Investor Day 2015

March 5, 2015



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Forward Looking Statements, Safe Harbor & Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "target", "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements. Other factors that could materially affect actual results, levels of activity, performance, or achievements can be found in Verisk's quarterly reports on Form 10-Q, annual reports on Form 10-K, and current reports on Form 8-K filed with the Securities and Exchange Commission. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement in this presentation reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

Notes Regarding the Use of Non-GAAP Financial Measures

The company has provided certain non-GAAP financial information as supplemental information regarding its operating results. These measures are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP measures reported by other companies. The company believes that its presentation of non-GAAP measures, such as EBITDA, EBITDA margin and Adjusted EBITDA, adjusted net income, and adjusted EPS, provides useful information to management and investors regarding certain financial and business trends relating to its financial condition and results of operations. In addition, the company's management uses these measures for reviewing the financial results of the company and for budgeting and planning purposes.

Business Review and Strategy Discussion



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Who We Are

Data/Analytic Mindset

1. n+*1* Data Set (proprietary)
2. Analytic Differentiation
3. Leader in the Market as a Development Partner
4. Excellence at ETL
5. Excellent Consumability/Visualization of Content
6. Demonstrated Value in Use

Multiple Thick Verticals, Enabled

Insurance	Healthcare	Financial Services	Supply Chain

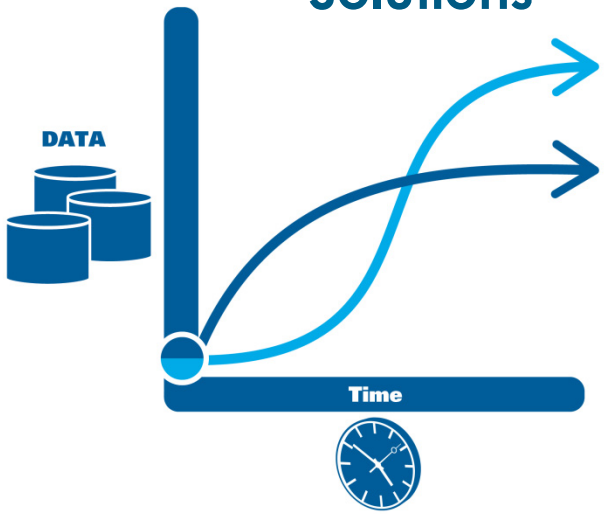
Insight via Proprietary / Unstructured Data (social media)

Analytics Framework

Digital Platform

Global IT / Data Center Infrastructure

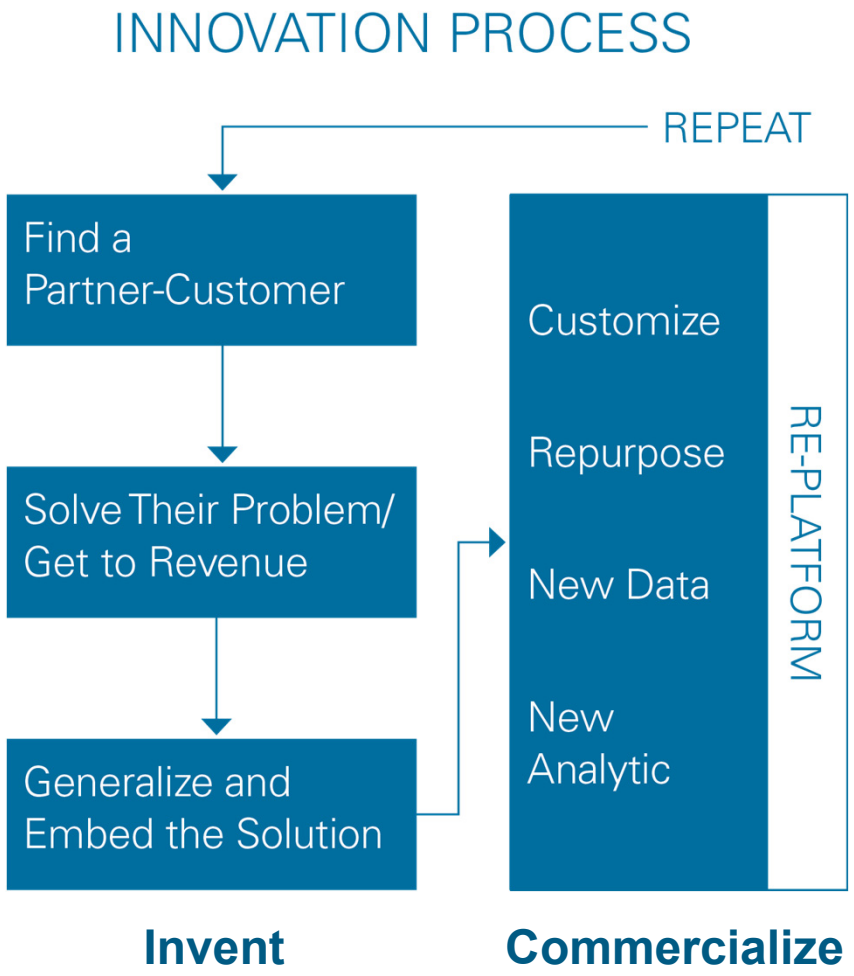
Paths to Data/Analytic Solutions



Long-Cycle Innovation Requires Close, Careful Management of Investment and Process

Company	Yrs to $20M Rev	Margin at $20M
AIR	13	30%
Xactware	15	15%
Argus	12	40%
Analog A	10	20%
Analog B	10	5%
Analog C	11	<20%
Analog D	7	10%
Analog E	10	25%

Our Generalized Innovation Model



Advantaged Thinking in Data/Analytics Space

- Inductive and Deductive
- Invent in Collaboration with an Engaged Customer and Get to Revenue Fast
- Commercialize in Innovative Ways
  - Customize
  - Repurpose
  - Add Data
  - Add Analytics
- Re-Platform after Commercial Innovation
- Repeat

Disciplined and Shareholder-Oriented Capital Allocation

9.4% organic revenue growth

46.6% EBITDA margins*

- Acquired Inovatus, Dart, and Maplecroft
- Divested Interthinx

$500 million accelerated share repurchase

*Excludes $6.9 million FTC-related costs and $4.8 million RA reorganization costs

Acquisition Mapping

- We must proceed with a clear sense of our criteria …..
- We must remain strategic in M&A, and
- Some of the best acquisition targets aren't specifically looking to sell themselves
- A $20M revenue, vertical data/analytic company is hard to spot from a distance
- Our customers are the best source on which vendors are making a difference

Everyone Needs to Be on the M&A Team

Our Team is Strengthening

- New Responsibilities for Internally Groomed Leaders
  - IPAS
  - 3E
  - Verisk Health COO
  - Risk and Compliance Group
- Verisk Leadership Institute
- Accelerating Employee Engagement
- Key Senior Hires from Industry
- Focused Campus Recruiting to the Data/Analytic Profile – for General Management Track

Our Capabilities Are Expanding

- Joint Development Environment – "Analytic Sandbox"
- Power Data Centers
- Automated Image Processing
- Solution Re-Platforming
  - e.g. CAT Modeling
  - e.g. P&C Claims Fraud Fighting
- Broader Set of Risk Modalities
- Risk and Compliance Group

Continuous Improvement 2014

- Uptime Improvements
- Entity Resolution within and across Verticals
- Talent Realignment at IPAS
- Digital Engagement with Customers
- Verisk Health Retrieval and Coding Efficiency

We do things The Verisk Way because we want our customers, colleagues, shareholders, and communities to flourish

Serve

Add Value

Innovate

www.verisk.com/veriskway

Business Review and Strategy Discussion



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P&C Insurance Solutions



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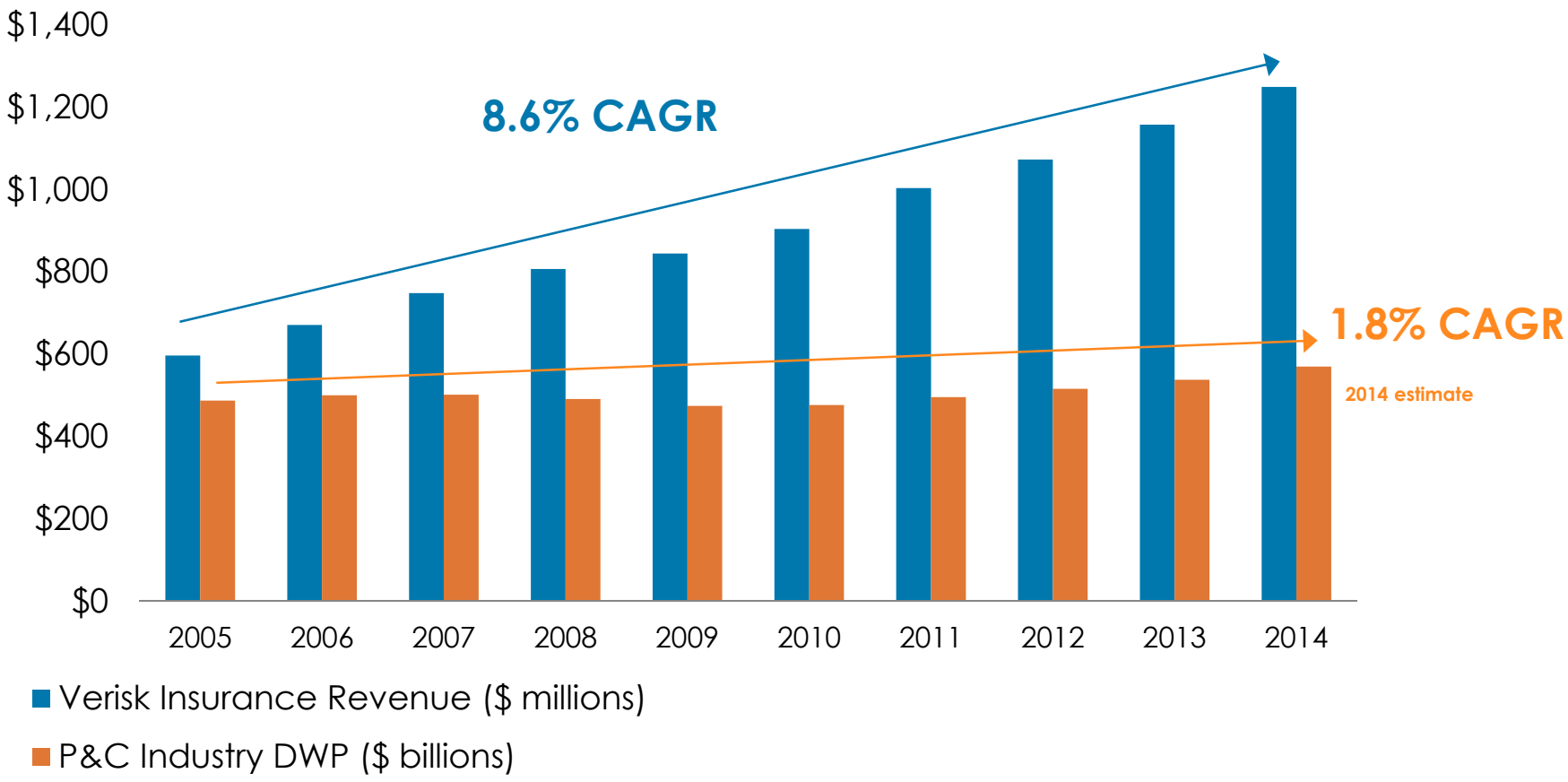
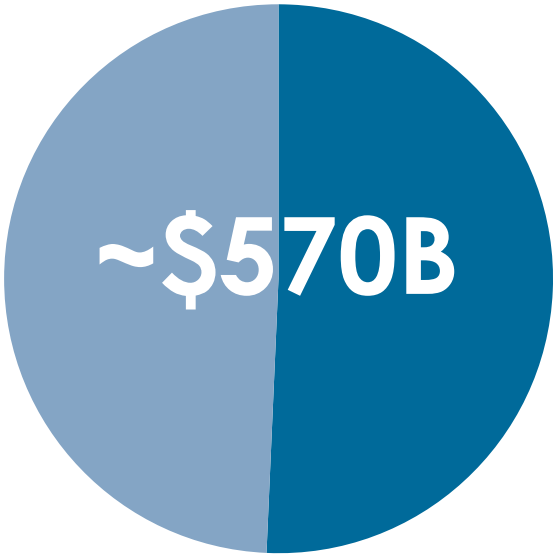
Verisk and Property & Casualty Industry Growth



Verisk revenue: Highly recurring and predictable (~83% subscription)

Property & Casualty Insurance Quick Facts

P&C 2014 Direct Written Premium



1. U.S. property & casualty insurance market is largest in the world at **~$570B** of annual premiums
   - Top 100 insurers represented ~85% of total 2014 premiums
2. Claims and claim settlement expenses (COGS for insurers) amounted to **$380B** or ~68% of earned premiums in 2014
   - Verisk helps insurers select/price the risk and analyze the claims – vital functions for profitability

Property & Casualty Industry Landscape

Key Issues for Insurers

- Competitive pressure and influx of capital continue to drive down rates
- Economic growth not at a level to drive meaningful growth
- Predictive modeling and analytic tools needed to drive profitable growth
- Streamlining quoting and underwriting processes to improve the customer experience
- Attracting the next generation of talent to the industry

Industry Focus for Property Insurers

(Premium: $83B Homeowners and $55B Commercial Property)

- Leveraging by-peril rating and predictive modeling to improve results
- Using weather and catastrophe analytics to identify and manage changes in exposure to their portfolio
- Investing in data and analytic resources to prevent claims fraud
- Investing in technology and process enhancements to improve efficiency and the customer experience
- Evaluating new data sources to improve risk selection and pricing

Building on Our Unique Heritage

Primary Solutions for the Insurance Life Cycle

- ISO was formed as an industry consortium in 1971
- Expansion of solution sets to complement valuable core
- Verisk Insurance Solutions brand introduced in 2010
- Verisk Underwriting Solutions formed in 2012



Actuarial Analysis: Industry Standard

Advisory Information

Loss Costs

Advisory cost information based on line, class, occupancy, etc. (created from data analysis)

Rules

Classification and rating rules (the commercial and personal lines manuals)

Policy Language

ISO policy language in 26 insurance lines (13,000 forms) included in more than 200M policies

~3,000 regulatory filings submitted annually

Product Development/Mgmt | **Actuarial Analysis** | Underwriting | Claims Management | Compliance | Portfolio Analysis | Risk Transfer

