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.
Welcome and Historical Perspective

Frank Coyne, Chairman and CEO
March 7, 2013
Who We Are…

**Verisk = Truth (Veritas) + Risk**

- Unique provider of advanced data and analytics to insurance, healthcare, financial services, and supply chain domain
- $1.5 billion of revenue and $696 million of EBITDA with ~45% margin in 2012
- Went public in 2009, over $10 billion market capitalization, and more than 40 years of operating history
Analytic Capabilities Are Our Foundation

6,000+ Employees

More than 500 employees with advanced degrees, certifications, and professional designations in statistical modeling, engineering, geology, economics, health economics, and many other disciplines

500+

200+

145

Actuarial Professionals

Property/Casualty Underwriters

Strong Domain Expertise

- Insurance underwriting
- Insurance claims adjusting (including fraud)
- Data management
- Financial services
- Healthcare
- Supply chain and environmental health and safety
A Proud History and Bright Future

1971–1997
- 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

2002–2007
- Expansion
- Focus on innovation, product development, and new vertical markets
- Greater emphasis on analytics
- Higher volume of acquisitions

2008–2009
- Acceleration
- Overlay structures to encourage repurposing and collaboration
- Improved analytics infrastructure
- Greater focus on overseas markets
- Initial public offering (100% secondary) of Verisk Analytics, Inc.

2010 & Beyond
- Innovation
- Add new acquisitions
- Follow-on secondary offering creating additional float
- Creating more flexible capital structure
Strong Track Record of Top-Line Growth

Revenue

$ in billions

CAGR 13.7%

Accomplishments in 2012

1. Delivered meaningful growth, top and bottom line
2. Invested in our business, including launch of many new solutions
3. Acquired strategic assets — MediConnect and Argus
4. Efficiently deployed capital, including over $800 million on acquisitions and over $160 million of buybacks
5. Enhanced our human capital and data sets to build greater insights

Well Positioned for the Future
Long-Term Value Creation Objectives

- Maintain **leading position and grow** revenue and solution set for P&C insurance vertical
- Deepen **penetration** in financial services, healthcare, and supply chain
- **Invest internally and through acquisition** in proprietary risk analytics with scalable models
- Grow revenue, profitability, and free cash flow **at industry-leading levels**
- **Enhance shareholder returns** through strategic acquisition program and focused capital management
Widening Our Moat

Proprietary Analytics

Best-in-Class Technology

Unique Data
Insurance Solutions

March 7, 2013
U.S. property/casualty insurance market is the largest in the world at ~$500B of annual premiums:
• In 2011, top 100 insurers represented ~90% of total premiums; all are Verisk customers

Policy claims, or loss costs, are the COGS for insurers; on average, including other loss-related expenses (LAE), they are ~79% of insurers’ annual premiums:
• Verisk helps carriers both select the risk and analyze the claims, vital functions for a profitable insurance company

In good and bad times, Verisk’s solutions help insurance companies make the right decisions about risk to enhance their profitability:
• In 2012, Verisk grew our revenue from insurance products by almost 7%

P&C 2011 Premiums

$500B

79%

7%
Building on Our Unique Heritage

ISO was formed as an industry consortium in 1971

Expansion of solution sets to complement valuable core
- Fraud tools (ISO ClaimSearch): 1997
- Catastrophe modeling (AIR Worldwide): 2002
- Loss quantification tools (Xactware): 2006

Verisk Insurance Solutions brand introduced 2010
- ISO continues as flagship brand for core services
- Other brands/businesses include Xactware, AIR Worldwide

Verisk Insurance Solutions – Underwriting formed in 2012
- Consolidates several units, products, and sales teams providing solutions for underwriting
- Serves customers more effectively, better value, unified team, end-to-end solutions
<table>
<thead>
<tr>
<th>Executive</th>
<th>Role</th>
<th>Year of Hire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vinnie Cialdella</td>
<td>President, Verisk Insurance Solutions – Claims and Crime Analytics</td>
<td>1978</td>
</tr>
<tr>
<td>Ming Lee</td>
<td>President and Chief Executive Officer, AIR Worldwide</td>
<td>1996</td>
</tr>
<tr>
<td>Jim Loveland</td>
<td>Senior Vice President, Verisk Analytics, President and Chief Executive Officer, Xactware Solutions</td>
<td>1988</td>
</tr>
<tr>
<td>Bill Raichle</td>
<td>President, Verisk Insurance Solutions – Commercial Property</td>
<td>1981</td>
</tr>
<tr>
<td>Neil Spector</td>
<td>President, Verisk Insurance Solutions – Underwriting</td>
<td>2002</td>
</tr>
<tr>
<td>Stephanie Sutton</td>
<td>Vice President of Sales, Verisk Insurance Solutions</td>
<td>2005</td>
</tr>
<tr>
<td>Kevin Thompson</td>
<td>President, ISO Insurance Programs and Analytic Services</td>
<td>1974</td>
</tr>
</tbody>
</table>

More than 167 combined years at Verisk and heritage firms
Insurance Landscape

Key Issues for Insurers:
- Remaining profitable despite low portfolio returns
- Responding to climate dynamics
- Understanding global supply chain implications
- Managing changing regulatory environment
- Integrating acquisitions
- Capturing value through Big Data

Industry Needs:
- New avenues for growth
- Process transformation using data, technology, and tools
- Predictive analytics to improve risk pricing, customer retention, and decision making
- Sophisticated catastrophe and climate change analytics to manage losses and maximize profit
- Increased sophistication of claims and antifraud strategies
Verisk Brings Value throughout Insurance Chain

Client Acquisition
Portfolio Management
Rating/Underwriting
Claims
Solutions for the Insurance Life Cycle

Risk Analysis Framework

- Prediction of Loss
- Selection & Pricing of Risk
- Detection & Prevention of Fraud
- Quantification of Loss

Risk Assessment

Decision Analytics

Logos: ISO, Verisk Insurance Solutions, Xactware, AIR Worldwide, Verisk Insurance Solutions, aer, Verisk Insurance Solutions, Claims and Crime Analytics, Verisk Insurance Solutions, Commercial Property, Verisk Analytics, Atmospheric and Environmental Research
Risk Assessment: Industry Standard Programs

Advisory Information

- **Loss Costs**: Advisory cost information based on line, class, occupancy, etc. (created from data analysis)
- **Rules**: Classification and rating rules (commercial and personal lines manuals)
- **Forms**: Policy forms (language) for all lines of business under ISO jurisdiction
- **Circulars**: Updates on ISO filings for loss costs, rules, forms, and statistical plans, as well as actuarial data and analysis and other important insurance topics
Risk Assessment: Commercial Property

- **Property-Specific Information**
  - **Custom Surveys**
    - Underwriting surveys, with an engineering focus on the fire, wind, and liability hazards associated with commercial buildings
  - **ProMetrix®**
    - Database of ~3.5 million commercial buildings in the U.S., containing descriptive and insurance-related hazard assessment
  - **Community Hazard Mitigation**
    - On-site assessments and formal classification of communities’ ‘abilities’ to mitigate against damage to their built environment due to fire, wind-related hazards, and flooding
  - **Engineering Analytics**
    - Building-specific loss costs and related analytics comparing individual buildings to others in our vast database
Decision Analytics: Insurance

