

Verisk's Commitment to Ethical and Responsible Artificial Intelligence ("AI")

As a global data, analytics and technology company, Verisk proactively leverages AI to operate efficiently, drive innovation, propel growth, and foster creative solutions. We are committed to harnessing the transformative potential of AI to assist in building global resilience for individuals, communities and businesses while upholding ethical standards and respecting individual rights.

Verisk believes that responsible AI implementation can foster creativity and spur progress. Our approach to AI governance is to facilitate a comprehensive and consistent framework that empowers our teams to explore novel solutions, address complex challenges, and capitalize on the wealth of opportunities that AI offers while maintaining our commitment to ethical conduct, fairness, and transparency in a rapidly transforming space.

Verisk will work with internal and external experts, stakeholders, and regulatory bodies to continually enhance AI governance practices consistent with evolving industry standards. We believe that AI should complement human capabilities, and emphasize the importance of nurturing collaboration between humans and AI to foster a culture of innovation and sustainable growth.

Ethical AI Principles

Verisk has adopted and committed to follow its **"FAITH"** ethical AI principles in all aspects of its AI development and use of AI technologies (**"AI Systems"**), as outlined below.

<u>Fairness:</u>	Verisk will strive to ensure that AI Systems do not treat individuals or groups unfairly.
<u>Accountability:</u>	Verisk will identify AI owners: accountable business leaders, as well as responsible AI System use case owners and supporting resources charged with specific AI Governance duties as described in the standards, processes or procedures associated with the Ethical AI Policy.
<u>Inclusivity:</u>	Verisk will design AI and AI Systems with comprehensive data sets that recognize, accept and benefit from all data subjects associated with AI Systems or users of AI Systems.
<u>Transparency:</u>	Verisk will maintain transparency concerning its design, implementation, and function of AI Systems. The purpose of AI algorithms will be interpretable, supported by appropriate model documentation, and made accessible in accordance with applicable laws and regulations.
<u>Honoring Privacy:</u>	Verisk will operate AI Systems in compliance with applicable privacy and data protection laws, as well as its own policies and standards.

Human-Centered Values

- **Human Rights:** On September 13, 2019, Verisk joined the [United Nations Global Compact](#) ("**UN Global Compact**"), the world's largest corporate citizenship and sustainability initiative. Verisk's culture celebrates a diversity of geography, peoples and experiences, and Verisk supports and commits to making the UN Global Compact's [Ten Principles](#) part of our corporate strategy, culture and day-to-day operations. Our FAITH principles and AI Governance measures support our [Human Rights Policy](#), and the human rights and anti-discrimination UN Global Compact principles. Verisk further supports these efforts for its insurer customers. One example of this

is [FairCheck](#), which assists insurers with reviewing personal lines predictive models for potentially discriminatory outcomes so that they may be resolved prior to filing the model for regulatory approval or adopting it in practice.

- **Human Oversight:** Verisk evaluates AI use cases to ensure human involvement and “humans in the loop” are a core component of decision-making processes, with AI supplementing those processes to drive efficiencies and cost-effectiveness. Verisk provides transparency and documentation through our contracts, customer support and product materials to our customer users, so that they understand solutions Verisk provides and can incorporate them as part of their decision-making processes.
- **Suppliers:** Verisk maintains a [Supplier Code of Conduct](#), including prohibitions on antidiscrimination and requiring fair treatment. Verisk suppliers are subject to multiple assessments associated with its Procurement and Third-Party Risk Management functions, including for risks related to security, privacy, data use and intellectual property. Verisk practice is to review agreements for AI usage restrictions, allowing potential engagements involving AI Systems to be subject to AI Governance for review before completing the contracting process.

AI Governance Structure

Verisk’s AI governance and mechanisms to drive its FAITH principles are consistent with its core corporate governance processes to implement strategy, operations and risk management practices throughout the organization. Our governance begins with our senior leadership’s commitments under the oversight of the Board of Directors, and cascades through the organization via dedicated leadership oversight committees and then through business leadership into respective operations.

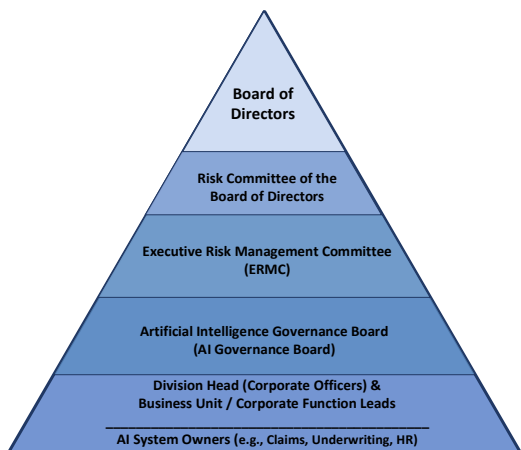


Figure 1. AI Governance Structure.