Actuarial Analysis: Homeowners

~$83B in Direct Written Premium



Multi-peril policy language



By-peril analysis is key to profitability



Building characteristics determine risk profile

Verisk-Provided Profitability Tools

Regulatory approved policy language

Advisory loss costs

Classification and rating rules

By-peril predictive analytics

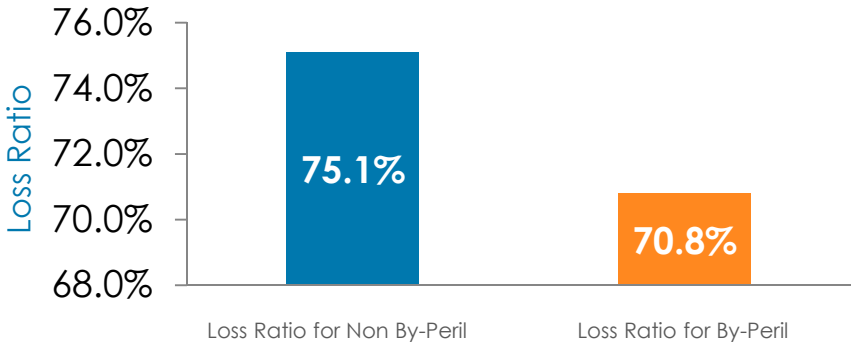
By-peril rating has proven to enhance insurer market share and profitability

25 insurers using by-peril plans have increased market share from 28% to 34% in 6 years

2007 to 2013 Market Share of By-Peril Insurers

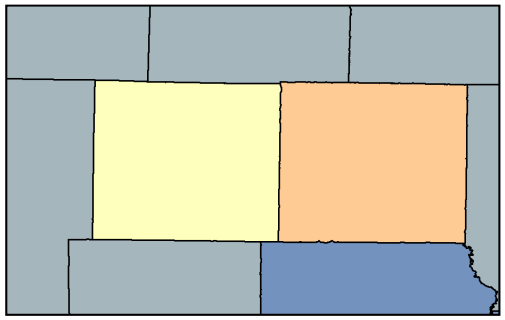


Companies rating by-peril have loss ratios 4.3 points lower than their competition (70.8% vs. 75.1%)

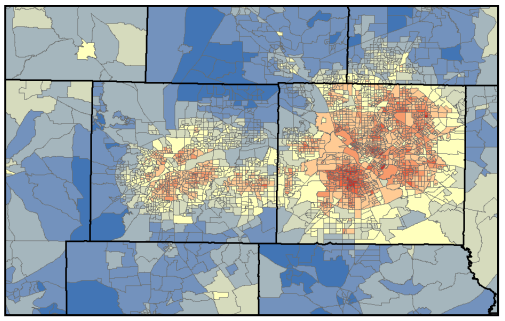


Source: ISO research using Perr & Knight filings and 2007-2013 AM Best Financials

Additional analytics provide growth opportunities



650 Traditional Territories



225,000 Census Block Groups

By-peril rating informed by building characteristics results in highly granular rating factors

Base All-Peril Loss Cost = **$769**

3,000 sq foot, 4 bed, 3.5 bath, colonial, brick exterior, attached 2 car garage, same zip code, $300K ITV



2,500 sq foot, 3 bed, 2.0 bath, ranch, wood siding, 2 car carport, pool, same zip code, $300K ITV



By-peril rating informed by building characteristics results in highly granular rating factors

Base All-Peril Loss Cost = **$769**

3,000 sq foot, 4 bed, 3.5 bath, colonial, brick exterior, attached 2 car garage, same zip code, $300K ITV



- Multiple stories have higher water losses
- 3 baths and 2 stories lead to higher water claims
- Attached garage lowers fire and wind exposure
- Brick construction lowers weather claims

2,500 sq foot, 3 bed, 2.0 bath, ranch, wood siding, 2 car carport, pool, same zip code, $300K ITV



- Larger footprint has higher weather exposures
- Fewer bathrooms decrease water claims
- Pool increases wind and liability exposure
- Single story increases theft and vandalism

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- Brick construction lowers weather claims

All-peril loss cost: **$889**

- Hail: $31
- Water nonweather: $308
- Liability: $61
- Fire: $271

2,500 sq foot, 3 bed, 2.0 bath, ranch, wood siding, 2 car carport, pool, same zip code, $300K ITV



- Larger footprint has higher weather exposures
- Fewer bathrooms decrease water claims
- Pool increases wind and liability exposure
- Single story increases theft and vandalism

All-peril loss cost: **$729**

- Hail: $15
- Water nonweather: $199
- Liability: $83
- Fire: $234

Underwriting: Homeowners

~$83B Homeowners Multi-Peril Direct Written Premium

Verisk Insurance Solutions™



Comprehensive suite of underwriting analytics to expedite accurate underwriting decisions, including replacement cost estimation, location-based risk data, catastrophe risk data, and claims loss histories

Verisk provides data and analytics needed to support homeowners underwriting:

Replacement cost estimates
Fire protection capability
Wildfire, hail, and other catastrophe hazard data
Claims loss history
Crime risk
Property characteristics
(year built, total living area, roof shape/material, siding, etc.)

Verisk analyzes **~10M** requests each month in real time

Product Development/Mgmt | Actuarial Analysis | **Underwriting** | Claims Management | Compliance | Portfolio Analysis | Risk Transfer

Case Study: Homeowners Underwriting

Verisk provides data to support rules-based underwriting decisions:

Underwriting Assessment	Result	Underwriting Rule	Results
Replacement cost estimate	$430,000	RCE > $600,000 requires underwriter approval	Pass
Distance to coast	>1 miles	Properties <.5 miles from coast require underwriter approval	Pass
Loss history	No claims	Property with >2 claims in past 3 years requires more detail	Pass
Sinkhole score	3	Sinkhole score >7 requires inspection	Pass
Crime score	2	Crime score >7 requires inspection	Pass
Public Protection Classification (PPC)	**3**	**Don't write policy >8**	**Pass**

PPC Analysis:

~$900M
Estimated premium leakage savings

~$100M
Additional industry premium leakage

Source: Verisk data and analysis

Underwriting: Commercial Property
~$55B in Direct Written Premium

Verisk Insurance Solutions™

Unique database of 3.5 million commercial buildings and ratings on ~47,000 fire protection areas provide differentiated methods to underwrite

Verisk verifies application information is correct:

- Construction
- Occupancy
- Protection
- Exposure

Verisk identifies incorrect application information or risk factors:

- Incorrect construction class
- Overlooked business risk
- Missed hazards of occupancy
- Inadequate sprinkler system
- Incorrect protection class
- Building maintenance problems

Product Development/Mgmt | Actuarial Analysis | Underwriting | Claims Management | Compliance | Portfolio Analysis | Risk Transfer

Case Study: Commercial Property Portfolio Analysis

Analyzed more than 250,000 buildings and 1.8 million commercial property characteristics

Rating Information	Analysis Identified
Construction Class	• 30% of the carrier risks had incorrect construction class
Year Built	• 19% of the risks we identified were at least 11 years older than indicated
Installed Sprinkler	• 34% of the sprinklered risks received sprinkler credit when not warranted
Public Protection Classification	• 17% of the carrier risk were listed in an incorrect PPC

20% Underpriced Risks Premium Leakage

14% Overpriced Risks

- Adverse Selection
- Risk Retention

$1.3B

Annual Premium Leakage

Source: Verisk data and analysis

Claims Estimation: Homeowners

XACTWARE.

Personal property contents estimating solution teamed with powerful cost research and property data facilitates faster settlements and increased customer satisfaction.

Verisk analysis:

~$330 per claim

Total projected indemnity (claim settlement) expense savings of 2% to 6%

81%

Projected loss adjustment (administrative) expense savings of 81%

Efficient Claim Handling:

- Estimating online or desktop
- Inventory-gathering collaboration with insured
- Faster on-site scoping with new mobile app
- Analytics and real-time tracking
- Increased customer satisfaction



Product Development/Mgmt | Actuarial Analysis | Underwriting | **Claims Management** | Compliance | Portfolio Analysis | Risk Transfer

Claims Estimation: International Expansion

Global customers also experiencing outstanding results with adoption of property estimation tools.

Top United Kingdom insurance carrier reports:

34 Days

Reduced cycle time
from 39 days to 5 days

$1.5M

Saved more than $1.5million (U.S.)
in first six months

Belgian insurance carrier has extended the use of tools for workflows beyond property estimating

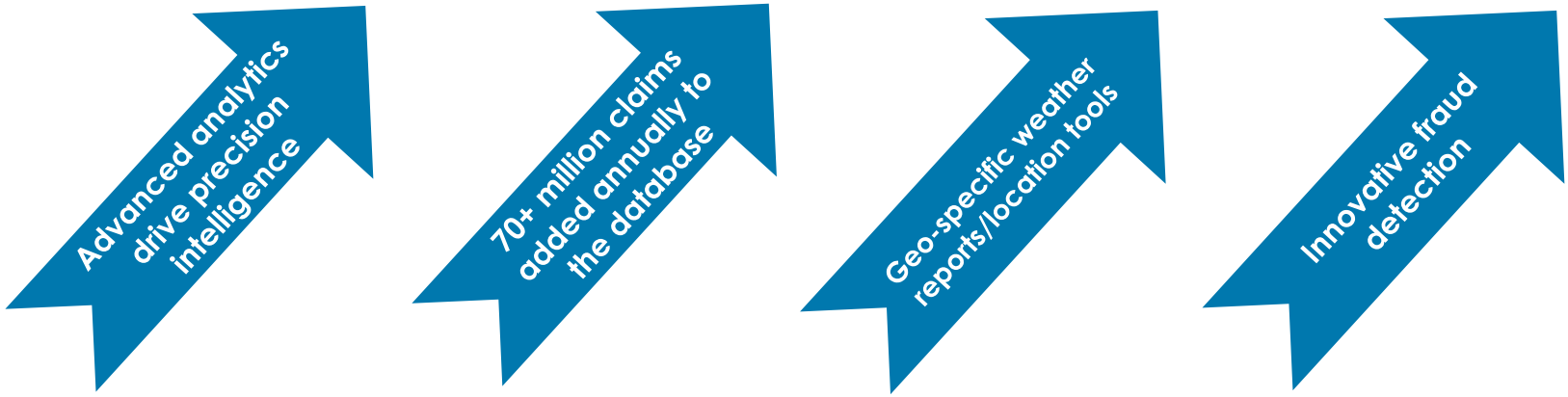


Claims Management and Fraud Detection: Homeowners

Verisk Insurance Solutions™

Enables fast-tracking of claims at first notice of loss and better total management to:

Lower combined ratio	Increase customer retention
Accelerate cycle time	Improve ratio claims/adjuster



More than **1B** claims in the ISO ClaimSearch database

Homeowner property claims average **1.9M** claims/year with losses at over **$12B/year***

Product Development/Mgmt | Actuarial Analysis | Underwriting | **Claims Management** | Compliance | Portfolio Analysis | Risk Transfer

** Property Claim Services (PCS) homeowner data from 2008-2014*

Industry Challenge: Hail Claim Frequency and Severity Are Accelerating



Number of Hail Claims Increased from 2010 to 2012*: **84%**

$54B Insurers paid a total of $54B in claims for hail losses from 2000 through 2013**	**70%** Almost 70% of the $54B in hail claim losses occurred from 2008 through 2013**	**65%** Average severity was 65% higher from 2008 through 2013 versus the period from 2000 through 2007**

Common Fraud Scenarios Contributing to Loss:

Self-inflicted damage

Storm chaser contractors

Public adjuster scams

Property in foreclosure

Prior claim paid, damage not repaired

*National Insurance Crime Bureau, 2014
**Verisk Insurance Solutions A-PLUS Property Loss Database, August 2014

Verisk Addresses the Challenge: Early Fraud Detection Improves Productivity/Outcomes

Reduce triage time at first notice of loss:

Identifies prior history of roof damage
Detects claimant financial stressors
Scores probable fraud indicators



Deeper investigation reduces fraud exposure

- Weather reports help adjusters identify questionable causation
- Facilitates discovery of suspect contractor activity
- Improves outcomes on questionable claims

15% of hail claims have no evidence of hail activity on the reported date of loss.*



Meritorious claims fast-tracked for productivity

- Validates claimant assets
- Helps adjuster to close information gaps
- Faster, better resolution

Majority of hail claims managed through streamlined process

** Verisk Climate – Research conducted using Benchmark™ database based on claims from 2009–2013*

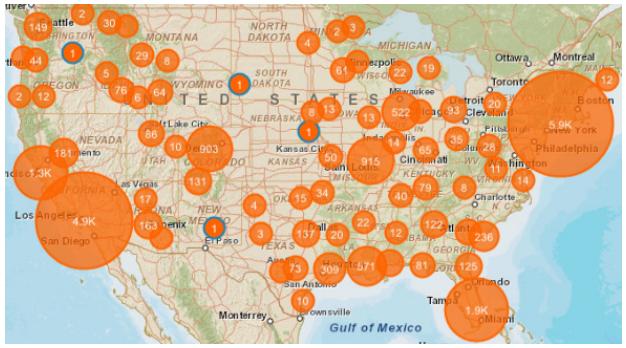
Case Study: Portfolio Analysis

AIR WORLDWIDE

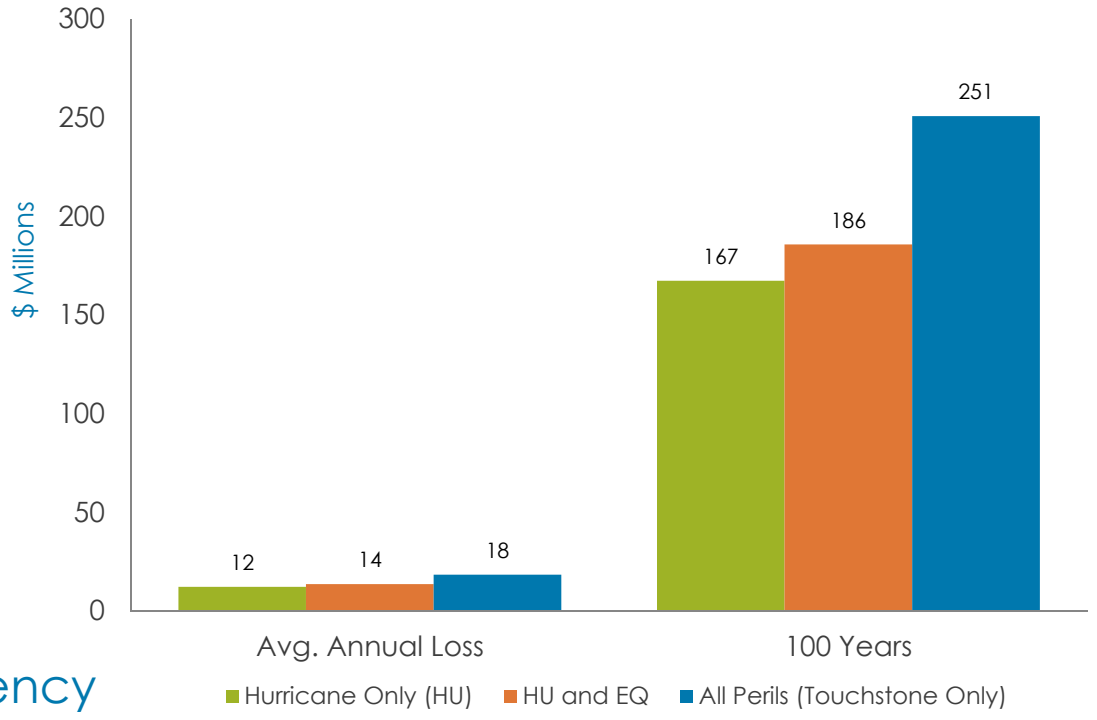
U.S. Commercial Portfolio

~300K
Locations

~$200B
Countrywide
Total Insured Value



Touchstone: All-Peril Analysis Time in **3 Hours**



All-Peril Analysis, Improved Efficiency

Product Development/Mgmt → Actuarial Analysis → Underwriting → Claims Management → Compliance → Portfolio Analysis → Risk Transfer