Cost of Repair of Home
Assignment of Claim to Adjuster
Cost of Replacement of Contents
Hazard Proximity
Hazard, Weather, and Natural Catastrophe Analytics

Fraud Detection
Analysis of Cost of Bodily Injury

A more organized way to meet customers’ underwriting needs, allowing them to better identify and manage their risk.
## Unique Data Sets

<table>
<thead>
<tr>
<th>Count</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3 Petabytes</strong></td>
<td>About 3 petabytes of time-series property/casualty insurance data</td>
</tr>
<tr>
<td><strong>90 Countries</strong></td>
<td>Natural catastrophe data covering more than 90 countries</td>
</tr>
<tr>
<td><strong>850 Million</strong></td>
<td>About 850 million property/casualty insurance claims for fraud</td>
</tr>
<tr>
<td><strong>110 Million</strong></td>
<td>About 110 million structural estimation price points analyzed annually</td>
</tr>
<tr>
<td><strong>67 Million</strong></td>
<td>Building characteristic data for more than 67 million residential buildings</td>
</tr>
<tr>
<td><strong>3.5 Million</strong></td>
<td>Property information on about 3.5 million commercial buildings</td>
</tr>
<tr>
<td><strong>94%</strong></td>
<td>More than 94% of market data for UW claims history database</td>
</tr>
<tr>
<td><strong>47 Thousand</strong></td>
<td>Fire suppression capabilities for approximately 47,000 communities</td>
</tr>
</tbody>
</table>
Large Market with More Room to Run

Verisk solutions per customer (ranked by premium size)

Verisk product penetration per customer increased from 2011 to 2012
Plenty of opportunity to further cross-sell

Source: AM Best, Verisk Analytics.
Underwriting Solutions Help Carriers Meet Underwriting Goals from Policy Quote to Renewal

- Quote and Issue Accurate Policies by Leveraging Data & Analytics
- Provide a Great Customer Experience Using Automation and Prefill
- Manage Hazards, Fraud, Premium Leakage, Replacement Cost
- Monitor Policies for Important Changes
- Identify Cross-Sell Opportunities
- Renewal Underwriting Analyze/Optimize/Target
- Limit Your Effort and Expense for Compliance Reporting
- Optimize Data Spend
- Lead the Way- New Technologies
Verisk Underwriting Mission

Help insurance companies improve key underwriting performance metrics

1. Reduce ....... Policy Acquisition Costs
2. Improve ....... Member Experience
3. Improve ....... Rate Classification Integrity
4. Enhance ....... Retention
5. Maximize ....... Competitive Advantage!
Weather Analytics for Insurance

• >1 M hail claims per year in U.S.
  o Demand to leverage weather analytics to better screen policies for hail damage at the point of sale
  o Opportunity to increase policyholder retention by reducing claim cycle time and providing objective reference for claims decision

• Verisk meets this demand through:
  o AER Respond™ near-real-time weather information to insurance claims departments
  o AER Benchmark™ authoritative historical archive of damaging weather events
  o Integration within Verisk platforms for underwriting, Xactware®, PCS® and AIR
Trends in Remote Sensing

- Satellite revisit times now support national monitoring on changes to properties, power loss, and debris removal
- Complement higher-resolution, less frequent aerial imagery
- Provide platforms to efficiently expand the use of imagery internationally
- Verisk is applying AER’s 35 years of heritage in remote sensing data products to offer the industry’s first satellite change detection services
Case Study: Insurance Fraud Solutions

The Challenge
Paying the right claims quickly and accurately while mitigating the impact of insurance fraud

The Problem
Insurers need to determine quickly which claims are meritorious and which are suspicious – settling the former quickly to show good customer service while investigating the latter to reduce losses.

The Solution
ISO ClaimSearch®, the industry’s “all-claims database”:
- Used by more than 90 percent of the P&C insurance industry (by premium volume)
- Customers also include TPAs, state workers comp funds, self-insureds, law enforcement
- Contains 850 million claim records
- Analyzes more than 60 million new claim records annually
- Supports more than 25 million investigative queries per year
Widening Our Moat

Customer Up-Sell
Multiple Solutions to Current Base Integrated UW Solution Sets

Technology
New Solutions Advanced UIs

Unique Data
Creating Access to Unique Data Remote Sensing
How We’ve Driven Growth

Revenue CAGR 8.9%

Mix – Subscriptions vs. Transactions

Transaction, 29%
Subscription, 71%

Risk Assessment  Decision Analytics - Insurance
Future Growth Strategy

✅ Where can we grow – adjacent markets, new customers, new products, new features, pricing?
   • Tremendous growth opportunity selling existing products to customers
   • Innovation of new product offerings to expand what is available today

✅ What is our strategy to grow the market and our share?
   • Bundle our products together and sell them as a package
   • Cross-sell existing customers to take market share
   • Focus on the strong ROI benefits to our customers from our solutions
   • Provide industry benchmarking information that brings value to customers and allows them to compare their results with the industry’s
   • Leverage existing insurer-focused data/analytics to adjacent markets
Sales Strategy: Customer-Focused Structure

- Multiple customer stakeholders involved in purchase decision
- Product offerings frequently come together to form enterprise solution

Best Fit Characteristics

- Customer Rep A
- Customer A

Product A
- Product A Specialist

Product B
- Product B Specialist

Product C
- Product C Specialist

Product B

Product C

Product A
Sales Strategy: Customer-Focused Segmentation

**Key Accounts**
- Forward-thinking customers
- Deep consultative relationship
- Innovation partners, including data contributions
- Executive sponsor relationships

**Segment**
- Regional Accounts
- Strategic Accounts
- National Accounts

**Premium Size**
- Up to $500mm
- Up to $1B
- Over $1B

**Approach**
- Point Solutions
- Business Solutions
- Innovation and Tailored Solutions
Insurance: Unparalled Breadth of Solutions

<table>
<thead>
<tr>
<th>Risk Assessment</th>
<th>Primary Competitors</th>
<th>Verisk Market Share(1)</th>
<th>Revenue Model</th>
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<tbody>
<tr>
<td></td>
<td>Internal</td>
<td>Very High</td>
<td>Subscription</td>
</tr>
<tr>
<td></td>
<td>Internal</td>
<td>&gt;85%</td>
<td>Subscription</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Decision Analytics</th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim Fraud Detection</td>
<td>Internal</td>
<td>Over 90%</td>
<td>Subscription</td>
</tr>
<tr>
<td>ISO ClaimSearch</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catastrophe Modeling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RMS, EQEcat, Marshall, Swift/Boeckh, Symbility</td>
<td>#1 in Personal Lines #2 in Commercial Lines</td>
<td>Subscription</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~80% on Claims #2 on Underwriting</td>
<td>Subscription/Transaction</td>
</tr>
<tr>
<td>Property Damage Claims Estimating</td>
<td>Low – Auto High – Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underwriting Solutions</td>
<td></td>
<td></td>
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</tbody>
</table>

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

450 Client Partners Served

1 in 3 Americans Impacted

Over 2 Billion Claims Processed Monthly

87% Technology or Analytics Experts
Results We Drive

All Markets

The Foundation
Cost Containment
Population Health Management
Quality Measurement & Improvement
Revenue Optimization

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

Payers
Provider Network Management
Optimize Risk-Adjusted Revenue
Pay Claims Accurately & Prevent Fraud
Revenue Integrity & Quality Measurement