- **Board of Directors (BoD):** Verisk’s Board of Directors oversees its management of risk, including oversight of appropriate risk mitigation strategies, systems, processes and controls. The Board of Directors has a dedicated Risk Committee, and receives regular reports from executives about the company’s risks and risk management processes.
- **Executive Risk Management Committee (ERMC):** The ERMC is chaired by the SVP, Enterprise Risk Management and includes members of Verisk’s senior leadership responsible for managing key risk domains, such as the Chief Legal Officer, Chief Information Officer, Chief Information Security Officer, Chief Technology Officer and Chief Privacy Officer. The ERMC provides guidance and authority related

to the application and enforcement of Verisk risk frameworks, including the strategies, policies, procedures, processes and systems established by management to identify, assess, measure, monitor and manage risks. The ERM Council also reinforces the corporate risk appetite and tolerance.

- **AI Governance Board:** The AI Governance Board is under the oversight of and with risk escalation available to the ERM Council, and in turn to the Risk Committee of the Board of Directors and the full Board. Additionally, the Chief Information Officer as owner of the Ethical AI Policy provides AI governance updates to the Risk Committee of the Board of Directors as appropriate.

The AI Governance Board is co-chaired by the Verisk Chief Privacy Officer and the Chief Data Officer. The AI Governance Board membership includes senior leaders, with representation from the ERM Council to facilitate potential risk escalation as appropriate, such as the Chief Legal Officer, Chief Information Officer, Chief Technology Officer, and the SVP, Enterprise Risk Management, as well as other key subject matter experts and business liaisons.

The AI Governance Board supports the Verisk Chief Information Officer as owner of the Ethical AI Policy and the Chief Data Officer responsible for corporate data governance through its activities, such as: establishing and maintaining a consistent AI data governance, inventory and management strategy; establishing and maintaining an appropriate AI risk management framework and related processes to ensure appropriate governance is applied to AI use cases and data incorporated in AI Systems throughout their lifecycles; reviewing selected AI use cases in accordance with Verisk's AI Risk Framework and processes; and providing guidance on AI governance and related risks. The AI Governance Board's seniority and cross-functional composition facilitate decision-making within its activities to accept AI use case proposals aligned with review criteria, and to delay, reject or escalate proposals if the use case does not align with our FAITH principles or otherwise requires additional risk guidance and management.

- **Division & Business Unit or Corporate Function Heads:** Verisk business and corporate function leadership are accountable to ensure and verify compliance with company policies and procedures for operations under their leadership, including specific compliance with the company Risk Policy requiring identification, management, monitoring and appropriate reporting and escalation of risks, as well as the Ethical AI Policy and standards requiring appropriate AI System assessments and governance.
- **AI System Owners:** AI as incorporated into customer solutions or as utilized by corporate functions is managed and overseen by designated product or process owners accountable for ensuring adherence to applicable company policies and processes. AI use cases presented to the AI Governance Board require a senior leadership sponsor, who is accountable to ensure sufficient use case inventory information is provided to the AI Governance Board and that all applicable assessments are satisfactorily completed and recommendations implemented prior to deploying the AI system.
- **AI Governance Resources and Support:** AI Systems leverage a variety of data sets, which are subject to data governance, privacy and security policies. Consistent with the Chief Information Officer's Ethical AI Policy ownership, and to facilitate robust data management capabilities over AI Systems and their data sets, AI governance staffing and associated resources are centered under the Chief Data Officer (with alignment to the Chief Information Officer). Staffing and resources are allocated to align with Verisk's AI utilization and development trends and corresponding governance demands.

