3 Reasons Primary Insurers are Investing in Catastrophe Models

Build a more consistent internal view of risk.

As catastrophe risk questions become more frequent and more specific, many primary insurers are looking for a reliable way to assess, explain, and manage exposure to such risk across their organizations. Consider three reasons carriers are making the move to in-house models:

01. Loss Experience

Recent events are prompting stricter portfolio evaluation.

Recent catastrophe activity across multiple perils has reinforced how sensitive outcomes are to portfolio-specific frequency, severity, and concentration assumptions. Carriers with direct model access can evaluate their portfolios continuously and respond with more proactive pricing, underwriting, and risk transfer decisions.

> **Owning a model doesn't eliminate uncertainty. It means you can be ready for it.**

Verisk Catastrophe and Risk Solutions serves

9 of the top 10

global property and casualty insurers.

02. Reinsurance

Renewal conversations reward analytical continuity.

Reinsurers are applying increasing scrutiny to cedants' books of business. In response, more carriers are aligning with brokers and reinsurance partners around the same industry-standard catastrophe modeling frameworks. That internal analytical foundation helps insurers assess accumulations, test portfolio behavior against benchmark event catalogs, and make more informed decisions about reinsurance purchasing, structure, and retained risk. Carriers without that foundation may find it harder to approach reinsurance strategy proactively and from an informed position.

> **An independent view of cat risk can be a negotiating asset. It is also a sign of organizational readiness.**

03. Governance

Clearer assumptions support more confident decisions.

Regulators, reinsurance partners, boards, and internal stakeholders are increasingly asking how catastrophe risk is being assessed, which assumptions are used, and how results are tested. Building a repeatable internal process for documenting, reviewing, and explaining catastrophe risk positions your organization to answer these questions clearly—and consistently. Direct model access gives insurers the tools to develop robust systems and reporting procedures, strengthening defensibility across governance and renewal discussions as scrutiny grows.

> **A structured internal process is an asset that compounds as your business grows.**

For more than 35 years, Verisk has helped the industry assess and quantify catastrophe risk.

For teams evaluating direct model access for the first time, Verisk offers a practical path forward through industry-standard models combined with onboarding, training, and support customized to meet the needs of each client. Ready to learn more?

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