Employers
Population Risk Profiling & Budgeting
Vendor Selection & Management
Data-Driven Benefit Design
Reporting & Benchmarking
Organizational Structure

1. National sales and marketing
2. Unified technology platform
3. Human capital and culture
4. Strategy

Payment Accuracy
Revenue & Quality Intelligence
Enterprise Analytics
Payment Accuracy

Solutions to control fraud, waste, and abuse for health plans, employers, government, and P&C insurance

Innovative Technology
- Real-time editing and fraud detection
- Market-leading user interface

Advanced Analytics
- 17 million rules and flags
- Predictive risk scoring

Human Expertise
- Clinical validation
- Investigative teams

Strong Market Position
- 108 Payers
- 27 Medicaid states (1 in 5 Medicaid patients)
- 40 million members
- Expanding markets (NICB)
Commercial Health Plan

The Challenge
Paying the right claims quickly and accurately

Health Plan:
34 Million Claims Processed Annually $151 Million Annual Savings Realized
1.6% Savings On Total Claims Processed

Year-over-year increase of 18.8% annual savings

The Problem
Plan needs to avoid paying erroneous or possibly fraudulent claims, e.g., a patient can have his or her appendix out only once

The Solution
Examine claims against 17 million rules and 3+ years of patient history in less than 1 second
Revenue & Quality Intelligence

Comprehensive Solution

- End-to-end solution for revenue optimization, compliance & HEDIS
- Aligning quality measurement with revenue
  (Star Navigator)

Domain Expertise

- NCQA-certified HEDIS vendor & beta-tester (1 of 2 vendors) since 2003
- Extensive knowledge of CMS & health plan experience

Analytics & Data Aggregation

- Analytics to identify & target patients with chronic conditions
- Quality measurement & reporting
- Data validation and submission (RAPS, EDS, HEDIS)

Strong Market Position

- 85 HEDIS customers
- Doubled medical record retrieval volume in 2012
- 25 Medicare Advantage plans (7.3M members) – revenue optimization, compliance & submission
- Expanding markets (Medicaid & statewide health exchanges)

Solutions to understand risk and quality for Medicare Advantage plans and others to ensure appropriate payment for risk assumed and quality of health outcomes
Medicare Advantage Plan

The Challenge
Controlling healthcare costs of employees and dependents

$11 Billion
Total revenue MA could lose due to cuts in the program’s payment rates and medical loss ratios*

2% per person
CMS announced it wants to decrease payments per person for MA plans by more than 2 percent in 2014*

The Problem
Plan gets paid according to an algorithm that uses a patient’s risk score, which is dependent on accurate coding of conditions and complications.

Paper and electronic medical records are a critical source of condition documentation.

The Solution

- Chart retrieval, digitization, and coding
- Claims analysis
- Prospective assessments
- RAPS/EDS submission to CMS
- RADV audit support

Payment from CMS:
- $765 / month
  Member with diabetes only
- $2,150 / month
  Member with diabetes and renal disease and heart failure

Total Impact:
$16K / year
Net difference to plan

* February 20, 2013 - FierceHealthPayer

- Star incentives
- Health insurance marketplaces
- Dual eligibles (Medicare & Medicaid)
- NCQA HEDIS
Enterprise Analytics

Solutions to understand and analyze healthcare risk to improve management of costs and outcomes

Breadth of Data
- 14M benchmark lives
- 1.7B claims processed monthly (MI)
- 32M lives managed

Advanced Analytics
- 150 DxCG risk models
- 1000+ clinical and quality measures

Innovative Solutions
- Identification and stratification
- Risk-adjustment and predictive modeling
- Enterprise reporting
- Performance assessment

Strong Market Position
- Growth engine for provider market & integration of clinical data
- 67 employers & consultants*
- 37 providers

*Additionally, 37 broker & consultant relationships represent up to 2000 indirect employer relationships
### Industry Illustration:

#### Employer

**The Challenge**
Controlling healthcare costs of employees, spouses, and dependents

$20\text{ M}$ Healthcare spend for an average midsized (about 2,000 employees) financial services company

**The Problem**
Self-funded employer identifies 21% increase in spending on diabetes and other comorbid conditions year over year.

Needs ability to pinpoint:
1. Gaps in care for diabetic patients
2. Over-/inefficient utilization (e.g., ER, brand drugs)
3. Impact of care management programs

<table>
<thead>
<tr>
<th>Potential savings for average employer:</th>
<th>Options for intervention include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1M+$ Brand to generic Rx switch</td>
<td>1. Patient outreach</td>
</tr>
<tr>
<td>40% reduction Patients without lipid profile</td>
<td>2. Refine programs</td>
</tr>
</tbody>
</table>

**The Solution**

- Business intelligence
- Clinical analytics
- Risk adjustment and predictive modeling
- Benchmarking
Industry Illustration:

The Challenge
Providers are facing a new set of challenges when they enter into accountable care organizations

10 to 428
Growth in accountable care organizations from Q1’10 to Q1’13
88%
Providers not adequately prepared to take greater financial risk in managing care

The Problem
Providers are financially responsible for patients, but
• Don’t understand drivers of cost and utilization for population
• Don’t have visibility into risk profile of patients under care
• Don’t understand efficiency of providers after adjustment for risk

$3.3 M savings
14% lower cost
for members treated by physicians who are high-quality and efficient

Intervention Options:
1. Manage providers based on risk-adjusted efficiency
2. Manage physician referral patterns to keep appropriate use of care within network
3. Negotiate risk-sharing contracts based on comprehensive view of patient risk

The Solution
Risk-adjusted provider profiling
Population management analytics
Clinical and predictive modeling

Network leakage analysis
Benchmarking
Efficiency measures
Healthcare: Our Customer Segments

Providers
- 2% Annual Revenue
- 32 Clients
  - 10 out of 32 pioneer ACOs
  - Risk-bearing providers

Employers
- 6% Annual Revenue
- 148 Clients
  - Direct to employer
  - Union relationships
  - Brokers and consultants

Payers
- 92% Annual Revenue
- 228 Clients
  - Commercial health plans
  - Blue Cross Blue Shield
  - Medicare Advantage
  - Medicaid managed care
  - State Medicaid agencies
  - Care management vendors
  - Third-party administrators

ACO = Accountable Care Organization
Does not include channel partner customers
The Market Issues We Address

Annual Healthcare Inefficiencies Up To $900 Billion

- $234B Fraud, Waste & Abuse
- $210B Administrative Waste
- $125B Provider Inefficiencies
- $125B Unwarranted Use
- $50B Avoidable Utilization
- $50B Lack of Care Coordination

Sources: Numerous, including NIH, McKinsey, Thompson Reuters, NEHI, Department of Health and Human Services
Healthcare: How the Industry’s $2.7 Trillion Flows

Fee for Service
Capitation
Premium
Copay
Healthcare Spending Risk Is Owned by Many

- Private business: 26%
- Household: 24%
- Other government: 19%
- Medicaid: 16%
- Medicare: 11%
- Other private: 3%

Distribution source: CMS 2008; Overall spending source: CMS 2012
Competitive Landscape

Verisk Divisions
- Payment Accuracy
- Revenue & Quality Intelligence
- Enterprise Analytics

