Verisk Analytics, Inc.
Form DEF 14A
April 02, 2015
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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.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Notice of 2015 Annual Meeting of Shareholders

to be held at the offices of the Company

545 Washington Boulevard

Jersey City, New Jersey 07310

May 20, 2015, 8:00 AM, local time

April 2, 2015

TO OUR SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the 2015 Annual Meeting of Shareholders of Verisk Analytics, Inc. will be held on Wednesday, May 20, 2015, 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;
- amend the Company s Bylaws to implement majority voting for the uncontested election of directors;
- amend and restate the Company s Amended and Restated Certificate of Incorporation and Bylaws to eliminate references to our Class B common stock, rename our Class A common stock, make related conforming changes, and update certain outdated provisions and remove certain redundant provisions;
- 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, 2015; 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 proposal to amend the Company s bylaws to implement majority voting for the uncontested election of directors, the proposal to amend and restate the Company s amended and restated certificate of incorporation and bylaws to eliminate references to our Class B common stock, rename our Class A common stock, make related conforming changes, and update certain outdated provisions and remove certain redundant provisions, 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 2, 2015. The Proxy Statement is being made available to our shareholders and eligible ESOP participants beginning on or about April 2, 2015.

Very truly yours,

Kenneth E. Thompson

Executive Vice President, General

Counsel and Corporate Secretary

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Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 20, 2015. Our Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 are available at 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 2, 2015

PROXY STATEMENT

We are making this Proxy Statement available in connection with the solicitation of proxies by our Board of Directors for the 2015 Annual Meeting of Shareholders. We are mailing the Notice of Internet Availability of Proxy Materials on or about April 2, 2015. This Proxy Statement is being made available to our shareholders on or about April 2, 2015. 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 20, 2015 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 2, 2015, 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.

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 23, 2015. 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 Class A 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 158,168,193 shares of Class A common stock were outstanding. We need a quorum consisting of a majority of the shares of Class A 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 and the proposal to amend and restate the Company s amended and restated certificate of incorporation and bylaws to eliminate references to our Class B common stock, rename our Class A common stock, make related conforming changes, and update certain outdated provisions and remove certain redundant provisions are discretionary items. NYSE member brokers that do not receive instructions from beneficial owners may vote on these proposals in their discretion, subject to any voting policies adopted by the broker holding your shares.

Nondiscretionary Items. The election of directors, the proposal to amend the Company s bylaws to implement majority voting for the uncontested 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, the proposal to amend the Company s bylaws to implement majority voting for the uncontested 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 19, 2015. 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 Class A 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

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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. Each director will be elected by a plurality of the votes cast with respect to such director. A plurality of the votes cast means that the open seats on the Board will be filled by the nominees who receive the highest number of votes until all of the open seats have been filled. Under Delaware law, if the director is not re-elected at the annual meeting, 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.

Votes Required to Approve the Proposal to Amend the Company s Bylaws to Implement Majority Voting for the Uncontested Election of Directors. The approval of the proposal to amend the Company s bylaws to implement majority voting for the uncontested election of directors 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 Approve the Proposal to Amend and Restate the Company s Amended and Restated Certificate of Incorporation and Bylaws to Eliminate References to our Class B Common Stock, Rename our Class A Common Stock, Make Related Conforming Changes, and Update Certain Outdated Provisions and Remove Redundant Provisions. The approval of the proposal to amend and restate the Company s amended and restated certificate of incorporation and bylaws to eliminate references to our Class B common stock, rename our Class A common stock, make related conforming changes, and update certain outdated provisions and remove certain redundant provisions requires the affirmative vote of (a) two-thirds of the outstanding shares of common stock in order to amend and restate the certificate of incorporation, and (b) a majority of the shares of common stock present in person or represented by proxy at the annual meeting and entitled to vote thereon in order to amend the bylaws. The amendments to the certificate of incorporation and bylaws are cross-conditioned in this proposal. Neither of the amendments will be deemed approved unless the requisite number of shareholders vote to approve both the amendments to the certificate of incorporation and bylaws as set forth in this proposal.

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 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 to withhold on all or any of the director nominees, and you may vote abstain for any othe proposal. Shares voting withhold , 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 votes on the majority voting proposal or 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 plurality of the votes cast by the holders of shares of common stock present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Each director holds office until his or her successor has been duly elected and qualified or the director s earlier resignation, death or removal.

