

Verisk Analytics, Inc.  
Form DEF 14A  
April 01, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities**  
**Exchange Act of 1934**

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ ..

Check the appropriate box:

- ☐ .. Preliminary Proxy Statement
- ☐ .. **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☒ x Definitive Proxy Statement
- ☐ .. Definitive Additional Materials
- ☐ .. Soliciting Material Pursuant to Section 240.14a-12

**Verisk Analytics, Inc.**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ x No fee required.
- ☐ .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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**Notice of 2016 Annual Meeting of Shareholders**

**to be held at the offices of the Company**

**545 Washington Boulevard**

**Jersey City, New Jersey 07310**

**May 18, 2016, 8:00 AM, local time**

April 1, 2016

TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Shareholders of Verisk Analytics, Inc. will be held on Wednesday, May 18, 2016, at 8:00 a.m. local time, at 545 Washington Boulevard, Jersey City, New Jersey 07310, to:

elect four (4) members of the Board of Directors;

approve the compensation of the Company's named executive officers on an advisory, non-binding basis (say-on-pay);

ratify the appointment of Deloitte & Touche LLP as independent auditor for the year ending December 31, 2016; and

transact such other business as may properly come before the meeting.

Our Board of Directors recommends that you vote **FOR** the election of directors, the approval of the compensation of the Company's named executive officers on an advisory, non-binding basis and the ratification of the appointment of the auditor. With respect to certain of our shareholders, we are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their shareholders via the Internet. We believe this e-proxy process expedites shareholders' receipt of proxy materials and lowers the costs of our annual meeting of shareholders. Accordingly, we have mailed to certain of our beneficial owners the Notice of Internet Availability of Proxy Materials containing instructions on how to access the attached Proxy Statement and our Annual Report on Form 10-K via the Internet and how to vote online. The Notice of Internet Availability of Proxy Materials also contains instructions on how you can receive a paper copy of the proxy materials. We are mailing paper copies of our annual meeting materials to our shareholders of record, and to eligible participants in the ISO 401(k) Savings and Employee Stock Ownership Plan, or ESOP.

The Notice of Internet Availability of Proxy Materials is being mailed to certain of our shareholders beginning on or about April 1, 2016. The Proxy Statement is being made available to our shareholders and eligible ESOP participants beginning on or about April 1, 2016.

Very truly yours,

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Kenneth E. Thompson

*Executive Vice President, General*

*Counsel and Corporate Secretary*

\*\*\*\*\*

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 18, 2016. Our Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 are available at [www.proxyvote.com](http://www.proxyvote.com). Upon written request to our Corporate Secretary, we will provide a copy of our Annual Report on Form 10-K without charge. Please mail any written request to Kenneth E. Thompson, Verisk Analytics, Inc., 545 Washington Boulevard, Jersey City, NJ 07310-1686.**

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**Verisk Analytics, Inc.**

**545 Washington Boulevard**

**Jersey City, New Jersey 07310**

**April 1, 2016**

**PROXY STATEMENT**

We are making this Proxy Statement available in connection with the solicitation of proxies by our Board of Directors for the 2016 Annual Meeting of Shareholders. We are mailing the Notice of Internet Availability of Proxy Materials on or about April 1, 2016. This Proxy Statement is being made available to our shareholders on or about April 1, 2016. In this Proxy Statement, we refer to Verisk Analytics, Inc. as the Company, Verisk, we, our or us and the Board of Directors as the Board.

**ANNUAL MEETING INFORMATION**

**Date and Location.** We will hold the annual meeting on Wednesday, May 18, 2016 at 8:00 AM, local time, at the offices of the Company, 545 Washington Boulevard, Jersey City, New Jersey 07310.

**Admission.** Only record or beneficial owners of our common stock as of the Record Date, as defined below, or their proxies, and eligible participants of the ISO 401(k) Savings and Employee Stock Ownership Plan, or ESOP, may attend the annual meeting in person. When you arrive at the annual meeting, you must present photo identification, such as a driver's license. Beneficial owners must also provide evidence of stock holdings, such as a recent brokerage account or bank statement.

**Notice of Electronic Availability of Proxy Materials.** Pursuant to the rules adopted by the SEC, we are making this Proxy Statement and our Annual Report on Form 10-K available to many of our shareholders electronically via the Internet. Accordingly, in compliance with this e-proxy process, on or about April 1, 2016, we are mailing to our beneficial owners (other than ESOP participants) the Notice of Internet Availability of Proxy Materials (Notice) containing instructions on how to access this Proxy Statement and our Annual Report on Form 10-K via the Internet and how to vote online. As a result, these beneficial owners will not receive a printed copy of the proxy materials in the mail unless they request a copy. The Notice is not a proxy card and cannot be used to vote your shares. If you would like to receive a printed or electronic copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice. Your participation in the e-proxy process enables us to save money on the cost of printing and mailing the documents to you. Beneficial owners may request to receive a printed set of the proxy materials by mail or electronically, in either case, free of charge.

Printed copies of the proxy materials are being sent to record holders of our stock and to eligible ESOP participants. All shareholders and eligible ESOP participants will be able to access the proxy materials at [www.proxyvote.com](http://www.proxyvote.com).

**Record and Beneficial Owners.** If your shares are registered directly in your name with our transfer agent, Wells Fargo Shareowner Services, you are considered, with respect to those shares, to be a stockholder of record, and our annual meeting materials are being sent to you directly by us. As the stockholder of record, you have the right to grant your voting proxy or to attend the meeting and vote in person. If your shares are held in a brokerage account, including an Individual Retirement Account, or by a bank or other nominee, you are considered a beneficial owner of those shares held in street name and your broker or nominee is considered, with respect to those shares, to be the stockholder of record. As the beneficial owner, you have the right to direct your broker or nominee on how to vote your shares.

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**VOTING INFORMATION**

**Record Date.** The Record Date for the annual meeting is March 21, 2016. Record and beneficial owners may vote all shares of Verisk's common stock they owned as of the close of business on that date. ESOP participants may direct the Plan Trustee, Greatbanc Trust Company, to vote all shares of Verisk's common stock allocated to their ESOP accounts as of the close of business on that date. Each share of Common Stock entitles you to one vote on the election of each of the Directors nominated for election and one vote on each other matter voted on at the annual meeting. On the Record Date 167,836,732 shares of Common Stock were outstanding. We need a quorum consisting of a majority of the shares of Common Stock outstanding on the Record Date present, in person or by proxy, to hold the annual meeting.

**Submitting Voting Instructions for Shares Held Through a Broker.** If you hold shares through a broker, follow the voting instructions you receive from your broker. If you want to vote in person at the annual meeting, you must obtain a legal proxy from your broker and present it at the annual meeting. If you do not submit voting instructions to your broker, your broker may still be permitted to vote your shares. New York Stock Exchange (NYSE) member brokers may vote your shares as described below:

***Discretionary Items.*** The ratification of the appointment of Verisk's independent auditor is a discretionary item. NYSE member brokers that do not receive instructions from beneficial owners may vote on this proposal in their discretion, subject to any voting policies adopted by the broker holding your shares.

***Nondiscretionary Items.*** The election of directors and the approval of the compensation of the Company's named executive officers on an advisory, non-binding basis are considered non-discretionary items. NYSE members that do not receive instructions from beneficial owners may not vote on these proposals on their behalf.

If you do not submit voting instructions and your broker does not have discretion to vote your shares on a matter, your broker will return the proxy card without voting on that matter (referred to as broker non-votes). Your shares will not be counted in determining the outcome of the vote on that matter. Therefore, if you hold your shares through a broker, it is critically important that you submit your voting instructions if you want your shares to count in the election of directors and the approval of the compensation of named executive officers on an advisory, non-binding basis.

**Submitting Voting Instructions for Shares Held in Your Name.** If you hold shares as a record holder, you may vote by submitting a proxy for your shares by mail, telephone or Internet as described on the proxy card. If you submit your proxy via the Internet, you may incur costs such as cable, telephone and Internet access charges. The deadline for submitting your proxy via the Internet or by telephone is 11:59 p.m., EDT, on May 17, 2016. Submitting your proxy will not limit your right to vote in person at the annual meeting. A properly completed and submitted proxy will be voted in accordance with your instructions, unless you subsequently revoke your instructions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your shares according to the Board's recommendations.

**Submitting Voting Instructions for Shares held in the ESOP.** Participants who hold shares indirectly through the ISO 401(k) Savings and Employee Stock Ownership Plan may instruct the Plan Trustee, Greatbanc Trust Company, how to vote all shares of Verisk Common Stock allocated to their accounts. The Plan Trustee will vote the ESOP shares for which it has not received instruction in its discretion, in the best interests of ESOP participants. All votes will be kept confidential and individual votes will not be disclosed to management unless required by law.

**Revoking Your Proxy.** You can revoke your proxy at any time before your shares are voted by (1) delivering a written revocation notice prior to the annual meeting to the Corporate Secretary, Kenneth E. Thompson, Verisk Analytics, Inc., 545 Washington Boulevard, Jersey City, New Jersey 07310; (2) submitting a later proxy that we receive no later than the conclusion of voting at the annual meeting; or (3) voting in person at the annual meeting. Attending the annual meeting does not revoke your proxy unless you vote in person at the meeting.

**Votes Required to Elect Directors.** In uncontested elections, each director will be elected by a majority of the votes cast with respect to such director. A majority of the votes cast means that each vote is specifically

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counted for or against the director's election, and in order to be elected, the number of shares voted for a director must exceed the number of shares voted against that director. The Company has adopted a director resignation policy providing that an incumbent director whose re-election was not approved by a majority of votes cast in an uncontested election must promptly tender his or her resignation to the Board. The Nominating Committee will consider any such resignation and make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. If the Board does not accept the resignation, under Delaware law, the director will continue to serve on the Board until such director's successor is elected and qualified or until such director's earlier resignation or removal. If the Board accepts the resignation, the Nominating Committee may recommend to the Board, and the Board will thereafter decide, whether to fill the resulting vacancy or to reduce the size of the Board. The Board, excluding the director in question, will act on the Nominating Committee's recommendation and publicly disclose its decision and the rationale supporting it within 90 days following the date of the certification of the election results.

**Votes Required to Approve the Compensation of the Company's Named Executive Officers on an Advisory, Non-Binding Basis.** The approval of the compensation of the Company's named executive officers on an advisory, non-binding basis requires the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the annual meeting and entitled to vote thereon.

**Votes Required to Ratify Auditor.** The ratification of the appointment of Deloitte & Touche LLP requires the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the annual meeting and entitled to vote thereon.

**Abstaining and Broker Non-Votes.** You may vote abstain for all or any of the director nominees, and you may vote abstain for any other proposal. Shares voting abstain, and broker non-votes with respect to any nominee for director will be excluded entirely from such vote and will have no effect on the election of directors. Shares voting abstain on the other proposals will be counted as present at the annual meeting for purposes of that proposal and your abstention will have the effect of a vote against the proposal. Broker non-votes will not be counted in determining the results of the vote on the say-on-pay proposal but will be counted as present at the annual meeting for purposes of determining a quorum.

## **ITEM 1 ELECTION OF DIRECTORS**

Our Board of Directors is divided into three classes of four directors each serving staggered terms. The number of directors is fixed by our Board of Directors, subject to the terms of our amended and restated certificate of incorporation. Our Board of Directors consists of twelve directors and each director who is elected will be elected for a three-year term by the holders of a majority of the votes cast with respect to such director in uncontested elections. A majority of the votes cast means that each vote is specifically counted for or against the director's election, and in order to be elected, the number of shares voted for a director must exceed the number of shares voted against that director. The Company has adopted a director resignation policy providing that an incumbent director whose re-election was not approved by a majority of votes cast in an uncontested election must promptly tender his or her resignation to the Board. The Nominating Committee will consider any such resignation and make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. If the Board does not accept the resignation, under Delaware law, the director will continue to serve on the Board until such director's successor is elected and qualified or until such director's earlier resignation or removal. If the Board accepts the resignation, the Nominating Committee may recommend to the Board, and the Board will thereafter decide, whether to fill the resulting vacancy or to reduce the size of the Board. The Board, excluding the director in question, will act on the Nominating Committee's recommendation and publicly disclose its decision and the rationale supporting it within 90 days following the date of the certification of the election results.

The nominees for election at the 2016 Annual Meeting are set forth below and will serve terms continuing until 2019. All of the director nominees are current directors of Verisk as of April 1, 2016, and each nominee has indicated that he will serve if elected. We do not anticipate that any nominee will be unable or unwilling to stand for election, but if that happens, your proxy may be voted for another person nominated by the Board or the Board may reduce its size.



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We believe that each of the nominees listed below possesses key attributes that we seek in a director, including strong and effective decision-making, communication and leadership skills. We also believe that the Board as a whole possesses the right diversity of experience, qualifications and skills to oversee and address the key issues facing the Company.

### **Nominees for Election at the 2016 Annual Meeting**

#### ***Nominees for terms continuing until 2019***

**John F. Lehman, Jr.** (73) has served as one of our directors since 1992. Mr. Lehman is Chairman of J. F. Lehman & Co., an investment firm that he founded in 1991. Prior to founding J. F. Lehman & Co., he was Managing Director of Paine Webber, Inc. from 1988 to 1991. In 1981, Mr. Lehman was appointed Secretary of the Navy by President Reagan and served in that capacity until 1987. Mr. Lehman was a member of the bipartisan September 11 Commission and serves on the Board of Directors of Ball Corp. and EnerSys, Inc. In assessing Mr. Lehman's skills and qualifications to serve on our Board, our directors considered his financial expertise and operations skills gained through involvement with numerous diverse businesses and through his experience in government and public service. Our Board also believes it benefits from Mr. Lehman's experience gained by service on two other public company boards, Ball Corp. and EnerSys, Inc.

**Andrew G. Mills** (63) has served as one of our directors since 2002. Mr. Mills has served as Executive Chairman and President of Archegos Capital Management since June 2014 and serves as the Co-Chairman of the Grace & Mercy Foundation. Mr. Mills has also served as the interim President of The King's College in New York, New York from October 2012 to July 2013 and from May 2007 to December 2008 and also served as Chairman of the Board of Trustees from 2004 to 2014. He is the former Chairman of Intego Solutions LLC, which he founded in 2000. Mr. Mills previously served as Chief Executive Officer of The Thomson Corporation's Financial and Professional Publishing unit and as a member of Thomson's Board of Directors. In 1984, he led the start-up operations of Business Research Corporation and was responsible for overseeing its sale and integration into The Thompson Corporation. He began his career with Courtaulds Ltd. and joined The Boston Consulting Group in 1979. Mr. Mills is on the Board of Directors of Camp of the Woods, is a member of the Massachusetts State Board of the Salvation Army and is co-chairman of the Theology of Work Project. In assessing Mr. Mills' skills and qualifications to serve on our Board, our directors considered his management expertise gained through senior executive positions with diverse businesses and his expertise in acquisitions and integration of acquired businesses.

