

KAREN CLARK

PRESIDENT AND CEO

KAREN CLARK & COMPANY
BOSTON**Birth Mother of CAT Modeling
Spins On**

Props to Karen Clark for her work on the IPCC, and at her new firm.

Karen Clark is most recognized in the insurance community as the founder, CEO and president of catastrophe modeling firm AIR Worldwide. Some may have heard she broke out on her own last year, launching Karen Clark & Co.

But most notably, over the last quarter century, Clark has proven herself to be among the insurance industry's greatest Risk Innovators.

Jim Stanard, former chairman and founder of Renaissance Re, has known Clark ever since 1987, when she developed the first hurricane catastrophe model and founded the first catastrophe modeling company, AIR. He classifies Clark as an incredible entrepreneur, designing the concept behind hurricane modeling and building a business around that concept, always working diligently to improve the quality of catastrophe modeling tools.

"Originally, she had an arrangement with an insurance broker, E.W. Blanch, to support her model," said Stanard. "She kept the intellectual property rights for herself, which was a pretty amazing deal. After that she built AIR as a successful

company from a point where it was unusual for companies to use these models to the point where it was required and assumed to use these models."

Clark is as known for her integrity as she is for her innovations. She launched her own company to address the two major challenges she discovered after Hurricane Katrina. The first being that most insurance companies don't realize they have incomplete or inaccurate data, and the second being many companies rely too heavily on the CAT model loss estimates without thoroughly vetting the output.

"Now, once again, she sees an issue in the business and she's being intellectually honest about that and feels she's in a position to make the business run better and more efficiently," said Stanard. "She's confident she can build a business around this, and she's focused more on doing the right thing than she is focused on how successful her business is going to become."

Bill Riker, former president of Ren Re Holdings and president of his own firm, Riker Consulting, said the insurance category of the Risk Innovator awards simply could not be complete without Clark.

"She has a very high level of integrity and has remained consistent in her views in a business that is very difficult to remain consistent in," he said. "Because of that integrity, people want to do business with her and are interested in what she has to say."

The insurance industry isn't the only forum wanting to hear Clark's thoughts. Clark was honored with an award certificate for the 2007 Nobel Peace Prize bestowed on the Intergovernmental Panel on Climate Change and former Vice President Al Gore. Award certificates are only given to those who have contributed substantially to the work of the IPCC.

Clark first contributed to the IPCC as a co-lead author for the Second Assessment Report published in 1995. Since that time, she has sponsored and supported scientific research on climate change to provide the insurance community with a deeper understanding of its potential impacts with respect to severe weather events.

More recently, through her new company, Clark has developed executive briefings on topics such as Northeast hurricane risk. She pioneered a comprehensive independent review process, Independent Metrics for the Assessment of Risk from Catastrophes, which provides an assessment of the five most important components of an internal risk management process along with recommendations for improvements. In addition, Clark led the development of the IMARC Data Score, an innovative and consistent measure of exposure data quality that is comparable across companies.

— By Erin Gazica

About Risk Innovator:

The Risk & Insurance® Risk Innovator™ Award recognizes winners in 13 different industries who have, in the past year, demonstrated innovation and excellence in risk management. These key individuals see risk differently and have resolved risk-related problems in a unique or innovative way. They view risk not only as a threat, but also as an opportunity for their organizations. In 2008, 56 individuals received the Risk Innovator Award.