Competition
- iHealth Technologies
- OPTUMHealth
- inovalon
- McKesson
- TRUVEN Health Analytics
Verisk Health Differentiators

Data
- Over 2B Claims Processed Monthly
- 15M Patient Medical Records
- 80+ Terabytes Secure Data
- $350B in Claims Payments

Technology
- Bloodhound Rules Engine
- Real-Time Processing & Cross-Selling
- Unified Platform Initiative
- 250 Claims Edited Every Second

Analytics
- 14M Benchmark Lives
- Enhanced Rules Engine, Health Intervention Targeting & Predictive Models
- 17M Claim Rules & Edits

Expertise
- 87% Technology or Analytics Experts
- 130 Clinicians and 640 Coders
- 450 Satisfied Customers
- 225 Medical Record Processing Agents

* Includes full-time employees and exclusive contracted resources
Unified Platform

1. Enables integrated and expanded product portfolio
2. Supports cross-selling between business units
3. Creates consistent analytics between products
4. Increases operational efficiency / profitability / speed
5. Leverages enterprise intellectual property and external purchases
6. Allows for a consistent user GUI experience
7. Creates large-scale, marketable data assets
8. Enables more efficient mergers/acquisitions (playbook, templates)
The Aggregated Medical Database

P & C Carriers

NICB Successes

1076
Providers Referred

441
MedAware Alerts Issued

$191M
In Identified Exposure

694
Clinics Identified

21
Carriers Participating

Workers Comp
2 of Top 5 Carriers

Auto
8 of Top 10 Carriers

NICB

Workers Comp

Auto
Path to Growth: Widening the Moat and Driving Revenue

Technology
Unified Platform

Customer Up-Sell
Multiple Solutions to Current Base

Proprietary Data
AMD

Market Expansion
Provider Market
Government Market
The Results We Drive Are Critical to Our Customers

- Optimize Risk-Adjusted Revenue
- Grow & Retain Customers
- Manage Medical Costs
- Improve Quality & Compliance
- Ensure the Right Care, Time & Place
- Pay Claims Accurately & Prevent Fraud

THE SCIENCE OF RISK™
Revenue Drivers

- **Payment Accuracy**
  - Transactional services
  - Subscription-based PMPM
  - Percent of savings

- **Enterprise Analytics**
  - Subscription-based PMPM or PEPM
  - Professional services (IT & consulting)

- **Revenue & Quality Intelligence**
  - Subscription-based PMPM
  - Transactional services

- **Subscription, 30%**
  - Transaction, 70%
Large and Growing End Market

$4 Billion

Employers

Providers

Payers
Customer Up-Sell: Shopping in Our Own Closet

<table>
<thead>
<tr>
<th>2011</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>86%</td>
<td>70%</td>
</tr>
<tr>
<td>12%</td>
<td>19%</td>
</tr>
<tr>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>0%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Of Health Plan Clients
Buy 1 VH Solution
Buy 2 VH Solutions
Buy 3 VH Solutions
Buy 4 VH Solutions

19 solutions available

Market Opportunity from Existing Clients ~$400 Million
Unlocking Value across Verisk Health

Leveraging Existing Capabilities More Effectively

<table>
<thead>
<tr>
<th>Industry Catalysts / Trends</th>
<th>Verisk Health Solution / Growth Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payment Reform</strong></td>
<td>• Risk stratification, quality measurement, population health analytics</td>
</tr>
<tr>
<td>Transition to value-based reimbursement</td>
<td>• Building out provider risk tools / broadening data sources</td>
</tr>
<tr>
<td>Providers bearing more financial risk</td>
<td>• Leveraging Medicare Advantage revenue &amp; quality intelligence capabilities (risk adjusted payments)</td>
</tr>
<tr>
<td><strong>Coverage Expansion</strong></td>
<td>• Leveraging DxCG science and experience with CMS and state governments to bring credibility and expertise to health plans competing in expanded coverage markets.</td>
</tr>
<tr>
<td>Medicaid and statewide health exchanges</td>
<td>• Repurposing predictive models to detect &amp; identify improper care / fraud prospectively</td>
</tr>
<tr>
<td>Government role expanding</td>
<td>• Aggregated medical databases across multiple payers and industries (NICB)</td>
</tr>
<tr>
<td><strong>Cost Containment</strong></td>
<td></td>
</tr>
<tr>
<td>Care coordination</td>
<td></td>
</tr>
<tr>
<td>Prospective detection &amp; prevention of FWA</td>
<td></td>
</tr>
</tbody>
</table>
Market Expansion: Provider Market

The Opportunity

- Healthcare reform is shifting risk for costs and outcomes from payers to providers
  - Unprecedented market evolution
- Risk-bearing provider market expanding rapidly with relatively little overlap
- Small but growing segment of VH business
  - 30+% YOY 2011-2012 revenue growth; higher growth projected for 2013
- Premier and Phytel have become key sales channels/development partners
- Providers (and payers) are demanding integrated claims and clinical data solutions
- Quality measurement (with clinical data) mandated by government and incentivized through pay-for-performance initiatives
Market Expansion: Government Market

Insurance Exchanges

- 20M+ newly insured
- Hundreds of payers
- Risk adjustment, quality measurement, and cost containment challenges for payers play to core strengths
- Early identification of data gaps, access to near-real-time clinical data, and care management support will be critical
- Unlocks value across business units
Who Is Argus?

1. The leading provider of analytics, information, and solutions to consumer banks and their regulators, with a core focus on payments
   - Most complete direct observation database for the payments industry (depersonalized)
   - Proprietary capabilities to manage and analyze vast account- and transaction-level data sets

2. We enable our clients to:
   - Allocate and align resources to strategic objectives
   - Manage and mitigate risk (credit default, fraud, funding, and compliance)
   - Understand and manage inter-period financial performance and alternatives

3. Core capabilities:
   - Turnkey, repeatable, and scalable (data models, data transformations, statistical models, information)
   - Trusted intermediary and conduit (consortia, banks to regulators, banks to merchants)

Argus was acquired by Verisk in August 2012
Financial Services: Payments, a Fundamental Driver of the Economy

Key Drivers of US GDP (~$15T)

- Consumer Spend – Cards
  - Govt. 18%
  - Consumer 70%
  - Business 12%

Non-Cards 67%

Cards 33%

Source: The Economist, BLS 2012

Consumer Card Spend ($T) 2008 - 2012

- Debit
  - 2008: $2.76
  - 2009: $2.72
  - 2010: $2.96
  - 2011: $3.21
  - 2012: $3.41

- Credit*
  - 2008: $1.13
  - 2009: $1.21
  - 2010: $1.39
  - 2011: $1.54
  - 2012: $1.55

General-Purpose Credit Card Receivables ($MM)

- 2008: $765
- 2009: $749
- 2010: $651
- 2011: $603
- 2012: $584

Total ACH Dollar Volume ($T)

- 2008: $29.9
- 2009: $29.6
- 2010: $31.7
- 2011: $33.8
- 2012: $36.7

* Includes general-purpose, charge, and private label credit cards

Source: 2012 Argus Est., NACHA – Electronic Payments Association
Industry Structure Is Complex, and Protecting Proprietary Data Interests Is the Norm

1. Consumer
2. Merchants
3. Merchant Processor
4. Merchant Acquirer
5. Networks
6. Issuer Processor
7. Card Issuer
8. Checking
9. Regulators