**Constantine P. Iordanou** (65) has served as one of our directors since 2001. Mr. Iordanou has served as President and Chief Executive Officer of Arch Capital Group Limited, or ACGL, since August 2003 and as director of ACGL since January 2002. From January 2002 through July 2003, he was Chief Executive Officer of Arch Capital (U.S.) Inc., a wholly owned subsidiary of ACGL. Prior to joining ACGL in 2002, Mr. Iordanou served in various capacities for Zurich Financial Services and its affiliates, including as Senior Executive Vice President of Group Operations and Business Development of Zurich Financial Services, President of Zurich-American Specialties Division, Chief Operating Officer and Chief Executive Officer of Zurich American and Chief Executive Officer of Zurich North America. Prior to joining Zurich in March of 1992, he served as President of the Commercial Casualty division of Berkshire Hathaway Inc. and served as Senior Vice President with the American Home Insurance Company, a member of the American International Group. In assessing Mr. Iordanou's skills and qualifications to serve on our Board, our directors considered his experience as director and Chief Executive Officer of another public company, ACGL, as well as his extensive experience as a senior executive of various global insurance businesses.

**Scott G. Stephenson** (58) has been our Chief Executive Officer since April 2013 and has been our President since March 2011. Mr. Stephenson has also served on our Board of Directors since April 2013 and effective April 1, 2016, Mr. Stephenson has been appointed to serve as the Chairman of our Board. Mr. Stephenson also previously served as our Chief Operating Officer and prior to that led our Decision Analytics segment. From 2002 to 2008, Mr. Stephenson served as our Executive Vice President, and he served as President of our Intego Solutions business from 2001 to 2002. Mr. Stephenson joined the Company from Silver Lake Partners, a technology-oriented private equity firm, where he was an advisor from 2000 to 2001. From 1989 to 1999 Mr. Stephenson was a partner with The Boston Consulting Group, eventually rising to senior partner and member

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of the firm's North American operating committee. In assessing Mr. Stephenson's skills and qualifications to serve on our Board, our directors considered the in-depth operations and management experience and knowledge gained by Mr. Stephenson from his various senior management and executive positions held by him within Verisk since 2001, including serving as our Chief Executive Officer since April 2013.

**Our Board unanimously recommends a vote FOR the election of all four (4) nominees. Proxies solicited by our Board will be voted FOR these nominees unless otherwise instructed.**

### **Continuing Directors**

#### ***Directors with terms continuing until 2017***

**Frank J. Coyne** (67) has been appointed to serve as our independent Lead Director effective as of April 1, 2016. Mr. Coyne served as the Chairman of our Board from 2002 until April 1, 2016 and served as our Chief Executive Officer from 2002 until his retirement in April 2013. From 2000 to 2002, Mr. Coyne served as our President and Chief Executive Officer and he served as our President and Chief Operating Officer from 1999 to 2000. Mr. Coyne joined the Company from Kemper Insurance Cos., where he was Executive Vice President, Specialty and Risk Management Groups. Previously, he served in a variety of positions with General Accident Insurance and was elected its President and Chief Operating Officer in 1991. He has also held executive positions with Lynn Insurance Group, Reliance Insurance Co. and PMA Insurance Co. Mr. Coyne also serves on the Board of Directors of Strategic CAT Holdings LLC, a privately-held independent adjusting company. In assessing Mr. Coyne's skills and qualifications to serve on our Board, our directors considered the in-depth operations and management experience and knowledge gained by Mr. Coyne as Chief Executive Officer of Verisk from 2002 until his retirement in 2013.

**Christopher M. Foscett** (58) has served as one of our directors since 1999. Mr. Foscett currently serves as a member of the Management Committee of First Data Corporation and also oversees Corporate and Business Development at First Data Corporation. From 2011 to April 2014 Mr. Foscett served as the Managing Director Co-Head of North American Banking and Global Head of Sales for Treasury Services at JPMorgan Chase Bank. He was Managing Director Global Head of Financial Institutions of National Australia Bank from 2008 to 2011 and a Managing Director and Global Head of the Financial Institutions Group in Citigroup's Corporate Bank from 2007 to 2008. From 2003 to 2007, Mr. Foscett was Head of Sales and Relationship Management for Citigroup Global Transaction Services. He also served as Global Industry Head for the Insurance and Investment Industries in Citigroup's Global Corporate Bank from 1999 to 2003. Previously, he held various roles in Citigroup's mergers and acquisitions group. In assessing Mr. Foscett's skills and qualifications to serve on our Board, our directors considered his more than 30 years in the banking and financial services industries, and experience gained as a senior executive with global financial institutions.

**David B. Wright** (66) has served as one of our directors since 1999. Since August 2014, Mr. Wright has served as Managing Partner of Innovative Capital Ventures, Inc. From July 2012 to May 2014, Mr. Wright served as the Chief Executive Officer of ClearEdge Power, a privately held company. From February 2010 to July 2011, Mr. Wright served as the Executive Vice Chairman and Chief Executive Officer of GridIron Systems. Mr. Wright served as Chief Executive Officer and Chairman of Verari Systems, Inc., from June 2006 to December 2009. He was Executive Vice President, Office of the CEO, Strategic Alliances and Global Accounts of EMC Corporation from July 2004 until August 2006. From October 2000 to July 2004, Mr. Wright served as President, Chief Executive Officer and Chairman of the Board of Legato Systems. Prior to joining Legato Systems, Mr. Wright had a 13-year career with Amdahl Corporation, where he served as President and Chief Executive Officer from 1997 to 2000. Mr. Wright also previously served on the Board of Directors of ClearEdge Power, GridIron Systems, ActivIdentity Corp., Aspect Communications Corp., Boole and Babbage Inc. and GeekNet, Inc. In assessing Mr. Wright's skills and qualifications to serve on our Board, our directors considered the operations and management experience he gained in leadership positions in diverse businesses.

**Thomas F. Motamed** (67) has served as one of our directors since 2009. Mr. Motamed has been the Chairman of the Board and Chief Executive Officer of CNA Financial Corporation since January 1, 2009. From December 2002 to June 2008, he served as Vice Chairman and Chief Operating Officer of The Chubb Corporation and President and Chief Operating Officer of Chubb & Son. In assessing Mr. Motamed's skills and qualifications to serve on our Board, our directors considered his management and operations experience gained as a

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senior executive, including as Chief Executive Officer, of various global insurance businesses. Our Board also believes it benefits from Mr. Motamed's experience gained by service on another public company board, CNA Financial Corporation.

### ***Directors with terms continuing until 2018***

**J. Hyatt Brown** (78) has served as one of our directors since 2003. Mr. Brown has been Chairman of Brown & Brown, Inc. since 1993 and served as Brown & Brown's Chief Executive Officer from 1993 until July 1, 2009. Mr. Brown is a Trustee of Stetson University in Florida, a past member of the Florida Board of Regents and a member of the Florida Council of 100. He was elected to the Florida House of Representatives in 1972 and was elected Speaker in 1978. Mr. Brown retired as Speaker in 1980. He also serves on the Board of Directors of the International Speedway Corporation. He served on the boards of directors of Next Era Energy, Inc. until May 2012, Rock-Tenn Company until January 2010, Sun Trust Banks, Inc. until 2008 and Bell South Corporation until 2006. In assessing Mr. Brown's skills and qualifications to serve on our Board, our directors considered his extensive experience in expanding and managing Brown & Brown, Inc., and his deep knowledge of the insurance industry. Our Board also believes it benefits from Mr. Brown's experience gained by his current and past service on other public company boards.

**Samuel G. Liss** (59) has served as one of our directors since 2005. Mr. Liss is the principal of WhiteGate Partners LLC, a financial services advisory firm, and an Adjunct Professor of finance at the New York University Stern School of Business. From 2004 to 2010, Mr. Liss served as Executive Vice President at The Travelers Companies and continues to serve as an advisor. Before the merger of The St. Paul and Travelers Companies, Mr. Liss served as Executive Vice President at The St. Paul Companies from 2003 to 2004. From 1994 to 2001, Mr. Liss was a Managing Director in the Investment Banking and the Equities divisions at Credit Suisse working with financial and business services companies. Mr. Liss began his career at Salomon Brothers. Mr. Liss has also served on the Board of Directors of DST Systems, Inc., a publicly traded company, since May 2012. In assessing Mr. Liss's skills and qualifications to serve on our Board, our directors considered his management and operational experience gained as a senior executive of a global insurance business, his expertise in investment banking and the capital markets and his Board governance experience.

**Therese M. Vaughan** (59) has served as one of our directors since February 2013. Ms. Vaughan has served as the Dean of Drake College of Business since September 2014 and prior to that served as interim Dean from June 2014 to September 2014. Ms. Vaughan served as Chief Executive Officer of the National Association of Insurance Commissioners from February 2009 to November 2012. From January 2005 to January 2009, Ms. Vaughan was the Robb B. Kelley Distinguished Professor of Insurance and Actuarial Science at Drake University. From August 1994 to December 2004, she was Commissioner of the Iowa Insurance Division, directing all insurance business transacted in the State of Iowa. Ms. Vaughan has served on the Board of Directors of Validus Holdings, Ltd., an insurance company, since May 2013, and Wellmark Blue Cross and Blue Shield since May 2013. Ms. Vaughan has previously served on the Board of Directors of Principal Financial Group, Inc. from November 2005 to January 2009 and Endurance Specialty Holding Ltd. from August 2005 to January 2009. In assessing Ms. Vaughan's skills and qualifications to serve on our Board, our directors considered her deep knowledge of the insurance industry and regulatory environment gained from her experience with the National Association of Insurance Commissioners and as Commissioner of the Iowa Insurance Division.

**Bruce Hansen** (56) has served as one of directors since May 2015. From 2002 to 2012, Mr. Hansen served as Chairman and CEO of ID Analytics, a company he co-founded in 2002. Prior to that, Mr. Hansen served as President of HNC Software, Inc., a publicly traded company. Mr. Hansen has also held executive roles at CASA Inc., CitiGroup, ADP and JPMorgan Chase. Mr. Hansen currently serves on the Board of Directors of two publicly traded companies, Performant Financial Corporation and MITEK Systems Inc., as well as one privately held company, Zyme Solutions. Mr. Hansen is also an active member of the National Association of Corporate Directors. In assessing Mr. Hansen's skills and qualifications to serve on our Board, our directors considered his management and operations experience gained as a senior executive of multiple data analytics businesses, as well as his experience gained by his current and past service on other public company boards.

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**CORPORATE GOVERNANCE**

**Corporate Governance Documents.** Verisk maintains a corporate governance website at the [Corporate Overview](#) [Governance Documents](#) link under the [Investors](#) link at [www.verisk.com](http://www.verisk.com).

Our Corporate Governance Guidelines (including our director independence standards); Code of Business Conduct and Ethics; and Audit, Compensation and Nominating and Corporate Governance Committee charters are available on our website at the [Corporate Overview](#) [Governance Documents](#) link under the [Investors](#) link at [www.verisk.com](http://www.verisk.com) and are available to any shareholder who requests them by writing to Verisk Analytics, Inc., 545 Washington Blvd., Jersey City, New Jersey 07310, Attention: Kenneth E. Thompson, Corporate Secretary.

Our Code of Business Conduct and Ethics applies to our directors, executive officers and employees. If we make any substantive amendment to, or grant a waiver from, a provision of the Code of Business Conduct and Ethics for our chief executive officer (CEO), chief financial officer (CFO), principal accounting officer or controller or persons performing similar functions, we will satisfy the applicable SEC disclosure requirement by disclosing within four business days the nature of the amendment or waiver on our website at the [Governance Documents](#) link under the [Investors](#) link at [www.verisk.com](http://www.verisk.com).

**Leadership Structure, Chairman and Lead Director.** Effective April 1, 2016, we have combined the roles of Chairman and CEO and we have created the new role of independent Lead Director. From 2002 until his retirement on April 1, 2013, Frank J. Coyne served as both our Chairman and CEO. Upon Mr. Coyne's retirement, Scott G. Stephenson became our CEO and Mr. Coyne continued to serve as Non-Executive Chairman. We believe that having Mr. Coyne serve as Non-Executive Chairman for a period of time prior to him being deemed independent under NASDAQ listing rules was useful to, among other things, assist in and facilitate the transition of Mr. Stephenson to his new role of CEO. We believe that giving Mr. Stephenson the additional role of Chairman, effective upon his third anniversary as CEO, promotes efficiency. In addition, we have established the role of independent Lead Director and appointed Mr. Coyne to serve in that role. We believe having a Lead Director will promote a more robust corporate governance program and align the Company with an increasing number of leading public companies.

Our Corporate Governance Guidelines provide that the Lead Director shall:

preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

serve as liaison between the Chairman and the independent directors;

approve information sent to the Board;

approve meeting agendas for the Board;

approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;

have the authority to call meetings of the independent directors;

if requested by major shareholders, ensure that he is available for consultation and direct communication;

provide leadership to the Board if circumstances arise in which the role of the Chairman may be, or may be perceived to be, in conflict, and responding to any reported conflicts of interest, or potential conflicts of interest, arising for any director;

lead the independent directors in the annual evaluation of the performance of the CEO and communicate that evaluation to the CEO;

be available to advise the chairs of the committees of the Board in fulfilling their designated roles and responsibilities to the Board and attend meetings of the committees of the Board; and

engage with the Chairman between Board meetings and assist with informing or engaging with non-employee directors, as appropriate.

**Director Independence.** Under our bylaws, our Board of Directors may consist of not less than seven nor more than fifteen directors, the exact number of directors to be determined from time to time solely by resolution

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adopted by the affirmative vote of a majority of the entire Board of Directors. Currently, our Board of Directors has twelve directors. Eleven of our directors are independent as defined under NASDAQ listing rules. Currently, the following individuals serve on our Board of Directors as independent directors: J. Hyatt Brown, Frank J. Coyne, Christopher M. Foscett, Bruce Hansen, Constantine P. Iordanou, John F. Lehman, Jr., Samuel G. Liss, Thomas F. Motamed, Andrew G. Mills, David B. Wright, and Therese M. Vaughan. Scott G. Stephenson, our current Chairman and Chief Executive Officer, is not considered independent. As of April 1, 2016, Frank J. Coyne is considered independent under NASDAQ listing rules as three years have passed since Mr. Coyne retired as our Chief Executive Officer.

**Board Meetings and Committees.** Our bylaws provide that the Board of Directors may designate one or more committees. We currently have the following committees: Executive Committee, Audit Committee, Compensation Committee, Finance and Investment Committee, and Nominating and Corporate Governance Committee. Our Board met ten times in 2015. In 2015, all directors attended at least 75% of the meetings of the Board and of the committees on which the directors served that were held while such directors were members.

The Executive Committee currently consists of Frank J. Coyne (Chair), Christopher M. Foscett, Constantine P. Iordanou, John F. Lehman, Jr. and Scott G. Stephenson. The Executive Committee exercises all the power and authority of the Board of Directors (except those powers and authorities that are reserved to the full Board of Directors under Delaware law) between regularly scheduled Board of Directors meetings. The Executive Committee also makes recommendations to the full Board of Directors on various matters. The Executive Committee meets as necessary upon the call of the Chairman of the Board of Directors. The Executive Committee did not meet in 2015.