Source: Verisk data and analysis

Integration of Cat and Non-Cat Losses

AIR WORLDWIDE

CAT RISK

- TROPICAL CYCLONE (Hurricane, Typhoon)
- SEVERE THUNDERSTORM (Tornado, Hail, Straight-Line Wind)
- EXTRATROPICAL CYCLONE (Winter Storm)
- EARTHQUAKE
- FLOOD
- TERRORISM

Verisk Analytics

UNDERSTANDING RISK

TOUCHSTONE

ISO

NON-CAT RISK

- FIRE
- VANDALISM & THEFT
- LIGHTNING
- EXPLOSION
- WATER LEAKAGE

Verisk Provides Industry-Leading Solutions & Analytics

Risk Assessment	Competitive Advantage	Primary Competitors
Industry-Standard Insurance Programs	**5 petabytes of time-series data and coverage language in >200M policies**	**Internal**
Property Information	**Comprehensive database of 3.5M commercial buildings and ratings on ~47,000 fire protection areas**	**Internal**
Decision Analytics		
Claims Adjudication and Fraud Detection Solutions	**Industry database totaling 1 billion claims**	**Internal**
Catastrophe Modeling	**Advanced science, advanced software platform covering 90 countries**	RMS, CoreLogic EQECAT
Property Damage Claims Estimating	**100M structural estimation price points and integrated network**	simsol, symbility
Underwriting Solutions	**Comprehensive industry-standard information**	CoreLogic Insurance Solutions MSB, REED ELSEVIER

Certain competitors offer point solutions that compete with Verisk, but no other firm provides the same depth of solutions and analytics

Building on Our Unique Heritage

Growth Opportunities

Industry-Wide Focus	New Solutions	New Customer Sets
• Cross-Sell and Bundle	• Remote Imagery	• International
• Predictive Pricing Models	• Weather Analytics	• Product Development (Customized Policy Language)
• Commercial Flow Business	• Point-of-Sale Analytics	• Commercial Real Estate
	• Touchstone Extensions	
	• Medical Fraud Analytics	



Financial Impact: Homeowners Insurance Company

Revenues ($ million)	
Premiums	$828
Net Investment Income	$101
Net Realized Investment Gains (Losses)	$2
Other Revenues	$5
Total Revenues	**$936**

Claims & Expenses	
Claims & Claim Adjustment Expenses	$494
Policy Acquisition Expenses	$142
General, Administrative, and Other Expenses	$102
Total Claims & Expenses	**$738**

Income	
Income before Income Taxes	$198
Income Tax Expense	$53
Net Income	**$145**

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Deep Domain Expertise

Executive	Role	Tenure (years)
Beth Fitzgerald	President, ISO Insurance Programs and Analytic Services	35
Bill Raichle	President, Verisk Insurance Solutions – Commercial Property	34
Jim Loveland	President and Chief Executive Officer, Xactware Solutions	27
Rich Della Rocca	President, Verisk Insurance Solutions – Claims and Crime Analytics	20
Ming Lee	President and Chief Executive Officer, AIR Worldwide	19
Neil Spector	President, Verisk Insurance Solutions – Underwriting	13
Stephanie Sutton	Vice President of Sales, Verisk Insurance Solutions	10

More than 158 combined years at Verisk and heritage firms

Questions?



Healthcare: Verisk Health



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Our Mission
Our mission is to empower a sustainable, value-based healthcare delivery and payment system.

Verisk Health Overview

Our Vision

To be the trusted data analytics and technology partner that helps our clients identify and manage clinical and financial risks within the populations they serve, while also ensuring the alignment of payment, risk, and quality of care.

Health Plans: 260+

Provider Network Management
Appropriate Risk-Adjusted Revenue
Payment Accuracy & Fraud Prevention
Quality Measurement & Reporting
Population Health Risk Management

Employers: 60+

Employee Risk Profiling & Budgeting
Vendor Selection & Management
Data-Driven Benefit Design
Reporting & Benchmarking

Providers: 25+

Visibility into Total Patient Experience
Population Health Risk Management
Budgeting & Risk Contract Management
Quality of Care & Reporting



Addressing Our Clients' Challenges

Increasingly Complex Regulatory Environment	Greater Need for Cost Containment	Shift to Value-Based Healthcare

Our Solutions

Revenue



Solutions to align patient risk with appropriate reimbursement

Payment



Solutions to ensure accurate payments and identify and eliminate fraud, waste, and abuse

Population



Analytics and reporting solutions to identify clinical and financial risk and drive performance improvement

Quality



Solutions to drive compliant revenue, achieve regulatory reporting needs, and improve quality

Competitive Landscape

Revenue



- inovalon
- OPTUMInsight
- Altegra Health
- TriZetto

Payment



- McKESSON
- OPTUMInsight
- iHealth Technologies
- LexisNexis

Population



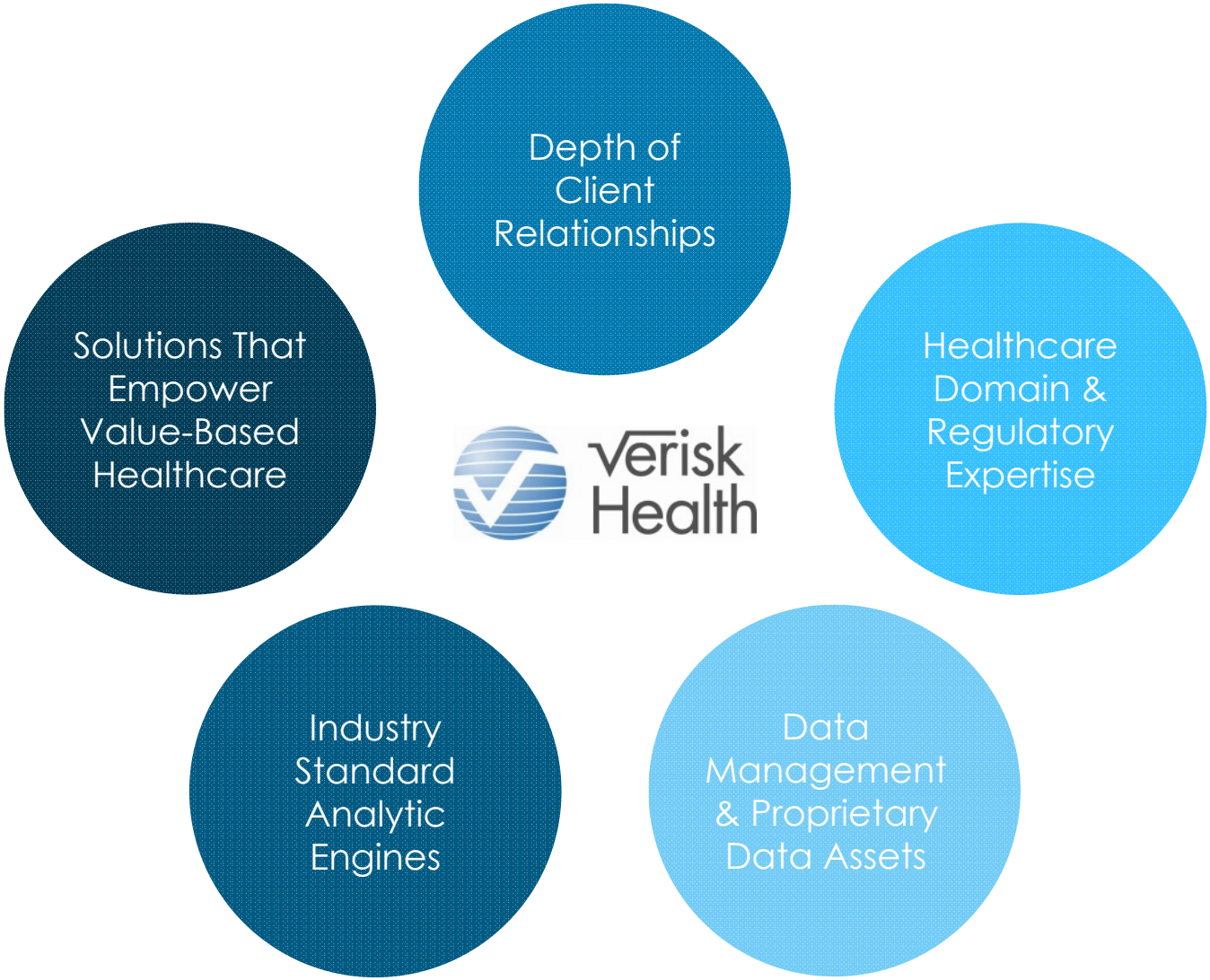
- OPTUMInsight
- TRUVEN
- McKESSON
- The Advisory Board Company
- HealthCatalyst
- explorys

Quality



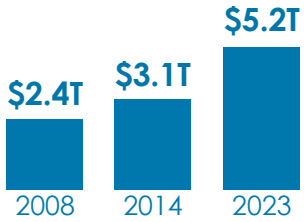
- inovalon
- VHS General Dynamics Information Technology
- Altegra Health

Verisk Health Advantage



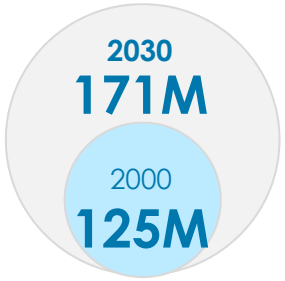
Empowering Value-Based Healthcare

Why Value-Based Healthcare Is Imperative



Unsustainable rise in costs [1]

$900B+ Of waste in the system [2]



With chronic diseases [3]

4x Premiums outpacing wage growth [4]

Defining Value-Based Healthcare

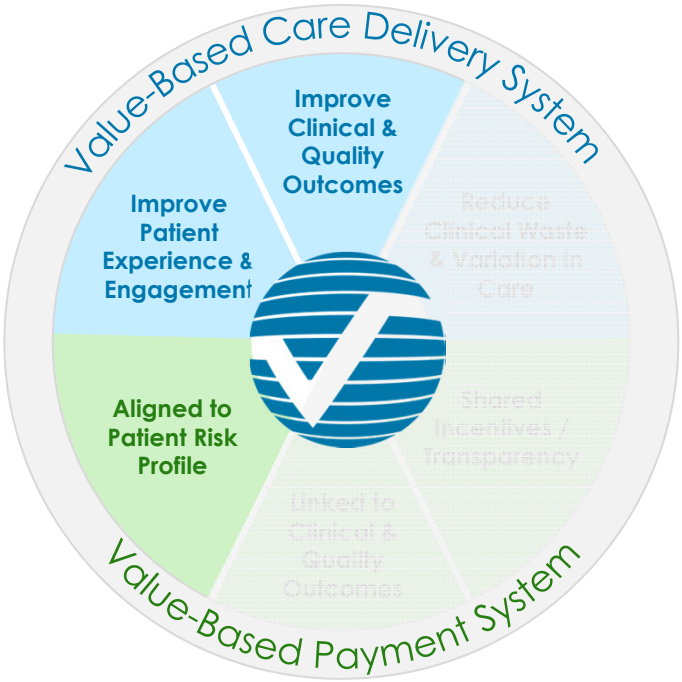


Empowered by

1. Broad data sets 2. Value-based analytics system
3. Large library of analytic objects and rules

1.) CMS (published in Sept 2014 edition of Health Affairs)
2.) JAMA, 2011
3.) Robert Wood Johnson Foundation and Johns Hopkins Bloomberg School of Public Health, 2010
4.) Kaiser/HRET Survey of Employers

Improving Outcomes & Aligning Payment



Population

Verisk Health identifies and predicts patients with the highest medical risk, allowing health plans and providers to deliver better care and improve patient outcomes.

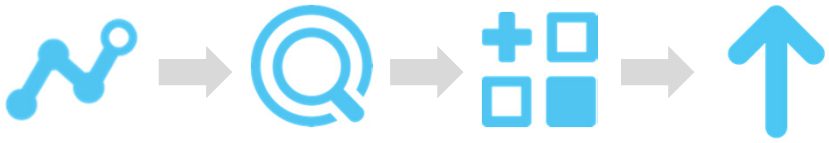
Revenue

Verisk Health identifies patients whose risk is not appropriately reflected in medical data to ensure plans are paid in accordance with the level of risk they manage.

Improving Quality & Linking to Payments



Quality



Verisk Health measures quality performance, identifies gaps in care, enables data-driven interventions and facilitates the process of aligning payments with quality outcomes.

Population



Verisk Health enables customers to pair quality measurement tools with proprietary analytics to compare provider performance and manage risk across many dimensions.

Addressing Waste & Transparency



Payment



Verisk Health detects variations in care and suspicious billing patterns, enabling our clients to reduce waste and improve transparency.

Population



Verisk Health identifies drivers of higher utilization & medical costs to reduce clinical & financial waste and improve quality outcomes.