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The nominees for election at the 2015 Annual Meeting are set forth below and will serve terms continuing until 2018. Glen A. Dell, a director currently serving a term until the 2015 Annual Meeting of Shareholders, has reached the Company s mandatory retirement age of 75 under our Corporate Governance Guidelines for directors. Accordingly, Mr. Dell will not stand for re-election and his term as director will end as of the date of the 2015 Annual Meeting of Shareholders. To fill the vacancy to be created by Mr. Dell s retirement, on February 18, 2015 our Board of Directors nominated Bruce Hansen to stand for election as a director for a term continuing until 2018. Mr. Hansen was initially identified as a potential director by Scott G. Stephenson, our President, Chief Executive Officer and current director, and recommended for nomination by our Nominating and Corporate Governance Committee. All of the other director nominees are current directors of Verisk as of April 2, 2015, and each nominee has indicated that he or she 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.

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 2015 Annual Meeting

Nominees for terms continuing until 2018

J. Hyatt Brown (77) 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 (58) 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 and business 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 also serves on the Board of Directors of DST Systems, Inc., a publicly traded company, since May 2012 and Ironshore Inc., a private company, since March 2014. In assessing Mr. Liss 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 (58) 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., a reinsurance 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.

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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 (55) has been nominated by our Board of Directors to stand for election as a director for a term continuing until 2018. 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 of the Board of Directors of two publicly traded companies, Performant Financial Corporation and MITEK Systems Inc., as well as two privately held companies, Zyme Solutions and BrightScope. 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.

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 2016

John F. Lehman, Jr. (72) 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 (62) 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 (64) 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 the 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 (57) has been our Chief Executive Officer since April 2013 and has been our President since March 2011. 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. 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.

Directors with terms continuing until 2017

Frank J. Coyne (66) has served as our Chairman since 2002 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. Foskett (57) has served as one of our directors since 1999. Mr. Foskett has served as the Head of Global, Strategic and National Accounts for First Data Corporation since May 2014. From 2011 to April 2014 Mr. Foskett 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. Foskett 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. Foskett 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 (65) 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.

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Thomas F. Motamed (66) 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 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.

CORPORATE GOVERNANCE

Corporate Governance Documents. Verisk maintains a corporate governance website at the Corporate Governance link under the Investors link at 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 Governance link under the Investors link at 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 Corporate Governance link under the Investors link at www.verisk.com.

Leadership Structure and Presiding Director. Frank J. Coyne serves as our Non-Executive Chairman of our Board of Directors and Scott G. Stephenson serves as our Chief Executive Officer. We believe the separation of the roles of Chairman and CEO maintains independence between the board and management and promotes effective corporate governance. We also have previously established the role of Presiding Director. Constantine P. Iordanou is currently the Presiding Director. The Presiding Director s duties and authority, set forth in our Corporate Governance Guidelines, include calling and leading independent, non-employee director sessions.

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 adopted by the affirmative vote of a majority of the entire Board of Directors. Currently, our Board of Directors has twelve directors. Ten 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, Glen A. Dell, Christopher M. Foskett, Constantine P. Iordanou, John F. Lehman, Jr., Samuel G. Liss, Thomas F. Motamed, Andrew G. Mills, David B. Wright, and Therese M. Vaughan. Director nominee Bruce Hansen, if elected, will be considered independent per NASDAQ listing rules. Frank J. Coyne is not considered independent per NASDAQ listing rules since he was employed by the Company as our Chief Executive Officer within the past three years. Scott G. Stephenson, our current Chief Executive Officer, is not considered independent.

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 six times in 2014. In 2014, 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, except for Mr. Motamed. In 2015, the Company modified its schedule of committee meetings so that Mr. Motamed can attend at least 75% of the meetings of the Board and of the committees on which he serves going forward.

The Executive Committee currently consists of Frank J. Coyne (Chair), Glen A. Dell, Constantine P. Iordanou and John F. Lehman, Jr. 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 met two times in 2014.

The Audit Committee currently consists of Glen A. Dell (Chair), Christopher M. Foskett, Samuel G. Liss, Andrew G. Mills, Thomas F. Motamed 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, Glen A. Dell 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 2014.

The Compensation Committee currently consists of John F. Lehman, Jr. (Chair), Glen A. Dell, 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 four times in 2014.

