

# Data Analytics

An Interview with Scott G. Stephenson,  
Chairman, President and Chief Executive Officer, Verisk Analytics

**EDITORS' NOTE** Scott Stephenson brings more than 30 years of executive experience and a successful record of strategic leadership and innovation to Verisk Analytics. He was appointed Chairman of the Board in 2016, CEO in 2013, and President in 2011. Starting in 2008, he served as Chief Operating Officer for five years. Before joining Verisk, Stephenson was a senior partner with Boston Consulting Group. He also served as an advisor to Silver Lake Partners, a technology-oriented private equity firm. In 2019, Forbes recognized Stephenson as one of America's Most Innovative Leaders and, in 2018, as one of the top 25 Most Innovative Leaders worldwide. Stephenson holds a B.S. in mechanical engineering from the University of Virginia and an M.B.A. from Harvard Business School.



Scott G. Stephenson

**COMPANY BRIEF** Verisk Analytics ([verisk.com](http://verisk.com)) is a leading data analytics provider serving customers around the world in insurance, energy and specialized markets, and financial services. For nearly 50 years, it has been helping customers make better decisions in many fields, including underwriting and rating, claims, catastrophe and weather risk, natural resources, global risk analytics, environmental health and safety, and commercial banking and finance.

## Will you discuss Verisk's history and how the company has evolved?

Verisk started on the premise that there is value in cooperation. The company was founded in 1971 and the founding idea was that there were things each insurance company had to do to be compliant with regulation. All of the players in the industry at that moment in time came to the realization that if they cooperated they could meet their regulatory requirements and do so in a more efficient way. That was how our company was born. One of the by-products of that origin was that in order to be compliant with regulation, each of the insurance companies had to forward a fair amount of granular data to the regulators. This was true then and it's true now.

This has to be done in each state for every line of insurance that you write. It is burdensome and so what they said was, one agent sitting in the middle can help pull the data together from all of the players making that process more efficient. One of the other by-products of that was now there

was this one really big data set sitting in the middle of the industry which was everybody's premium and loss information. The industry felt that it would be useful to draw some meaning out of the data set that emerged from everybody's data being in one place in terms of being able to see trends that any one company would have trouble spotting on its own.

The company also got started with analyzing that big data set to try to explain the dynamics of profit and loss in the insurance industry. Since that time, we've always known the value of a unique

data set and the value of being deeply connected to customers because that's how we were born. What we've tried to do since then are three things in chronological order – the earliest was to become more analytic. We had all this great data, but could we become more capable with respect to our ability to get even deeper meaning out of a data set?

The second thing was can we take this general business model we've got and spread it out geographically and to other industries? We have done both of those. It used to be the case back say 15 to 20 years ago, we were 100 percent in the United States and we only served the P&C industry. Now we're about 23 percent outside the United States and we serve three vertical markets, insurance, energy, and banking.

The third thing we had to do was become more software intense, which we've done over the past few years.

Our customers don't just want insightful content, they want digitized systems for making it easy for them to ingest what it is that we provide them, and software does that.

## How do you define Verisk's target market?

Verisk operates at the largest and smallest ends of the marketplaces that we serve. There has been a rise of a very long list of what you could consider new insurance companies, called insururetechs. They are trying to use modern digital methods to sell and manage insurance in new and different ways. Those are some of our most enthusiastic customers, but we also do a lot of work with the household brand insurance companies.

## How challenging is it to differentiate in the industry?

The set of companies that would say that they help customers with data analytics is a fairly long list, but nobody does it the way that we do it, meaning putting together these data sets that come from our customers, something that almost never happens.

We talk about four distinctives. The first one is unique data assets that come from our customers. The second is the depth of our knowledge about their industry. The third is that we try to go very fast and we believe in the value of being the first mover. The fourth is that we work to deeply integrate what we do into their digital workflows, which is why we write a lot more software today than we have historically.

## How important is brand awareness for Verisk?

Brand awareness matters but we're more focused on what Verisk stands for broadly than simply the amount of name recognition we have in the industries we serve. We think of our brand as a platform for bettering the lives of our employees, our customers and society.

We want Verisk to be associated with impact whether that's by leading the global economy's shift from hydrocarbons to diversified energy sources, standing for responsible innovation in emerging technology, or by leveraging our data to empower our customers and make the world more resilient.

Our aim is for Verisk to play a leading role in tackling long-term societal problems, while day-to-day focusing on our customer relationships. In order for our customers to trust us to understand, support and solve their complex global challenges, they must have an intangible belief in our organization that surpasses the products and services we offer.

## How is Verisk building a diverse and inclusive workforce?

There has to be intentionality, and the way that I would mark that is that a lot of the people who we hire come from technical backgrounds. If you look at the first stop in the talent pipeline – the colleges and the universities in the technical fields – they are not diverse. We can't simply accept that. We have to amplify the talent that is there at the entry level if we intend to be diverse at the senior levels of our company.

## Do you take moments to reflect and celebrate the impact and success that Verisk has achieved?

I feel like we get a chance to celebrate all the time. One of the greatest pleasures of my job is spending time with our customers. Each year, I visit probably 35 to 40 CEOs of our customers and it is such a pleasure. At the same time, we are always looking ahead, but the focus on the future does not rob today of satisfaction and happiness. ●