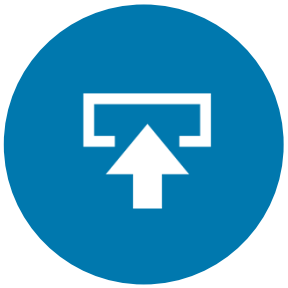
Path to Growth

Widening the Moat and Driving Revenue



Market Expansion

Aging Population
Coverage Expansion
Value-Based Contracts
Exchanges



Market Penetration

Medicare Advantage
Managed Medicaid
At-Risk Providers
Commercial Plans
Employers



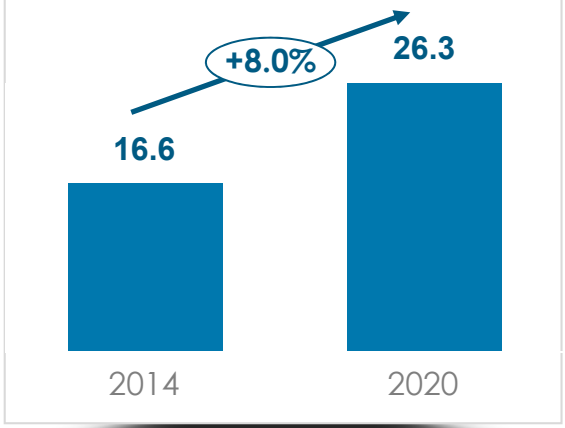
Innovation

Anti-Fraud Alliance
Payer/Provider Collaboration
Shared Savings

Market Trends Driving Growth

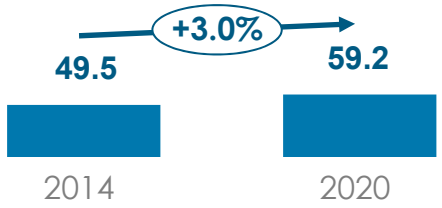
Aging Population

Medicare Advantage lives[1] (m)

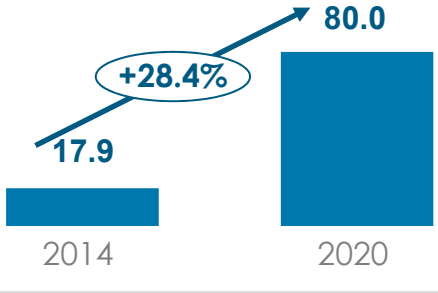


Coverage Expansion

Managed Medicaid lives[1] (m)

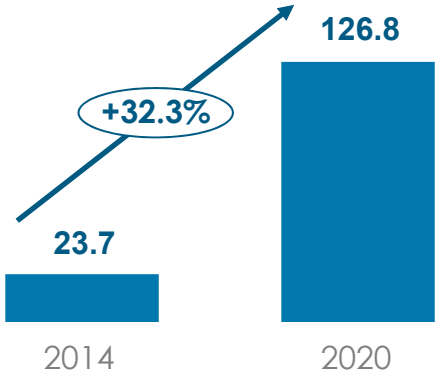


QHP / Exchanges lives[1] (m)



Shift to Value-Based Payments

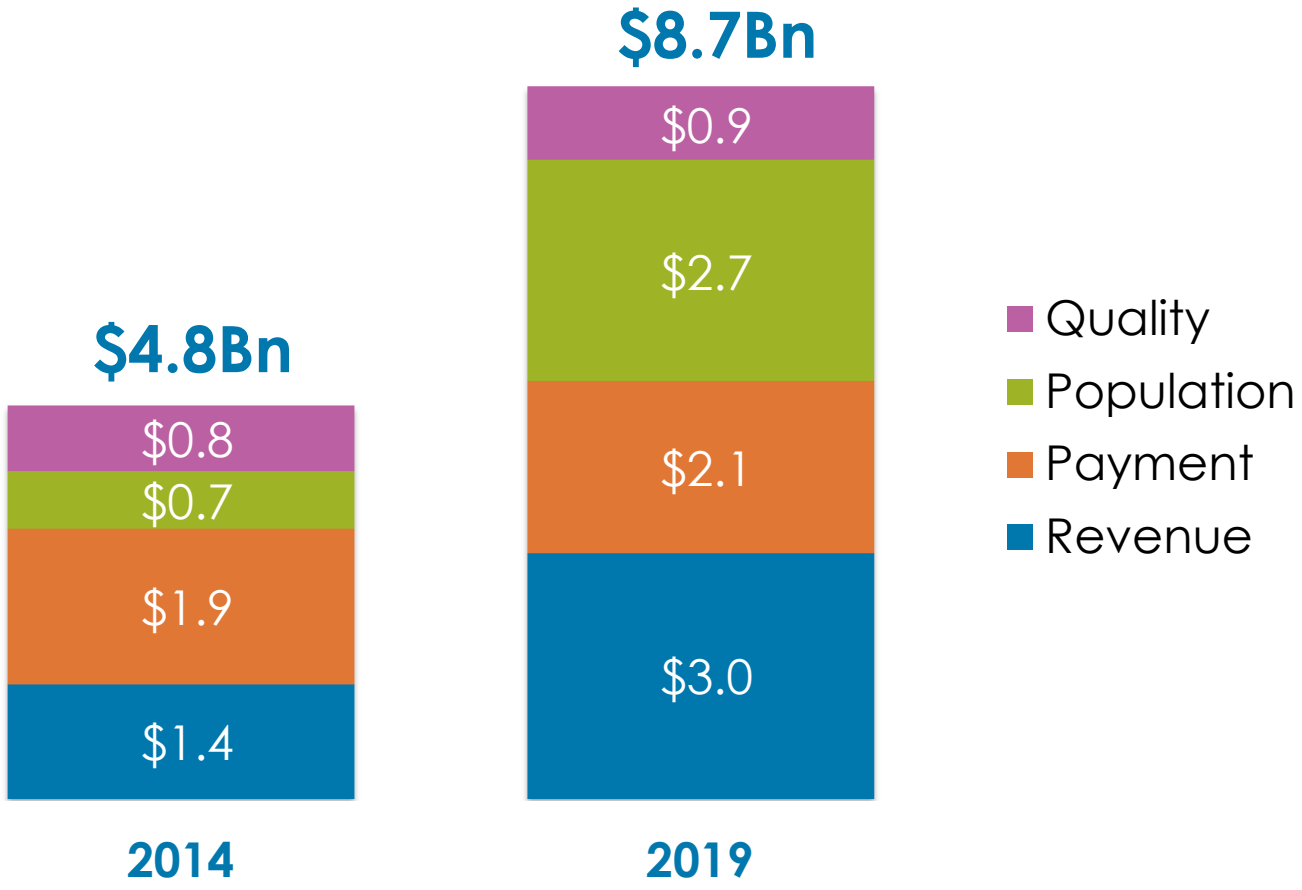
Provider covered lives in risk contracts[2]



[1]*CMS, CBO, Barclays, Goldman Sachs, Bank of America, VH analysis*
[2]*CMS, Leavitt Partners, VH research and analysis*

Addressable Market Is Growing

Almost doubles by 2019



Market Penetration – 2014

115+
Up-Sells

35+
New Clients

15%
Customers Purchase Multiple Solutions

95%+
Retention

Innovation

Anti-Fraud Alliance

Pooled Data

Fraud Analytics

~16M Lives
Across 50 States

Payer/Provider Collaboration

Population & Patient Risk

Provider Performance Analytics

Quality Reporting

Shared Savings

28 MSSP ACO Clients in 2014

9 Pioneer MSSP Clients –
7 Experienced Shared Savings

CMS 2018 goal: 50%
Alternate Payments



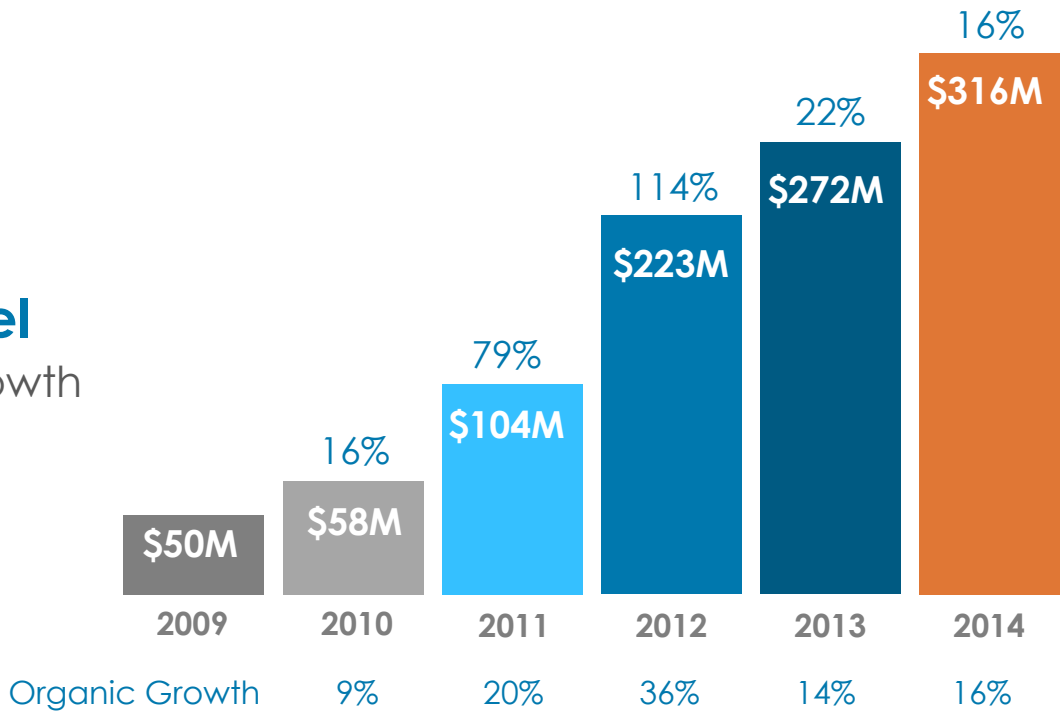
Verisk Health Financial Performance

Multiple Growth Drivers

Market Expansion
Market Penetration
Innovation

Attractive Business Model

Revenue Linked to Customer Growth
SaaS Subscriptions
Multiyear Contracts
95%+ Customer Retention



Questions?

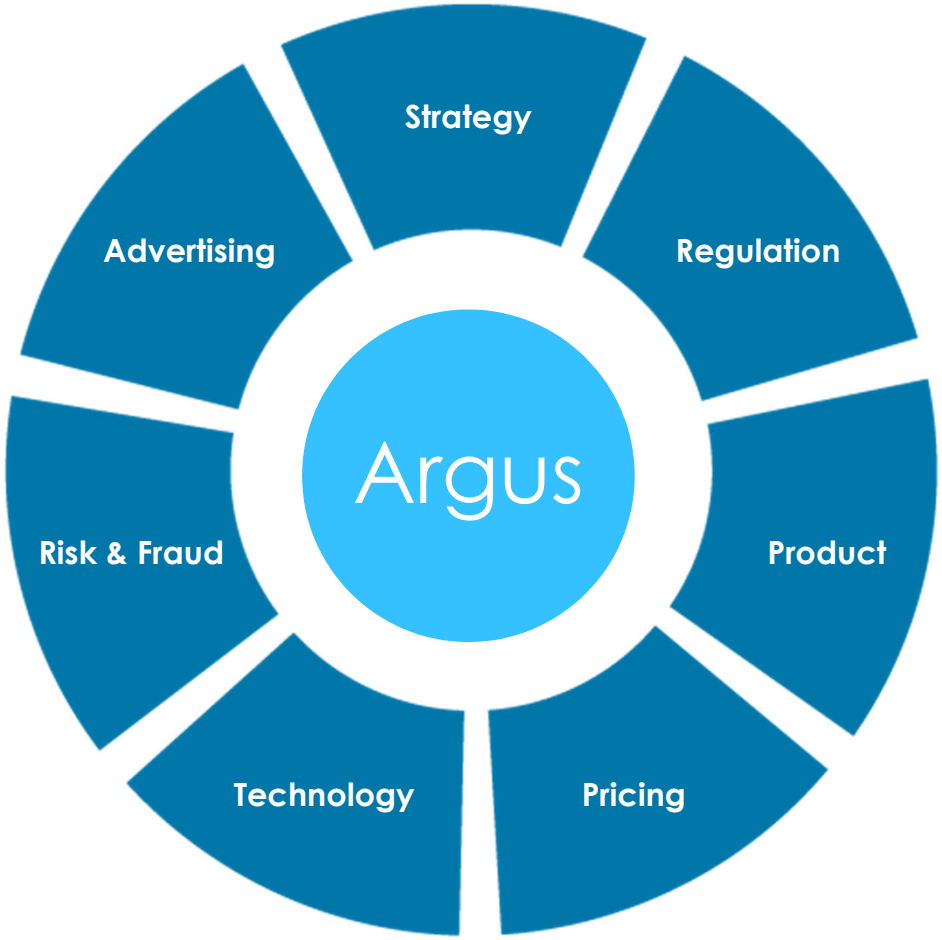


Financial Services: Argus



SERVE | ADD VALUE | INNOVATE

Argus Is a Leading Provider of Data, Information & Analytic Solutions for Banks and Their Regulators

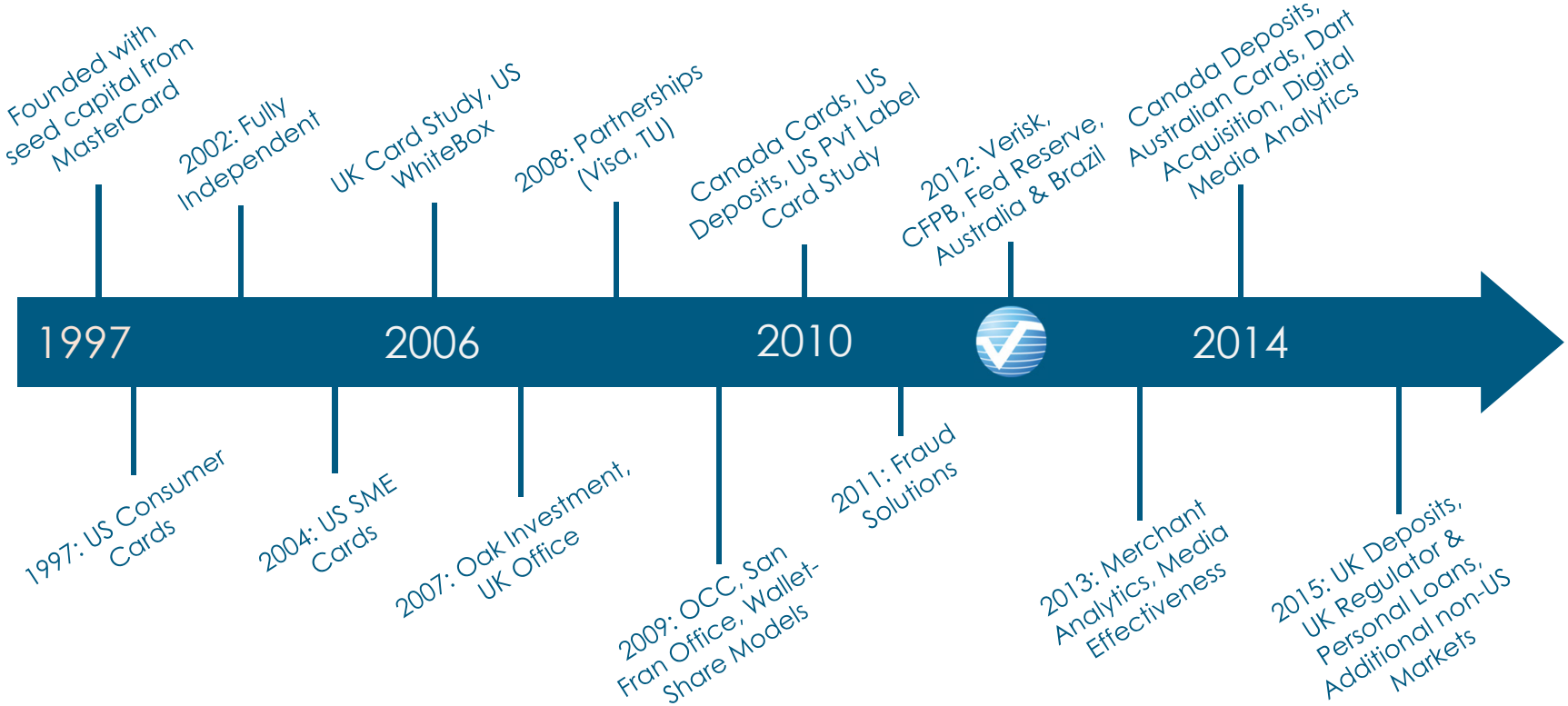


At the foundation of our value-creating solutions…

- Unique and Proprietary Consortia Datasets
- Deep Domain Expertise in Analytics and Banking
- Big-Data Technology Platform that is Scaled and Secure