The Audit Committee currently consists of Christopher M. Foscett (Chair), Bruce Hansen, Samuel G. Liss, Andrew G. Mills, Thomas F. Motamed, Therese M. Vaughan and David B. Wright, all of whom are independent as defined under NASDAQ listing rules. The Audit Committee is established in accordance with Section 3(a)(58) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Each member of our Audit Committee is financially literate, as such term is interpreted by our Board of Directors. In addition, Christopher M. Foscett meets the qualifications of an audit committee financial expert in accordance with SEC rules, as determined by our Board of Directors. The Audit Committee reviews the internal accounting and financial controls for the Company and the accounting principles and auditing practices and procedures to be employed in preparation and review of the financial statements of the Company. The Audit Committee also provides assistance to our Board of Directors in fulfilling its responsibilities with respect to our compliance with legal and regulatory requirements. In addition, the Audit Committee makes recommendations to the Board of Directors concerning the engagement of the independent accounting firm and the scope of the audit to be undertaken by such auditors. The Audit Committee met five times in 2015.

The Compensation Committee currently consists of John F. Lehman, Jr. (Chair), Christopher M. Foscett, Constantine P. Iordanou and David B. Wright, all of whom are independent as defined under NASDAQ listing rules. The Compensation Committee reviews and, as it deems appropriate, recommends to the Board of Directors policies, practices and procedures relating to the compensation of the CEO and of each of the Company's other executive officers and directors and the establishment and administration of employee benefit plans. The Compensation Committee also exercises all authority under the Company's employee equity incentive plans and advises and consults with the officers of the Company as may be requested regarding managerial personnel policies. The Compensation Committee may delegate its authority to subcommittees or the Chair of the Compensation Committee when it deems it appropriate and in the best interests of the Company. The Compensation Committee met three times in 2015.

The Finance and Investment Committee currently consists of Samuel G. Liss (Chair), J. Hyatt Brown, Christopher M. Foscett, Andrew G. Mills and Thomas F. Motamed. The Finance and Investment Committee meets as necessary to establish, monitor and evaluate the Company's investment policies, practices and advisors and to advise management and the Board of Directors on the financial aspects of strategic and operational directions, including financial plans, capital planning, financing alternatives, and acquisition opportunities. The Finance and Investment Committee met three times in 2015.

The Nominating and Corporate Governance Committee currently consists of Constantine P. Iordanou (Chair), J. Hyatt Brown, John F. Lehman, Jr., and Therese M. Vaughan, all of whom are independent as

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defined under NASDAQ listing rules. The Nominating and Corporate Governance Committee reviews and, as it deems appropriate, recommends to the Board of Directors policies and procedures relating to director and committee nominations, including consideration of shareholder nominees, and corporate governance policies. The Nominating and Corporate Governance Committee met three times in 2015.

Our Board has adopted a written charter for each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee setting forth the roles and responsibilities of each committee. The charters are available on our website at the [Corporate Overview](#) [Governance Documents](#) link under the [Investors](#) link at [www.verisk.com](http://www.verisk.com).

The reports of the Audit Committee and the Compensation Committee appear herein.

**Director Attendance at Annual Meetings.** The Company's Corporate Governance Guidelines state that directors are expected to attend annual meetings of shareholders. All of our directors attended the 2015 Annual Meeting of Shareholders.

**Executive Sessions.** The Company's Corporate Governance Guidelines provide that non-employee directors may meet in executive sessions and the Lead Director will preside over these executive sessions. If any non-employee directors are not independent, then the independent directors will meet in executive sessions and the Lead Director will preside over these executive sessions. In 2015, after every Board and committee meeting an executive session consisting of independent directors was convened.

**Communications with Directors.** Shareholders and other interested parties may contact any member (or all members) of the Board by mail. To communicate with the Board, the Lead Director, any individual director or any group or committee of directors (including the independent directors as a group), correspondence should be addressed to the Board or any such individual director or group or committee of directors by either name or title. All such correspondence should be sent to Kenneth E. Thompson, Executive Vice President, General Counsel and Corporate Secretary, Verisk Analytics, Inc., 545 Washington Blvd., Jersey City, NJ 07310. Items that are unrelated to a director's duties and responsibilities as a Board member, such as junk mail, may be excluded by the Corporate Secretary. Any communication to report potential issues regarding accounting, internal controls and other auditing matters should be marked **Personal and Confidential** and sent to Verisk Analytics, Inc., 545 Washington Blvd., Jersey City, NJ 07310, Attention: Chair of the Audit Committee of Verisk Analytics, Inc., in care of Kenneth E. Thompson, Executive Vice President, General Counsel and Corporate Secretary. Our Policy for Reporting Concerns Related to Accounting and Ethical Violations (Whistleblower Policy) is available on our website at the [Corporate Overview](#) [Governance Documents](#) link under the [Investors](#) link at [www.verisk.com](http://www.verisk.com).

**Mandatory Retirement.** J. Hyatt Brown is currently serving as a director for a three-year term ending in 2018. Mr. Brown currently exceeds the Company's mandatory retirement age under our Corporate Governance Guidelines for directors of 75. The Board and the Nominating and Corporate Governance Committee believe that the Company will benefit from Mr. Brown's continued service. Accordingly, the applicability of the mandatory retirement age under our Corporate Governance Guidelines was waived in this circumstance in order to permit Mr. Brown to continue to serve as a director for a three-year term continuing until 2018. Pursuant to our Corporate Governance Guidelines, this waiver will be reviewed annually.

**Compensation Governance.** The Compensation Committee shall consist of at least three members, and shall be composed solely of independent directors meeting the independence requirements of the NASDAQ listing rules. The Compensation Committee currently consists of four members, each of whom is an **outside director** within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the **Code**). The Compensation Committee has the responsibility and authority to approve performance-based compensation for the Company's executive officers. The Nominating and Corporate Governance Committee recommends nominees for appointment to the Compensation Committee from time-to-time and as vacancies or newly-created positions occur. Compensation Committee members are appointed by the Board and may be removed by the Board at any time.

The Compensation Committee operates under a written charter adopted by the Board. As noted above, the Compensation Committee is responsible for determining, or recommending to the Board for determination,

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annually all compensation awarded to the Company's executive officers, including the CEO and the other executive officers named in the Summary Compensation Table herein (named executive officers or NEOs). In addition, the Compensation Committee administers the Company's equity incentive plans, including reviewing and approving equity grants to executive officers. Information on the Compensation Committee's processes, procedures and analysis of NEO compensation for fiscal 2015 is addressed in the Compensation Discussion and Analysis section herein.

The Compensation Committee actively engages in its duties and follows procedures intended to ensure excellence in compensation governance, including those described below:

Identifying corporate goals and objectives relevant to executive officer compensation.

Evaluating each executive officer's performance in light of such goals and objectives and setting each executive officer's compensation based on such evaluation and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation).

Determining any long-term incentive component of each executive officer's compensation.

Identifying corporate goals and objectives relevant to director compensation.

Evaluating each director's performance in light of such goals and objectives and setting each director's compensation, including any long-term incentive component, based on such evaluation and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation).

Additional information about our executive compensation plans and arrangements and their administration is described in the Compensation Discussion and Analysis section herein and the accompanying executive compensation tables. The Compensation Committee may delegate the administration of these plans as appropriate, including to one or more officers of the Company, to subcommittees of the Board or to the Chairperson of the Compensation Committee when it deems it appropriate and in the best interests of the Company.

The Compensation Committee has the sole authority to retain and terminate any advisor, including any compensation consultant assisting the Compensation Committee in the evaluation of CEO or other executive officer compensation, including authority to approve all such fees and other retention terms. As further described in the Compensation Discussion and Analysis section herein, during 2015, the Compensation Committee retained a compensation consultant. In developing its views on compensation matters and determining the compensation awarded to our NEOs, the Compensation Committee also obtains input from the Company's Human Resources department, which collects information and prepares materials for the Compensation Committee's use in compensation decisions.

**Compensation Committee Interlocks and Insider Participation.** No member of the Compensation Committee is a current or former officer of the Company or any of our subsidiaries. In addition, there are no compensation committee interlocks with the Board of Directors or compensation committee of any other company. Constantine P. Iordanou, one of our members of the Compensation Committee, is the President and Chief Executive Officer of Arch Capital Group Limited, from which the Company received fees in the amount of \$418,467 in 2015 for participation and license fees and to which the Company paid fees in the amount of \$905,973 in 2015 related to insurance policy premiums.

**Board Diversity.** The Nominating and Corporate Governance Committee and the Board include diversity of viewpoints, background, experience and other demographics among the criteria they consider in connection with selecting candidates for the Board. While neither the Board nor the Nominating and Corporate Governance Committee has a formal diversity policy, one of many factors the Board and the Nominating and Corporate Governance Committee carefully considers in the selection of new directors is the importance to the Company of racial and gender diversity in board composition. Moreover, when considering director candidates, the Nominating and Governance Committee and the Board seek individuals with backgrounds and qualities that, when combined with those of our incumbent directors, enhance the Board's effectiveness and result in the Board having a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company's business.





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**Board Role in Risk Oversight.** The Board of Directors oversees the Company's enterprise-wide approach to the major risks facing the Company and, with the assistance of the Audit Committee, oversees the Company's policies for assessing and managing its exposure to risk. The Board also considers risk in evaluating the Company's strategy. The Audit Committee reviews with management and the auditors the Company's enterprise risk assessment process and risk categories. As part of its process to identify and prioritize risks, the Company's Internal Audit department uses the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission ( COSO ) and segregates risks based on their nature and/or potential significance—strategic risk, financial risk, operational risk and compliance risk. The Chief Internal Auditor reports both to the Chairman of the Audit Committee and to the General Counsel. Management reviews with the Audit Committee the risk assessment process, the various enterprise risks, the prioritization of the identified risks and its mitigation plans. The Audit Committee reviews and discusses with the Chief Internal Auditor and Risk Manager the Company's internal system of audit and financial controls, enterprise risk information, internal audit plans, and the periodic report of audit activities. Finally, on a quarterly basis, management reviews its progress on the testing and mitigation of any identified risks with the Audit Committee. The Board's role in risk oversight has not had any effect on the Board's leadership structure.

## **DIRECTORS' COMPENSATION AND BENEFITS**

*Annual Retainer.* Under the Director Compensation Plan approved by the Compensation Committee, for 2015 each non-employee director received an annual base retainer fee of \$82,500 for membership on the Board of Directors. The chairpersons of the Audit Committee and Compensation Committee each received an additional \$20,000 annual retainer fee, while each non-employee director who chairs any other committee received an additional \$15,000 retainer fee. In 2015, the Presiding Director received an additional \$15,000 annual retainer fee and Frank J. Coyne, who served as Non-Executive Chairman, received an additional \$220,000 annual retainer fee.

Each non-employee director may elect to receive the annual retainer in the form of (i) cash, (ii) deferred cash, (iii) shares of Common Stock, (iv) deferred shares of Common Stock, (v) options to purchase Common Stock or (vi) a combination of the foregoing. Any options taken as a portion of the annual retainer are exercisable for a period of ten years from the date of grant (subject to earlier termination if the individual ceases to be a director of the Company), vest immediately, and have an exercise price equal to the fair market value of the Common Stock on the date of grant.

*Equity Grants.* Each non-employee director received an annual equity award having a value of \$132,500 pursuant to the Director Compensation Plan. One-half of the value of the annual equity award was awarded in the form of options to purchase Common Stock based on the Black-Scholes value on the date of grant and one-half of the value of the annual equity award was awarded in the form of vested deferred stock units based on the value of a share of Common Stock on the date of grant. The options are exercisable for a period of ten years from the date of grant (subject to earlier termination if the individual ceases to be a director of the Company), vest on the first anniversary of the date of grant, and have an exercise price equal to the fair market value of the Common Stock on the date of grant. Shares of Common Stock in respect of deferred stock units will be distributed to the directors upon retirement or other separation from the Board of Directors.

Scott G. Stephenson, our Chairman and Chief Executive Officer, does not receive additional compensation for his service on the Board of Directors.

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The table below shows compensation paid to or earned by the directors during 2015. As noted above, directors may elect to receive compensation in various forms other than cash.

**2015 DIRECTOR COMPENSATION**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	Option Awards \$(1)(2)	Total (\$)
J. Hyatt Brown	82,500	66,239	66,260	214,999
Frank J. Coyne	302,500	66,239	66,260	434,999
Christopher M. Foskett		183,761	66,260	250,021
Bruce Hansen		148,745	66,260	215,005
Constantine P. Iordanou		66,239	163,767	230,006
John F. Lehman, Jr.		66,239	168,755	234,994
Samuel G. Liss		66,239	163,767	230,006
Andrew G. Mills		66,239	148,761	215,000
Thomas F. Motamed		148,745	66,260	215,005
Therese M. Vaughan	82,500	66,239	66,260	214,999
David B. Wright		148,745	66,260	215,005

(1) Represents the aggregate grant date fair value of stock and stock option awards granted in 2015 computed in accordance with ASC Subtopic 718-10, *Compensation-Stock Compensation* (ASC Topic 718), excluding forfeiture estimates. For a discussion of the assumptions used to calculate the amounts shown in the option awards and stock awards columns, see note 16 of the notes to our audited consolidated financial statements included as part of our Annual Report on Form 10-K for the year ended December 31, 2015.

(2) At December 31, 2015, directors had outstanding option awards as follows: (a) J. Hyatt Brown 66,079; (b) Frank J. Coyne 15,314; (c) Christopher M. Foskett 106,246; (d) Bruce Hansen 4,716; (e) Constantine P. Iordanou 228,046; (f) John F. Lehman, Jr. 219,604; (g) Samuel G. Liss 96,005; (h) Andrew G. Mills 86,683; (i) Thomas F. Motamed 100,421; (h) Therese M. Vaughan 15,314; (i) David B. Wright 137,403.

Where no information is given as to a particular type of award with respect to any individual, such individual did not hold or receive such an award during or as of the end of the last fiscal year, as the case may be.

**Stock Ownership Requirements for Directors**

Directors are subject to minimum equity holding requirements. Each director is required to hold stock with a value equal to six times their respective annual base retainer (i.e., excluding additional retainer amounts for committee chairs). The in-the-money value of vested and unvested options held by directors is not included in determining compliance with this requirement. Directors elected to the Board prior to December 20, 2011 (which was the date of the adoption of the director stock ownership requirement) were required to comply with this requirement by July 1, 2015. Directors elected to the Board after December 20, 2011 will be required to comply with this requirement no later than the sixth anniversary of their election to the Board.

J. Hyatt Brown, Frank J. Coyne, Christopher M. Foskett, Constantine P. Iordanou, John F. Lehman, Jr., Samuel G. Liss, Andrew G. Mills, Thomas F. Motamed and David B. Wright, each a director elected to the Board prior to December 20, 2011, currently holds stock with a value in excess of six times their respective annual base retainer. Bruce Hansen and Therese M. Vaughan, each a director elected to the Board after December 20, 2011, have until the sixth anniversary of their respective election to the Board to comply with the director stock ownership requirement. Scott G. Stephenson, our Chairman and Chief Executive Officer, does not receive an annual retainer for his service on the Board and is subject to and is in compliance with the stock ownership requirement for executive officers set forth on page 22.