The Finance and Investment Committee currently consists of Samuel G. Liss (Chair), J. Hyatt Brown, Christopher M. Foskett, 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 once in 2014.

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 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 2014.

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 Governance link under the Investors link at 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 2014 Annual Meeting of Shareholders.

Executive Sessions. The Company s Corporate Governance Guidelines provide that non-employee directors may meet in executive sessions and the Presiding 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 Presiding Director will preside over these executive sessions. In 2014, after every Board and committee meeting an executive session consisting of non-employee 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 Presiding 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 Governance link under the Investors link at www.verisk.com.

Mandatory Retirement. Glen A. Dell is currently serving as a director for a three year term ending in 2015, and will retire effective as of the date of the 2015 Annual Shareholders Meeting. In 2012, Mr. Dell reached the Company s mandatory retirement age under our Corporate Governance Guidelines for directors of 75. The Board and the Nominating and Corporate Governance Committee believed that, having recently transitioned to public company status, the Company would benefit from Mr. Dell s continued service for the remainder of his three year term. Accordingly, the applicability of the mandatory retirement age under our Corporate Governance Guidelines was waived in this circumstance in order to permit Mr. Dell to complete his three year term continuing until 2015.

J. Hyatt Brown is currently serving as a director for a three year term ending in 2015 and has been nominated to stand for re-election as a director for a term continuing until 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 stand for re-election 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, 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 2014 is addressed in the Compensation Discussion and Analysis 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 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 herein, during 2014, 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 $2,910,426 in 2014 for participation and license fees and to which the Company paid fees in the amount of $750,000 in 2014 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.

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, each non-employee director receives a retainer fee of $82,500 per year for membership on the Board of Directors. Each non-employee director who chairs a committee receives an additional $15,000 retainer fee, with the exception of the chairpersons of the Audit Committee and Compensation Committee, each of whom receives an additional $20,000 annual retainer fee. The Presiding Director receives an additional $15,000 annual retainer fee. Frank J. Coyne, as Non-Executive Chairman, receives an additional annual retainer fee of $220,000.

Each non-employee director may elect to receive his annual retainer in the form of (i) cash, (ii) deferred cash, (iii) shares of Class A common stock, (iv) deferred shares of Class A common stock, (v) options to purchase Class A common stock or (vi) a combination of (i), (ii), (iii), (iv) and (v). 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 Class A common stock on the date of grant.

Equity Grants. Each non-employee director receives an annual equity award having a value of $132,500. Pursuant to the Director Compensation Plan, in 2014 one-half of the value of the annual equity award was awarded in the form of options to purchase Class A 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 Class A 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 Class A common stock on the date of grant. Shares of Class A common stock in respect of deferred stock units will be distributed to the directors upon retirement or other separation from the Board of Directors.

Employee-directors receive no additional compensation for service on the Board of Directors. Scott G. Stephenson, our Chief Executive Officer, is our only employee-director.

The table below shows compensation paid to or earned by the directors during 2014. As noted above, directors may elect to receive compensation in various forms other than cash.

2014 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Option Awards ($)(1)(2)	Total ($)
J. Hyatt Brown	82,500	66,259	66,242	215,001
Frank J. Coyne	151,250	217,535	66,242	435,027
Glen A. Dell	102,500	66,259	66,242	235,001
Christopher M. Foskett		148,779	66,242	215,021
Constantine P. Iordanou		66,259	178,746	245,005
John F. Lehman, Jr.		66,259	168,739	234,998
Samuel G. Liss		66,259	163,741	230,000
Andrew G. Mills		66,259	148,747	215,006
Thomas F. Motamed		148,779	66,242	215,021
Therese M. Vaughan	41,250	107,489	66,242	214,981
David B. Wright		148,779	66,242	215,021

(1) Represents the aggregate grant date fair value of stock and stock option awards granted in 2014 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, 2014.

(2) At December 31, 2014, directors had outstanding option awards as follows: (a) J. Hyatt Brown 61,363; (b) Frank J. Coyne 10,598; (c) Glen A. Dell 10,598; (d) Christopher M. Foskett 101,530; (e) Constantine P. Iordanou 234,990; (f) John F. Lehman, Jr. 207,593; (g) Samuel G. Liss 84,349; (h) Andrew G. Mills 76,095; (i) Thomas F. Motamed 95,705; (h) Therese M. Vaughan 10,598; (i) David B. Wright 182,687.

