



Verisk Wildfire Risk Management Solutions

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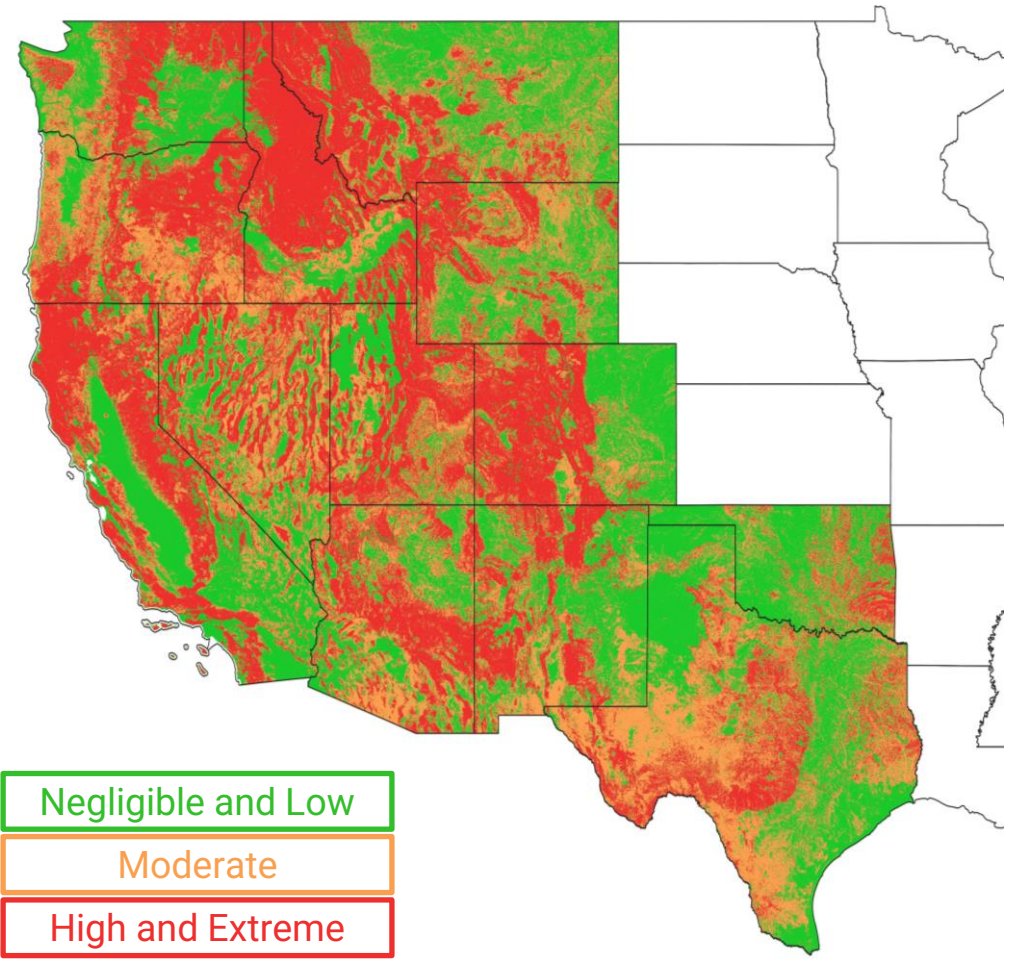
Oregon Senate Natural Resources Committee
February 29, 2024

AGENDA

- Why do carriers need wildfire risk assessment tools?
- What tools does Verisk offer to assist carriers in assessing wildfire risk?
 - FireLine®
 - Verisk Wildfire Model for the United States (Catastrophe Model)
- Questions

Why might insurers use a wildfire risk scoring tool and/or a catastrophe model?