Flow of Funds
Flow of Information
Argus: Addressing Present-Day Challenges with Information and Analytics

Argus has taken a front seat in understanding, analyzing, and addressing the most important challenges of our clients and their regulators:

- Compliance: regulators, regulations, and consequences
- Optimization: product, pricing, lines, promotions, and margins
- Mitigation: credit default, collections, and fraud risk
- Enablement: technology, data, and analytics
- Strategy: emerging payments, share of wallet, etc.
Products and Services Designed to Meet a Continuum of Client Needs

Help Understand the External Environment

- **Syndicated Studies**
  - 45% of 2012 Revenue
  - Subscription-based benchmarking studies... built off detailed customer, account, and transaction data
  - Typical audience: business heads, portfolio managers, analytics leaders, compliance managers, and risk officers, as well as regulators

Transform Proprietary Data into Information & Action

- **Product Solutions**
  - 27% of 2012 Revenue
  - Platform-based BI tools and enterprise database solutions, supporting information needs and driving effective customer actions
  - Wallet-based statistical models to provide customer-level projection of “off-us” behaviors

Provide Analytics & Execution Support

- **Analytic Services**
  - 28% of 2012 Revenue
  - Retainer teams leveraging Argus consortia data sets to support the building of business strategies
  - Project-based analytics enabling tradeoffs between product, price, customer risk, and behavior; support bank coalitions to influence regulators

Subscription

- Recurring License / Fixed Fee

- Subscription-based benchmarking studies... built off detailed customer, account, and transaction data

- Typical audience: business heads, portfolio managers, analytics leaders, compliance managers, and risk officers, as well as regulators

- Platform-based BI tools and enterprise database solutions, supporting information needs and driving effective customer actions

- Wallet-based statistical models to provide customer-level projection of “off-us” behaviors

- Retainer teams leveraging Argus consortia data sets to support the building of business strategies

- Project-based analytics enabling tradeoffs between product, price, customer risk, and behavior; support bank coalitions to influence regulators
Leader in Benchmarking for Credit Cards...

- Depersonalized time-series data sets from largest credit card issuers in the US, UK, and Canada
- Time-series transaction, account, customer, pricing, risk, promo, and product detail
- Custom benchmarks based on consortia account and transaction-level data
- Confidentiality protection – at least five issuers, with no issuer contributing more than 25% of total accounts
- Industry, wallet, and peer group comparisons
- Key performance indicators, with standard-set and customizable reports and analyses
...And Checking, Debit, & Money Market Accounts

Fills External Information Gap in Retail Banking

- Deposit account transactions – monetary inflows and outflows (check, ACH, cash/ATM, online, offline debit, etc.)
- Key nonmonetary account-related activities – such as marketing campaigns

Creating and Leveraging Consortia Data Sets

- Time-series data sourced from production platforms, compiled at the account and transaction level
- Track performance of accounts from opening until closure
- Link deposit customers to their credit – enabling view into customer payment behaviors

Delivering Unique and Unprecedented Insights

- Comprehensive MIS reports – management summaries, detailed analytical charts, and tables – delivered monthly
- Dedicated consultative analytical support and white papers on macro issues affecting industry at large
Interconnected Syndicated Study Data Provides Unprecedented Insight into the Customer’s Wallet

- Unique wallet view of payments, loans, media/web consumption across FIs, instruments, and channels
  - Payment dynamics with granular full wallet-level transactions, usage, risk and P&L performance
  - Comprehensive view of inflows and outflows to checking account
  - Link to bureaus, media consumption, and web usage
Participants Get Direct Bottom-Line Benefit through Participation in Our Syndicated Studies

The analytical results from our benchmarking study have enabled client banks to generate substantial, measurable impact on bottom-line performance. Sample benefits of participation:

- **A $100mm increase in annual revenue**
  - By aligning its fee assessment and waiver policies with the industry, a major card issuer increased its fee revenue annually by more than $100mm

- **A 10% reduction in loss rates**
  - By accelerating its line decrease programs to benchmark levels, a mid-sized bank reduced its average charge-offs by $500, driving a 10% reduction in gross loss rates

- **An increase of 15% in spend and 10% in balances**
  - A large issuer refined its line increase strategy to be more responsive to BT takers, resulting in 15% increase in spend and 10% increase in balances for that segment
White-Box: An End-to-End Analytical Database and Business Intelligence Solution

- Raw Operational Data
- ETL – Extract, Transform & Load
- Validation & Normalization
- Profitability Scores & Reconciliation

Metadata

Business Rules Engine

EDW

OLAP Cube

Cloud-Hosted Computing

Online BI Portal
Customized 360° Targeting Models… Unique and Enables Direct Action

Integrate Argus, Credit Bureau, and Bank’s In-House Data Sets…

- Deposits
- Credit Cards
- Bureau
- Socio-Demographic
- Bank Specific

…with Best-in-Class Expertise, Patented Methodologies

Multinomial Logistic
Multi-Adaptive Spline
Stochastic Markovian
Ordinary Least-Squares

To Deploy Custom Targeting Models Not Available Elsewhere

- Wallet Spend ($)
- Product Preference
- Txns by Category
- BT Surfer/Revolve
- Fraud Mitigation

… Supporting Largest Banks and Delivering Manifold Returns

Cost per $ of Incr Spend
Champ $0.03
Argus $0.02

Total Sales / 100K Mailed
Champ $1.9MM
Argus $2.7MM

33% Lower Cost
42% Better Performance
Our Platform: Significant Competitive Advantage

Automated and scalable IT platform managing vast quantities of data...

- Multiple petabytes of account and transaction data – all online, receive 5B+ transactions each month
- Highly connected, with built-in redundancy and secure network environment
- Sophisticated operations to receive, load, validate, normalize, and transform production platform data into accessible information

...legal, regulatory, privacy, and security issues represent major barriers to entry

- “Safe Zone” – maintaining neutrality and creating a secure platform for collaboration
- Reputation built on being responsible stewards of data… emphasis on confidentiality, anti-trust protection, privacy, and data security
- Most credible and detailed source for product, pricing, risk, and behavioral data via consortia
High Rate of Recurring Revenue and Low Attrition Rates Imply an Attractive Financial Model

Revenue Composition

- Approximately 85% recurring

- One-year contracts for syndicated studies and product solutions with auto-renew unless canceled
  - Customers pay per syndicated study or for each product solution
  - Five US studies (CCPS, SBCS, Risk, PLCS, DAPS) and several international studies

- New geographic and vertical markets act as a multiplier

- 98% customer retention rate

- Analytic services revenue driven by growth in syndicated studies and product solutions revenue
Genuinely Unique in Our Position as a Trusted Intermediary, with Rich and Proprietary Data Assets