Growth through Geographic Expansion and New Product Innovation

Company Milestones



Track Record of Innovation

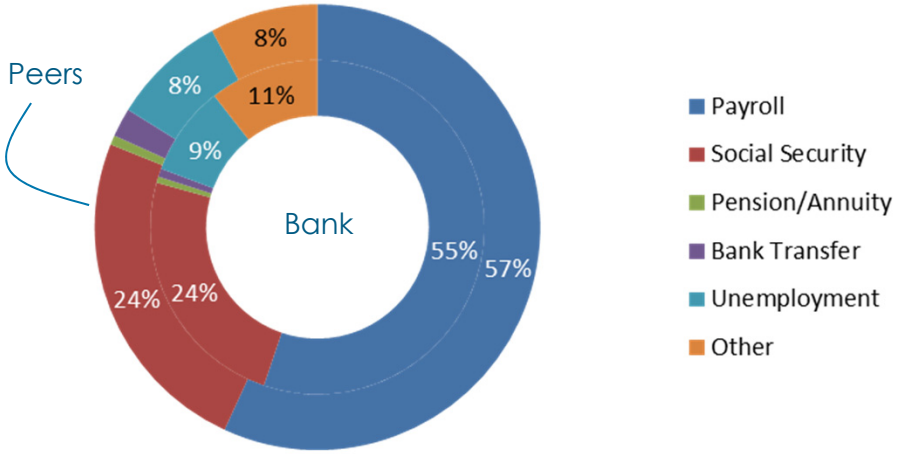
Our Solutions Suite is Designed to Address the Biggest Challenges Facing the Consumer Banking Industry

Syndicated Studies	Product Solutions	Analytic Services
Help Understand the External Environment	Transform Proprietary Data Into Information & Action	Provide Analytics & Execution Support
Subscription-based customized benchmarking studies. Using detailed customer, account, and transaction data… all linked to a customer's wallet. Typical audience: business heads, product managers, compliance and risk officers, as well as regulators.	Cloud-based BI tools and enterprise database solutions. Wallet-based statistical models for customer-level assessment of "off-us" behaviors. Media and ad effectiveness insights and software. Capital adequacy & stress testing software.	Retainer teams leveraging Argus consortia data sets to support business strategies. Project-based analytics enabling trade-offs between product, price, customer risk, and behavior. Support bank coalitions to influence regulators.
Monthly Subscription	**Recurring License / Fixed Fee**	**Retainer & Project Pricing**

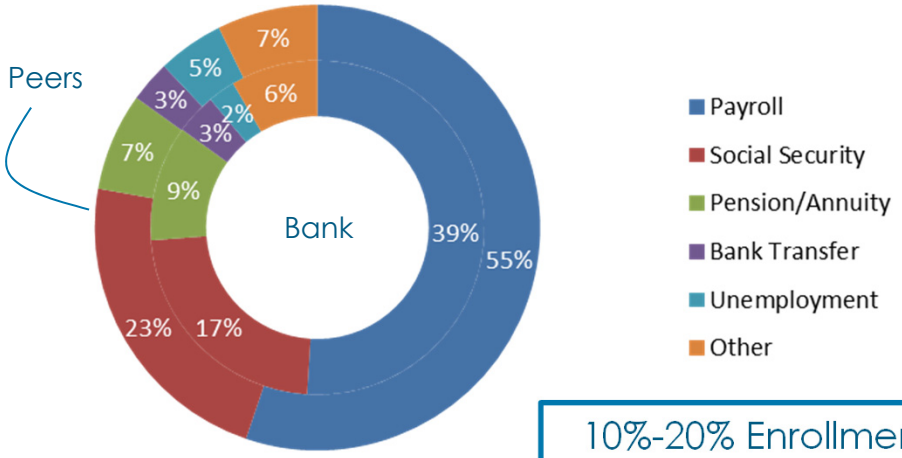
80%+ of revenue is recurring…
98% customer retention rate

Benchmarking Study Use Case: Increase Deposits

ACH Inflows $ Volume



% Customers with ACH Inflows



10%-20% Enrollment Improvement

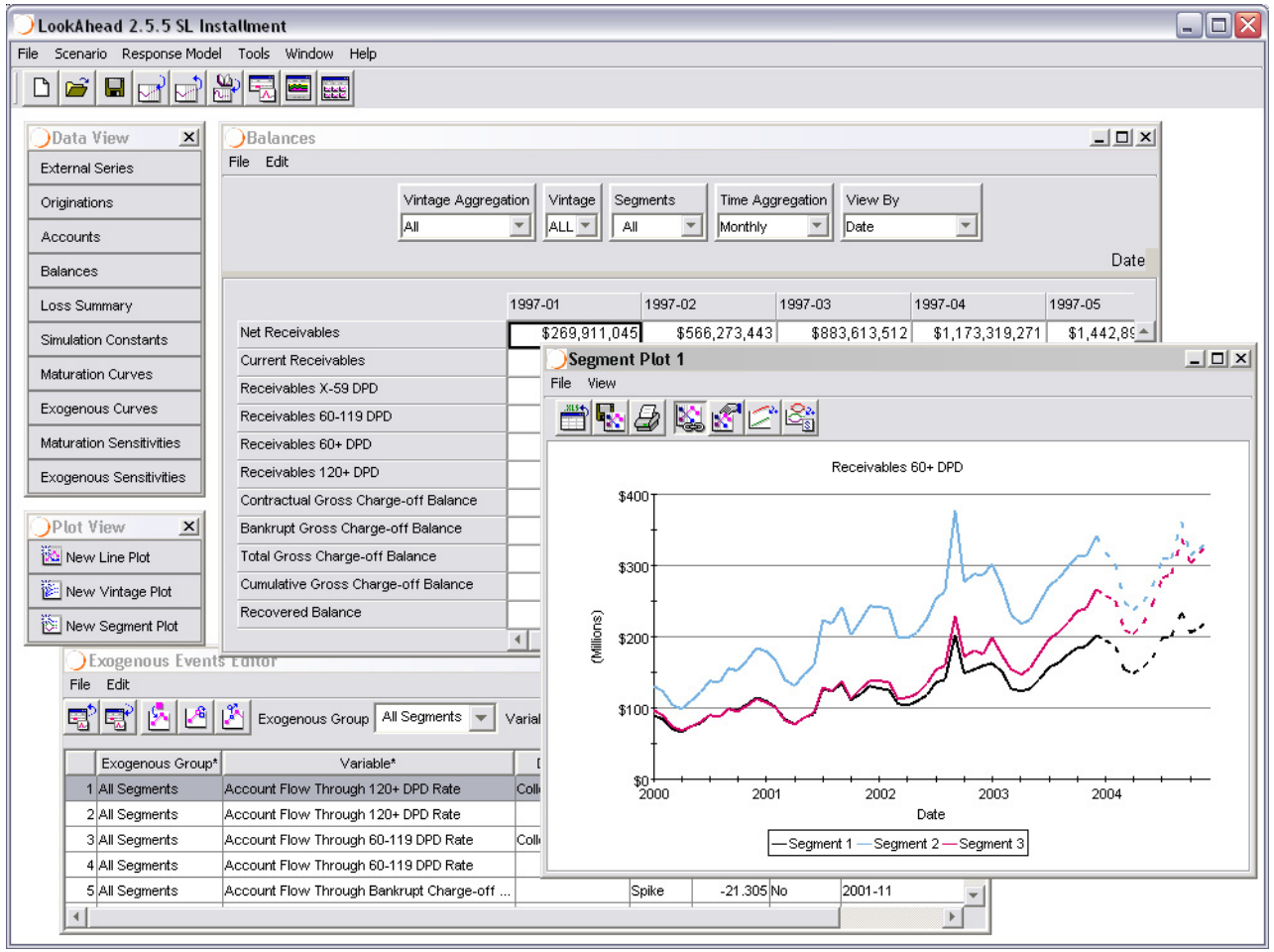
Focus on assessing increasing payroll deposits from existing clients to improve:

- Primacy rates
- Reduce branch costs
- Account retention
- Cross-sell

Through our product-level consortium data, we:

- Showed peer benchmarks overall direct deposit levels comparable to peers, but payroll direct deposit significantly lower
- Developed new KPIs created to track progress to goals
- Recommended and helped implement multiple in-branch treatments
- Branch platform staff provided with forms to assist in setting up direct deposit at account opening and servicing.

LookAhead® Stress-Testing Software Use Case

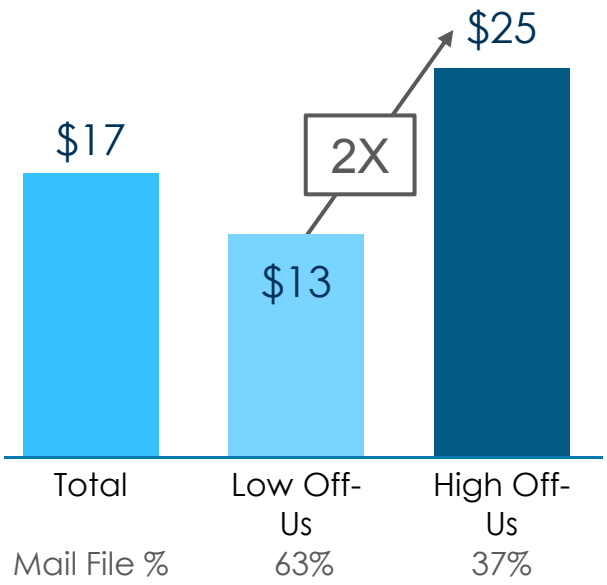


Argus helps "stress-test" portfolios to ensure regulatory compliance against the Fed's SCAP, CCAR and DFAST requirements.

- Forecasting and stress-testing… regulatory submissions and "what-if" scenario analyses.
- Portfolio management… P&L modeling, staffing, evaluating underwriting policies.
- Risk appetite… test performance thresholds and risk appetites.
- Economic capital (TrueCapital software)… modeling, concentration risk and diversification benefit.

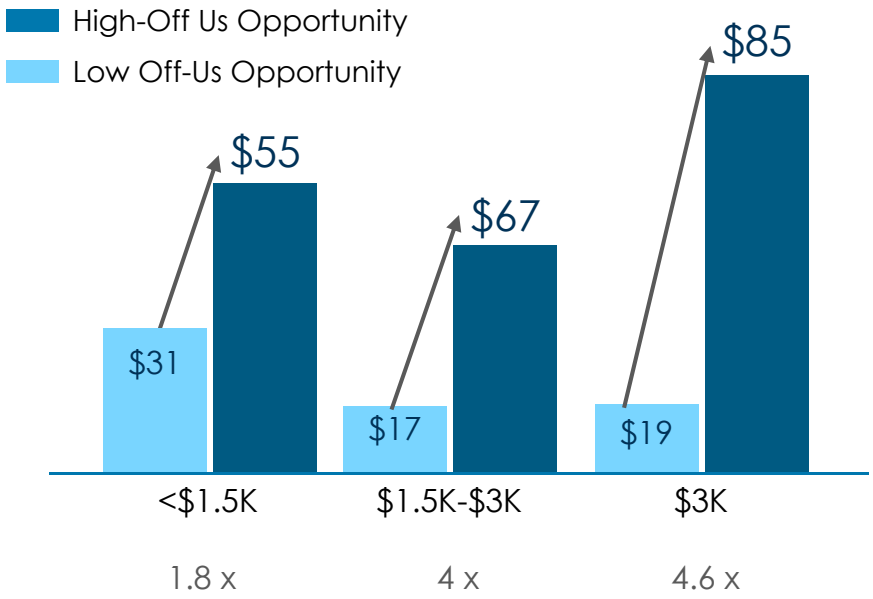
Wallet-Share Algorithms Use Case

Case study 1: Spend and Get Optimization (Incremental Sales per Mailed)



- 4% greater incremental sales per mailed among high off-us vs. low off-us sales population
- Refocusing 100% of mail file on high off-us sales population generated a 50% lift in campaign performance

Case Study 2: Line Increases by Off-Us Spend Segment, Test vs. Control (Incremental Sales per Mailed)



- Significant increase in spend when targeting high "Off-Us" spend customers
- Campaign performance after 2 months of the CLI showed higher incremental spend within the high un-captured sales segment (Early Test vs. Control)

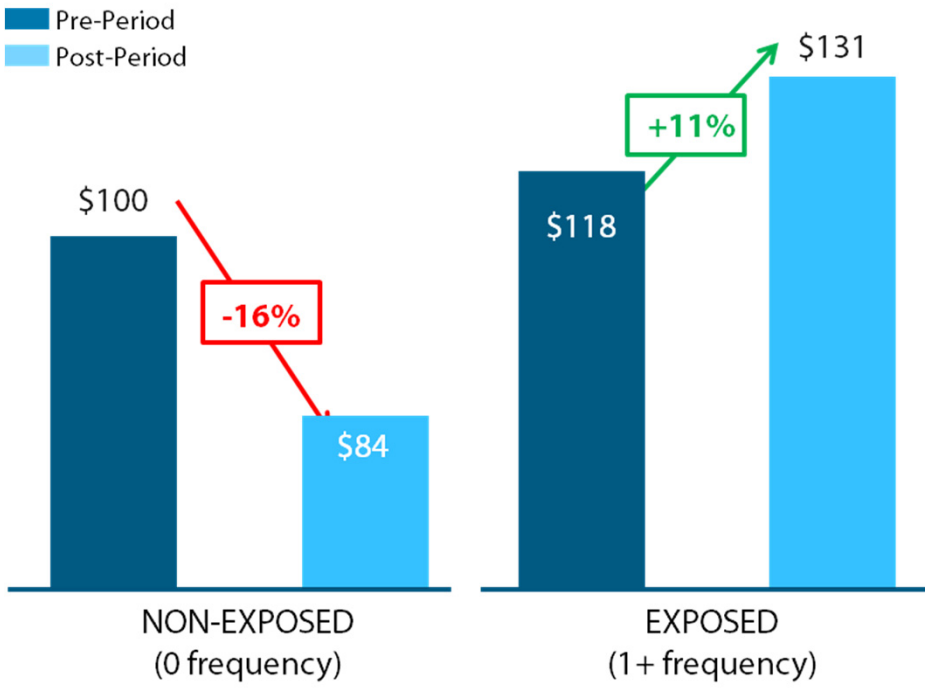
ISPM = Test SPM vs. Control SPM from a usage targeting campaign.