Current Use Cases for Verisk's Solutions

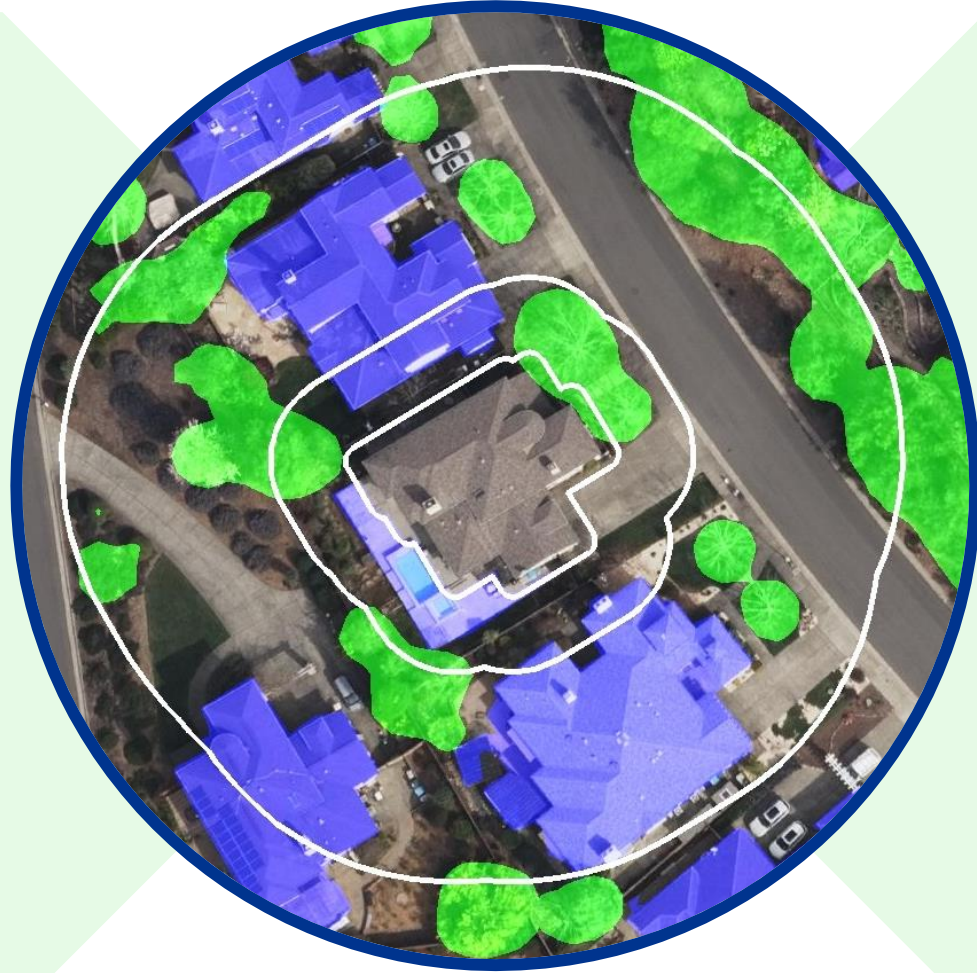


FireLine[®] Innovation - Holistic Wildfire Risk & Mitigation Solution

Risk data/analytics to support UW, rating, inspection, marketing, & regulatory (CA, OR) compliance

Hazard Assessment



-  Wildland vegetation
-  Terrain
-  Road access
-  Wind-borne embers
-  Historic wildfire activity
-  Weather/ climate



Mitigation Assessment

-  Defensible space and vegetation management
-  Building exterior and structure hardening
-  Community-level mitigation programs
(Firewise, Fire risk reduction community, Ready, Set, Go!)