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**EXECUTIVE OFFICERS OF VERISK**

Information regarding the ages and past five years' business experience of our executive officers is as follows:

**Scott G. Stephenson** (58) has been our Chief Executive Officer since April 2013 and has been our President since March 2011. Mr. Stephenson has also served on our Board of Directors since April 2013 and effective April 1, 2016 has been appointed to serve as Chairman of the Board. Mr. Stephenson also previously served as our Chief Operating Officer and, prior to that, led our Decision Analytics segment. From 2002 to 2008, Mr. Stephenson served as our Executive Vice President, and he served as President of our Intego Solutions business from 2001 to 2002. Mr. Stephenson joined the Company from Silver Lake Partners, a technology-oriented private equity firm, where he was an advisor from 2000 to 2001. From 1989 to 1999, Mr. Stephenson was a partner with The Boston Consulting Group, eventually rising to senior partner and member of the firm's North American operating committee.

**Mark V. Anquillare** (50) was appointed Group Executive - Risk Assessment as of May 2013 and also continues to serve as our Executive Vice President, a position he has held since March 2011, and our Chief Financial Officer, a position he has held since 2007. Mr. Anquillare joined the Company as Director of Financial Systems in 1992 and since joining the Company, Mr. Anquillare has held various management positions, including Assistant Vice President, Vice President and Controller, and Senior Vice President and Controller. Prior to 1992, Mr. Anquillare was employed by the Prudential Insurance Company of America. Mr. Anquillare is a Fellow of the Life Management Institute.

**Kenneth E. Thompson** (56) has been our Executive Vice President, General Counsel and Corporate Secretary since March 2011, and was our Senior Vice President, General Counsel and Corporate Secretary from 2006 to March 2011. Prior to joining the Company in 2006, Mr. Thompson was a partner of McCarter & English, LLP from 1997 to 2006. Mr. Thompson served on the Board of Directors of Measurement Specialties, Inc. from November 2006 until October 2014.

**Vincent de P. McCarthy** (51) has been our Senior Vice President, Corporate Development and Strategy since October 2009. He is responsible for identifying and evaluating new strategic and M&A opportunities that align with Verisk's business operations and growth initiatives. Mr. McCarthy joined Verisk from Bank of America Merrill Lynch, where he was a Managing Director in the Investment Banking group in New York, advising companies in the financial technology, payments and processing, and analytics sectors. Mr. McCarthy joined Merrill Lynch in 1994, and across his career with that firm served in investment banking roles both in the United States and Europe.

**Nana Banerjee** (46) has been our Group Executive and Chief Analytics Officer since June 2013. In his role as Group Executive, Dr. Banerjee has responsibility for Verisk's Argus subsidiary, leading our activities in the consumer banking, healthcare and retail sectors. In his role as Chief Analytics Officer, Dr. Banerjee works to advance Verisk's broad analytical agenda, which includes the oversight of Verisk's enterprise-wide data assets as well as its R&D division Verisk Innovative Analytics. Dr. Banerjee rejoined Argus as its Chief Operating Officer in April 2009, coming from Citigroup, where he headed its UK credit card business. Before joining Citigroup, he served as Vice President of Marketing for GE Capital, where he led pricing and portfolio management for its retail consumer finance business. Earlier in his career, Dr. Banerjee spent seven years in various roles at Argus.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

**Stock Ownership of Directors and Executive Officers.** We encourage our directors, officers and employees to own our common stock, as owning our common stock aligns their interests with your interests as shareholders. The following table sets forth the beneficial ownership of our Common Stock by each of our named executive officers and directors, and by all our directors and executive officers as a group, as of March 21, 2016. Percentage of class amounts are based on 167,836,732 shares of our Common Stock outstanding as of March 21, 2016.

In accordance with the rules of the Securities and Exchange Commission, beneficial ownership includes voting or investment power with respect to securities and includes the shares issuable pursuant to stock options that are exercisable within 60 days of March 21, 2016. Shares issuable pursuant to stock options are deemed outstanding for computing the percentage of the person holding such options but are not outstanding for computing the percentage of any other person. Unless otherwise indicated, the address for each listed shareholder is: c/o Verisk Analytics, Inc., 545 Washington Boulevard, Jersey City, New Jersey 07310. To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of Common Stock.

	Shares of Common Stock Beneficially Owned	
	Number of Shares	Percentage of Class
<b>NAMED EXECUTIVE OFFICERS</b>		
Scott G. Stephenson(1)	1,612,038	*
Mark V. Anquillare(2)	901,539	*
Kenneth E. Thompson(3)	863,052	*
Vincent de P. McCarthy(4)	264,095	*
Nana Banerjee(5)	45,020	*
<b>DIRECTORS</b>		
Frank J. Coyne(6)	386,144	*
J. Hyatt Brown(7)	123,553	*
Christopher M. Fosket(8)	109,755	*
Bruce Hansen(9)	2,039	*
Constantine P. Iordanou(10)	378,079	*
John F. Lehman, Jr.(11)	502,266	*
Samuel G. Liss(12)	138,933	*
Andrew G. Mills(13)	194,737	*
Thomas F. Motamed(14)	106,166	*
Therese M. Vaughan(15)	14,300	*
David B. Wright(16)	190,526	*
<b>ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (16 PERSONS )</b>	<b>5,832,242</b>	<b>3.47%</b>

- (1) Includes (a) 1,073,761 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 83,692 shares of restricted stock which vest in four equal installments on each anniversary of the shares' respective grant dates. Mr. Stephenson also serves as the Chairman of our Board.
- (2) Includes (a) 852,101 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 28,237 shares of restricted stock which vest in four equal installments on each anniversary of the shares' respective grant dates.
- (3) Includes (a) 826,412 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 21,675 shares of restricted stock which vest in four equal installments on each anniversary of the shares' respective grant dates.



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- (4) Includes (a) 235,097 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 16,961 shares of restricted stock which vest in four equal installments on each anniversary of the shares' respective grant dates.
  
- (5) Includes (a) 32,887 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 9,487 shares of restricted stock which vest in four equal installments on each anniversary of the shares' respective grant dates.
  
- (6) Includes (a) 10,598 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 25,954 deferred stock units that entitle Mr. Coyne to 25,954 shares of Common Stock at the end of his service to the Board.
  
- (7) Includes (a) 61,363 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 3,025 deferred stock units that entitle Mr. Brown to 3,025 shares of Common Stock at the end of his service to the Board.
  
- (8) Includes (a) 101,530 shares subject to stock options exercisable within 60 days of March 21, 2016, (b) 3,025 deferred stock units that entitle Mr. Foskett to 3,025 shares of Common Stock at the end of his service to the Board, and (c) 3,050 deferred stock awards that entitle Mr. Foskett to 3,050 shares of Common Stock at the end of his service to the Board.
  
- (9) Includes 908 deferred stock units that entitle Mr. Hansen to 908 shares of Common Stock at the end of his service to the Board.
  
- (10) Includes (a) 223,330 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 3,025 deferred stock units that entitle Mr. Iordanou to 3,025 shares of Common Stock at the end of his service to the Board.
  
- (11) Includes (a) 214,888 shares subject to stock options exercisable within 60 days of March 21, 2016, (b) 3,025 deferred stock units that entitle Mr. Lehman to 3,025 shares of Common Stock at the end of his service to the Board, and (c) 5,570 deferred stock awards that entitle Mr. Lehman to 5,570 shares of Common Stock at the end of his service to the board. Also, includes shares owned by the Lehman Business Trust, of which John F. Lehman, Jr. is the trustee. Mr. Lehman disclaims beneficial ownership of any shares beneficially owned by the trust except to the extent of his pecuniary interest therein.
  
- (12) Includes (a) 91,289 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 3,025 deferred stock units that entitle Mr. Liss to 3,025 shares of Common Stock at the end of his service to the Board.
  
- (13) Includes (a) 81,967 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 3,025 deferred stock units that entitle Mr. Mills to 3,025 shares of Common Stock at the end of his service to the Board.
  
- (14) Includes (a) 95,705 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 3,025 deferred stock units that entitle Mr. Motamed to 3,025 shares of Common Stock at the end of his service to the Board.
  
- (15) Includes (a) 10,598 shares subject to stock options exercisable within 60 days of March 21, 2016, and (b) 3,025 deferred stock units that entitle Ms. Vaughan to 3,025 shares of Common Stock at the end of her service to the Board.
  
- (16) Includes (a) 132,687 shares subject to stock options exercisable within 60 days of March 21, 2016, (b) 3,025 deferred stock units that entitle Mr. Wright to 3,025 shares of Common Stock at the end of his service to the Board and (c) 3,104 deferred stock awards that entitle

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Mr. Wright to 3,104 shares of Common Stock at the end of his service to the Board.

\* Indicates less than 1% ownership.



**Table of Contents****PRINCIPAL SHAREHOLDERS**

The following table contains information regarding each person we know of that beneficially owns more than 5% of our Common Stock. The information set forth in the table below and in the related footnotes was furnished by the identified persons to the U.S. Securities and Exchange Commission (the "SEC").

Name and address	Shares of Common Stock Beneficially Owned	
	Number of Shares	Percentage of Class
The Vanguard Group		
100 Vanguard Blvd.		
Malvern, PA 19355	12,998,821(1)	7.7%
GreatBanc Trust Company, as Trustee of the		
ISO Employee Stock Ownership Trust		
801 Warrenville Road		
Suite 500		
Lisle, IL 60532	9,599,997(2)	5.7%
BlackRock, Inc.		
55 East 52 <sup>nd</sup> Street		
New York, NY 10055	8,633,465(3)	5.1%

- (1) As of December 31, 2015, based on a Schedule 13G/A Information Statement filed with the SEC on February 11, 2016 by The Vanguard Group ("Vanguard"). The Schedule 13G reported that Vanguard has sole voting power as to 296,240 shares of our Common Stock and sole dispositive power as to 12,686,584 shares of our Common Stock.
- (2) As of December 31, 2015, based on a Schedule 13G/A Information Statement filed with the SEC on February 11, 2016, filed jointly by the ISO Employee Stock Ownership Trust and GreatBanc Trust Company. The Schedule 13G/A reported that GreatBanc Trust Company is the Trustee of the ISO Employee Stock Ownership Trust and has sole voting power with respect to 0 shares and shared voting power with respect to 9,599,997 shares of our Common Stock. Under the terms of the Trust, the Trustee votes all of the shares allocated to the accounts of participants as directed by the participants to whose accounts shares have been allocated. With respect to unallocated shares or allocated shares with respect to which no instructions have been received, the Trustee votes such shares in the Trustee's discretion.
- (3) As of December 31, 2015, based on a Schedule 13G Information Statement filed with the SEC on January 28, 2016 by BlackRock, Inc. ("BlackRock"). The Schedule 13G reported that BlackRock has sole voting power as to 7,408,801 shares of our Common Stock and sole dispositive power as to 8,633,465 shares of our Common Stock.

**EXECUTIVE COMPENSATION****Compensation Discussion and Analysis**

## Edgar Filing: Verisk Analytics, Inc. - Form DEF 14A

Our business requires a highly skilled work force. While the capital intensity of our business is low, our human capital requirements are great. Our business depends on our senior leadership team, who possess business and technical capabilities that would be difficult, and costly, to replace. We have designed our compensation program to address these needs.

This section discusses the principles underlying our policies and decisions relating to the compensation of our principal executive officer, our principal financial officer, and our three other most highly compensated executive officers for 2015 (our named executive officers or NEOs ). The information in this section describes the manner and context in which compensation is earned by and awarded to our NEOs, and provides perspective on the tables and narrative that follow.

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### ***Summary of 2015 Corporate Performance***

The Company had another strong performance year in 2015. Total revenue from continuing operations was up \$321.3 million or 18.4% from 2014. The Company's EBITDA from continuing operations also grew from \$803.0 million in 2014 to \$995.7 million in 2015 reflecting continued strong EBITDA margins from continuing operations of 47.4%. With record revenue and strong profitability the Company's total shareholder return (TSR) during 2015 was positive 20.0% and the three and five year annualized TSR through December 31, 2015 was 16.9% and 25.1%, respectively, reflecting strong long-term shareholder returns. See Item 6 Selected Financial Data in our Annual Report on Form 10-K for the year ended December 31, 2015 for a reconciliation of EBITDA to net income, the most directly comparable GAAP measure.

### ***Compensation Program Objectives***

The compensation program for our NEOs must attract, reward, motivate and retain the highly qualified individuals we need to plan and execute our business strategy. We believe our compensation program motivates managers by directly linking a portion of compensation both to the Company's performance and the individual's performance. To foster this direct link, we have designed our compensation program so that a significant percentage of an NEO's compensation is variable rather than fixed. This percentage increases with seniority, because the decisions of more senior managers have a greater impact on our performance.

Executives will earn variable compensation (cash awards and equity-based awards) only if warranted by Company and individual performance. Variable compensation for our NEOs consists of an annual cash payment pursuant to our Short Term Incentive, or STI, program and a long-term equity incentive award (typically in the form of stock options and restricted stock) pursuant to our Long Term Incentive, or LTI, program. We believe the design of our compensation program effectively encourages our senior managers, including our NEOs, to act in a manner that benefits the Company by creating long-term value for our stockholders.

### ***Elements of the Company's Compensation Program***

We currently provide the following elements of compensation to our NEOs:

base salary;

annual cash incentive awards;

long-term equity incentive awards; and

health, welfare and retirement plans.

Each compensation element fulfills one or more of our compensation program objectives.

### ***Retention of Compensation Consultant***

To ensure that our compensation program design and policies/practices remain reasonable and competitive, the Compensation Committee engaged Fredric W. Cook & Co. (Cook) to provide consulting services in 2014 and 2015. In 2015, Cook advised the Compensation Committee on various executive compensation matters including the compensation levels for senior management with respect to 2015. Cook's advice is one of several inputs into the Committee's decision-making process.

In connection with its retention, Cook has provided the Compensation Committee with information necessary for an evaluation of its independence and to determine whether a potential conflict of interest might arise in connection with advising the Compensation Committee. After reviewing the information, the Compensation Committee concluded that Cook's advice is objective and no conflict exists.

### ***Sources and Uses of Market Compensation Data***

## Edgar Filing: Verisk Analytics, Inc. - Form DEF 14A

In December 2014 and again in December 2015 the Compensation Committee reviewed the members of the Company's peer group and determined not to make any changes to the peer group. The peer group below was selected by the Compensation Committee following a review by Cook, starting with screening for companies in

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comparable industries and within an appropriate size range. For industry-related screens, Cook generally focused on information software and services companies. For size-related screens, the focus was on ensuring that the peer group was appropriate from both revenue and market capitalization perspectives because these two metrics are most strongly correlated to compensation levels—revenue for cash compensation and market capitalization for long-term incentive, equity-based compensation. The table below shows the twelve companies in the peer group along with the revenue and market capitalizations in effect at each company as of December 2014 which was the relevant size criteria used to inform compensation decisions for 2015.