Media Effectiveness Use Case

What People See… Key Partners

What/ Where People Buy… Argus

Monthly Avg. Spend per Buyer
Pre vs. Campaign vs. Post period



Argus has partnered with major media analytics companies to help improve:

- Measurement of ad effectiveness by linking the spending behaviors (response) of customers that are exposed to specific types of ads (stimuli)
- Targeting of ads based on the post-exposure spending behaviors of customers subject to specific ad stimuli relative to customers that are not exposed to the ads
- Our solutions cover most major channels, including direct mail, TV, radio, digital/online search, social media and bill-boards.

Sales Process Harnesses Balance of "Hunting" and "Farming" Mix

1. New Study
   - Client or Partner
2. Onboard data
   - Delivery
3. Cross-sell
   - Up-sell
4. Retention



"Hunters"

- New Markets
- New Clients
- New Partners
- New Verticals

1/3 of New Sales

Sell

- Existing Studies
- New Studies
- Media Analytics
- Launch New Products



"Farmers"

- Delivery
- Cross-Sell
- Up-Sell
- Client Retention

2/3 of New Sales

Sell

- Analytics Services
- Models & Algorithms
- Data Mgmt & BI Tools
- Launch New Prod

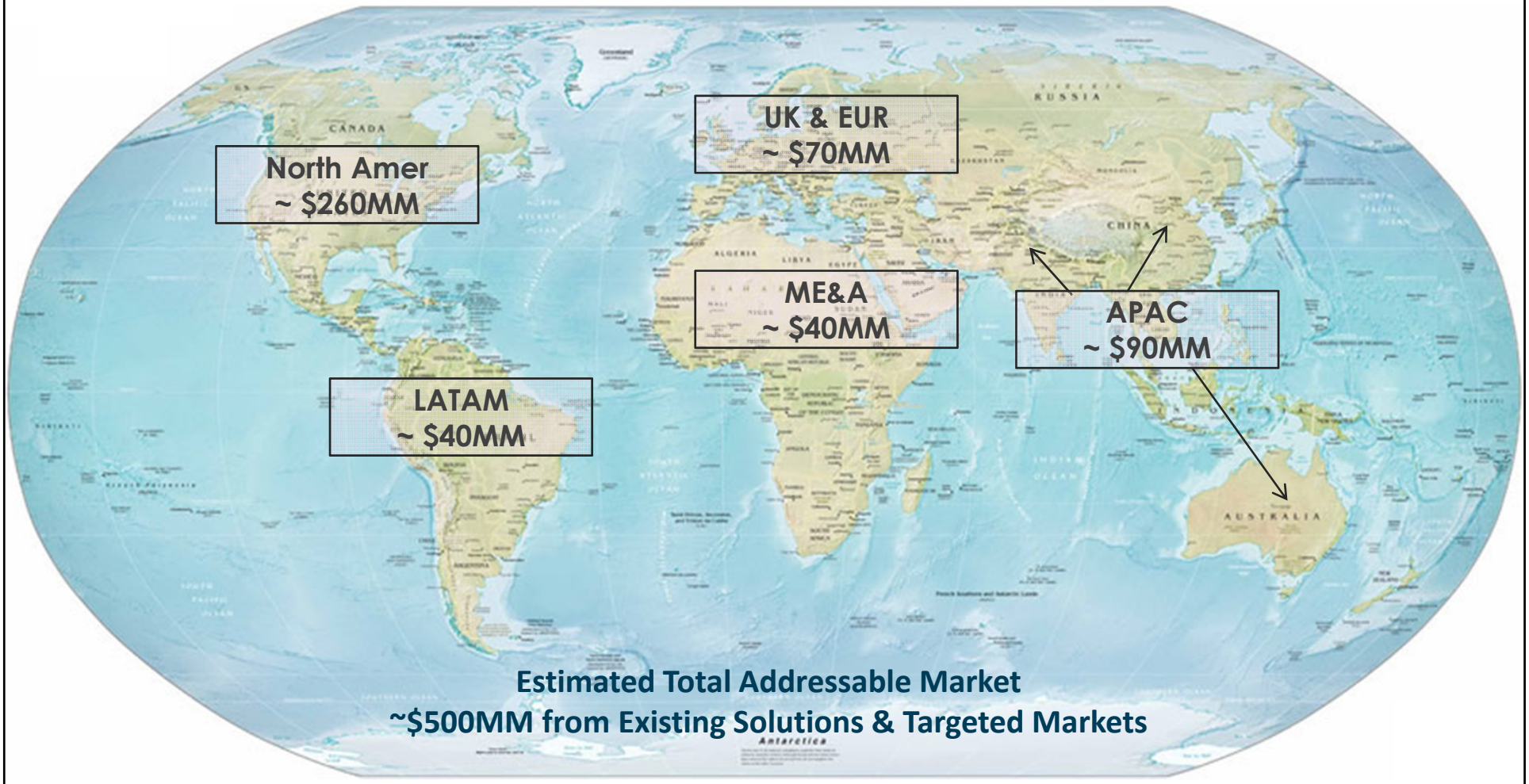
Unique Data Assets Enable Us to Provide a Valuable and Differentiated Solution Set

	Description	Argus*	Credit Bureaus	Payment Networks	Payment Processors
Transaction Data	POS & online transaction detail (merchant, location, amount, date)	✓		✓	
Account Data	Credit card, deposits, checking, and money-market account performance	✓			
Product Attributes	Features including pricing, value propositions, pricing, promo detail	✓			
Account-level P&L	Revenue and cost details, including finance charges, fees, losses, opex	✓			✓
Customer behavior	Usage details including spend, fraud, channel, payment, etc.	✓		✓	✓
Platform Coverage	Networks (Visa, MC, Amex, etc.) and Processors (TSYS, FirstData, etc.)	✓	✓		
Wallet Views	Complete consumer view (share-of-wallet) across issuers and instruments	✓	✓		

Data from more than **1.3Bn** accounts from **over 50 banks** and more than **5Bn** transactions/month
Argus has a data warehouse for more than **2.2 petabytes**

** Some Argus data assets have been developed in partnership with non-Verisk institutions.*

Significant Runway across All Our Products and Services



Estimated Total Addressable Market
~$500MM from Existing Solutions & Targeted Markets

What Next? Expanding Our Data Assets through New Markets, Verticals, and Fusion with Other Proprietary Data Assets (External and Internal)

We are in the process of achieving our objectives by:

Driving the richness of syndicated studies via increased participation

New markets (Australia Cards, Brazil Cards, Canada Deposits).

Expand participation in existing studies (Deposits in UK).

Expand consortia to non-bank institutions (Retailers, Digital Platforms).

Deepening customer intimacy via dedicated analytics support

Long-term retainer support to high-interaction clients.

Short-term engagements for transactional clients.

Expand interaction model to nonbanking institutions.

Drive customer satisfaction.

Pivoting growth and margins with emphasis on product sales

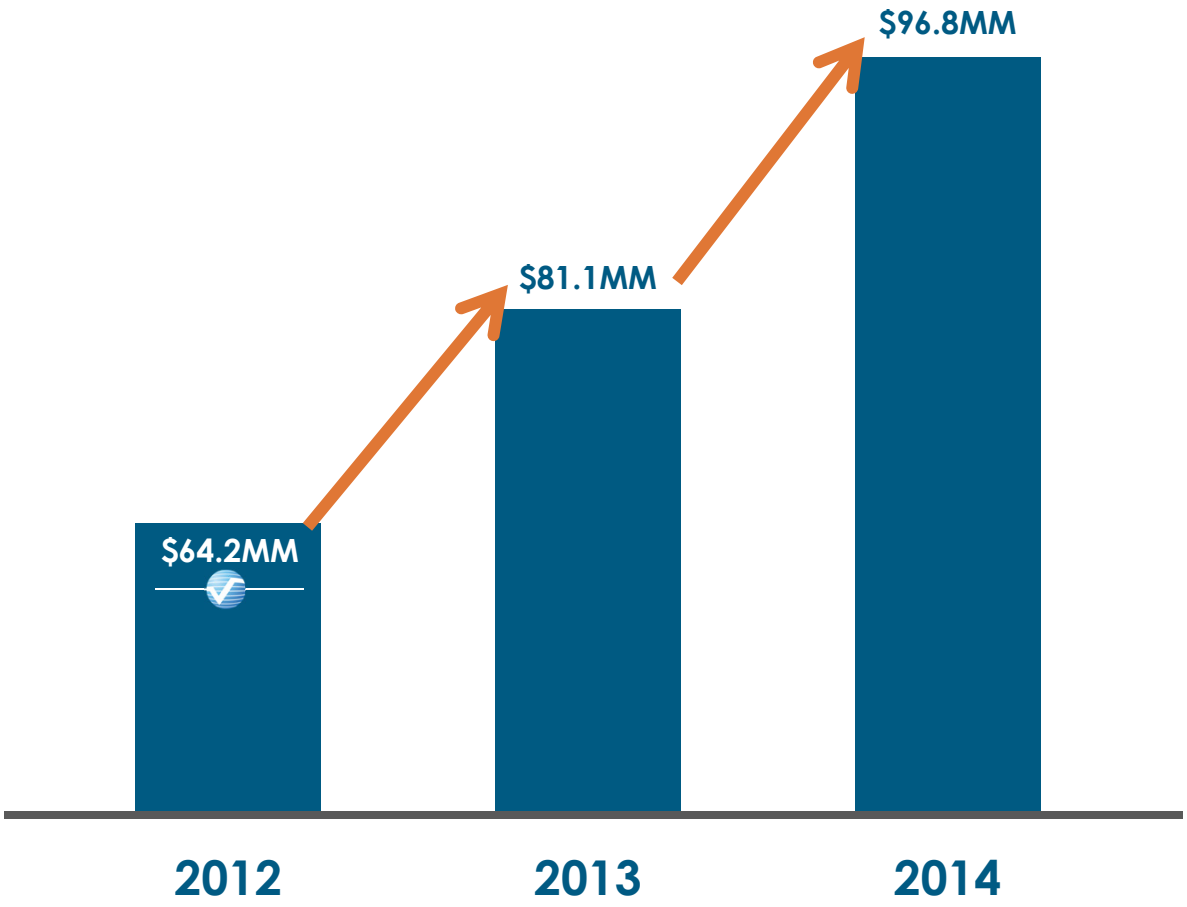
BI solutions and big data functionality (merchant analytics).

Statistical algorithms (360 wallet models, fraud).

Measure and optimize digital and media spend.

Predictive models and software for regulatory compliance.

Recent and Past Successes Validate the Multi-Pronged Path for Growth



Questions?



Financial Review



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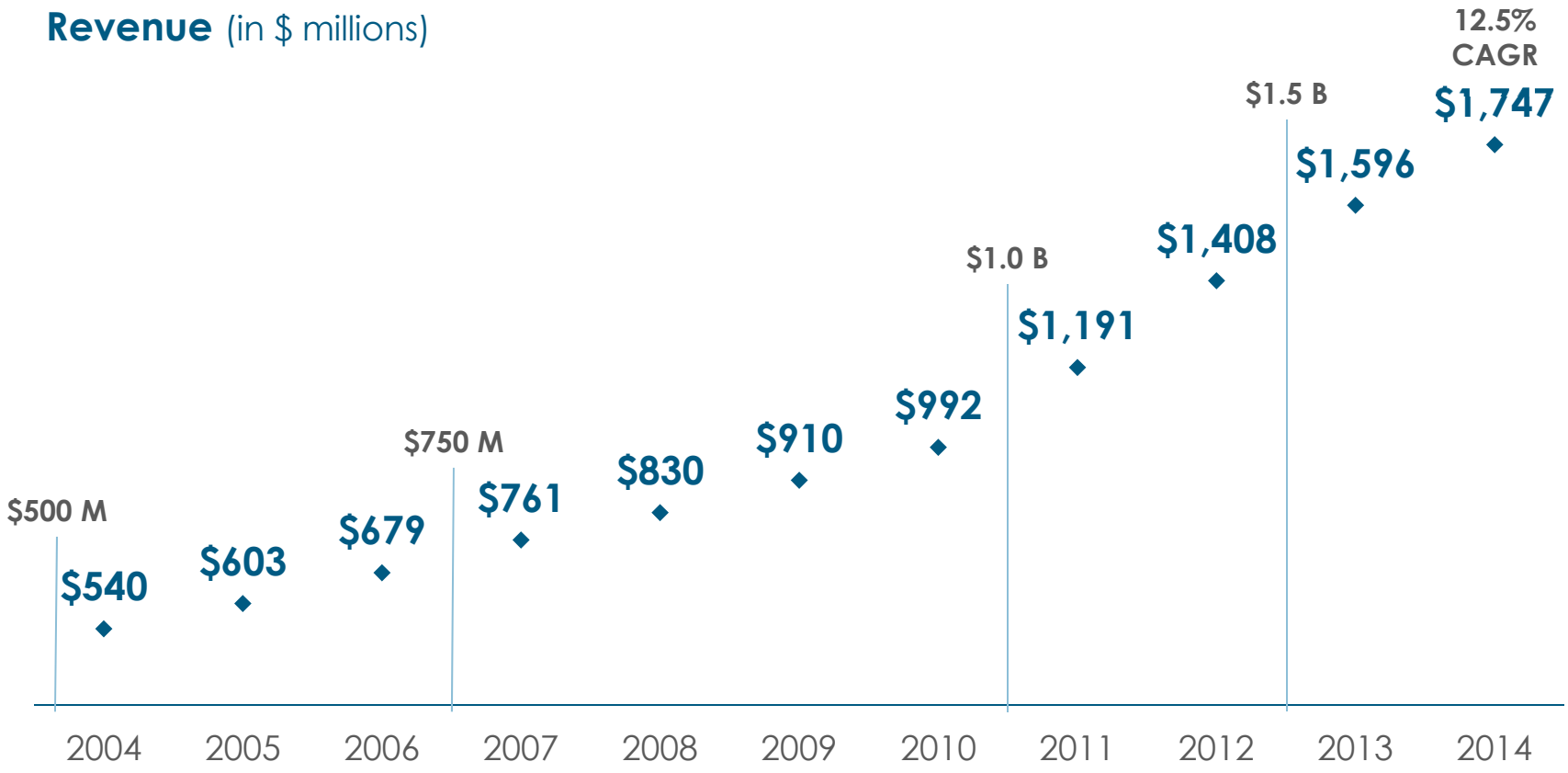
Attractive Business Model

