



NEWS RELEASE

Verisk Pioneers New Approach to Catastrophe Risk with Release of Next Generation Models

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New release provides insurers and reinsurers with tools to make informed decisions and mitigate potential losses effectively

JERSEY CITY, N.J., April 08, 2024 (GLOBE NEWSWIRE) -- Verisk, (Nasdaq: VRSK), a leading global data analytics and technology provider, has announced a monumental leap forward in global catastrophe modeling and risk analysis with the launch of Verisk's Next Generation Models (NGM). This suite of 100+ models will be implemented by insurers and reinsurers to evaluate risk across the globe with a new financial modeling framework designed to reflect anticipated insured losses from extreme events more accurately than ever before. These advances from Verisk's Extreme Event Solutions business are now available on Verisk's pioneering catastrophe risk management software platform, **Touchstone**, which is used by the top ten U.S. P&C insurers and nine of the top ten global P&C insurers.

This launch marks the first successful effort by a catastrophe modeling firm to bring its full suite of models to a next generation modeling framework. With NGM, Verisk is redefining the standards for risk assessment, providing insurers and reinsurers with the tools they need to make informed decisions and mitigate the complexity of modeling potential losses effectively. This development underscores Verisk's commitment to driving innovation and resilience within the insurance sector.

The benefits of Verisk's NGM include:

- **Risk assessment.** NGM provides the industry with a more complete and accurate view of risk, resulting in enhanced estimates of technical prices, more refined differentiation of risk for sub-perils within models, and better representation of tail risk.

- **Policy terms and conditions.** This advancement includes expanded capabilities for supporting complex insurance policy structures. These methodologies offer a more comprehensive representation of market terms and conditions, and better representation of uncertainty and geospatial dependencies in loss accumulation.
- **Comprehensive risk management.** NGM offers a deeper understanding of uncertainty and a more comprehensive and sophisticated solution for natural catastrophe risk management. This enables insurers and reinsurers to better analyze, understand, and mitigate the impact of natural disasters on their business operations.
- **Financial modeling improvements.** The next generation financial module in NGM delivers an accurate and reliable global view of risk across the insurance industry.
- **Enhanced workflows.** NGM has redesigned workflows in the loss calculation to reflect policy language and the actual flow of losses more correctly into policy structures, making loss results more accurate and more reflective of reality while also making preparing and modeling risk easier.

The use of catastrophe models is important for decision-making in the dynamic risk landscape of today's insurance market. Verisk's Touchstone and newly released Next Generation Models provides insurers and reinsurers with state-of-the-art resources to boost the capability to assess and price intricate risk, and to fine-tune reinsurance tactics for risk transfer. The revamped financial framework improves the ability to accommodate complex policy terms and model uncertainty, facilitated by streamlined exposure coding and more efficient workflows. The insights derived from these models supports making better-informed decisions and managing the risk inherent in portfolios.

"The release of NGM is the next step in our ongoing commitment to making societies more resilient and helping the insurance industry provide protection to their clients when they are impacted by the devastating impacts of natural catastrophes," said Rob Newbold, president of Extreme Event Solutions at Verisk. "The insurance industry is evolving, creating new and innovative methods for writing policies in a more complex risk environment. By rebuilding the financial modeling framework that sits behind Verisk's catastrophe models, we are providing the industry with more flexible and robust tools for underwriting, pricing new business, and managing portfolio risk. NGM will also serve as the basis for our cloud native platforms which will bring further improvements in both insurance and reinsurance workflows."

The Verisk Hurricane Model for the U.S. available as part of NGM has been approved for filing in Florida.

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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, ESG 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**.

Mary Keller
Verisk
339-832-7048
mary.keller@verisk.com

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