<b>Peer Company</b>	<b>Revenue (\$mil)</b>	<b>Market Cap (\$mil)</b>
Alliance Data Systems	\$ 4,958	\$ 16,833
Equifax	2,390	9,133
FactSet Research Systems	920	5,493
Fidelity National Information Services	6,312	16,666
Fiserv	5,013	17,043
Gartner	1,958	7,175
IHS	2,208	8,933
McGraw-Hill Companies	5,011	24,565
Moody's	3,236	20,702
MSCI	1,013	5,227
Nielsen Holdings	6,266	16,192
Solera Holdings	1,049	3,542
Peer Median	\$ 2,813	\$ 12,663
Verisk Analytics	\$ 1,699	\$ 10,323

The Compensation Committee retained Cook to perform a competitive analysis of senior management compensation levels to inform compensation decisions for 2015. Because the majority of our Company's incentive compensation is provided in the form of equity awards and due to the Company's historically high market capitalization to revenue ratio, the Compensation Committee focused heavily on the market capitalization comparison to peer group companies so that the resulting compensation data would accurately reflect the size and scope of operations of the Company. When conducting its annual market competitive compensation review, Cook supplemented the peer group proxy information with national, proprietary technology industry survey data. The survey data is intended to be representative of each executive's revenue responsibility and functional role within the Company. However, as the survey data is solely based on revenue and not on market capitalization, and for the reasons mentioned above, the Compensation Committee uses the survey data as a secondary market reference point for target cash compensation levels only and not for target total direct compensation levels.

*Base Salary*

We pay base salaries to attract, reward and retain managers, and so that in recruiting and retaining senior executives we are not disadvantaged by being seen as offering a lower level of fixed compensation for a given position level. We adjust salaries annually to maintain competitive market levels, which are based on the experience and scope of responsibilities of each NEO. We perform our own internal analysis of prevailing market levels of salary for comparable positions. This analysis utilizes our general knowledge of the industry, information gained by our human resources professionals in the hiring and termination process and, when available, commercially prepared market surveys obtained by our human resources professionals. In addition, we periodically retain outside compensation consultants to assess the competitiveness of compensation for certain members of senior management, as was the case in 2015.

The base salary of our Chief Executive Officer is determined by the Compensation Committee. The base salary of each of our other NEOs is recommended by the Chief Executive Officer, subject to approval by the Compensation Committee. Base salary as a percentage of total compensation differs based on an executive's position and function. Generally, executives with the highest position and level of responsibility, and thus the greatest ability to influence our performance through their decision-making, have the smallest percentage of their

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total compensation fixed as base salary. Annual adjustments to base salary are determined by the Compensation Committee (in the case of Mr. Stephenson), and by Mr. Stephenson with the approval of the Compensation Committee (in the case of other NEOs), based on the assessment of prevailing market compensation practices as described above, and based on the evaluation of individual performance factors as discussed below in *Analysis of 2015 Variable Compensation*. We have historically placed greater emphasis on the potential of variable compensation to incent employees to create long-term value for our stockholders.

### *Annual Cash Incentive Awards*

Annual cash incentive awards are paid to all eligible employees, including NEOs, pursuant to our STI program. Prior to the beginning of each year, the Compensation Committee establishes financial performance goals for the coming year under our STI program. The primary financial performance goals for 2015 related to revenue growth and EBITDA margin (as defined below), and are derived from our strategic and business growth plan. We selected revenue growth and EBITDA margin as the primary criteria for STI because we believe our business's ability to generate recurring revenue and positive cash flow is the key indicator of the successful execution of our business strategy. In addition, the Compensation Committee evaluates the accomplishment during the year of other financial and non-financial performance measures that we believe position the Company to achieve long-term future growth. These include earnings per share results, enhancements to productivity, achievement of new sales, accomplishment of strategic and operational initiatives, completion of acquisitions, development of strategic relationships and return on invested capital. At the conclusion of the performance year, funding of the aggregate STI pool for all eligible employees is determined by the Compensation Committee, taking into account the recommendation of the Chief Executive Officer with respect to awards for employees other than himself, based on the degree to which goals are achieved during the year. Cash STI awards are paid in March, in respect of performance for the prior year. Annual cash incentive awards made to our NEOs for 2015 were further subject to the achievement of performance goals set forth under our 2015 Performance Bonus Program, which is set up under our shareholder-approved Executive Officer Annual Incentive Plan (the "Annual Incentive Plan"), as discussed below under *Analysis of 2015 Variable Compensation*.

### *Long-Term Equity Incentive Awards*

Long-term equity incentive awards are made annually to eligible employees, including NEOs, pursuant to our LTI program under our shareholder-approved Verisk Analytics, Inc. 2013 Equity Incentive Plan (the "2013 Equity Incentive Plan").

Since 2011 we have awarded long-term equity incentive awards in the form of stock option grants and awards of restricted stock, and for 2015 the value of the long-term equity incentive awards were 50% in the form of stock option grants and 50% in the form of restricted stock. In general, option and/or restricted stock awards under our LTI program are made in April, in respect of prior year performance. Option awards have an exercise price equal to the fair market value of our Common Stock on the date of grant. At the conclusion of a plan year, the Compensation Committee determines the aggregate value of the options and shares of restricted stock issuable to all eligible participants under the LTI program by evaluating the same performance goals used to determine the aggregate funding amount under the STI program. Long term incentive awards granted to our NEOs with respect to the 2015 performance year were further subject to the achievement of performance goals set forth under our 2015 Performance Bonus Program, as discussed below under *Analysis of 2015 Variable Compensation*.

**Table of Contents***2015 Variable Compensation Performance Goals*

The Compensation Committee established the following revenue growth and EBITDA margin goals as the primary factors for determination of aggregate award pools available to all eligible employees, including our NEOs, under both the STI and LTI programs for 2015:

	Revenue Growth	EBITDA Margin	Aggregate Pool Funding Factor
Tier IV	15%	47%	150% of Target
Tier III	12%	45%	125% of Target
Tier II	10%	43%	100% of Target
Tier I	4%	40%	75% of Target
Below Threshold	<4%	<40%	No Funding

During 2015, we achieved organic revenue growth of 7.4%, which is between the Tier I and Tier II performance goals, and EBITDA margin of 47.4%, which exceeds the Tier IV performance goal. The Compensation Committee primarily considered the degree to which these goals were achieved, together with financial and non-financial performance measures including enhancements to productivity, achievement of new sales, accomplishment of strategic and operational initiatives, completion of acquisitions and development of strategic relationships in determining the aggregate STI and LTI pools. After combining the tier-based formula with these other performance elements, the Compensation Committee established an aggregate pool funding factor of 120% of target resulting in a STI pool of up to \$66.7 million for distribution to approximately 4,260 eligible employees, including all NEOs, and an aggregate LTI pool of equity awards with an aggregate value of up to \$43 million for distribution to approximately 650 eligible employees, including all NEOs.

EBITDA margin is computed as EBITDA divided by revenues, and is a non-GAAP financial measure. See Item 6 Selected Financial Data in our Annual Report on Form 10-K for the year ended December 31, 2015 for a reconciliation of EBITDA to net income, the most directly comparable GAAP financial measure.

See *Analysis of 2015 Variable Compensation* for a discussion of how we determined 2015 STI and LTI awards for NEOs.

*Analysis of 2015 Variable Compensation*

**Process for Determining Awards.** For fiscal 2015, the Compensation Committee established the 2015 Performance Bonus Program for Executive Officers (the "2015 Performance Bonus Program") in order for each award made pursuant to the Annual Incentive Plan and the 2013 Equity Incentive Plan to be eligible for the qualified performance-based compensation exception under Section 162(m) of the Code. Under the 2015 Performance Bonus Program for fiscal year 2015, our Chief Executive Officer is eligible to receive an incentive award in an amount not to exceed 2.5% of EBITDA and our executive officers other than our Chief Executive Officer are eligible to receive an incentive award in an amount not to exceed 0.7% of EBITDA. In addition, a maximum aggregate cap of \$10,000,000 applies to cash awards for any executive officer, including our Chief Executive Officer. As the formula used to calculate the maximum incentive award that each executive officer is eligible for under the 2015 Performance Bonus Program is intended to be a cap and not a target, the Compensation Committee is expected to apply negative discretion based on the performance goals used in determining the aggregate STI and LTI award pools and the Compensation Committee's determination of the Company's and the executive officer's individual performance when setting actual STI and LTI amounts. EBITDA means the EBITDA as reported in the Company's annual report filed on Form 10-K with respect to the year ended December 31, 2015, except that, to the extent permitted by Section 162(m) of the Code, EBITDA will be adjusted to eliminate the effects of charges for restructurings, discontinued operations, extraordinary items, other unusual or non-recurring items, and the cumulative effect of tax or accounting changes, each as determined in accordance with generally accepted accounting principles and identified in the Company's financial statements, notes to the financial statements or management's discussion and analysis with respect to the year ended December 31, 2015.

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Subject to the determination of the maximum incentive payment each executive officer is eligible to receive pursuant to the performance criteria and formula set forth under the 2015 Performance Bonus Program for individual NEOs, cash awards under the STI program and awards of options and restricted stock under the LTI program are highly variable, and are not based on fixed target amounts other than the performance goals that relate to funding the overall STI program and LTI program award pools for all eligible employees as discussed above. Individual awards are determined based on the judgment of the Compensation Committee (in the case of Mr. Stephenson) and of Mr. Stephenson (with the concurrence of the Compensation Committee) in the case of other NEOs. There is no fixed relationship between an individual NEO's STI and LTI awards other than the value of the awards together must be below the maximum established under the 2015 Performance Bonus Program. In reaching their determinations about aggregate compensation, the Compensation Committee and Mr. Stephenson seek to allocate a meaningful portion of total compensation in the form of LTI awards in order to incent employees to create long-term value for our stockholders. The specific amount of any increase or decrease from year to year in any component of an NEO's 2015 compensation reflects a determination that the amount of the increase or decrease is appropriate based on matters considered as set forth below together with the Company's financial performance.

*CEO's Compensation.* The 2015 STI and LTI award to Mr. Stephenson was determined based upon the Compensation Committee's evaluation of Company performance as described above and evaluation of several non-financial factors including Mr. Stephenson's strong leadership, strong corporate performance and positioning the Company for success into the future. In making its determination the Compensation Committee recognized Mr. Stephenson's strong execution of strategy, growth in EBITDA and operating cash flows achieved by the Company and strong revenue performance.

*Other NEOs' Compensation.* For individual NEOs, other than Mr. Stephenson, the STI and LTI awards were approved by the Compensation Committee based on Mr. Stephenson's evaluation of their individual performance and on the analysis of prevailing market compensation levels described above. Factors considered include the successful operation of an NEO's business unit or functional department including, where applicable, enhancements to productivity and profitability, achievement of new sales, revenue generated from new products, accomplishment of strategic and operational initiatives, completion of acquisitions and development of strategic relationships. The additional factors described below regarding the contribution of each individual to our overall performance were also considered, although they were not given any specific weight.

Mr. Anquillare: continued strong execution of line responsibilities including an expanded role relative to our commercial property solutions; and continued strong performance as Chief Financial Officer.

Mr. Thompson: continued overview of the Company's expanding Risk and Compliance Department; strong execution in connection with our acquisition and financing programs with expanded challenges associated with an expanding global footprint; and oversight of our public company reporting and governance requirements.

Mr. McCarthy: strengthening of the Business Development team and enhancing the Company's acquisition pipeline; and development of strategy to position the Company for future success.

Mr. Banerjee: leadership of Argus' expansion globally; expansion of the Company's media effectiveness franchise; creation of the Company's data/analytic certification program; and creation of the Company's data scientist recruitment and job rotation program.

### *Health, Welfare and Retirement Plans*

We offer health and welfare benefit programs including medical, dental, life, accident and disability insurance. The Company contributes a percentage of the cost of these benefits. These benefits are available to substantially all employees, and the percentage of the Company's contribution is the same for all.

Our tax-qualified retirement plans during 2015 included:

a combined 401(k) Savings Plan and ESOP,

a defined benefit pension plan with (i) a traditional final pay formula applicable to employees who were 49 years old with 15 years of service as of January 1, 2002, and (ii) a cash balance formula applicable to





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other employees hired prior to March 1, 2005 (effective February 29, 2012, the Company implemented a hard freeze of such benefits under the pension plan), and

a profit sharing plan (as a component of the 401(k) Savings Plan), which is available to employees hired on or after March 1, 2005, and to which the Company did not make a contribution to during 2015.

Our nonqualified retirement plans include a supplemental pension and a supplemental savings plan for highly compensated employees, including our NEOs. The combined 401(k) Savings Plan and ESOP and the pension/profit sharing plans are broad-based plans available to substantially all of our employees, including our NEOs. The supplemental retirement plans are offered to our highly paid employees, including our NEOs, to restore to them amounts to which they would be entitled under our tax-qualified plans but which they are precluded from receiving under those plans by IRS limits. The supplemental retirement plans are unsecured obligations of the Company. Effective February 29, 2012, the Company implemented a hard freeze of the benefits under the supplemental pension plan.

We established our ESOP at the time we converted from not-for-profit to for-profit status, in order to foster an ownership culture in the Company and to strengthen the link between compensation and value created for stockholders. This plan has enabled our employees to hold an ownership interest in the Company as well as provide a stock vehicle for Company matching contributions to our 401(k) and profit sharing plans, which has allowed employees to monitor directly, and profit from, the increasing value of our stock.

### ***Change of Control Severance Agreements; Employment Agreements***

In October 2009, in connection with our initial public offering or IPO, we entered into Change of Control Severance Agreements with Mr. Stephenson, Mr. Anquillare, Mr. Thompson and Mr. McCarthy. We believe that these agreements are desirable to retain the services of these individuals in whom the Company has a significant investment. For information about the provisions of the NEOs' change of control severance agreements, please see Potential Payments upon Termination or Change in Control. We currently do not have employment agreements with any of our NEOs, except for Dr. Banerjee, who we entered into an employment agreement with as an inducement for him to join the Company in August 2012.

### ***Impact of prior equity awards on current compensation***

In general, we do not take into account prior equity grants, ESOP balances, amounts realized on the exercise or vesting of prior option grants or amounts realized on the sale or vesting of prior awards of restricted stock in determining the number of options or shares of restricted stock to be granted, because we believe we should pay an annualized market value for an executive's position, sized according to the performance level of the individual in the position. The Compensation Committee does consider prior equity grants (and related wealth accumulations) of executives in assessing the recruitment/retention risk for executives.

### ***2015 Say-on-Pay Results***

In connection with our 2015 annual meeting of shareholders, the proposal to approve on an advisory basis the compensation of the Company's NEOs for 2014 received 132,377,870 votes, or 95.63% of votes cast. Although this vote was advisory and therefore non-binding on the Company, the Board of Directors and the Compensation Committee carefully reviewed these results. The Board of Directors and the Compensation Committee considered these results, in determining the size of STI cash awards and LTI equity awards granted to NEOs in 2016 in respect of 2015 performance.

### ***Stock Ownership Requirements for Executives***

Senior executives are subject to minimum equity holding requirements. The Chief Executive Officer is required to hold stock with a value equal to six times his annual base salary. The other NEOs are required to hold stock with a value equal to three times their respective annual base salary. If they have not met this level, they are required to retain 50% of the after-tax value of stock acquired upon the vesting of restricted stock awards or a stock option exercise. The in-the-money value of vested and unvested stock options and unvested restricted

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stock held by NEOs are not included in determining compliance with the stock ownership requirement. The value of vested Company stock held by NEOs in their respective 401(k) accounts or ESOP accounts are included in determining compliance with the stock ownership requirement.

