and stochastic insights into the risks facing the U.S. crop industry today, supporting clients seeking to maximize profitability and address the challenges of actuarial pricing in the market.

Verisk's models, including the U.S. Crop Hail Model, are unique in that they simulate hailstorms based on 10,000-year stochastic event catalogs. Lockton Re will utilise Verisk's models for the most realistic view of loss scenarios, factoring in crop genetics, yields, prices, exposure, weather data, policy conditions and management practices.

"We're embarking on a journey to advance risk management options for the U.S. crop (re)insurance industry," said Kris Lynn, senior broker and agriculture practice leader at Lockton Re. "By incorporating advanced climate data and understanding the global impact of El Niño–Southern Oscillation (ENSO) on crop production, we're able to offer reinsurers a data-driven approach to risk transfer and product innovation that hasn't been available before. There has been slow adoption of the data and analytics necessary to keep up with changing risk landscapes. We aim to change that."

"Lockton Re brings a fresh, disruptive perspective to the U.S. crop market, and we're excited to support its innovative

approach,” said Oscar Vergara, business development manager, agricultural modeling solutions for Extreme Event Solutions at Verisk. “By using our crop models, Lockton Re will be able to provide more informed, data-backed solutions that account for everything from hail damage to the effects of extreme weather events fueled by climate change. Reinsurers and insurers need a robust, up-to-date risk assessment model to help maximize profit within risk tolerance level.”

Advancing indexed solutions for agriculture risk

Verisk’s crop models will support Lockton Re’s development of new indexed products that will be designed to help (re)insurers address the increasing risks of a changing climate on agriculture production. Verisk’s models provide the (re)insurance industry with a reliable solution to understand individual crop policy risks. Using tools like Verisk’s Fund Designation Service, helps portfolio risk managers use the output to analyze the marginal impact on their profitability of adding new states for which underwriting history may be limited and optimize designation alternatives.

The U.S. crop insurance market has seen significant growth in recent years, with indexed insurance products—such as those Lockton Re is developing—gaining market share. According to the National Crop Insurance Services (NCIS), parametric products accounted for as much as 12.4 percent of the MPC1 premium in 2023 across the U.S., with even higher shares in key states.

Lynn concludes, “As climate change continues to impact crop yields globally, the collaboration between Lockton Re and Verisk will provide insurers and reinsurers with the tools and insights they need to navigate an increasingly volatile landscape. This collaboration marks a new chapter in crop insurance, driven by data, analytics, and a commitment to improving risk transfer solutions.”

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About Lockton Re:

Lockton Re is a leading global reinsurance broker, delivering comprehensive risk transfer solutions and expert advisory services. With an emphasis on innovation and disruption, Lockton Re helps insurers and reinsurers manage risk in an evolving market.

About Verisk

Verisk (Nasdaq: VRSK) is a leading strategic data analytics and technology partner to the global insurance industry. It empowers clients to strengthen operating efficiency, improve underwriting and claims outcomes, combat fraud and make informed decisions about global risks, including climate change, extreme events, sustainability and political issues.

Through advanced data analytics, software, scientific research and deep industry knowledge, Verisk helps build global resilience for individuals, communities and businesses. With teams across more than 20 countries, Verisk consistently

earns certification by **Great Place to Work** and fosters an **inclusive culture** where all team members feel they belong. For more, **visit Verisk.com** and the **Verisk Newsroom**.

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