- **Recurring revenue stream and high barriers to entry**
  - 72% of total revenue is subscription and long-term contracts
  - Extremely high customer retention
  - Majority of revenue is prepaid quarterly or annually
  - Long-standing and deep relationships with our customers
  - Deeply embedded in our customers' critical decision-making processes
- **High incremental margins on existing businesses**
  - Business model is "build once, sell many times"
  - Very little incremental cost to add a new customer
  - Our business is not service- or capital-intensive
- **Diverse client base and revenue contribution**
  - 3 primary verticals with strong underlying demand factors
  - Largest customer accounts for less than 5% of revenues
  - Top 10 clients account for less than 21% of revenues

Strong Track Record of Top-Line Growth

Revenue (in $ millions)



Note: From continuing operations

Strong Organic Growth Complemented by Leading Margins

Organic Revenue Growth



Verisk EBITDA Margins

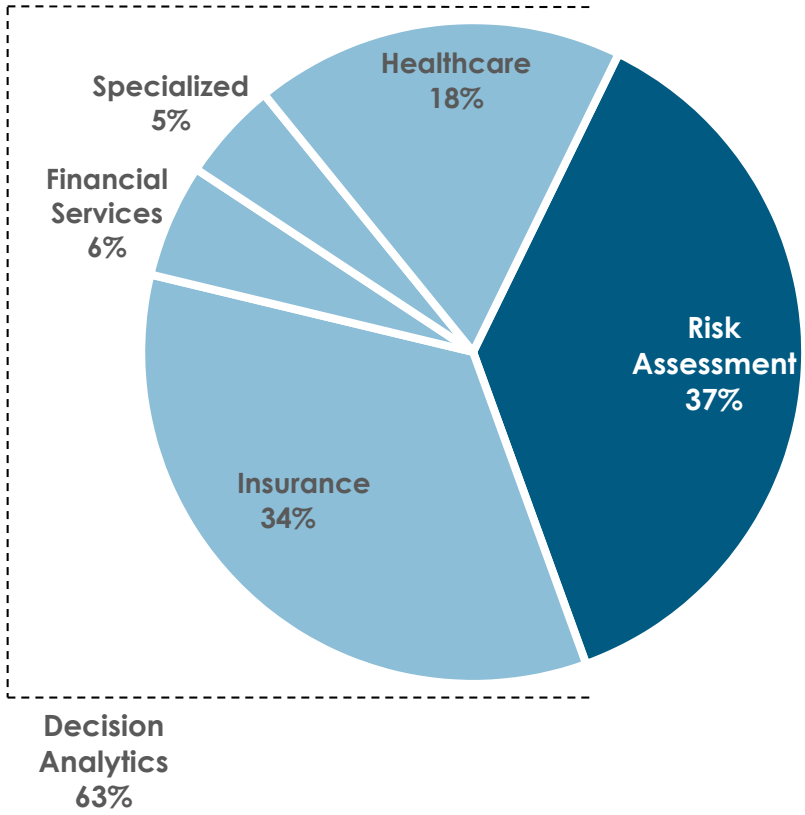
Verisk in Top 5% of S&P 500

≥ 45%

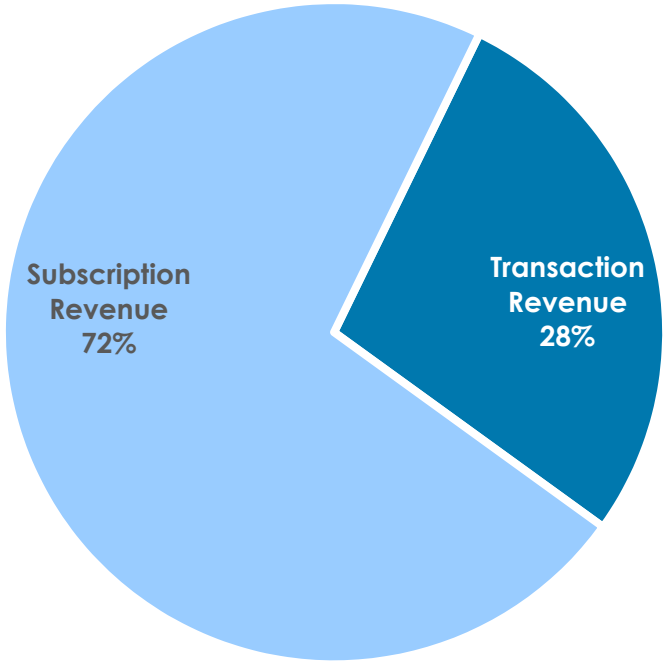
Note: Excludes Financials and Oil

Revenue Sources Are Diverse; High Levels of Recurring Revenue

2014 Revenue Distribution



2014 Subscription Base

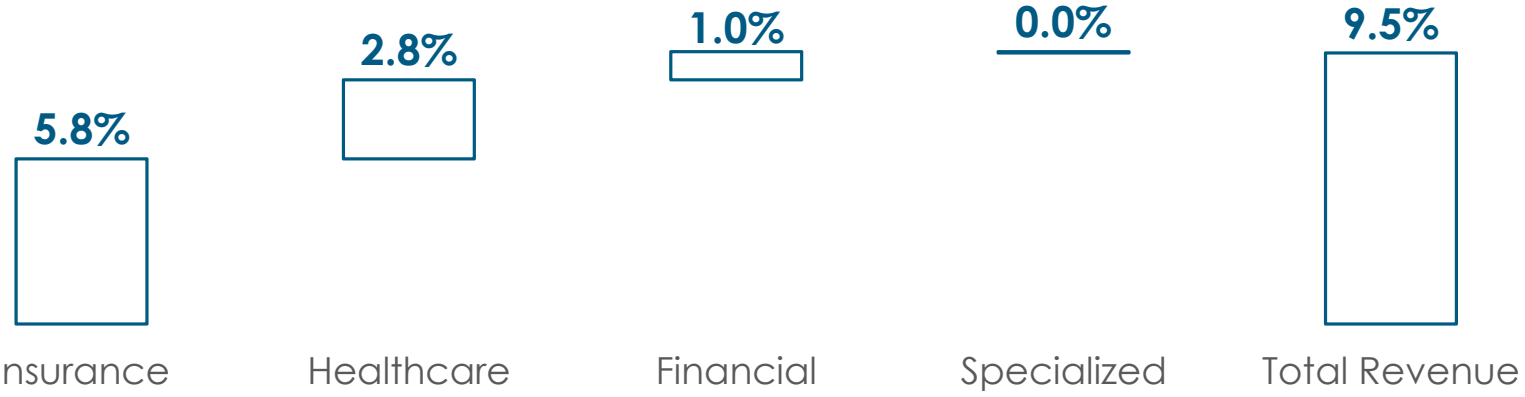


Note: From continuing operations

Insurance Is a Strong Foundation for Growth; Newer Verticals Are Making Important Contributions

- **Growth driven by a combination**
  - New Customers
  - Deeper Penetration into Existing Customers
  - New Solutions
- **Majority of Revenue Is Prepaid Quarterly or Annually**
- **Very high customer retention**

2014 Contribution to Revenue Growth



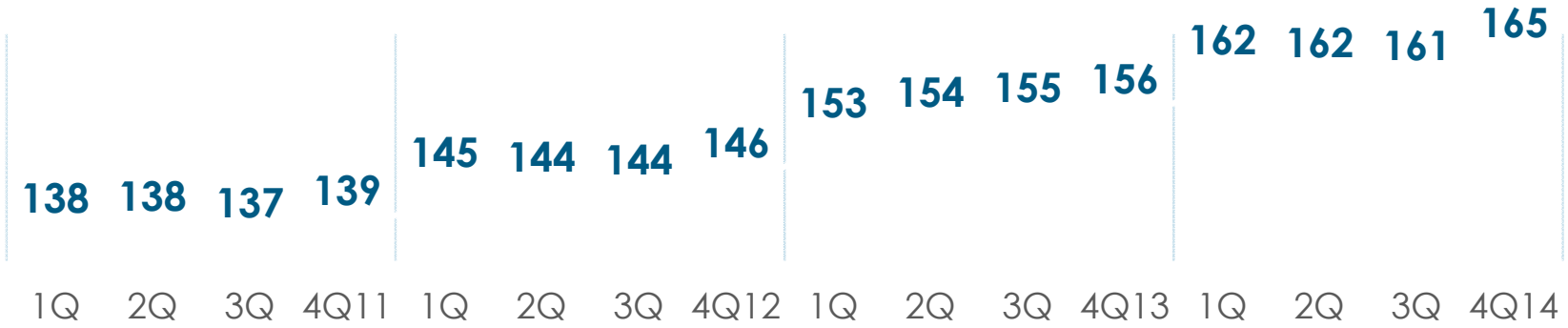
2014 Revenue Growth

Insurance	Healthcare	Financial	Specialized	Total Revenue
7.9%	16.2%	19.3%	-0.8%	9.5%

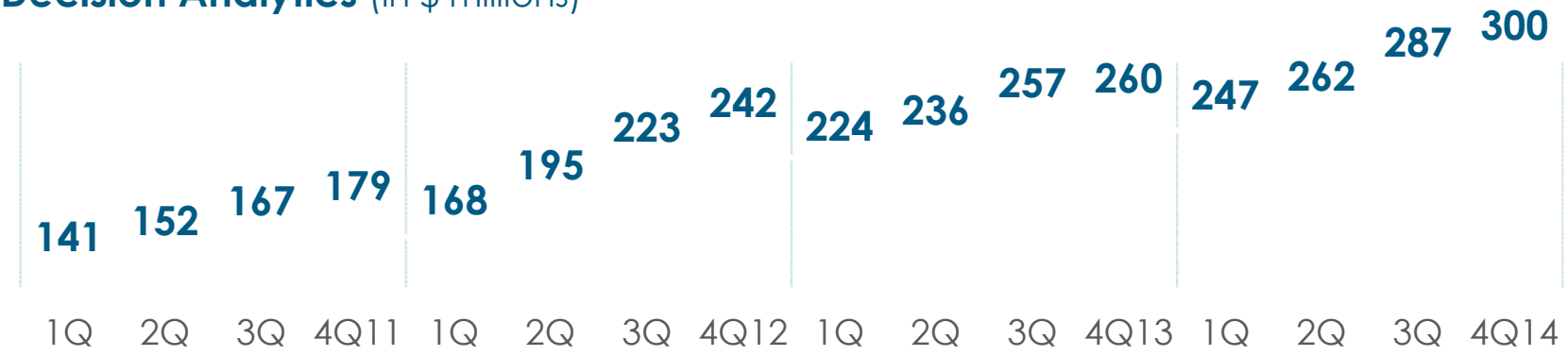
Note: From continuing operations

Consistent Quarterly Top-Line Progression

Risk Assessment (in $ millions)



Decision Analytics (in $ millions)

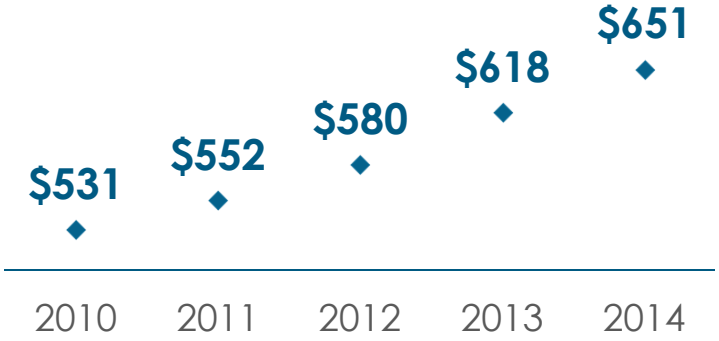


Note: From continuing operations

Risk Assessment: Our Heritage

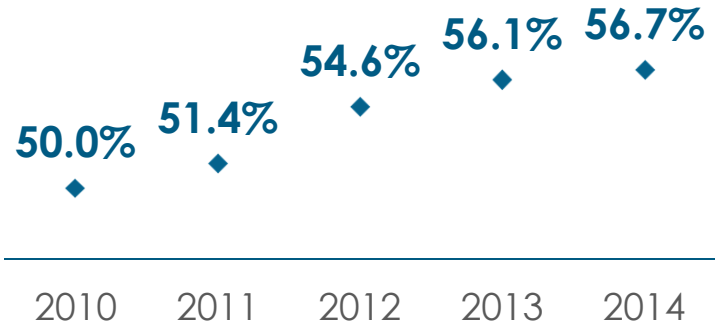
- **100 of Top 100 P&C Companies Are Customers**
- **Industry-Standard, Mission-Critical, Embedded Insurance Solutions**
  - Loss cost estimates – insurers' "cost of goods"
  - Regulatory compliance
  - Enable speed to market
  - Leading commercial property analytics for insurers
- **Founded on Unique Data Contributed by Insurers**

Revenue (in $ millions)



- Stable, visible growth profile
- 5.2% Growth in 2014

EBITDA, % Margin



- Scale economies
- Revenue growth and good cost management
- Aligning talent for future growth

Note: From continuing operations
2014 Results include Reorg. Costs in Risk Assessment (total ≈$4.8M)

Decision Analytics: Enhancing Our Future

- **New, Large Verticals with Data Analytic Needs**
- **Cross-Vertical Themes (Antifraud, Predictive Modeling, Benchmarking, Optimization)**
- **Leveraging Existing Assets**
  - Repurposing of data (*n* + 1)
  - Technology infrastructure
  - Replatforming

Revenue (in $ millions)



