



NEWS RELEASE

Verisk Wildfire Model is the First Catastrophe Model Under Review for Insurance Ratemaking in the State of California

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Newly-Announced Regulation from the California Department of Insurance Will Address Property Insurance Availability by Allowing Forward-Looking Catastrophe Models

Jersey City, Jan. 02, 2025 (GLOBE NEWSWIRE) -- In a groundbreaking step toward a more resilient and sustainable property insurance market in California, Verisk (Nasdaq: VRSK), a leading global data analytics and technology provider, announced today that it is the first modeler to request a review of its wildfire catastrophe model by the California Department of Insurance (CDI).

This development is made possible as one part of California Insurance Commissioner Ricardo Lara's Sustainable Insurance Strategy, which includes the decision to allow catastrophe models to be used by insurance carriers as a critical tool for assessing catastrophic risk. Verisk is the first to submit a model after the regulation went into effect on January 2, 2025.

Verisk's Extreme Event Solutions pioneered the catastrophe modeling business in 1987 to support the insurance industry's ability to provide resilience to communities and businesses. With its longstanding tradition of best-in-class modeling, Verisk brings decades of experience and technical expertise to help insurance companies understand and manage the complex landscape of natural disaster risks. The Verisk Wildfire Model for the United States incorporates leading knowledge of the wildfire hazard and vulnerability as well as recent trends in variables that impact the extent of wildfire risk in the Western United States, including in California, which saw more than 391,000 acres burned in wildfires in 2023 alone.

California's property insurance market has faced unprecedented challenges as wildfire risks and claims costs continue to rise. The use of catastrophe models in California is expected to provide consumers, insurers, and regulators with enhanced insights into natural disaster risks and increased insurance availability across the state. The initiative balances transparency and innovation, helping secure California's property insurance market for the future.

Today's pioneering submission demonstrates Verisk's commitment to supporting Californians and the CDI's efforts in ensuring that California's insurance industry is adaptable and responsive to emerging challenges by enabling:

- **Strengthening of California's Insurance Market:** This process showcases how insurers, modeling firms, and the CDI can work together to create a more stable, competitive, and resilient property insurance market. Verisk's submission sets the stage for insurers to utilize catastrophe models in California.
- **Use of Catastrophe Models in Rate Filing:** As the first catastrophe modeling company to be reviewed in California, Verisk is taking a proactive step in advancing fair and accurate risk assessment. This enables insurers to accurately reflect and consider the wildfire risks encountered by California homeowners and businesses.
- **Further Validation of Model Integrity:** The newly established pre-application required information determination (PRID) process allows the CDI to examine model integrity and ensure public review and compliance with Proposition 103. Verisk's best-in-class modeling has a long tradition of regulatory acceptance throughout the United States.

"We're proud to be the first catastrophe modeler to work with the California Department of Insurance to offer a modeled assessment of wildfire risk and to help bring stability to the insurance market," said Rob Newbold, president of Extreme Event Solutions at Verisk. "This is a pivotal moment for California's insurance market, one that promises improved resilience and stability for providers and potential insureds."

Learn more about the [**Verisk Wildfire Model for the U.S.**](#)

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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, 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](https://www.verisk.com) and the [Verisk Newsroom](#).

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