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. Existing directors are required to comply with this requirement no later than July 1, 2015. New directors will be required to comply with this requirement no later than the sixth anniversary of their election to the Board.

EXECUTIVE OFFICERS OF VERISK

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

Scott G. Stephenson (57) has been our Chief Executive Officer since April 2013 and has been our President since March 2011. 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 (49) 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 (55) 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 (50) 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.

Perry F. Rotella (51) was appointed Group Executive Supply Chain Analytics as of May 2013 and also continues to serve as our Senior Vice President and Chief Information Officer a position he has held since October 2009. Mr. Rotella joined Verisk from Moody s Corporation, where he served as Senior Vice President and CIO from 2006 to 2009. Prior to Moody s, Mr. Rotella served in multiple executive roles at AIG from 1999 to 2006, including Senior Vice President and CIO of AIG s domestic property and casualty business and as the corporation s global Chief Technology Officer. From 1986 to 1999, Mr. Rotella was a principal with American Management Systems, rising to a member of the firm s global technology council. Mr. Rotella currently serves on the board of the Center for Family Support and is President of the New York Chapter of the Society for Information Management.

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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. Executive officers may not engage in pledging Verisk securities, or selling short or trading options or futures in Verisk securities. The following table sets forth the beneficial ownership of our Class A 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 23, 2015. Percentage of class amounts are based on 158,168,193 shares of our Class A common stock outstanding as of March 23, 2015.

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 23, 2015. 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 Class A common stock.

	Shares of Class A Common Stock Beneficially Owned	
	Number of Shares	**Percentage of Class**
NAMED EXECUTIVE OFFICERS		
Scott G. Stephenson(1)	2,043,396	1.29%
Mark V. Anquillare(2)	845,056	*
Kenneth E. Thompson(3)	821,332	*
Vincent de P. McCarthy(4)	245,969	*
Perry F. Rotella(5)	154,626	*
DIRECTORS		
Frank J. Coyne(6)	324,453	*
J. Hyatt Brown(7)	116,959	*
Glen A. Dell(8)	172,629	*
Christopher M. Foskett(9)	104,188	*
Constantine P. Iordanou(10)	364,545	*
John F. Lehman, Jr.(11)	472,094	*
Samuel G. Liss(12)	125,399	*
Andrew G. Mills(13)	182,271	*
Thomas F. Motamed(14)	98,441	*
Therese M. Vaughan(15)	7,706	*
David B. Wright(16)	222,801	*
ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (16 PERSONS)	6,301,865	3.98%

(1) Includes (a) 1,733,932 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 80,985 shares of restricted stock which vest in four equal installments on each anniversary of the shares respective grant dates. Mr. Stephenson also serves as a director.

(2) Includes (a) 800,881 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 28,656 shares of restricted stock which vest in four equal installments on each anniversary of the shares respective grant dates.

(3) Includes (a) 786,927 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 22,238 shares of restricted stock which vest in four equal installments on each anniversary of the shares respective grant dates.

(4) Includes (a) 218,432 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 17,554 shares of restricted stock which vest in four equal installments on each anniversary of the shares respective grant dates.

(5) Includes (a) 134,047 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 13,560 shares of restricted stock which vest in four equal installments on each anniversary of the shares respective grant dates.

(6) Includes (a) 4,912 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 22,562 deferred stock units that entitle Mr. Coyne to 22,562 shares of Class A common stock at the end of his service to the Board.

(7) Includes (a) 55,677 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 2,117 deferred stock units that entitle Mr. Brown to 2,117 shares of Class A common stock at the end of his service to the Board.

(8) Includes (a) 4,912 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 2,117 deferred stock units that entitle Mr. Dell to 2,117 shares of Class A common stock at the end of his service to the Board. Also, includes shares owned by the Barbara M. Dell GST Family Trust, of which Mr. Dell is the trustee. Mr. Dell disclaims beneficial ownership of any shares beneficially owned by the trust except to the extent of his pecuniary interest therein.

(9) Includes (a) 95,844 shares subject to stock options exercisable within 60 days of March 23, 2015, (b) 2,117 deferred stock units that entitle Mr. Foskett to 2,117 shares of Class A common stock at the end of his service to the Board, and (c) 4,450 deferred stock awards that entitle Mr. Foskett to 4,450 shares of Class A common stock at the end of his service to the Board.