<table>
<thead>
<tr>
<th>Perceived Competitors</th>
<th>What Makes Argus Different and Unique…</th>
</tr>
</thead>
</table>
| **Credit Bureaus**    | • POS and online transaction data (merchant, amount, date, etc.)  
                         • Deposit, checking, debit, and money market account data  
                         • Product features, value propositions, pricing, promotions detail  
                         • P&L drivers and cost allocations at the account level  
                         • Behaviors (e.g., fraud, channel, POS, payments) |
| **Payment Networks**  | • Network “agnostic” – data across all networks  
                         • Deposit, checking, and money market account data  
                         • Product features, value propositions, pricing, promotions detail  
                         • Risk dynamics (delinquency, credit lines, etc.)  
                         • P&L drivers and cost allocations at the account level  
                         • Full customer-wallet and share-of-wallet view |
| **Processors**        | • Processor “agnostic” – data across all processors  
                         • P&L drivers and cost allocations at the account level  
                         • Deposit, checking, and money market account data  
                         • Full customer-wallet and share-of-wallet view |
| **In-House/Primary Research** | • Full customer-wallet and share-of-wallet view  
                                    • Market share and complete external view of product and customer (not survey sample-based) |
The Significance and Growth of Payment Instruments Globally Positions Us Well for Continued Growth

Total Consumer Credit and Debit Spend ($T) by Market

- USA: $3.4 T (3% market growth)
- UK & Canada: $1.7 T (5% market growth)
- Future Markets: $5.6 T (10% market growth)

Sources: 2012 Argus estimates, Lafferty Group, NACHA – Electronic Payments Assn
Positioned for Long-Term Growth with Multiple Paths Enabled by Our Data and Platform Capabilities
Our IT Organization Supports Both External and Internal Customers with Significant Resources

• More than **1,200** people
  - More than 1,000 are located within the business units
  - Captive offshore resources in India and Nepal provide high-quality talent
  - Comprehensive skills, including system architects, application developers, quality assurance analysts, database and system engineers, security and privacy experts, and data analysts
  - Distributed development reporting to the business unit leaders

• **2** enterprise data centers in the U.S. (after consolidation)
  - Expanding data center capacity in Europe
Our Data Stores Are a Large and Valuable Asset, a Competitive Differentiator… and Continue To Grow

4 petabytes
$10^{15}$
4,000,000,000,000,000,000
Enterprise Data Management Is Vital to Our Growth

We create IP through a combination of data sets, proprietary processes, subject matter expertise, scoring, and analytics.

Our products and services use Verisk’s IP to solve our customers’ business problems.

Customers, information providers, public sources, and proprietary processes provide raw data to Verisk.

We provide access to our products and services to customers via our website and other channels.
Our Federated IT Model Maximizes Business Value

Finding the Right Balance

IT’s Business Contribution

Degree of Centralization

Responsiveness
Local flexibility enables competitive advantage at the expense of efficiency

Efficiency
Improved scale contributes to bottom-line savings at the expense of responsiveness

Federated IT enables local business flexibility while offering enterprise-class capabilities
IT Organization Aligns with Our Business Strategy

- Applications (Business Units)
- Applications (Development Factory)
- Infrastructure (East, West, Europe)
IT Strategic Plan Supports Business Strategy

- Drive Revenue through Innovation
  - Use emerging technologies to “define the possible”
  - Implement analytics sandbox

- Create New Capabilities
  - Enable international operations
  - Expand agile development factory

- Optimize Our Business
  - Build global, unified platforms
  - Rationalize infrastructure across the enterprise

- Mitigate Enterprise Risk
  - Benchmark security and privacy controls
  - Refine business continuity plans
  - Understand technology risk of acquisitions

- Run IT as a Business
  - Implement shared-services model
  - Capture and communicate IT value
Information Security and Privacy Are Paramount

Verisk Information Security and Privacy Program

- Use risk-based approach to prioritize investment
- Incorporate into our enterprise risk management program
- Evaluate operations through ongoing benchmarking and maturity assessments
- Implement layered approach to protect data assets
- Ensure regulatory compliance
Global Platforms Reduce Product Complexity and Enable Data Sharing

Unified Healthcare Platform
- Payment Accuracy 1.0 live since June 2012
- Enterprise Analytics release with Medical Intelligence in 2013
- Further product migrations and single platform instance in 2013

Enterprise CRM
- Live on Salesforce.com for property/casualty businesses in Q2/2012

Collaboration and Project Execution Platform
- Launched May 2012
  - Migration of content and workflows in progress
- Social collaboration, wiki, issue management and portfolio management
  - Integration with Salesforce.com for end-to-end traceability of customer requests in planning
## Data Center Rationalization Benefits

<table>
<thead>
<tr>
<th>Infrastructure Area</th>
<th>Financial Benefits</th>
<th>Other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shared Services</strong></td>
<td>• Reduced operating cost by leveraging centralized support model and eliminating redundancies</td>
<td>• Operating units can focus on value creation (versus technology operations)</td>
</tr>
<tr>
<td>(process alignment)</td>
<td></td>
<td>• Improved business continuity</td>
</tr>
<tr>
<td><strong>Procurement</strong></td>
<td>• Reduced hardware and software expense by leveraging enterprise buying power</td>
<td>• Higher availability due to consistency across environment</td>
</tr>
<tr>
<td>(standardization)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td>• Eliminate third-party hosting centers</td>
<td>• Co-locate data to enable new customer capability</td>
</tr>
<tr>
<td>(commodity)</td>
<td></td>
<td>• Reduce risk through investment in enterprise data centers</td>
</tr>
</tbody>
</table>
Case Study:
Agile Process Creates Speed to Market

Sprints

Inception  Elaboration  Construction  Transition


Enterprise Agile Toolset

Verisk Project Management Framework
IT Resource Allocation Evolving from “Lights On” to Investing in Innovation

IT Spend Breakdown by Category

- Base
- Enhance
- Invest (Innovation)

Present

Target
Analytics Sandbox Enables Exploration and Invention across the Enterprise

- Enable collaboration
- Jump-start innovation
- Address data use rights and intellectual property concerns
- Prove efficacy of analytics
- Demonstrate how analytic adds value for Verisk and its clients
- Leverage processes for refinement and review to enable “rapid” iteration
## 2013 Global CIO Top 10 Technologies Align with the Solutions We Provide to Our Customers

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Analytics and business intelligence</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mobile technologies</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Cloud computing (SaaS, IaaS, PaaS)</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Collaboration technologies (workflow)</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>11</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Legacy modernization</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>15</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>IT management</td>
<td>6</td>
<td>7</td>
<td>4</td>
<td>10</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>CRM</td>
<td>7</td>
<td>8</td>
<td>18</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Virtualization</td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td>9</td>
<td>10</td>
<td>12</td>
<td>9</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>ERP applications</td>
<td>10</td>
<td>9</td>
<td>13</td>
<td>14</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

* Not an option in that year

Emerging Technology Radar
Emerging Technology Radar
Emerging Technology Radar

Big data

- Data computing appliance implementation
- Real-time analytics using social media
- Petabyte-scale analytics
- Data streaming research
- Unstructured data mining
- Hadoop clusters
- In-memory and solid state storage
Key Challenges and Opportunities

- Maintaining the balance between local responsiveness and central efficiencies to maximize value
- Growing international capability ahead of our business expansion
- Securing our data assets through a multilayered approach to risk mitigation
- Expanding agile techniques to speed time to market for new products
- Enabling real-time data analytics on very large data sets
- Operating a data analytics sandbox to facilitate new product creation across business lines
- Driving invention using emerging technologies
Operating Strategy and Innovation

Scott Stephenson, President and COO
March 7, 2013
Key Strategic Commitments

- Predictive Analytics
- Cross-Selling to Existing Customers
- Multiple Verticals But not without constraint
- Repurposing of Existing Intellectual Property
- Buy and Build

Scalable Profitability: Build It Once, Sell It Many Times
The Data/Analytic Mind-set

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
Excellence in Analytics Available at Modest Scale

Disciplines examined: Computer Science, Physics, Biology

Source: Kenna and Berche, UK Research Assessment Exercise, 2008
Significant Cash Generation Is a Competitive Advantage

EBITDA Margins $\geq$ 45%

EBITDA Margins $< 45$

5%

95%

of the S&P 500

* Excluding financials and oil
Innovation: Vital for Our Future
Innovation = Collaboration

Innovation at Work
Is Anyone In Charge?

