

CATASTROPHE AND RISK SOLUTIONS

Insurance-Linked Securities Solutions

Your guide to Verisk modeling for ILS

Verisk

The models behind the ILS market

Verisk is the market leader in supporting insurance-linked securities (ILS), modeling approximately 70% of natural catastrophe bond issuances and serving the top 10 largest ILS fund managers by AUM, and 16 of the top 20 ILS fund managers overall. Put the same view of risk behind your portfolio—remodeled, refreshed, and event-tested in days, not weeks.



The source advantage

One firm sits on both sides of the market
When a sponsor brings a cat bond to market, Verisk is the leading risk modeling agent—structuring the analysis, producing the Risk Analysis Results in the Offering Circular, and supporting the deal through every reset. When an investor evaluates that bond, Verisk delivers the same models, the same parameters, and the same exposure data.

Other firms reverse-engineer deals from public offering materials. Verisk built them. That's why our remodelings arrive in 1–2 business days with sub-area exposure detail, and why no other provider can replicate the depth.

~70%
market share of nat-cat issuances

~80%
of total AUM across the top 50 is managed by Verisk clients

1-2
day remodeling turnaround

90+
countries covered

The difference in depth

	Verisk	Other providers
Market coverage	Modeling agent on more than 70% of public 144A property cat bond issuance since 2011, by deal count and volume	Combined minority share of public 144A property cat bond issuance since 2011
Exposure management	Derived from offering materials, structured at sub-area resolution within the platform	No published structure or standard
Turnaround time	1–2 business days	No published service standard
Modeled loss fidelity	Company Loss Files (CLFs) providing sub-area and line-of-business event loss output derived from detailed cedant-level modeling	Loss estimates at regional-level aggregation only; no sub-area or line-of-business event loss output
Analytical rigor	Dedicated ILS team with structured quality checks, peer review, and senior sign-off	No disclosure on process or quality
Platform integration	Native portfolio analytics leveraging the same models, same parameters, and deal-to-portfolio traceability	Standalone deal analysis
Loss modification	Advanced Loss Modification: event-based adjustment factors (EBAF), EP-based scaling, Aggregate Model Builder, and EP-to-ULF conversion	Investor-driven loss modification tools not publicly documented

Verisk's dual role

Multidimensional intelligence
Understanding how we support multiple angles of the cat bond markets—both as Issuance Modeling Agent and as analytics provider for investors—is key to understanding our depth of market insight:

SPONSOR
Insurer/reinsurer

Cedes catastrophe risk via the capital markets, with Verisk as issuance modeling agent.

- Risk transfer/structure consulting
- Comprehensive risk analysis
- Documentation preparation/ contribution exhibits
- Roadshow assistance
- Reset calculations

CAPITAL MARKETS
Cat bond issuance

Bond is issued with Verisk's modeled risk metrics, assumptions, and exhibits in the Offering Circular.

- Offering Circular exhibits
- Rating agency support
- Company loss file (CLF) generation

ILS INVESTOR
Fund manager

Puts the same view of risk to work through independent analytics.

- Remodeling Service
- Cat Bond Database licensing
- Portfolio analytics

ILS Remodeling Service

Every issuance, remodeled in 1–2 business days
A new bond launches to market. A reset lands. The Remodeling Service removes the significant operational burden from investors—rebuilding every publicly issued cat bond and every subsequent reset in a fully compatible format, delivered to your environment within 1–2 business days of announcement. For every issuance, our dedicated ILS modeling team dissects the offering materials, reviews the structure, and compiles insights before finalized files pass analyst, reviewer, and senior sign-off.

Subscribers receive

Remodeling guide
- Methodology commentary and remodeling narrative
- Exposure data processing steps
- Program creation and analysis assumptions
- Results interpretation and key risk themes
- Peril and regional loss footprint summaries

Software-compatible company file
- Qualitative and quantitative data from offering docs
- Gross and net loss views (pre- and post-structure)
- Full structural terms and trigger mechanics
- Sub-area exposure data for indemnity structures
- Historical event overlays and geospatial loss data
- CLFs where Verisk is the modeling agent

The Cat Bond Database (CBDB)

The entire 144A cat bond market. One database.
Remodelings accumulate into the Cat Bond Database (CBDB), capturing the full publicly traded 144A market in a single, standardized repository for direct import onto the platform.

Every year, every active bond is remodeled against the latest models and science with a comprehensive Change Management Report detailing risk profile changes and drivers. This enables a multitude of benefits for investors:

Independent science views
Apply custom climate assumptions, independent of the modeling agent's base view

Portfolio optimization
Analyze diversification, correlations, risk concentration, and compliance thresholds in one unified format

Stress testing
For example, raise Florida hurricane loss 20%, layer in inflation, see portfolio impact immediately

Unmodeled risk
Evaluate exposure to perils outside standard model output

Event response
Pair with Verisk's ALERT™ service to assess portfolio impact as catastrophes unfold in real time—supporting investor communications and secondary market decisions

Platform analytics

Every position. One analytical environment.
Analytics turn individual remodelings into an investor-grade portfolio view. Every CBDB bond loads in a consistent, comparable format with no manual harmonization.

Underneath it all is a platform built on highly detailed, exposure-level modeling, an analytical engine at the center of the ILS market, pre-loaded with all outstanding cat bonds in the market.

Core capabilities

- Portfolio construction and reporting
- Complex structure modeling
- Loss analytics by zone and peril
- Historical event overlays
- Concentration and correlation analyses
- Filtering and drill-down
- Advanced loss modification
- Exceedance probability (EP) conversion to user loss files
- API integration

Loss generation pathways

1. **Detailed exposures**
   Directly feed in detailed cedant-specific modeling output at the rooftop level, ideal for indemnity triggers.

2. **Industry Market Shares**
   Leverage Verisk's proprietary Industry Exposure Database for 90+ countries at up to 1 km² resolution for index triggers or market share scaling use cases.

CLFs

Company Loss Files provide detailed modeled loss distributions by geography and peril for Verisk-modeled indemnity transactions, giving investors the deepest possible view of deal-level risk rather than simplified regional proxies.

Event response

When the event hits, you already have answers.
Verisk ALERT tracks major catastrophes on the same timeline as news media, posting storm details, affected regions, and preliminary insured loss estimates as they develop. Download curated event scenarios directly into your environment and quantify potential losses by bond, tranche, and peril as the event unfolds.

And when the base view isn't your view, Advanced Loss Modification lets you build your own:

- Event-level adjustment factors down to area and line of business
- EP-based calibration to your own loss experience
- Conversion of EP curves from any vendor into files that run through the full analytics suite
- Custom loss estimates for unmodeled risks



Sponsor support services

From structure to circular to reset
For sponsors bringing risk to the capital markets, Verisk's Securitization team—the leading risk modeling agent for natural catastrophe bond issuances—supports the full deal life cycle:

- Consulting on reinsurance coverage needs/ exposure profile
- Instrument structuring
- Expert portfolio modeling for the risk analysis behind the Offering Circular
- Sensitivity and stress testing
- Roadshow and ongoing rating agency support
- Reset and growth limitation calculations throughout the bond's life



See your portfolio through the source view.

Contact your Verisk relationship manager for a live platform demo, sponsor services, or to discuss licensing options for the Cat Bond Database and Remodeling Service.

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