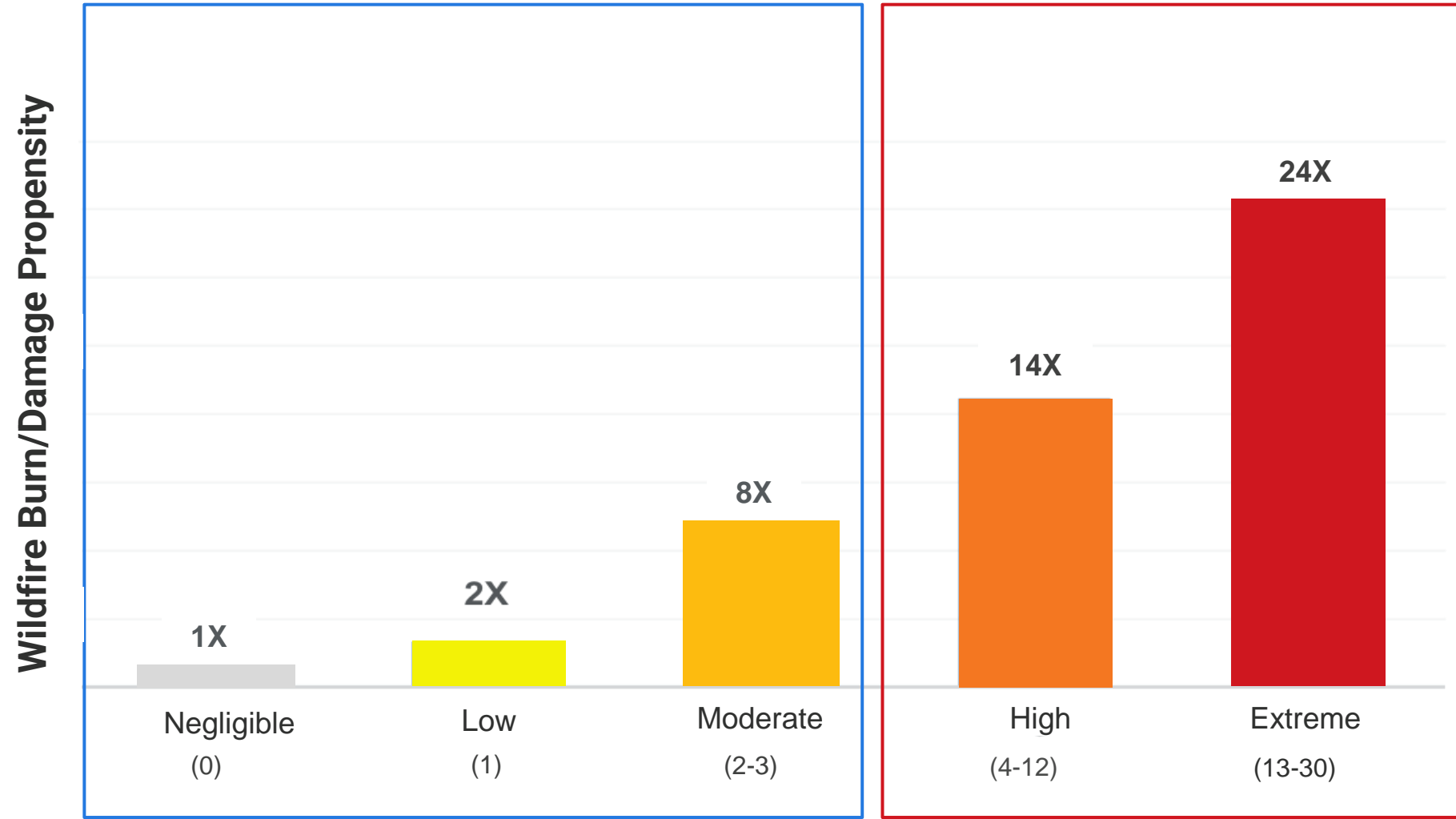
Additional Hazards

-  Other property hazards
(solar panels, decks)
-  Smoke/ash damage and urban conflagration

US State Availability: AZ, CA, CO, ID, MT, NV, NM, OK, OR, TX, UT, WA and WY. (AB, BC in Canada)

Regular cadence of change detection from robust data sources – satellite, aerial, weather/climate, road networks, property-prefill, community mitigation

FireLine Scores Track Wildfire Burn/Damage Propensity (using burn perimeters)



Current FireLine Score Review Process

- Currently operational process supports insurance carriers
- Insurance carriers can contact FireLine directly via email
- FireLine team will review and analyze the score and its components
- If a score change is appropriate, the team advises on this and explains the new score

Why Do We Need Catastrophe Models?