- More companies are assigning responsibility for innovation, but fewer than half of executives recently surveyed by the IESE Business School and Capgemini Consulting say their company has done so.
  - Does your organization have someone at the executive level who is formally accountable for innovation?
    - No: 57%
    - Yes: 43%

- Only a quarter of the surveyed executives say that most of their company’s innovation efforts have a positive impact on business results.
  - 50% to 75% succeed: 18%
  - Over 75% succeed: 36%
  - Less than 25% succeed: 25 to 50%: 37%

- But for those with a formally accountable executive, the odds of success are better.
  - Among companies with innovation success rates over 75%, 99% have a formally accountable executive.
  - Among companies with innovation success rates under 25%, 72% have no formally accountable executive.

You Need a Plan

- Executives say the lack of a clear plan is the biggest damper on successful innovation.

- What most constrains your organization’s ability to achieve its innovation targets?
  - The absence of a well-articulated innovation strategy: 24%
  - Lack of understanding of the external environment: 13%
  - Inadequate innovation budget allocation: 11%
  - Lack of top management commitment to innovation: 11%
  - No innovation-friendly culture: 11%

But fewer than half say their company has such a plan in place.

- Does your organization have an explicit innovation strategy?
  - No: 58%
  - Yes: 42%

Culture From the Top

- The chief executive was cited as the most important source of a culture of innovation.

- Where does innovation culture come from?
  - CEO: 69%
  - Peers, people you work with: 59%
  - Managers in general: 51%
  - Learning and development, training: 36%

- Openness was cited as the most important element of a culture of innovation.

- Which elements do you think constitute a culture of innovation?
  - Openness to others’ ideas, to change, to exchange: 84%
  - Innovation considered a core value of the company: 74%
  - Sharing information, ideas and results: 69%

Sources: Capgemini Consulting and IESE Business School.
Internal Innovation: Important Principles

Identify and Resource Innovators

Build Solutions with Strong Customer Value
Examples: Insurance fraud solutions, weather analytics, healthcare payment accuracy

Reimagine and Enlarge Our Footprint
Examples: Medicare Advantage tools, supply chain initiatives, international

Relate to Customers as Development Partners
Examples: NICB initiative, ISO Risk Analyzer suite, contents application for iPad
Acquisitions Can Add to Our Innovation as Well

Increase in value at 10x multiple: ~$1.5 billion
Annualized return: ~22% \(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$MM</td>
<td>83</td>
<td>16</td>
<td>33</td>
<td>93</td>
<td>232</td>
<td>170</td>
<td>101</td>
<td>69</td>
<td>222</td>
<td>143</td>
</tr>
</tbody>
</table>

Annual Investment – Acquisitions ($MM)

Total: 1,161

Fair Market Value: 2,712

\(^1\)Reflects cash paid, earn-outs, cash inflows, and assumes at 10x EBITDA multiple to generate the terminal value; does not include 2012 acquisitions of MediConnect Global and Argus
Eight Explosive Technologies

1. Biotechnology
2. Computational systems
3. Networks and sensors
4. Artificial intelligence
5. Robotics
6. Digital manufacturing
7. Medicine
8. Nanotechnology

*Source: Peter Diamandis, X Prize Foundation
Building on Our Strengths

Cardinal Competitive Advantages
- Proprietary data assets
- First mover/incumbency

Well Regarded by Our Customers
- Cross-selling opportunities
- Trusted with customer data to build new solutions

Stability and Growth Potential
- Approx. $400MM of annual FCF
- Limited exposure to economic cycles

Our Team
- “...it’s as if our QB has eight seconds in the pocket...”
The Verisk Way

Quality
- Hear the Voice of the Customer
- Develop Customer-Centric Operational Metrics
- Do it Right the First Time
- Continuously Improve

Innovation
- Be Balanced
- Identify, Focus & Resource the Innovators
- Reimagine & Enlarge the Market Space
- Know the Customer Value Proposition
- Relate to Customers as Development Partners

Citizenship

Leadership
- Be a Model Verisk Citizen
- Develop Talent Through Coaching
- Build Strong Local Cultures
- Demonstrate Teamwork
- Visualize & Invent the Future Today
- Be Conceptual & Decisive

Shareholder Value
- Strive for Intellectual Property Assets That Are Proprietary
- Build It Once, Sell It Many Times
- Embed Your Solutions in Your Customers’ Workflow
- Invest With Discipline
- Monitor the Performance of Investment Initiatives
- Proactively Acquire Assets
- Take Budgets Seriously
- Be Lean & Fast
Verisk Analytics
Investor Day

March 7, 2013
Verisk’s Differentiated Financial Model

Strong, Stable Revenue Growth: 14.5% CAGR
($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$894</td>
<td>$1,027</td>
<td>$1,138</td>
<td>$1,332</td>
<td>$1,534</td>
</tr>
</tbody>
</table>

Leading EBITDA Margin\(^1\)
(\%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>44.1%</td>
<td>43.4%</td>
<td>44.8%</td>
<td>44.5%</td>
<td>45.4%</td>
</tr>
</tbody>
</table>

Low Capital Intensity
(CapEx as % of Revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>3.7%</td>
<td>4.3%</td>
<td>3.6%</td>
<td>5.1%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

Strong Free Cash Flow\(^2\)
($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$215</td>
<td>$283</td>
<td>$295</td>
<td>$307</td>
<td>$388</td>
</tr>
</tbody>
</table>

---

(1) For 2008-2009, represents Adjusted EBITDA margin. Adjusted EBITDA is equal to income from continuing operations plus depreciation and amortization of fixed and intangible assets, interest expense, provision for income taxes, ESOP allocation expense, and IPO-related costs.

(2) Free cash flow calculated as cash from operations less capital expenditures.
Attractive Business Model

1. Recurring revenue stream and high barriers to entry
   - 67% 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

2. 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

3. Diverse client base and revenue contribution
   - Largest customer accounts for less than 3% of revenues
   - Top 10 clients account for less than 20% of revenues
   - Revenue from customers who are not P&C primary insurers has increased to 52% of revenues, up from 20% in 2004
Revenue Diversity with High Subscription Percentage

Pro forma 2012

- Insurance 31%
- Healthcare (PF MediConnect) 15%
- Financial Services (PF Argus) 12%
- Specialized 5%
- Risk Assessment 37%
- Transaction Revenue 33%
- Subscription Revenue 67%
Revenue Diversity Supports Our Growth Agenda

Growth Driven by a Combination of New Customers and Deeper Penetration into Existing Customers

2012 Revenue Growth

2012 organic growth rates reflect revenue transfer for appraisal tools
2012 Performance

Strong Revenue Growth

Growth
DA: 22.7%*
RA: 5.0%*

Strong EBITDA Growth

Growth
DA: 24.2%  
Margin
DA: 39.8%  
RA: 10.2%  
RA: 54.6%

*Adjusted for the transfer of appraisal tools
Risk Assessment: Our Heritage

Adjusted EBITDA is equal to income from continuing operations plus depreciation and amortization of fixed and intangible assets, interest expense, provision for income taxes, ESOP allocation expense, and IPO-related costs. In 2010 and forward, EBITDA and Adjusted EBITDA are the same.