AI Governance Policy Hierarchy

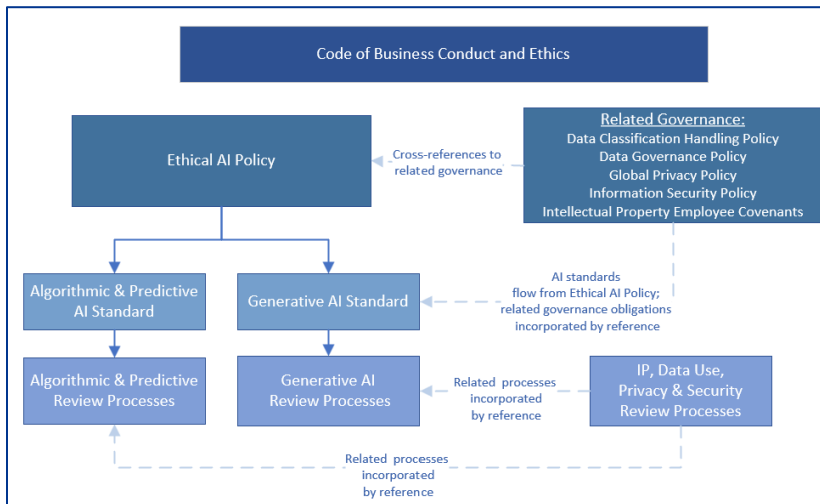


Figure 2. AI Governance policy hierarchy.

- **Code of Business Conduct and Ethics (Code of Conduct):** Verisk's principles are reflected in its Code of Conduct, which is supported by the Ethical AI Policy plus policies applicable to its data processing (of which AI is a subset), such as its corporate privacy, security, procurement, data governance, human resources and other policies. Verisk's FAITH principles are further embedded in its Ethical AI Policy and supporting standards which govern design, development and deployment of AI Systems.
- **Ethical AI Policy:** Verisk's Ethical AI Policy includes its FAITH principles, its AI Governance Lifecycle reflecting its risk management approach, establishes the AI Governance Board as its primary oversight mechanism, and is supported by the AI Standards.
- **AI Standards:** Verisk's Ethical AI Policy is supported by the Algorithmic & Predictive AI Standard, and the Generative AI Standard ("**AI Standards**"). Both standards require Verisk leadership to ensure AI System Owners manage their AI Systems consistent with the Ethical AI Policy and AI Governance Lifecycle activities, and include additional requirements and roles and responsibilities for specific processes. The individual standards contain additional details relative to the AI technology type, such as the following:
 - **Algorithmic & Predictive AI Standard:** Addresses additional legal and regulatory requirements specific to algorithmic or predictive modeling ("**Modeling AI**") as reflected in applicable laws, regulations and regulator guidance. Insurance regulators have historically focused on algorithms and models, releasing detailed guidance on expected Modeling AI management and assessments to prevent potential unfair impacts or discriminatory decision-making.
 - **Generative AI Standard:** Addresses additional risks and requirements specific to Generative Artificial Intelligence ("**Generative AI**"), such as intellectual property risks associated with model inputs and protection of proprietary or confidential data as model outputs. This standard also addresses appropriate ongoing monitoring and testing to address accuracy risks associated with Generative AI, such as model hallucinations.
- **Review Processes:**
 - The AI Governance Board, as well as the Business Units maintain review process documentation corresponding to the AI Systems' type, risk profile and review workflow, and in alignment with the Ethical AI Policy and AI Standards.

- Verisk conducts additional reviews via distinct workstreams on related issues such as: privacy, security, intellectual property, data use/governance, and third-party risk. AI reviews leverage the recommendations and conclusions of the related reviews, which are considered input to the risk evaluation tiers for the specific AI System.

AI Governance Lifecycle

The Verisk AI Governance Lifecycle includes five phases: (i) Inventory; (ii) Review; (iii) Responsible Development and Deployment; (iv) Monitoring and (v) Maintenance. Verisk will develop and maintain sufficient standards, processes and procedures to employ appropriate governance for its lifecycle phases, commensurate to the category, nature and risk of the AI Systems involved.

