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Kara Voss, Model Advisor
California Department of Insurance
c/o Office of Climate and Sustainability
300 Capitol Mall, 16th Floor
Sacramento, CA 95814

Attention: Model Advisor for the California Department of Insurance,

Dear Kara Voss:

Re: Combined Petition to Initiate PRID procedure and Participate in PRID procedure

AIR Worldwide Corporation d/b/a Verisk Extreme Event Solutions (“AIR” or “Verisk”) hereby petitions the Insurance Commissioner to initiate a Pre-application Required Information Determination (“PRID”) procedure for the Verisk Wildfire Model for the United States (the “Model”) and for the right to participate in said PRID procedure for the Model. AIR is a wholly owned subsidiary of Insurance Services Office, Inc. (ISO), which is a wholly owned subsidiary of Verisk Analytics, Inc. (Nasdaq: VRSK), which is headquartered in Jersey City, New Jersey with additional offices in North America, Europe, and Asia. AIR is headquartered in Boston, MA and currently has roughly 700 employees in offices around the world.

Verisk’s Extreme Event Solutions pioneered the catastrophe modeling business in 1987. 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. Today, Verisk models the risk from natural catastrophes, terrorism, and casualty catastrophes, providing industry-leading catastrophe risk modeling that aids in understanding and quantifying the risk faced from extreme events with sophisticated catastrophe risk modeling, global loss indexes, and advanced analytics.

Insurance, reinsurance, financial, corporate, and government clients rely on Verisk’s advanced science, software, and consulting services for catastrophe risk management, insurance-linked securities, longevity modeling, site-specific engineering analyses, and agricultural risk management. AIR serves the insurance industry, the public sector and its over 400 clients by providing realistic and objective models that enable all stakeholders to better understand and effectively manage risk from extreme events. Verisk offers catastrophe models supporting natural perils in more than 95 countries worldwide, featuring cutting-edge science and engineering, backed by robust validation and a comprehensive set of regularly updated industry exposure databases. The Model incorporates leading knowledge of the wildfire hazard and vulnerability as well as recent trends in variables that affect wildfire risk in the Western United States. Under the new wildfire catastrophe modeling regulation, a key part of Commissioner Lara’s comprehensive Sustainable Insurance Strategy, the Model will allow insurers the ability to better assess risk, allowing them to more accurately price insurance for homeowners and businesses who live and operate in wildfire-prone areas.

Verisk’s interest fits the purpose of the Commissioner’s purpose under Section 2648.5(c) “The purpose of a pre-application required information determination procedure or PRID procedure shall be for the Department of Insurance to



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issue a PRID that specifies all required model information to be included in a complete rate application that relies upon the model.” Additionally, per Section 2648.5(h)(3) “The Model Advisor shall grant the petition to initiate a PRID procedure only if the Model Advisor determines that the petitioner has demonstrated it is more likely than not that the Commissioner would benefit from a PRID and either of the following conditions exist: (i) there is no currently valid PRID under this Section; or (ii) the model has not been previously been subject to public review in any other forum in California, including without limitation as part of a complete rate application, within the prior four years.”

Verisk verifies that the PRID procedure and the participation therein is required, as there is no valid PRID for the Model, and the Model has not been subject to public review in a California forum within the last four years.

Verisk verifies, in accordance with 10 CCR § 2661.3, that it will be able to attend and participate in this proceeding without unreasonably delaying this proceeding or any other proceedings before the Insurance Commissioner.

Verisk’s authority to request the PRID procedure and participate therein is based on Section 2648.5(h), “Any person other than the Department may petition to initiate a PRID procedure, or petition to participate in a PRID procedure, by following the procedure set forth in Section 2661.4. [...] A petition to initiate a PRID procedure may be combined with a petition to participate in a PRID procedure.”

Wherefore, Verisk respectfully requests that the Insurance Commissioner (1) INITIATE the PRID procedure for the Model and (2) GRANT Verisk’s petition to participate participation in the PRID procedure, having all rights and responsibilities accorded any other party to the proceeding.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'Julia Borman', written in a cursive style.

Dr. Julia Borman
Director of Regulatory and Rating Agency Client Services