Mr. Stephenson, our Chief Executive Officer, currently holds stock with a value in excess of the six times base salary requirement. Mr. Anquillare, Mr. Thompson, and Mr. McCarthy each currently hold stock with a value in excess of the three times base salary requirement for other NEOs. Dr. Banerjee, as a recently appointed executive officer, currently does not yet hold stock with a value in excess of the three times base salary requirement but has satisfied the requirement to retain 50% of the after tax value of stock acquired upon the vesting of restricted stock awards or stock option exercises since the date he was appointed an executive officer.

### ***Policy on Recovery of Bonus in Event of Financial Restatement***

The Company maintains a clawback policy that permits the Board of Directors to recover bonus or incentive compensation from executive officers whose fraud or misconduct resulted in a significant restatement of financial results. The policy allows for the recovery or cancellation of any bonus or incentive payments made to an executive officer on the basis of having met or exceeded performance targets during a period of fraudulent activity or a material misstatement of financial results if the Board of Directors determines that such a recovery or cancellation is appropriate due to intentional misconduct by the executive officer that resulted in performance targets being achieved that would not have been achieved absent such misconduct. The Board of Directors intends to review this policy when the proposed regulations promulgated by the U.S. Securities and Exchange Commission implementing the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to clawbacks are finalized.

### ***Trading Policies***

The Company prohibits its directors and employees, including its NEOs, from pledging Company securities, selling short or trading options or futures in Company securities, or purchasing Company securities on margin or holding Company securities in a margin account.

### ***Tax and Accounting Considerations***

Section 162(m) of the Code generally limits the federal income tax deduction for compensation paid to each of the chief executive officer and the three other most highly compensated executive officers (other than the chief financial officer) of a publicly held corporation to \$1 million per fiscal year, with an exception for qualified performance-based compensation. In order to preserve the flexibility to award annual cash incentive awards and equity awards that are eligible for the qualified performance-based compensation exception under Section 162(m) of the Code, the Board of Directors submitted to the Company's shareholders for their approval at our 2013 Annual Meeting of Shareholders, and the Company's shareholders approved, the Annual Incentive Plan and the 2013 Equity Incentive Plan. We will generally seek to maximize the tax deductibility of compensation payments to our NEOs by awarding annual cash incentive awards and equity awards pursuant to the requirements of the Annual Incentive Plan and the 2013 Equity Incentive Plan. We may, however, authorize payments to executive officers that may not be fully tax-deductible, and we reserve the flexibility to do so.

We also structure compensation in a manner intended to avoid the incurrence of any additional tax, interest or penalties under Section 409A of the Code. We make no representation or warranty, however, that recipients of any payments, compensation or other benefits will not incur additional tax, interest or penalties under Section 409A of the Code.

We account for stock-based compensation in accordance with the requirements of FASB Accounting Standards Codification (ASC) Topic 718.

### ***Risk Assessment Regarding Compensation Policies and Practices***

When reviewing our compensation programs and approving awards under them, the Compensation Committee considers the potential risks associated with these policies and practices. We selected revenue growth and

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EBITDA margin as the primary criteria for the funding of both aggregate STI and LTI award pools because we believe our business's ability to generate recurring revenue and positive cash flow is the key indicator of the successful execution of our business strategy. In determining awards for senior executives, the Compensation Committee also considers non-financial metrics, such as earnings per share results, enhancements to productivity, achievement of new sales, accomplishment of strategic and operational initiatives, completion of acquisitions, development of strategic relationships and return on invested capital. We believe the combination of these financial and non-financial metrics best aligns the interests of management with those of our shareholders, while providing an appropriate balance of risk and reward that does not encourage excessive or unnecessary risk-taking behavior. As a result, we do not believe that risks relating to our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on the Company.

In reaching this determination we also considered the following attributes of our programs:

balance between annual and longer-term performance opportunities;

alignment of annual and long-term incentives to ensure that the awards encourage consistent behaviors and achievable performance results;

use of a combination of 10-year stock options and restricted stock awards, all of which vest over time;

generally providing senior executives with long-term equity-based compensation on an annual basis, as we believe that accumulating equity over a period of time encourages executives to take actions that promote the long-term sustainability of our business;

stock ownership guidelines that are reasonable and align the interests of the executive officers with those of our shareholders, which discourages executive officers from focusing on short-term results without regard for longer-term consequences; and

a clawback policy that permits the Board of Directors to recover bonus or incentive compensation from executive officers whose fraud or misconduct resulted in a significant restatement of financial results, as more fully described above.

### **Compensation Committee Report**

We, the Compensation Committee of the Board of Directors of Verisk Analytics, Inc., have reviewed and discussed with management the Compensation Discussion and Analysis above. Based on our review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the Securities and Exchange Commission.

Respectfully submitted,

John F. Lehman, Jr. (Chair)

Christopher M. Foskett

Constantine P. Iordanou

David B. Wright

**Table of Contents****Executive Compensation and Benefits**

The following table sets forth information concerning the compensation paid to and earned by the Company's NEOs for the years ended December 31, 2013, 2014 and 2015.

**2015 SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Salary (\$)	Stock Awards \$(1)	Option Awards \$(2)	Non-Equity Incentive Plan Compensation \$(3)	Change in Pension Value and Nonqualified Deferred Compensation		All Other Compensation (\$)	Total (\$)
						Earnings			
Scott G. Stephenson Chairman, President and Chief Executive Officer	2015	860,000	2,149,977	2,150,025	1,400,000	18,580		16,610(4)	6,595,192
	2014	860,000	1,999,976	2,000,022	1,375,000	41,358		14,400(5)	6,290,756
Mark V. Anquillare Group Executive	2015	525,200	760,006	759,987	710,000	20,158		15,893(8)	2,791,244
	2014	520,000	725,005	725,001	700,000	82,828		15,248(9)	2,768,082
Kenneth E. Thompson Executive Vice President, General Counsel and Corporate Secretary	2015	446,800	575,030	574,971	416,000	1,134		13,969(11)	2,027,904
	2014	442,400	558,987	559,013	412,000	6,058		15,147(12)	1,993,605
Vincent de P. McCarthy Senior Vice President, Corporate Development and Strategy	2015	425,400	449,995	450,010	450,000			12,960(14)	1,788,365
	2014	421,200	424,990	425,007	309,000			12,724(15)	1,592,921
Nana Banerjee Group Executive and Chief Analytics Officer	2015	510,000	299,997	299,998	580,000			11,925(17)	1,701,920
	2013	414,231	399,978	400,019	300,000			12,131(16)	1,526,359

(1) This column represents the aggregate grant date fair value of restricted stock awards granted in the relevant year, valued at the closing price of the Company's Common Stock, computed in accordance with ASC Subtopic 718, excluding forfeiture estimates. For a discussion

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of the assumptions used to calculate the amounts shown in this column see note 16 of the notes to our audited consolidated financial statements included as part of our Annual Report on Form 10-K for the year ended December 31, 2015.

- (2) This column represents the aggregate grant date fair value of stock option awards granted in the relevant year, computed in accordance with ASC Subtopic 718, excluding forfeiture estimates. For a discussion of the assumptions used to calculate the amounts shown in the option awards columns, see note 16 of the notes to our audited consolidated financial statements included as part of our Annual Report on Form 10-K for the year ended December 31, 2015.
- (3) The amounts in this column are cash incentive awards under the STI program in respect of performance for the years ended December 31, 2013, 2014 and 2015, as applicable.
- (4) Amount includes a 401(k) Savings Plan matching contribution of \$11,925.
- (5) Amount includes a 401(k) Savings Plan matching contribution of \$11,700
- (6) Amounts include a one-time equity grant received by Mr. Stephenson on April 1, 2013 in connection with his appointment to the role of Chief Executive Officer with a value of \$3,000,000, with one-half of the value of such equity grant in the form of options to purchase the Company's Common Stock based on the Black-Scholes value on the grant date and one-half of the value of such equity grant in the form of restricted shares based on the value of a share of Common Stock on the grant date.
- (7) Amount includes a 401(k) Savings Plan matching contribution of \$11,475.

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(8) Amount includes a 401(k) Savings Plan matching contribution of \$11,925.

(9) Amount includes a 401(k) Savings Plan matching contribution of \$11,700.

(10) Amount includes a 401(k) Savings Plan matching contribution of \$11,475.

(11) Amount includes a 401(k) Savings Plan matching contribution of \$11,925.

(12) Amount includes a 401(k) Savings Plan matching contribution of \$13,125.

(13) Amount includes a 401(k) Savings Plan matching contribution of \$11,475.

(14) Amount includes a 401(k) Savings Plan matching contribution of \$11,925.

(15) Amount includes a 401(k) Savings Plan matching contribution of \$11,700.

(16) Amount includes a 401(k) Savings Plan matching contribution of \$11,475.

(17) Amount includes a 401(k) Savings Plan matching contribution of \$11,925.

**Table of Contents****Grants of Plan-Based Awards**

The following table sets forth information concerning grants of plan-based awards made to the NEOs during the Company's fiscal year ended December 31, 2015. As described in the Compensation Discussion and Analysis, we generally grant equity plan-based awards in April based on performance for the prior year. Due to SEC regulations, the stock options and restricted stock shown in this table were granted on April 1, 2015 but generally relate to 2014 performance, and we consider them to be part of the NEOs' 2014 compensation.

**2015 GRANTS OF PLAN BASED AWARDS**

Name	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(1)
			Threshold (\$)	Target (\$)	Maximum (\$)				
Scott G. Stephenson	April 1, 2015	February 17, 2015					167,187	71.53	2,150,025
	April 1, 2015	February 17, 2015				30,057			2,149,977
	February 17, 2015	February 17, 2015	(2)	(2)	(2)				
Mark V. Anquillare	April 1, 2015	February 17, 2015					59,097	71.53	759,987
	April 1, 2015	February 17, 2015				10,625			760,006
	February 17, 2015	February 17, 2015	(2)	(2)	(2)				
Kenneth E. Thompson	April 1, 2015	February 17, 2015					44,710	71.53	574,971
	April 1, 2015	February 17, 2015				8,039			575,030
	February 17, 2015	February 17, 2015	(2)	(2)	(2)				
Vincent de P. McCarthy	April 1, 2015	February 17, 2015					34,993	71.53	450,010
	April 1, 2015	February 17, 2015				6,291			449,995
	February 17, 2015	February 17, 2015	(2)	(2)	(2)				
Nana Banerjee	April 1, 2015	February 17, 2015					23,328	71.53	299,998
	April 1, 2015	February 17, 2015				4,194			299,997
	February 17, 2015	February 17, 2015	(2)	(2)	(2)				

- (1) This column represents the aggregate grant date fair value of restricted stock awards and stock option awards granted in the relevant year, valued at the closing price of the Company's Common Stock in accordance with ASC Subtopic 718, excluding forfeiture estimates. For a discussion of the assumptions used to calculate the amounts shown in this column see note 16 of the notes to our audited consolidated financial statements included as part of our Annual Report on Form 10-K for the year ended December 31, 2015.
- (2) As described in the Compensation Discussion and Analysis, subject to the determination of the maximum bonus payment each executive officer is eligible to receive pursuant to the performance criteria and formula set forth under the 2015 Performance Bonus Program (a maximum bonus payment in an amount equal to 2.5% of EBITDA to our Chief Executive Officer and 0.7% of EBITDA to our other executive officers) which is further subject to a maximum limit of \$10,000,000, our NEOs are eligible for an annual incentive compensation cash award under our STI program, which does not include per individual threshold, target or maximum performance goals. Rather, the Compensation Committee establishes an STI award pool for all eligible employees after considering achievement of the performance year, as further described in our Compensation Discussion and Analysis. For additional details regarding the STI program, including the relevant performance factors for 2015, see Compensation Discussion and Analysis 2015 Variable Compensation Performance Goals and Compensation Discussion and Analysis Analysis of 2015 Variable Compensation. For the actual amounts of cash incentive awards paid to each of our NEOs under our STI program in respect of performance for 2015, see the Non-Equity Incentive Plan Compensation column of our 2015 Summary Compensation Table.





**Table of Contents****Outstanding Equity Awards at Fiscal Year End**

The following table sets forth information concerning unexercised options and unvested restricted stock held by our NEOs as of the end of the Company's fiscal year ended 2015 based on a market value of \$76.88 per share (our closing market price on December 31, 2015).

**2015 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

Name	Date of Award Grant	Option Awards(1)				Stock Awards(2)	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Scott G. Stephenson	4/1/2009	287,500		16.10	4/1/2019		
	10/6/2009	225,000		22.00	10/6/2019		
	4/1/2010	135,000		28.20	4/1/2020		
	4/1/2011	103,769		33.30	4/1/2021		
	4/1/2012	41,058	13,686	46.97	4/1/2022	3,992	306,905
	4/1/2013	94,517	94,518	61.14	4/1/2023	24,534	1,886,174
	4/1/2014	42,088	126,264	59.74	4/1/2024	25,109	1,930,380
	4/1/2015		167,187	71.53	4/1/2025	30,057	2,310,782
Mark V. Anquillare	3/1/2008	120,000		17.24	3/1/2018		
	4/1/2009	225,000		16.10	4/1/2019		
	10/6/2009	200,000		22.00	10/6/2019		
	4/1/2010	105,000		28.20	4/1/2020		
	4/1/2011	82,299		33.30	4/1/2021		
	4/1/2012	32,847	10,949	46.97	4/1/2022	3,194	245,555
	4/1/2013	20,479	20,480	61.14	4/1/2023	5,316	408,694
	4/1/2014	15,256	45,771	59.74	4/1/2024	9,102	699,762
Kenneth E. Thompson	4/1/2015		59,097	71.53	4/1/2025	10,625	816,850
	3/1/2007	100,000		15.10	3/1/2017		
	3/1/2008	150,000		17.24	3/1/2018		
	4/1/2009	165,000		16.10	4/1/2019		
	10/6/2009	175,000		22.00	10/6/2019		
	4/1/2010	79,000		28.20	4/1/2020		
	4/1/2011	64,408		33.30	4/1/2021		
	4/1/2012	26,003	8,668	46.97	4/1/2022	2,529	194,430
	4/1/2013	15,753	15,753	61.14	4/1/2023	4,089	314,362
	4/1/2014	11,763	35,292	59.74	4/1/2024	7,018	539,544
Vincent de P. McCarthy	4/1/2015		44,710	71.53	4/1/2025	8,039	618,038
	10/6/2009	44,800		22.00	10/6/2019		
	4/1/2010	70,000		28.20	4/1/2020		
	4/1/2011	53,673		33.30	4/1/2021		
	4/1/2012	21,213	7,072	46.97	4/1/2022	2,063	158,603
	4/1/2013	12,603	12,603	61.14	4/1/2023	3,271	251,474
	4/1/2014	8,943	26,832	59.74	4/1/2024	5,336	410,231
	4/1/2015		34,993	71.53	4/1/2025	6,291	483,652
Nana Banerjee	12/14/2012	4,847		48.84	12/14/2022		
	4/1/2013	7,089	7,089	61.14	4/1/2023	1,840	141,459
	4/1/2014	5,787	17,363	59.74	4/1/2024	3,453	265,467
	4/1/2015		23,328	71.53	4/1/2025	4,194	322,435



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- (1) The right to exercise stock options vests ratably on the first, second, third and fourth anniversaries of the date of grant.
- (2) The stock awards shown in this column are restricted stock awards that vest ratably on the first, second, third and fourth anniversaries of the date of grant.