(10) Includes (a) 210,704 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 2,117 deferred stock units that entitle Mr. Iordanou to 2,117 shares of Class A common stock at the end of his service to the Board.

(11) Includes (a) 201,907 shares subject to stock options exercisable within 60 days of March 23, 2015, (b) 2,117 deferred stock units that entitle Mr. Lehman to 2,117 shares of Class A common stock at the end of his service to the Board, and (c) 3,500 deferred stock awards that entitle Mr. Lehman to 3,500 shares of Class A 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) 78,663 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 2,117 deferred stock units that entitle Mr. Liss to 2,117 shares of Class A common stock at the end of his service to the Board.

(13) Includes (a) 70,409 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 2,117 deferred stock units that entitle Mr. Mills to 2,117 shares of Class A common stock at the end of his service to the Board.

(14) Includes (a) 90,019 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 2,117 deferred stock units that entitle Mr. Motamed to 2,117 shares of Class A common stock at the end of his service to the Board.

(15) Includes (a) 4,912 shares subject to stock options exercisable within 60 days of March 23, 2015, and (b) 2,117 deferred stock units that entitle Ms. Vaughan to 2,117 shares of Class A common stock at the end of her service to the Board.

(16) Includes (a) 167,001 shares subject to stock options exercisable within 60 days of March 23, 2015, (b) 2,117 deferred stock units that entitle Mr. Wright to 2,117 shares of Class A common stock at the end of his service to the Board and (c) 1,973 deferred stock awards that entitle Mr. Wright to 1,973 shares of Class A common stock at the end of his service to the Board.

* Indicates less than 1% ownership.

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PRINCIPAL SHAREHOLDERS

The following table contains information regarding each person we know of that beneficially owns more than 5% of our Class A 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 Class A Common Stock Beneficially Owned Number of Shares	Percentage of Class
GreatBanc Trust Company, as Trustee of the ISO Employee Stock Ownership Trust 801 Warrenville Road Suite 500 Lisle, IL 60532	12,211,897(1)	7.4%
FMR LLC 245 Summer Street Boston, MA 02210	11,428,942(2)	6.9%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	9,332,272(3)	5.6%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	8,895,633(4)	5.4%

(1) As of December 31, 2014, based on a Schedule 13G/A Information Statement filed with the SEC on February 4, 2015, 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 206,636 shares and shared voting power with respect to 12,005,261 shares of our Class A 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.

(2) As of December 31, 2014, based on a Schedule 13G/A Information Statement filed with the SEC on February 13, 2015 jointly by FMR LLC (FMR), Edward C. Johnson 3d, as Director and Chairman of FMR, and Abigail P. Johnson, as Director, Vice Chairman, Chief Executive Officer and President of FMR. The Schedule 13G/A reported that FMR had sole voting power as to 133,220 shares of our Class A common stock and sole dispositive power as to 11,428,942 shares of our Class A common stock.

(3) As of December 31, 2014, based on a Schedule 13G Information Statement filed with the SEC on February 12, 2015 by T. Rowe Price Associates, Inc. (T. Rowe Price). The Schedule 13G reported that T. Rowe Price has sole voting power as to 2,965,372 shares of our Class A common stock and sole dispositive power as to 9,332,272 shares of our Class A common stock.

(4) As of December 31, 2014, based on a Schedule 13G Information Statement filed with the SEC on February 11, 2015 by The Vanguard Group (Vanguard). The Schedule 13G reported that Vanguard has sole voting power as to 150,627 shares of our Class A common stock and sole dispositive power as to 8,760,909 shares of our Class A common stock.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

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.

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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 2014 (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.

Summary of 2014 Corporate Performance

The Company had another strong performance year in 2014. Total revenue from continuing operations was up $151.0 million or 9.5% from 2013. The Company s EBITDA from continuing operations also grew from $744.8 million in 2013 to $803.0 million in 2014 reflecting continued strong EBITDA margins from continuing operations of 46.0%. Despite record revenue and profitability the Company s total shareholder return (TSR) during 2014 was negative 2.5%. However, the three and five year annualized TSR through December 31, 2014 was 16.9% and 16.2%, respectively, reflecting strong long-term shareholder returns.

