



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

January 16, 2025

VIA ELECTRONIC MAIL

Julia Borman, Ph.D.
Director of Regulatory and Rating Agency Client Services
AIR Worldwide Corporation d/b/a Verisk Extreme Event Solutions
jborman@verisk.com
2 Avenue de Lafayette, 2nd Floor
Boston, MA 02111

SUBJECT: Verisk's Combined Petition to Initiate PRID Procedure and Participate in PRID Procedure (Verisk Wildfire Model for the United States V4.0.0)

Dear Dr. Borman:

We received and publicly posted your [Combined Petition to Initiate PRID Procedure and Participate in PRID Procedure](#) on January 2, 2025.

Per the regulations, it is my responsibility to oversee the PRID procedure, which includes making decisions on petitions. I have reviewed your petition to initiate a PRID procedure for the Verisk Wildfire Model for the United States V4.0.0, and your petition to participate in a PRID procedure. I have also reviewed the responses that Nationwide, Allstate, and USAA submitted in support of your combined petition. Having determined that the Commissioner would benefit from a PRID and that other regulatory requirements are met, it is appropriate to grant your combined petition.

In addition to permitting your participation, the regulations also permit other interested members of the public to participate in a PRID procedure. The Department of Insurance's website homepage, www.insurance.ca.gov, currently directs members of the public to the [PRID web page](#) where new petitions are publicly noticed. To ensure that all interested parties have an opportunity to timely petition to participate, the PRID procedure will not be initiated until five business days after the Model Advisor has issued rulings on all timely petitions to participate.

Best regards,

Kara Voss

Kara Voss, Ph.D.
Model Advisor
Climate & Sustainability Branch
California Department of Insurance

From: CDImodeladvisor
Sent: Tuesday, January 7, 2025 12:56 PM
To: 'Colman, Caitlin'; CDImodeladvisor
Subject: RE: Introductions and Verisk wildfire model

Your response has been received.

Thank you!

Kara Voss, Ph.D.
Model Advisor
Climate & Sustainability Branch
California Department of Insurance

From: Colman, Caitlin <[REDACTED]>
Sent: Tuesday, January 7, 2025 11:44 AM
To: CDImodeladvisor <CDImodeladvisor@insurance.ca.gov>
Subject: Introductions and Verisk wildfire model

Hi Kara,

Congratulations on the new position. We have not had a chance to meet yet, but I handle regulatory and legislative issues for Allstate in California.

We have been very supportive of the Commissioner's SIS and looking forward to working with the Department with the rollout of the new regulations. Allstate applauds the Department's dedication to restoring stability to California's insurance market and the recognition that catastrophe modeling plays a critical role in California's Sustainable Insurance Strategy. The recently finalized regulations mark substantial steps towards improving the accuracy of assessing and pricing catastrophe risk.

On January 2nd, Verisk filed a petition with the Department to establish a PRID for the Verisk Wildfire Model for the United States. Allstate supports this petition and highly encourages the Department to consider establishing a PRID to review the Verisk Wildfire Model. Allstate is committed to supporting California consumers and helping to restore stability to the market. The review of the Verisk Wildfire Model is an important next step in this process as incorporating catastrophe models into the ratemaking process is critical.

Allstate is looking forward to continued collaboration with the Department and supports the goals of California's Sustainable Insurance Strategy.

I look forward to working with you in the future. Please do not hesitate to reach out if you have any questions.

Thank you,

Caitlin

From: CDImodeladvisor
Sent: Monday, January 6, 2025 10:20 AM
To: Denterlein, Jack
Subject: RE: Support for Timely Review of the Verisk Wildfire Model

Your response has been received.

Thank you!

Kara Voss, Ph.D.
Model Advisor
Climate & Sustainability Branch
California Department of Insurance

From: Denterlein, Jack <[REDACTED]>
Sent: Monday, January 6, 2025 6:48 AM
To: CDImodeladvisor <CDImodeladvisor@insurance.ca.gov>
Subject: Support for Timely Review of the Verisk Wildfire Model

Good Morning,

I hope this message finds you well.

My name is Jack Denterlein, and I am a Senior Consultant and Risk Analytics Researcher in the Enterprise Risk and Advanced Analytics department at Nationwide Insurance Company. I am writing to express my strong support for the timely review of the Verisk Wildfire Model.

Given the increasing frequency and severity of wildfires in the United States, it is crucial that we have access to the most accurate and up-to-date models to assess and mitigate wildfire risks effectively. The Verisk Wildfire Model represents a significant advancement in our ability to understand and manage these risks.

I believe that a thorough review by the California Department of Insurance (CDI) will not only validate the model's robustness but also enhance our collective efforts in safeguarding communities and properties from wildfire threats. Therefore, I urge the CDI to initiate the review process for the Verisk Wildfire Model at the earliest opportunity.

Thank you for considering my request. Your prompt attention to this matter is greatly appreciated.

Best regards,

Jack Denterlein, ACAS, CPCU, CEEM
Sr Consultant, Risk Analytics Researcher
Proud Nationwide Member
Enterprise Risk & Advanced Analytics
W: [REDACTED] | C: [REDACTED]
[REDACTED]

From: CDImodeladvisor
Sent: Monday, January 6, 2025 4:15 PM
To: 'Yamanouchi, Brian'
Subject: RE: [Public] Petition for PRID initiation and participation from AIR Worldwide

Your response has been received.

Thank you!

Kara Voss, Ph.D.
Model Advisor
Climate & Sustainability Branch
California Department of Insurance

From: Yamanouchi, Brian <[REDACTED]>
Sent: Monday, January 6, 2025 4:02 PM
To: CDImodeladvisor <CDImodeladvisor@insurance.ca.gov>
Subject: [Public] Petition for PRID initiation and participation from AIR Worldwide

Dear Dr. Voss,

USAA is writing in support of the petition to initiate a PRID procedure submitted by AIR Worldwide d/b/a Verisk Extreme Event Solutions. USAA utilizes AIR Worldwide models across multiple lines of business and perils in all of our California underwriting companies (United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company, and Garrison Property and Casualty). We use these models in compliance with current state regulations and as those regulations have been updated, we would like to update our model usage

As we continue our focus on serving more members in California, wildfire risk is an ever present concern. Accurate rating of that risk utilizing the Verisk Wildfire Model for the United States will enable us to insure more members in wildfire prone areas. The sooner the model moves through the PRID process, the quicker we can implement its output. As can be noted by Verisk's petitioning for the PRID procedure on the first day possible, time is of the essence in addressing marketplace availability concerns in California.

Therefore, we strongly urge you to initiate the PRID procedure for the Verisk Wildfire Model for the United States as soon as possible.

Thank you for your time and consideration.

Respectfully,

Brian K. Yamanouchi, CPMM | Director, Product Management | P&C State Management

Property and Casualty Insurance Group, USAA
9800 Fredericksburg Road, San Antonio, Texas 78288

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