**Option Exercises and Stock Vested**

The following table sets forth information concerning each exercise of stock options and vesting of shares of restricted stock for the NEOs during 2015. Restricted stock awards are typically granted to our NEOs on April 1 of each year and vest in four equal installments on the first, second, third and four anniversaries of their grant date.

**2015 OPTION EXERCISES AND STOCK VESTED**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Scott G. Stephenson	805,000	48,508,176	27,350	1,956,346
Mark V. Anquillare			11,044	789,977
Kenneth E. Thompson			8,602	615,301
Vincent de P. McCarthy	7,200	380,994	6,884	492,413
Nana Banerjee			2,408	174,053

**Pension Plans**

The following table sets forth information with respect to each plan that provides for payments or other benefits at, following, or in connection with retirement.

Eligible employees hired prior to March 1, 2005 participate in the Pension Plan for Insurance Organizations, or PPIO, a multiple-employer pension plan in which we participate. The PPIO provides a traditional final pay formula pension benefit, payable as an annuity, to employees who were 49 years old with 15 years of service as of January 1, 2002. Effective January 1, 2002, this formula benefit was frozen for all eligible employees. Effective January 1, 2002, a cash balance pension benefit, also payable as an annuity, was established under the PPIO. Employees hired prior to January 1, 2002 receive their frozen traditional benefit as well as their cash balance benefit. Employees hired from January 1, 2002 to March 1, 2005 receive only the cash balance benefit. Effective February 29, 2012, the Company implemented a hard freeze of benefits under the PPIO. Accordingly, after February 29, 2012 benefits under the PPIO will no longer increase as the result of new compensation earned or continued service. The Supplemental Cash Balance Plan, or the Supplemental Plan, provides a benefit to which the participant would be entitled under the PPIO but which is subject to caps imposed by IRS regulations. Employees hired on or after March 1, 2005 were not eligible to participate in the PPIO or the Supplemental Plan. Effective February 29, 2012, the Company implemented a hard freeze of benefits under the Supplemental Plan.

**Table of Contents****2015 PENSION BENEFITS**

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit \$(1)	Payments During Last Fiscal Year (\$)
Scott G. Stephenson	PPIO	12	187,990	
	Supplemental Plan	12	683,712	
Mark V. Anquillare	PPIO	20	380,511	
	Supplemental Plan	20	420,183	
Kenneth E. Thompson	NA	NA	NA	NA
Vincent de P. McCarthy	NA	NA	NA	NA
Nana Banerjee	NA	NA	NA	NA

(1) For a discussion of the assumptions used to calculate the amounts shown in this column see note 17 of the notes to our audited consolidated financial statements included as part of our Annual Report on Form 10-K for the year ended December 31, 2015.

**Nonqualified Deferred Compensation Table**

Certain highly compensated employees, including our NEOs, are eligible to participate in the Supplemental Executive Retirement Savings Plan (the Top Hat Plan). The Top Hat Plan allows participants to elect to defer compensation on a non-tax qualified basis and provides a vehicle for the Company to provide, on a non-tax qualified basis, matching contributions that could not be made on the participants behalf to the tax-qualified 401(k) Savings Plan due to limits imposed by IRS regulations. The deferred amounts are notionally invested in the same investment options selected by the participant under the 401(k) Savings Plan. Participants elect to receive payment at termination of employment or some other future date.

The following table sets forth information with respect to the Top Hat Plan.

**2015 NONQUALIFIED DEFERRED COMPENSATION**

Name	Executive Contributions in Last FY \$(1)	Registrant Contributions in Last FY (\$)	Aggregate Earnings/ (Losses) in Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$)
Scott G. Stephenson	34,394		(2,988)		380,395
Mark V. Anquillare	13,925		5,986		440,743
Kenneth E. Thompson			1,134		84,795
Vincent de P. McCarthy	7,858				33,454
Nana Banerjee					

(1) All amounts shown are also included in the 2015 Summary Compensation table in the Salary and/or Non-Equity Incentive Plan Compensation column.

**Potential Payments Upon Termination or Change in Control**

Below is a description of the arrangements in place applicable to the NEOs relating to payments upon termination or change in control, other than severance payments upon termination (other than for cause) available to all salaried employees.

## Edgar Filing: Verisk Analytics, Inc. - Form DEF 14A

In October 2009, in connection with our IPO, the Company entered into Change in Control Severance Agreements with Mr. Stephenson, Mr. Anquillare, Mr. Thompson and Mr. McCarthy. In August 2012, in connection with Dr. Banerjee's joining the Company, the Company entered into an employment agreement with Dr. Banerjee. These agreements incorporate provisions for payments to be made to the NEOs upon termination of their employment. Payments will be due under these agreements in the event the NEO's employment is

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involuntarily terminated by the Company without cause, or is voluntarily terminated by the NEO for good reason, which are defined in the agreements, within a two-year period following a change in control, which is defined in the agreements.

These agreements provide that, upon a qualifying termination event, an NEO will be entitled to:

- (i) a pro rata STI award for the year of termination;
- (ii) a severance payment equal to the NEO's base salary plus a target bonus amount times two (or six months base salary in the case of Dr. Banerjee);
- (iii) continuation of health benefits (at the NEO's expense) for 18 months (or six months at the Company's expense in the case of Dr. Banerjee); and
- (iv) immediate vesting of any remaining unvested equity awards.

The severance and pro rata bonus amounts will be payable in cash, in a lump sum to NEOs (except for Dr. Banerjee who will receive payments of his base salary for six months in the same amounts and at the same intervals as if he was otherwise employed). Receipt of these benefits is conditioned upon the NEO executing a general release of claims against the Company, and complying with perpetual confidentiality obligations and noncompete and nonsolicitation obligations for a period of 24 months (or six months in the case of Dr. Banerjee). If these agreements had been in place at December 31, 2015, in the event of a qualifying termination Mr. Stephenson would be entitled to cash payments totaling \$5,079,000, Mr. Anquillare would be entitled to cash payments totaling \$2,626,000, Mr. Thompson would be entitled to cash payments totaling \$2,234,000, Mr. McCarthy would be entitled to cash payments totaling \$1,807,950, and Dr. Banerjee would be entitled to cash payments totaling \$694,000.

None of our NEOs will be entitled to excise tax gross-ups as their respective agreements do not provide for such payments.

The 2013 Equity Incentive Plan and its predecessor plan, the Verisk Analytics, Inc. 2009 Equity Incentive Plan (the 2009 Equity Incentive Plan, together with the 2013 Equity Incentive Plan, the Incentive Plans), both provide that the Compensation Committee will determine and set forth in each award agreement whether any awards granted in such award agreement will continue to be exercisable, continue to vest or be earned and the terms of such exercise, vesting or earning, on and after the date that a participant ceases to be employed by or to provide services to us (including as a director), whether by reason of death, disability, voluntary or involuntary termination of employment or services, or otherwise. The award agreements with respect to currently outstanding options and restricted stock held by the NEOs under the Incentive Plans provide that in the event of the NEO's death, disability (as defined under the Incentive Plans), retirement (as defined under the Incentive Plans), or termination of employment for good reason or without cause (each as defined under the Incentive Plans) within two years following a change in control (as defined under the Incentive Plans), the options will become immediately exercisable with respect to the number of unexercised shares covered by the option and the unvested shares of restricted stock will become fully vested. Based on the closing price of our Common Stock on December 31, 2015, the number of options that would become vested for our NEOs, minus the exercise price of those options, and the number of unvested restricted stock shares that would become vested for our NEOs, in the event of a qualifying termination on December 31, 2015, the acceleration of option and restricted stock vesting would have a value of \$11,389,918 for Mr. Stephenson, \$3,921,384 for Mr. Anquillare, \$3,017,689 for Mr. Thompson, \$2,360,969 for Mr. McCarthy and \$1,263,348 for Dr. Banerjee.

**Table of Contents****Equity Compensation Plan Information**

The following table sets forth certain information, as of December 31, 2015, concerning the Company's equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders(1)	3,431,495	\$ 66.49	10,351,157
Equity compensation plans not approved by security holders	5,686,238(2)(3)	\$ 24.29	(4)

(1) Reflects the 2013 Equity Incentive Plan. See Verisk Analytics, Inc. 2013 Equity Incentive Plan included in Appendix A to the Company's Proxy Statement on Schedule 14A, dated April 1, 2013 and Note 16 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 for a discussion of the material features of our 2013 Equity Incentive Plan.

(2) Includes shares subject to outstanding options granted under the Insurance Service Office, Inc. 1996 Incentive Plan (the Option Plan) in the amount of 1,136,900. The material features of the Option Plan are summarized below. See also Note 16 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015.

(3) Includes shares subject to outstanding options granted under the 2009 Equity Incentive Plan in the amount of 4,549,338. See Verisk Analytics, Inc. 2009 Equity Incentive Plan included in our Registration Statement on the Form S-1/A filed on September 21, 2009 and Note 16 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 for a discussion of the material features of our 2009 Equity Incentive Plan.

(4) On October 6, 2009, the date of our initial public offering, the Option Plan was terminated and no new equity awards can be granted under this plan. On May 15, 2013, the 2009 Equity Incentive Plan was terminated and no new equity awards can be granted under this plan.

**The Option Plan**

During 1996, the Company adopted the Option Plan. The Option Plan provided for the granting of options to key employees and non-employee directors of the Company. On October 6, 2009, the date of our initial public offering, the Option Plan was terminated and no new equity awards can be granted under this plan. The material features of the Option Plan are summarized below. The following description does not purport to be complete and is qualified in its entirety by reference to the plan document, which has been included as an exhibit to our Annual Reports on the Form 10-K.

**Eligibility.** Key employees (as defined in the Option Plan) and non-employee directors (as defined in the Option Plan) (each, a participant) of the Company were eligible for offers and awards (in each case, as defined in the Option Plan).

**Administration.** The Option Plan was administered by the committee having authority delegated by the Board to establish compensation arrangements relating to the Company.



## Edgar Filing: Verisk Analytics, Inc. - Form DEF 14A

*Forms of Awards.* The committee could from time to time make such awards (including, without limitation, an award or grant of an option or grant of restricted stock, or any combination thereof) and/or offers to purchase common stock under the Option Plan in such form and having such terms, conditions and limitations as the committee may determine consistent with the terms of the Option Plan. Awards and/or offers could have been granted singly, in combination or in tandem. Currently, there are only option awards outstanding under the Option Plan.

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*Options.* Options are rights to purchase shares of the Company common stock at a price and during a period determined by the committee. The exercise price of an option was determined by the Board at the time of grant of such option and the term of an option generally could not exceed 10 years.

*Termination of Employment/Change in Control.* If a participant's employment terminated due to death, disability or retirement (for service-vesting options only) or if within two years following a change in control (as defined in the applicable award agreement), the participant's employment terminated without cause or for good reason, all unexercisable options would have become immediately exercisable and would have remained exercisable for 12 months following the date of such termination. If a participant's employment terminated for any other reason, all unexercisable options would have been terminated and all exercisable options would have remained exercisable for 90 days. Upon termination of a participant's employment for any reason, including death, disability or retirement, restricted shares that remained subject to restrictions would have been forfeited.

*Stock Adjustments.* In the event of any merger, consolidation, stock or other non-cash dividend, extraordinary cash dividend, split-up, spin-off, combination or exchange of shares, reorganization or recapitalization or change in capitalization, or any other similar corporate event, the committee could make such adjustments in (i) the aggregate number of shares under the Option Plan and the number of shares that may be made subject to awards to any individual participant, (ii) the number and kind of shares that are subject to any option and the exercise price per share without any change in the aggregate exercise price to be paid upon exercise of the option, and (iii) the number and kind of shares of outstanding restricted stock, as the committee would deem appropriate in the circumstances.

*Amendment and Termination.* The Board had the power to amend the Option Plan, award agreement(s), offer agreement(s) and/or promissory notes, provided, however, that such amendment(s) could not impair the rights of a participant without the consent of such participant, except to the extent, if any, provided in the Option Plan, the award agreement, the offer agreement and/or promissory note. The Board could suspend or terminate the Option Plan at any time, but no such suspension or termination could affect awards or offers then in effect.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### **Customer Relationships**

In 2015, we received fees from Arch Capital Group Limited of \$418,467 for participation and license fees, Validus Holdings of \$1,977,495 for license fees and Wellmark Blue Cross and Blue Shield of \$296,750 for license fees. Constantine P. Iordanou, one of our directors, is the President and Chief Executive Officer of Arch Capital Group Limited. Therese M. Vaughan, one of our directors, is a director of Validus Holdings and Wellmark Blue Cross and Blue Shield.

In 2015, in connection with our purchase of insurance coverage we also paid fees to CNA Financial Corporation of \$341,940 related to insurance policy premiums, Arch Capital Group Limited of \$905,973 related to insurance policy premiums, and Brown & Brown, Inc. of \$1,394,690 related to insurance policy premiums. Thomas F. Motamed, one of our directors, is the Chairman of the Board and Chief Executive Officer of CNA Financial Corporation. Constantine P. Iordanou, one of our directors, is the President and Chief Executive Officer of Arch Capital Group Limited. J. Hyatt Brown, one of our directors, is the Chairman of the Board and former Chief Executive Officer of Brown & Brown, Inc.

### **ESOP**

We established an ESOP funded with intercompany debt that includes 401(k), ESOP and profit sharing components to provide employees with equity participation. The trustee of the ESOP is GreatBanc Trust Company. The ESOP owns greater than five percent of our Common Stock. We make quarterly cash contributions to the ESOP equal to the debt service requirements. As the debt is repaid, shares are released to the ESOP to fund 401(k) matching and profit sharing contributions and the remainder is allocated annually to ESOP accounts of active employees in proportion to their eligible compensation in relation to total participant eligible compensation. On October 6, 2009 we made an accelerated cash contribution to permit the ESOP to prepay a portion of the indebtedness, resulting in an accelerated allocation of shares to active eligible employees. The amount of our ESOP costs recognized for the year ended December 31, 2015 was \$14.1 million.

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Voting rights with respect to shares of our Common Stock owned by the ESOP are exercised by the trustee of the ESOP. The trustee is required to vote shares allocated to an ESOP participant's account as directed by the ESOP participant for all matters submitted to a vote of our shareholders. Shares of stock not allocated to a participant's account may be voted in accordance with the discretion of the Trustee in the best interest of ESOP participants.