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 2013 and 2014. In 2014, Cook advised the Compensation Committee on various executive and non-employee director compensation matters including the compensation levels for senior management with respect to 2014. 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, as set forth in Section 10C-1 of the Securities Exchange Act of 1934, 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.

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Sources and Uses of Market Compensation Data

In 2013, at the request of the Compensation Committee, Cook reviewed the Company s peer group to ensure it remained appropriate for benchmarking purposes. When conducting this review, Cook screened for companies in 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 we believe that these two metrics are most strongly correlated to compensation levels revenue for cash compensation and market capitalization for long-term incentive, equity-based compensation. Following Cook s review, the Compensation Committee determined to modify the peer group in November 2013 by adding Alliance Data Systems and removing Acxiom, DST Systems, Dun & Bradstreet, Fair Isaac and Morningstar from the prior peer group. The table below shows the resulting twelve company peer group along with the revenue and market capitalizations in effect at each company at the time of adoption of the new peer group in November 2013.

Peer Company	Revenue ($mil)	Market Cap ($mil)
Alliance Data Systems	$ 4,150	$ 11,555
Equifax	2,283	7,857
FactSet Research Systems	858	4,717
Fidelity National Information Services	5,992	14,240
Fiserv	4,707	13,542
Gartner	1,702	5,492
IHS	1,695	7,327
McGraw-Hill Companies	4,851	18,869
Moody s	2,947	15,199
MSCI	992	4,932
Nielsen Holdings	5,556	14,896
Solera Holdings	838	3,867
Peer Median	$ 2,615	$ 9,706
Verisk Analytics	$ 1,639	$ 11,506

The Compensation Committee retained Cook to perform a competitive analysis of senior management compensation levels to inform compensation decisions for 2014. Because the majority of our Company s executive 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 2014.

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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. Our NEOs base salaries were initially determined by the Compensation Committee (in the case of Mr. Stephenson) or by Mr. Stephenson, with the approval of the Compensation Committee (in the case of other NEOs) based on the Company s assessment as described above. 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 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 2014 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 relate to revenue growth and EBITDA margin, 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 the Chief Executive Officer, 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 2014 were further subject to the achievement of performance goals set forth under our 2014 Performance Bonus Program, as discussed below under Analysis of 2014 Variable Compensation .

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 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 Verisk Analytics, Inc. Executive Officer Annual Incentive Plan (the Annual Incentive Plan). Annual cash incentive awards for 2014 awarded under the Annual Incentive Plan to our Chief Executive Officer and our next three most highly compensated executive officers (other than our Chief Financial Officer) are intended to comply with the qualified performance-based compensation exception under Section 162(m) of the Code. For additional discussion of Section 162(m) of the Code, see below under *Tax and Accounting Considerations* .

See *Analysis of 2014 Variable Compensation* for a discussion of how we determined 2014 STI awards for NEOs.

Long-Term Equity Incentive Awards

Long- term equity incentive awards are made annually to eligible employees, including NEOs, pursuant to our LTI program. On May 15, 2013, at our 2013 Annual Meeting of Shareholders, the Company s shareholders

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approved the Verisk Analytics, Inc. 2013 Equity Incentive Plan (the 2013 Equity Incentive Plan), which is the successor plan to the Verisk Analytics, Inc. 2009 Equity Incentive Plan (the 2009 Equity Incentive Plan). Among other features, the 2013 Equity Incentive Plan preserves the Company s flexibility to grant cash awards and certain equity-based awards that are structured to comply with the qualified performance-based compensation exception under Section 162(m) of the Code. For additional discussion of Section 162(m) of the Code, see below under *Tax and Accounting Considerations* .

Since 2011 we have awarded long-term equity incentive awards in the form of stock option grants and awards of restricted stock, and for 2014 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 Class A 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 2014 performance year were further subject to the achievement of performance goals set forth under our 2014 Performance Bonus Program, as discussed below under Analysis of 2014 Variable Compensation .

See *Analysis of 2014 Variable Compensation* for a discussion of how we determined 2014 LTI awards for NEOs.