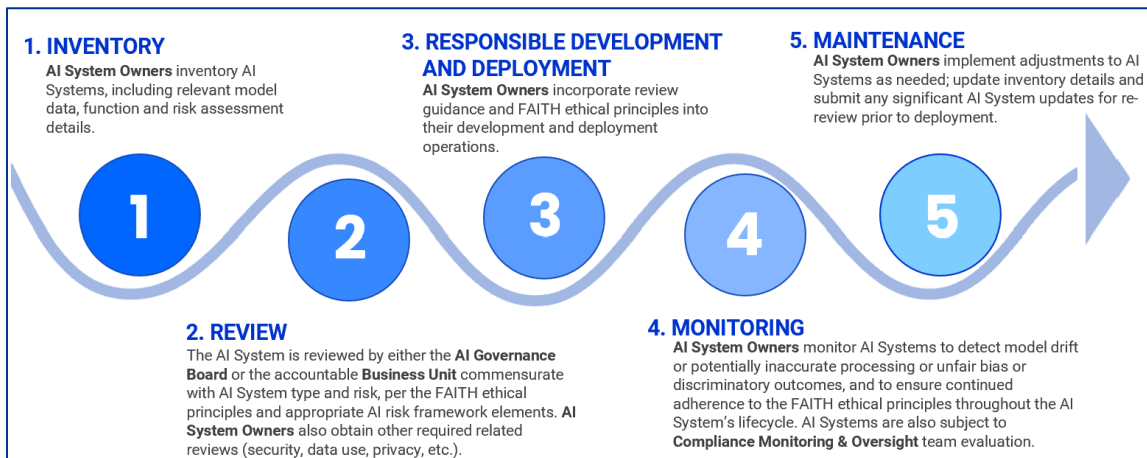


Figure 3. AI Governance lifecycle highlights.

- **Inventory:** Verisk's Data Governance Policy requires Verisk businesses to appropriately inventory their data sets, processing and related applications – including AI Systems. Consistent with Verisk's governance hierarchy, Verisk businesses are accountable to implement these requirements, making their inventories available to the Chief Data Officer and the AI Governance Board. Inventory content requirements will align with emerging legal assessment requirements for responsible data governance.
- **Review:** The AI Governance Board meets regularly to review selected use cases. AI System Owners submit proposals and supporting documentation to the AI Governance team to triage and prepare for AI Governance Board review, meet with the AI Governance Board to review the use case. Development, testing, deployment and monitoring operations are specifically discussed in juxtaposition with aspects of the FAITH Ethical AI Principles and key legal or regulatory requirements as well as related risk factors from related review processes (security, data use, privacy, procurement, etc.).

The AI Governance Board can approve the use case, delay it and require re-submission with additional mitigations and or information, or reject it if it is incompatible with the FAITH principles or company policies, or is not within Verisk's risk tolerance. The AI Governance Board may also escalate use cases as appropriate to the ERM, and resume its review in accordance with ERM guidance.

- **Responsible Development & Deployment:** Verisk businesses and corporate functions are accountable to implement AI Systems in compliance with company policies as well as direction from AI and additional review processes, such as any required testing or ongoing monitoring recommended as appropriate for the model's purpose, data involved in processing and potential stakeholder impacts.
- **Monitoring:** Verisk businesses and corporate functions are accountable to monitor deployed AI Systems for continued accuracy and reliable performance. This includes testing for model drift, emerging

potentially unfairly biased or discriminatory outcomes or impacts, and to report significant issues and planned remediations as part of their maintenance responsibilities. Further, Verisk's company policies and processes including those pertaining to Ethical AI are subject to [Internal Audit](#) testing and review.

- **Maintenance:** Verisk businesses and corporate functions are accountable to maintain appropriate and current AI Systems inventory and related documentation.

AI Review Framework

Verisk will evaluate AI Systems for alignment with the FAITH ethical principles as reflected in its AI Governance Lifecycle and AI Risk Management Framework, which incorporate appropriate elements of industry standard AI risk management frameworks and applicable laws and regulations.

- **Core AI Risk Management Framework:** Verisk's AI Governance Lifecycle and AI Risk Management Framework was designed to align with risk management approaches detailed in the National Institute of Standards and Technology (NIST) Artificial Intelligence Risk Management Framework (AI RMF 1.0) and related publications, as well as emerging responsible AI data practices and applicable laws and regulations, such as the EU AI Act, or Colorado SB 24-205. Verisk's AI Governance Lifecycle and AI Risk Management Framework operates in conjunction with Verisk risk management processes in place to manage risks associated with existing laws applicable to data processing (such as the EU/UK GDPR, U.S. state or other jurisdictional data protection laws). Verisk's AI Governance Board summarizes use cases for its reviews with a dashboard similar to an AI "model card", detailing key technical and risk descriptions, with risk tiers corresponding to definitions consistent with Verisk's core organizational risk tolerance and management strategy.
- **Product and Service Review Frameworks:** A core component of Verisk's business is to design and deliver innovative analytics and related solutions to support the resilience and efficiency of our customers and the communities in which they operate. With the emergence of generative AI, Verisk may be able to enhance these solutions with additional functionality to drive insurer efficiencies, particularly where manual processes such as summarizing chronological or other details in claim reports may be able to leverage generative AI to reduce corresponding processing times.

Verisk's divisions and businesses may maintain additional frameworks and processes to evaluate solutions in support of their customers' compliance with laws and regulations applicable to their industry, such as the expectations outlined in the [NAIC Model Bulletin on the Use of Artificial Intelligence Systems by Insurers](#) and the corresponding versions issued by individual insurance regulators.