### **Statement of Policy Regarding Transactions with Related Persons**

Our Board of Directors has adopted a written statement of policy regarding transactions with related persons. Our related person policy requires that a related person (as defined as in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to the corporate secretary any related person transaction (defined as any transaction that is reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds \$120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. The corporate secretary will then promptly communicate that information to the Board of Directors or the designated Board committee. No related person transaction will be consummated without the approval or ratification of the Board of Directors or any committee of the Board of Directors consisting exclusively of disinterested directors. The Board of Directors has designated the Nominating and Corporate Governance Committee to approve any related person transaction. It is our policy that directors interested in a related person transaction will recuse themselves from any vote of a related person transaction in which they have an interest. In reviewing the transaction in question, the Nominating and Corporate Governance Committee will consider all relevant facts and circumstances, including without limitation, the commercial reasonableness of the terms, the benefit and perceived benefit, or lack thereof, to the Company, opportunity costs of alternate transactions, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person. No related person transaction will be approved or ratified unless, upon consideration of all relevant information, the transaction is in, or not inconsistent with, the best interests of the Company and its shareholders.

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**ITEM 2 APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS ON AN ADVISORY, NON-BINDING BASIS**

At the 2011 Annual Meeting of Shareholders, we conducted an advisory, non-binding vote regarding the frequency with which we would seek approval of the compensation of our named executive officers. At such meeting, shareholders expressed their preference for an annual vote on executive compensation on an advisory, non-binding basis and, consistent with this preference, the Board of Directors determined that we will conduct such a vote on an annual basis. Accordingly, and pursuant to Section 14A of the Securities Exchange Act of 1934, we are providing our shareholders with the opportunity to approve the compensation of our named executive officers for 2015 as disclosed in this Proxy Statement on an advisory, non-binding basis ( "say-on-pay" ) through the following resolution:

**RESOLVED**, that the compensation paid to the Company's named executive officers, as disclosed in the Company's Proxy Statement for the 2016 Annual Meeting of Shareholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.

Because your vote is advisory, it will not be binding on the Board of Directors and will not overrule any decision by the Board of Directors or require the Board of Directors to take any action. However, the Board of Directors and the Compensation Committee will take into account the outcome of the say-on-pay vote when considering future executive compensation decisions for named executive officers.

The Compensation Committee believes that the Company's compensation programs and policies and the compensation decisions for 2015 described in this Proxy Statement, including the Compensation Discussion and Analysis, appropriately reward our named executive officers for their and the Company's performance and will assist the Company in retaining our senior leadership team. You are strongly encouraged to read the full details of our executive compensation programs and policies under the section titled **Executive Compensation** above.

**Our Board unanimously recommends a vote FOR the approval of the compensation of the Company's named executive officers as disclosed in this Proxy Statement. Proxies solicited by the Board will be voted FOR this resolution unless otherwise instructed. Broker non-votes will not be counted in determining the results of the vote.**

**Table of Contents****ITEM 3 RATIFICATION OF THE APPOINTMENT OF VERISK'S INDEPENDENT AUDITOR**

The Audit Committee appointed Deloitte & Touche LLP (Deloitte & Touche) as independent auditors for 2016 and presents this selection to the shareholders for ratification. Deloitte & Touche will audit our consolidated financial statements for 2016 and perform other permissible, preapproved services.

A Deloitte & Touche representative will attend the annual meeting to respond to your questions and will have the opportunity to make a statement. If shareholders do not ratify the appointment, the Audit Committee will reconsider it, but at all times the Audit Committee is responsible for the appointment of our independent auditor.

**Our Board unanimously recommends a vote FOR the ratification of Deloitte & Touche's appointment as our independent auditor. Proxies solicited by the Board will be voted FOR this ratification unless otherwise instructed.**

**Independent Auditor's Fees.** The following table summarizes the aggregate fees (including related expenses; in thousands) billed in 2015 and 2014 for professional services provided by Deloitte & Touche.

	2015	2014
Audit fees(1)	\$ 2,171	\$ 1,966
Audit-related fees(2)	1,819	
Tax fees(3)	1,870	129
Total	\$ 5,860	\$ 2,095

(1) Audit fees consisted of fees billed for audits of our consolidated financial statements included in our Annual Reports on Form 10-K, reviews of the interim condensed consolidated financial statements included in our quarterly reports on Form 10-Q, and other regulatory audits.

(2) Audit-related fees consisted of fees incurred in conjunction with due diligence, accounting consultations and audits related to acquisitions and divestitures.

(3) Includes tax compliance and other tax services not related to the audit.

**Preapproval Policy of the Audit Committee of Services Performed by Independent Auditor**

The Audit Committee has implemented preapproval policies and procedures related to the provision of audit and nonaudit services by the independent auditor to ensure that the services do not impair the auditor's independence. Under these procedures, the Audit Committee preapproves both the type of services to be provided by the independent auditor and the estimated fees related to those services. During the preapproval process, the Audit Committee considers the impact of the types of services and the related fees on the independence of the auditor. Even if a service has received general preapproval, if it involves a fee in excess of \$350,000 or relates to tax planning and advice, it requires a separate preapproval, which may be delegated to the Chairman of the Audit Committee so long as the entire Audit Committee is informed at its next meeting. The services and fees must be deemed compatible with the maintenance of the auditor's independence, including compliance with SEC and NASDAQ rules and regulations. In accordance with this preapproval policy, all audit and nonaudit services were preapproved by the Audit Committee in 2015.

**AUDIT COMMITTEE REPORT**

The Audit Committee operates under a written charter adopted by the Board. The charter is available on our website at the [Corporate Overview Governance Documents](#) link under the [Investors](#) link at [www.verisk.com](http://www.verisk.com). The Audit Committee is responsible for the oversight of the integrity of the Company's consolidated financial statements, the Company's system of internal control over financial reporting, the Company's risk management, the qualifications and independence of the Company's independent registered public accounting firm (independent auditor), the performance of the Company's internal auditor and independent auditor and the Company's compliance with legal and regulatory requirements. The Audit Committee has the sole authority



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and responsibility to appoint, compensate, evaluate and, when appropriate, replace the Company's independent auditor. In making such determinations, the Audit Committee considers, among other things, the recommendations of management of the Company. The Board has determined that all of the Audit Committee's members are independent under the applicable independence standards of the NASDAQ listing rules and the Exchange Act.

The Audit Committee serves in an oversight capacity and is not part of the Company's managerial or operational decision-making process. Management is responsible for the financial reporting process, including the system of internal controls, and the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States. The Company's independent auditor, Deloitte & Touche, is responsible for auditing those financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States and expressing an opinion on the effectiveness of the Company's internal control over financial reporting. The Audit Committee's responsibility is to oversee the financial reporting process and the Company's internal control over financial reporting. The Audit Committee relies, without independent verification, on the information provided to us and on the representations made by management, the internal auditor and the independent auditor.

The Audit Committee held five meetings during 2015, and has met in 2016 to discuss the Company's financial statements for the year ended December 31, 2015. With respect to the year ended December 31, 2015, the Audit Committee, among other things:

reviewed and discussed the Company's quarterly earnings releases;

reviewed and discussed (i) the quarterly unaudited consolidated financial statements and related notes and (ii) the audited consolidated financial statements and related notes for the year ended December 31, 2015 with management and Deloitte & Touche;

reviewed and discussed the annual plan and scope of work of the independent auditor;

reviewed and discussed the annual plan and scope of work of the internal auditor and summaries of significant reports to management by the internal auditor;

met with Deloitte & Touche, the internal auditor, the General Counsel and Company management in executive sessions;

reviewed and discussed certain critical accounting policies; and

reviewed business and financial market conditions, including an assessment of risks posed to the Company's operations and financial condition.

The Audit Committee discussed with Deloitte & Touche matters that independent registered public accounting firms must discuss with audit committees under generally accepted auditing standards and standards of the Public Company Accounting Oversight Board, including, among other things, matters related to the conduct of the audit of the Company's consolidated financial statements and the matters required to be discussed by Public Company Accounting Oversight Board AU 380 (Communications with Audit Committees). These reviews included discussions with management and the independent auditor of the quality (not merely the acceptability) of the Company's accounting principles, the reasonableness of significant estimates and judgments, and the disclosures in the Company's consolidated financial statements, including the disclosures relating to critical accounting policies.

Deloitte & Touche also provided to the Audit Committee the written disclosures and the letter required by applicable requirements of PCAOB Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, regarding its communications with the Audit Committee concerning independence, and represented that it is independent from the Company. The Audit Committee discussed with Deloitte & Touche their independence from the Company and considered if services they provided to the Company beyond those rendered in connection with their audit of the Company's consolidated financial statements, and reviews of the Company's interim condensed consolidated

financial statements included in its Quarterly Reports on Form 10-Q, compromise independence.



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During 2015, the Audit Committee received regular updates on the amount of fees and scope of audit and audit-related services provided. In addition, the Audit Committee reviewed and approved audit and non-audit services provided by Deloitte & Touche pursuant to the preapproval policies and procedures related to the provision of audit and non-audit services by the independent auditor as described above under Preapproval Policy of the Audit Committee of Services Performed by Independent Auditor.

Based on the Audit Committee's review and these meetings, discussions and reports discussed above, and subject to the limitations on our role and responsibilities referred to above and in the Audit Committee charter, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements for the year ended December 31, 2015 be included in the Company's Annual Report on Form 10-K. The Audit Committee also appointed Deloitte & Touche as the Company's independent auditor for 2016 and are presenting the appointment to the shareholders for ratification.

Respectfully submitted,

Christopher M. Foskett (Chair)

Bruce Hansen

Samuel G. Liss

Andrew G. Mills

Thomas Motamed

Therese M. Vaughan

David B. Wright

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### **Other Matters**

**Section 16(a) Beneficial Ownership Reporting Compliance.** Based solely upon our review of forms filed by our directors and executive officers during the most recent fiscal year, we believe that all required reports have been timely filed under the SEC's rules for reporting transactions by executive officers and directors in our common stock.

**Other Business.** We do not know of any other matters that may be presented for action at the meeting other than those described in this Proxy Statement. If any other matter is properly brought before the meeting, the proxy holders will vote on such matter in their discretion.

**Shareholder Nominations for Director Candidates.** The Nominating and Corporate Governance Committee oversees searches for and identifies qualified individuals for membership on our Board. The Nominating and Corporate Governance Committee's written charter requires the Committee to review candidates' qualifications for membership on the Board or a committee of the Board, including making a specific determination as to the independence of each candidate, based on the criteria approved by the Board (and taking into account the enhanced independence, financial literacy and financial expertise standards that may be required under law or NASDAQ rules for Audit Committee membership purposes). The Nominating and Corporate Governance Committee is also required to review the composition of the Board and its committees in light of the current challenges and needs of the Board, the Company and each committee, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background and experience.

Shareholders of record complying with the notice procedures set forth below may make director recommendations for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will consider any director candidates recommended by shareholders who submit a written request to the Corporate Secretary of the Company. The candidates should meet the director qualification criteria noted above. The Nominating and Corporate Governance Committee evaluates all director candidates and nominees in the same manner regardless of the source. Shareholders may make recommendations at any time, but nominations for the annual meeting of shareholders must be received not less than 60 days before nor more than 90 days prior to the first anniversary of the previous year's annual meeting. Therefore, to submit a candidate for nomination at the 2017 annual meeting of shareholders, shareholders of record must submit the nomination, in writing, no earlier than February 17, 2017, and no later than March 19, 2017. As required by our bylaws, the written notice must demonstrate that it is being submitted by a shareholder of record of Verisk and include information about each proposed director candidate, including name, age, business address, principal occupation, principal qualifications and other relevant biographical information. In addition, the shareholder must confirm his or her candidate's consent to serve as a director. Shareholders must send recommendations to the Nominating and Corporate Governance Committee, c/o Kenneth E. Thompson, Corporate Secretary, Verisk Analytics, Inc., 545 Washington Blvd., Jersey City, NJ 07310-1686.

**Shareholder Proposals for the 2017 Annual Meeting.** Shareholders intending to present a proposal at the 2017 annual meeting and have it included in our proxy statement for that meeting must submit the proposal in writing to Kenneth E. Thompson, Corporate Secretary, Verisk Analytics, Inc., 545 Washington Blvd., Jersey City, NJ 07310-1686. We must receive the proposal no later than December 2, 2016.

Shareholders of record wishing to present a proposal or nomination at the 2017 annual meeting, but not requiring the proposal be included in our proxy statement must comply with the requirements set forth in our bylaws. The bylaws require, among other things, that our Secretary receive written notice from the record shareholder of intent to present such proposal or nomination no more than 90 days and no less than 60 days prior to the anniversary of the preceding year's annual meeting. Therefore, the Company must receive notice of such a proposal or nomination for the 2017 annual meeting no earlier than February 17, 2017, and no later than March 19, 2017. The notice must contain the information required by the Bylaws, a copy of which is available upon request to our Secretary.

**Cost of Soliciting Your Proxy.** We will pay the expenses for the preparation and mailing of the proxy materials and the solicitation by the Board of your proxy. Our directors, officers and employees, who will receive no additional compensation for soliciting, may solicit your proxy, in person or by telephone, mail, facsimile or other means of communication.

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**Shareholders Sharing an Address.** Consistent with notices sent to record shareholders sharing a single address, we are sending only one Notice, Annual Report and Proxy Statement to that address unless we received contrary instructions from any shareholder at that address. This householding practice reduces our printing and postage costs. Shareholders may request or discontinue householding, or may request a separate copy of the Notice, Annual Report or Proxy Statement as follows:

Record shareholders wishing to discontinue or begin householding, should contact our Corporate Secretary, Kenneth E. Thompson, Verisk Analytics, Inc., 545 Washington Blvd., Jersey City, NJ 07310-1686.

Shareholders owning their shares through a bank, broker or other holder of record who wish to either discontinue or begin householding should contact their record holder.

Any householded shareholder may request prompt delivery of a copy of the Annual Report or Proxy Statement by contacting us at (201) 469-2142 or may write to us at Investor Relations, Verisk Analytics, Inc., 545 Washington Blvd., Jersey City, NJ 07310-1686. Instructions for requesting such materials are also included in the Notice.

**Consent to Electronic Delivery of Annual Meeting Materials.** Shareholders and ESOP participants can access this Proxy Statement and our Annual Report on Form 10-K via the Internet at [www.proxyvote.com](http://www.proxyvote.com) by following the instructions outlined on the secure web site. For future annual meetings of shareholders, shareholders can consent to accessing their proxy materials, including the Notice of Internet Availability of Proxy Materials, the proxy statement and the annual report, electronically in lieu of receiving them by mail. To receive materials electronically you will need access to a computer and an e-mail account. To sign up for electronic delivery, when voting using the Internet at [www.proxyvote.com](http://www.proxyvote.com), when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

Registered shareholders that wish to revoke their request for electronic delivery at any time without charge should contact our Corporate Secretary, Kenneth E. Thompson, Verisk Analytics, Inc., 545 Washington Blvd., Jersey City, NJ 07310-1686 or contact us at (201) 469-2142.

If you hold your shares through a bank, brokerage firm or other nominee and you have not already done so, you can choose this electronic delivery option by contacting your nominee. You may update your electronic address by contacting your nominee.

**Disclaimer.** Information contained on our website is not incorporated by reference into this Proxy Statement or any other report filed with the SEC.

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