2014 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 2014:

	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 2014, we achieved revenue growth of 9.5%, which is between the Tier I and Tier II performance goals, and EBITDA margin of 46.0%, which is between the Tier III and Tier IV performance goals. 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. In assessing the revenue growth target, the Compensation Committee considered the Company s strong organic growth during 2014. After combining the tier-based formula with the other discretionary elements of performance noted above, the Compensation Committee established an aggregate pool funding factor of 111% of target resulting in a STI pool of up to $53.1 million for distribution to approximately 3,900 eligible employees including all NEOs and an aggregate LTI pool of equity awards with an aggregate value of up to $35 million for distribution to approximately 675 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, 2014 for a reconciliation of EBITDA to net income, the most directly comparable GAAP financial measure.

See *Analysis of 2014 Variable Compensation* for a discussion of how we determined 2014 STI and LTI awards for NEOs.

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Analysis of 2014 Variable Compensation

For fiscal 2014, the Compensation Committee established the 2014 Performance Bonus Program for Executive Officers (the 2014 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 2014 Performance Bonus Program for fiscal year 2014, 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 2014 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, 2014, 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, 2014.

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 2014 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 2014 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.

For individual NEOs, other than Mr. Stephenson, the STI and LTI awards were made 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. For NEOs other than Mr. Stephenson, the additional factors described below were considered by Mr. Stephenson and the Compensation Committee in determining such NEO s STI and LTI awards. The factors noted were not given any specific weights, but rather informed the recommendation of Mr. Stephenson regarding the contribution of each individual to our overall performance.

Mr. Anquillare: strong execution of new responsibility for line management of many of the Company s Risk Assessment lines of business and strong performance as Chief Financial Officer.

Mr. Thompson: overview of the Company s expanded Risk and Compliance Department; strong execution in connection with our acquisition and financing programs; 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; development of strategy to position the Company for future success.

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Mr. Rotella: developing program for enhancement of the Company s data centers and technology infrastructure and strong execution of new responsibility for line management of the Company s supply chain activities.

The 2014 STI award to Mr. Stephenson was determined based upon the Compensation Committee s evaluation of Company performance and evaluation of several non-financial factors including Mr. Stephenson s 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.

The amount of any annual increase or decrease in base salary or STI or LTI award is generally based on the subjective evaluation of the Compensation Committee in the case of Mr. Stephenson, and of Mr. Stephenson (with the approval of the Compensation Committee) in the case of other NEOs. Although the Company s financial performance is a factor taken into consideration, the specific amount of an increase or decrease in any component of an NEO s 2014 compensation is not tied directly to any overall Company financial performance metric but rather reflects a determination by the Compensation Committee or Mr. Stephenson, as the case may be, that the amount of the increase or decrease is appropriate based on the matters considered as set forth above.

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 2014 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 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 2014.

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 since our conversion in 1997.

Employment Agreements; Change of Control Severance Agreements

We do not currently have employment agreements with any of our NEOs.

In October 2009, in connection with our IPO, we entered into Change of Control Severance Agreements with each of our current NEOs. We believe that these agreements are desirable to retain the services of these

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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.

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.

2014 Say-on-Pay Results

In connection with our 2014 annual meeting of shareholders, the proposal to approve on an advisory basis the compensation of the Company s NEOs for 2013 received 139,753,483 votes, or 97.16% 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 2015 in respect of 2014 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. The in-the-money value of vested and unvested stock options and unvested restricted 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. On May 20, 2014, the Board modified the minimum equity holding requirements for NEOs, other than the Chief Executive Officer, by eliminating the original five-year period for compliance and replacing it with a requirement that until the three times base salary threshold is met, such NEOs 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.

Mr. Stephenson, our Chief Executive Officer, currently holds common stock with a value in excess of the six times base salary requirement. Mr. Anquillare, Mr. Thompson, Mr. McCarthy and Mr. Rotella, as NEOs, each currently do not yet hold stock with a value in excess of the three times base salary requirement but have satisfied the requirement to retain 50% of the after tax value of stock acquired upon the vesting of restricted stock awards or a stock option exercise since May 20, 2014, the date this retention requirement was adopted.

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 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 become effective.

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 for 2013 and future years 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 (other than our Chief Financial Officer) by awarding annual cash incentive 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 representations 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 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 10-year stock options and other equity awards that vest over time;
- use of restricted stock awards that vest over time;
- generally providing senior executives with long-term equity-based compensation on an annual basis (we believe that accumulating equity over a period of time encourages executives to take actions that promote the long-term sustainability of our business);