*Adjusted for the transfer of appraisal tools

5.0%* Growth in 2012
4.1%* CAGR through toughest insurance market since Great Depression

100 of Top 100 P&C Companies Are Customers

Industry-standard, embedded insurance solutions

- Regulatory compliance
- Insurers’ “cost of goods”
- Speed to market
- Provide essential underwriting information

Founded on unique data contributed by insurers
Decision Analytics: Enhancing Our Future

Revenue ($ in Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>389</td>
<td>503</td>
<td>596</td>
<td>768</td>
<td>955</td>
</tr>
</tbody>
</table>

25% CAGR ’08 – ’12

Adj. EBITDA, % margin

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>40.6%</td>
<td>38.6%</td>
<td>40.4%</td>
<td>39.8%</td>
<td>39.8%</td>
</tr>
</tbody>
</table>

- New, large risk verticals
- Modeling and prediction
- Emergent / evergreen themes (fraud, predictive modeling, risk monitoring)
- Leveraging existing assets
  - Repurposing of data
  - Technology infrastructure

Adjusted EBITDA is equal to income from continuing operations plus depreciation and amortization of fixed and intangible assets, interest expense, provision for income taxes, ESOP allocation expense, and IPO-related costs. In 2010 and forward, EBITDA and Adjusted EBITDA are the same.
Deeper Vertical Penetration Drives Growth

Verisk Insurance Revenue as % of Industry Direct Written Premiums
Verisk Health Revenue as % of U.S. Healthcare Spend

Source: A.M. Best, company estimates
Discipline and Execution

1. Discipline

• Drive operating leverage and scale in existing businesses
• Embrace innovation and investment
  • Strategic fit
  • Long-term economic return
  • Rigorously monitor the performance of investments

2. Execution

• Hear the voice of the customer
• Commit to quality and continuous improvement
• Focus on timeliness, accuracy, and delivering value
Capital Allocation Strategy

1. Focus on highest-return investments, adjusted for risk
   - Internal investment
   - Acquisitions
   - Share repurchase

2. Use debt capacity within target range of 2.0x debt/EBITDA to generate additional returns
   - Temporarily exceed target for unique opportunities, e.g., Argus
   - In 2012, delevered from 2.35x at acquisition back to 2.0x in 4 months

3. Maintain committed lines and debt market access to fund opportunities with minimal friction
   - $850 million committed bank facility through 2017
   - Access to public bond markets as well as private placement markets
Investment for the Future

1. We have always invested internally (historical norm ~$90M); in 2013, quality investment opportunities are more abundant.

2. New investment in platform infrastructure and analytics, including the following major initiatives:
   - Remote imagery
   - Unified platform
   - Retail platform
   - Supply chain
   - Data initiatives
   - Next-gen cat modeling platform (Touchstone)

   - Total P/L investment of $10-15 million in first half of 2013
   - Total capital expenditures of $20M, including internally developed software and hardware and software

3. Focused on long-term, sustainable, profitable growth
## 2012 Acquisitions Expand Our Solutions within Key Verticals

<table>
<thead>
<tr>
<th>Date</th>
<th>Vertical</th>
<th>Transaction summary</th>
<th>Business description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquired March 31, 2012</td>
<td>Healthcare</td>
<td>$348M value • Includes $25M tax benefit</td>
<td>Leading provider of proprietary systems and services that facilitate aggregation and analysis of medical records</td>
</tr>
<tr>
<td>Acquired August 31, 2012</td>
<td>Financial services</td>
<td>$425M value • Includes $45M NPV tax benefit</td>
<td>Premier provider of analytics to financial institutions and regulators in North America, Latin America, and Europe</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial metrics</th>
<th>Investment rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 revenue: $58.6M</td>
<td>Creates integrated reporting solution for health plans</td>
</tr>
<tr>
<td>2011 EBITDA: $21.8M</td>
<td>Access to ~10M medical records with clinical data</td>
</tr>
<tr>
<td>LTM 6/30/12 revenue: $54.0M</td>
<td>Clear leader in attractive vertical</td>
</tr>
<tr>
<td>LTM 6/30/12 EBITDA: $25.5M(1)</td>
<td>Neutral party with position of trust in heart of banking industry (analogous to ISO’s position in insurance)</td>
</tr>
</tbody>
</table>

(1) Excludes $541K distribution in LTM 6/30/12; shown in Argus financials as an expense
Disciplined Track Record on M&A Delivers Value

Increase in value at 10x multiple: ~$1.5 billion
Annualized return: ~22%\(^1\)

![Annual Investment – Acquisitions ($M)](chart)

- 2002: 83
- 2003: 16
- 2004: 33
- 2005: 93
- 2006: 232
- 2007: 170
- 2008: 101
- 2009: 69
- 2010: 222
- 2011: 143
- Total: 1,161

Fair Market Value: 2,712

\(^1\)Reflects cash paid, earn-outs and cash inflows and assumes at 10X multiple to generate the terminal value. Excludes 2012 acquisitions of MediConnect and Argus.
**Share Repurchase Has Proven Attractive**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 shares repurchased</td>
<td>3.5 million</td>
</tr>
<tr>
<td>Total purchase price</td>
<td>$163 million</td>
</tr>
<tr>
<td>Average cost per share</td>
<td>$46.57</td>
</tr>
<tr>
<td>Current share price (February 27, 2013)</td>
<td>$58.05</td>
</tr>
<tr>
<td>Annualized return since inception (May 2010)¹</td>
<td>30%</td>
</tr>
<tr>
<td>$ return</td>
<td>$784 million</td>
</tr>
<tr>
<td>Return in excess of debt borrowing rate</td>
<td>26%</td>
</tr>
<tr>
<td>Return in excess of cost of capital</td>
<td>22%</td>
</tr>
</tbody>
</table>

¹ IRR adjusted to reflect monthly repurchase amounts
## Disciplined Capital Allocation

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acquisitions and earn-outs</strong></td>
<td>$170</td>
<td>$101</td>
<td>$69</td>
<td>$222</td>
<td>$143</td>
<td>$808</td>
<td>$1,513</td>
</tr>
<tr>
<td><strong>Share repurchase</strong></td>
<td>$205</td>
<td>$392</td>
<td>$47</td>
<td>$437</td>
<td>$382</td>
<td>$163</td>
<td>$1,626</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$375</td>
<td>$493</td>
<td>$116</td>
<td>$659</td>
<td>$525</td>
<td>$971</td>
<td>$3,139</td>
</tr>
</tbody>
</table>

- Acquisitions and earn-outs: 45% 20% 59% 34% 27% 83% 48%
- Share repurchase: 55% 80% 41% 66% 73% 17% 52%
Strong Capital Structure to Support Growth

- **Debt/PF EBITDA**: 2.0x
- **Covenant levels**: 3.00–3.50x
- **Current capacity at 3x**: ~$800 million