Risk estimation based *solely* on historical data may not be a good predictor of possible loss from catastrophic wildfires

Constantly changing landscape of exposure data limits the usefulness of past loss experience

Models should capture potential losses *before* they occur



What Questions Are Wildfire Catastrophe Models Designed to Answer?



What is the probability of a given level of loss from wildfire for my book of business?

Where are future wildfire events likely to occur?

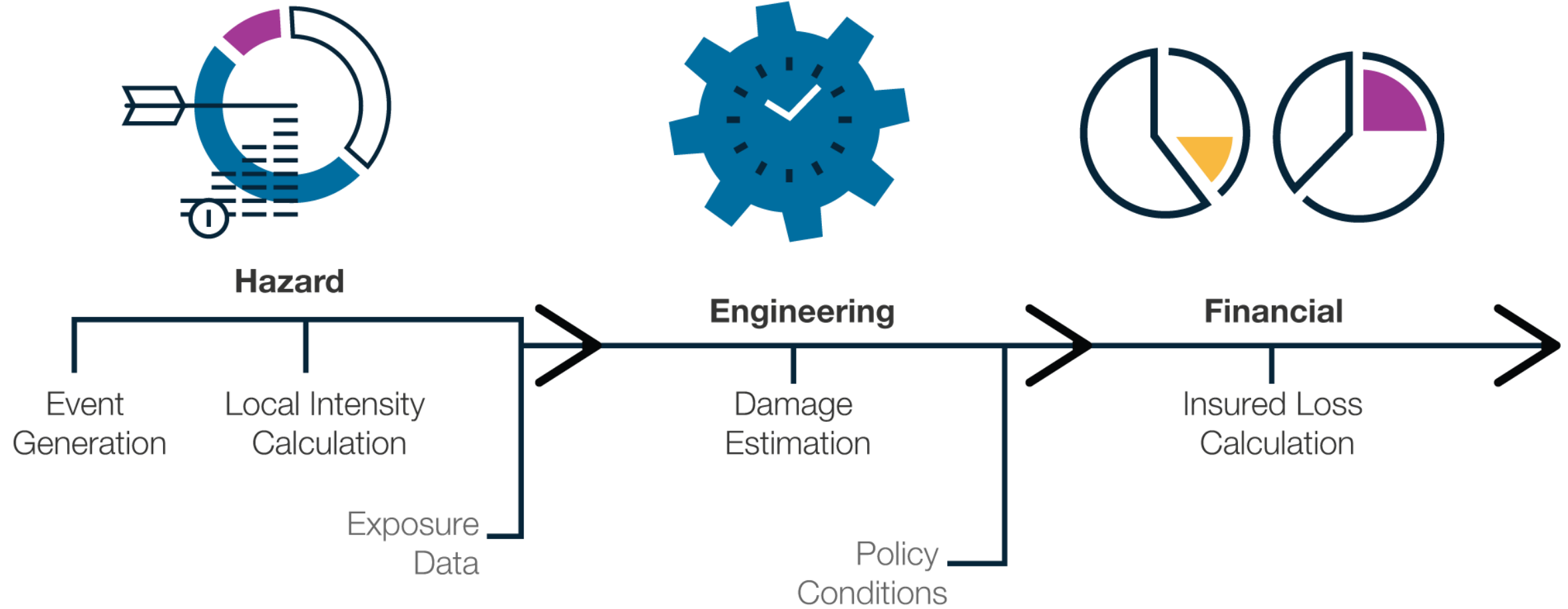
How intense are they likely to be?

How frequently is a wildfire likely to occur?

For each potential wildfire event, what is the estimated range of damage and insured loss?

Catastrophe Modeling Framework

All Extreme Event Solution Models are developed using this framework





QUESTIONS and COMMENTS

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Feel free to reach out with questions.

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