



NEWS RELEASE

Verisk Launches First-of-its-Kind Insurance Index to Better Inform Pricing Decisions

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Verisk's ISO Experience Index can help the insurance industry quickly assess changes in risk patterns and the cost of insuring risk

JERSEY CITY, N.J., July 09, 2024 (GLOBE NEWSWIRE) -- The insurance industry exceeded loss ratio levels that have not been seen in nearly 20 years, with **an estimated \$21.2 billion** reported in underwriting losses in 2023. To help insurers, **Verisk** (Nasdaq: VRSK), a leading global data analytics and technology provider, has launched its ISO Experience Index, an innovative tool designed to modernize how actuaries in the insurance industry analyze risk patterns. The ISO Experience Index addresses the increasing volatility and scale of loss patterns in the industry, offering a responsive and up-to-date indicator of observed underwriting experience.

"Insurance plays a pivotal role in society and the industry has faced harsh market conditions over the last few years. Our new Experience Index is one more way we empower our clients to react quickly and effectively to changing market conditions, ultimately saving them time, effort and resources while driving profitability," said Saurabh Khemka, co-president of underwriting solutions at Verisk. "Insurers can now assess risk patterns and formulate responsive strategies with increased confidence."

As a benchmarking tool for insurers, ISO Experience Index provides users with frequent and responsive insights to help accelerate pricing decisions and bolster confidence in the evaluation of market conditions.

Verisk's new index:

- Offers quarterly releases and streamlined data adjustments, with more frequent updates compared to traditional loss cost reviews.

- Is directly tied to specific points in time and maintains consistent methodology across different states, to support uniformity in measurement.
- Provides carriers with current information and contextual insights beyond the annual review cycles.

Revolutionizing risk management through responsive insights, in real time

Recent trends seen in the ISO Experience Index for Homeowners underscore the importance of this tool, demonstrating the fluctuation of loss levels throughout different markets. The countrywide Experience Index rose 2.5% in the fourth quarter of 2023 compared to the previous quarter, reversing course from the decline observed in the third quarter. The index remains 3.4% higher than the mark at the end of 2022, and 24.4% above the level at the end of 2021.

Khemka added, "This index provides insurers with timely indicators to prioritize in-depth analysis, resource allocation, and pricing activities. It also offers a comprehensive view of changing conditions in various geographic markets, enabling carriers to make informed decisions."

Beyond its responsiveness to the latest data trends, the tool also helps illuminate longer-term patterns with its multi-year view. By using the rolling five-year basis of data, the index reveals a 17.2% increase in pure premiums for the fourth quarter of 2023, compared to the preceding five-year period. This provides numerical context to issues such as severe convective storms that have become increasingly relevant to property insurers and present a new operating environment.

The ISO Experience Index is available today on existing product delivery platforms for eligible subscribers of Verisk's Core Lines Services. The initial launch is poised to introduce loss level metrics by state for Homeowners, with expansion expected soon to follow for other key lines of business.

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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