- 12.1% Growth in 2014
- 24.1% CAGR '10 – '14

EBITDA, % Margin

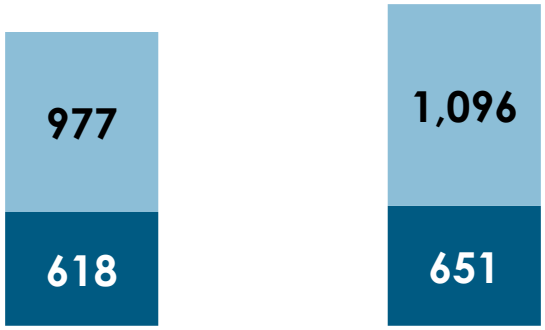


- Critical investments to drive future growth in 2013-2014
- Making operational improvements at Verisk Health to reverse trend

Note: Revenue and EBITDA margins are from continuing operations
2014 Results include FTC Costs in Decision Analytics (total ≈$6.9M)

2014 Saw Strong Revenue Growth and Good Cost Management

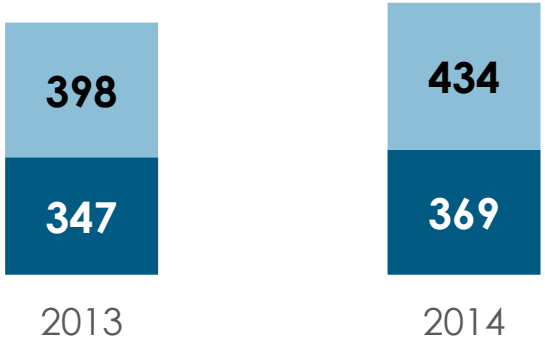
Revenue (in $ millions)



Growth (2013–2014)

DA	12.1%
RA	5.2%
VRSK	**9.5%**

EBITDA (in $ millions)



Growth (2013–2014)

DA	9.1%
RA	6.3%
VRSK	**7.8%**

Margin (2014)

DA	39.6%
RA	56.7%
VRSK	**46.0%**

Note: Revenue and EBITDA margins are from continuing operations
2014 Results include Reorg. Costs in Risk Assessment (total ≈$4.8M) and FTC Costs in Decision Analytics (total ≈$6.9M)

Verisk's Differentiated Financial Model

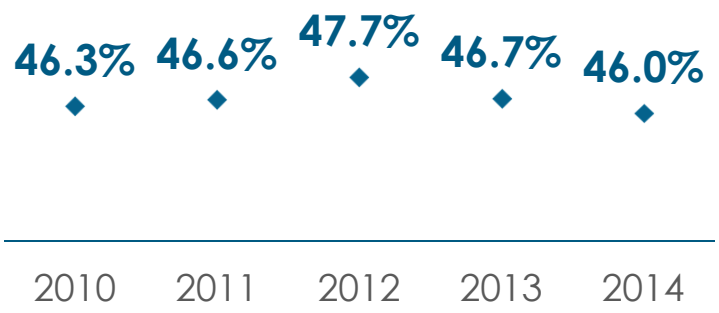
Strong, Stable Revenue Growth

($M)



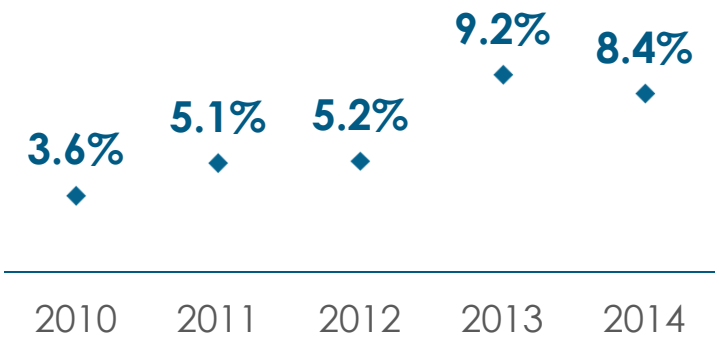
Leading EBITDA Margin

(%)



Low Capital Intensity

(CapEx as a % of Revenue)



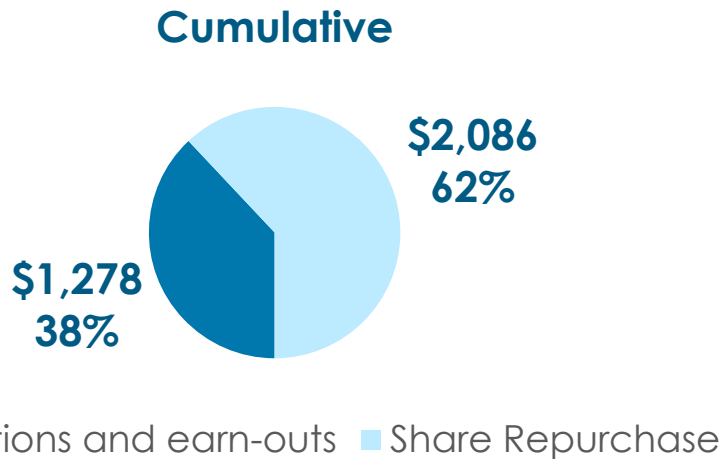
Strong Free Cash Flow

($M)

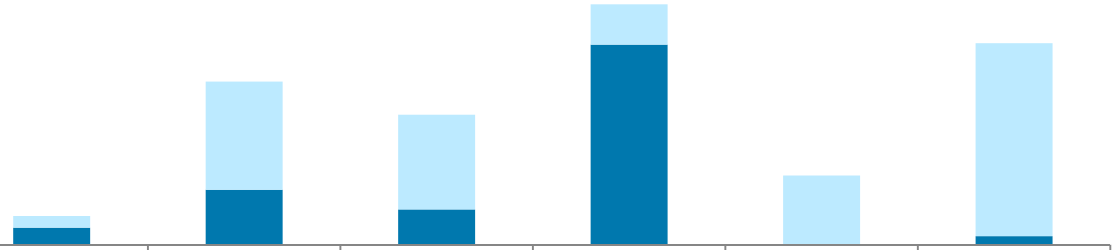


Note: Revenue and EBITDA margins from continuing operations; CapEx & FCF (Cash from Operations less CapEx) are as reported
2014 Results include Reorg. Costs in Risk Assessment (total ≈$4.8M) and FTC Costs in Decision Analytics (total ≈$6.9M)

Disciplined Capital Allocation



(in $ millions)

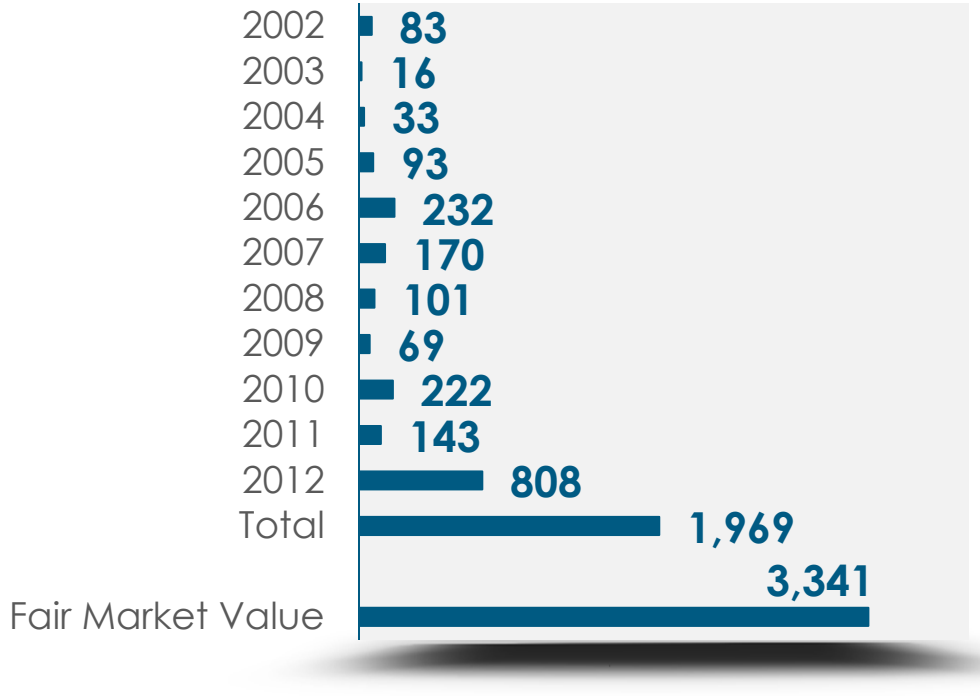


	2009	2010	2011	2012	2013	2014
Share Repurchase	$47	$437	$382	$163	$279	$778
Acquisitions and earn-outs	$69	$222	$143	$808	$1	$35

Acquisitions and earn-outs Share Repurchase

Disciplined Track Record on M&A Delivers Value

- **Increase in Value at 10x Multiple: ~ $1.4 billion**
- **Annualized Return[1]: ~ 20%**



- Predictive Analytics
- Buy and Build
- Multiple Verticals
- Repurposing of Existing Intellectual Property
- Cross-Selling to Existing Customers

Note: 1. Return reflects cash paid, earn-outs, cash inflows, and assumes a 10x EBITDA multiple to generate the terminal value

Share Repurchases Excluding the Accelerated Share Repurchase

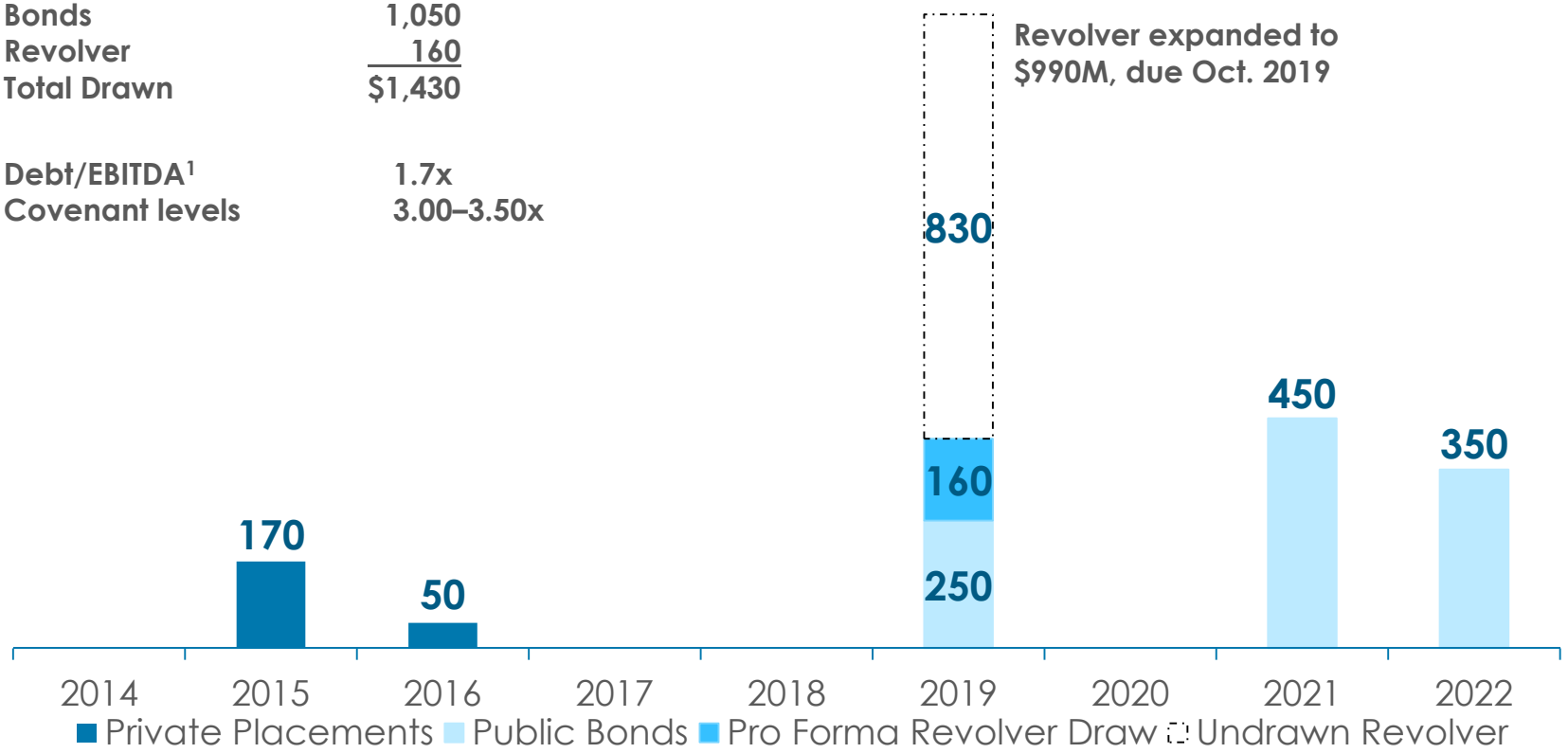
Total Shares Repurchased through 12/31/14	**4.4 million**
Total $ Repurchased in 2014	**$275.4 million**
Average Purchase Price 2014	**$62.18**
Current Share Price (February 25, 2015)	**$72.18**
Annualized return[1] May 2010 - Feb 2015	**21.0%**
$ Return above Purchase Price	**$1. 3 billion**

Remaining authorization of $190M (at 12/31/14)

Note: 1. Return adjusted to reflect monthly repurchase amounts

Debt Facilities and Capital Structure
Balanced Maturity Schedule at Year-End

($ in millions)	
Private Placements	$ 220
Bonds	1,050
Revolver	160
Total Drawn	$1,430
Debt/EBITDA[1]	1.7x
Covenant levels	3.00–3.50x



Note: 1. Debt/EBITDA at 12/31/14, as measured by bank covenant

History of Growth and Innovation

Verisk Analytics

1971 – 1997 — Founding

- Not-for-profit service bureau
- Limited legacy set of products
- Transition to for-profit status; ESOP created to provide employee/ management ownership

1998 – 2001 — Culture Change

- Drive to operational efficiency and margin improvement
- Definition of business units and leadership culture
- Pay-for-performance compensation

2002 – 2009 — Expansion + Inflection

- Focus on innovation, product development, and new vertical markets
- Greater emphasis on analytics
- Higher volume of acquisitions
- Overlay structures to encourage repurposing and collaboration
- Improved analytics infrastructure
- Initial public offering (100% secondary) of Verisk Analytics, Inc.

2010 – 2014 — Innovation

- Add new acquisitions
- Sell-down of remaining insurance company ownership via follow-on equity offering
- Creating more flexible capital structure
- Greater focus on overseas markets
- 5 years as public company and scale player

2015 & Beyond — The Verisk Way

- The world's most effective and responsible data analytics company
- Expand international presence
- Effectively manage capital for all constituents

Financial Review



SERVE | ADD VALUE | INNOVATE