

Climate-Analytics Acquisitions: From Satellite Signal to Insurable Decision

A Workflow Integration and Verified Outcomes Framework for Valuing Geospatial Climate Intelligence in Insurance M&A

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September 2026

Abstract

Satellite imagery, weather observations and climate projections can create an extensive technical asset. An insurer pays for a different outcome: a governed decision that changes risk selection, pricing, limits, portfolio accumulation, reinsurance, claims or capital. Acquisition value therefore depends on the target's ability to translate observations into repeatable financial decisions inside insurance workflows.

This paper develops a Signal-to-Insurable-Decision Framework for acquisitions of climate-analytics, Earth observation, catastrophe-model and property-intelligence businesses. The framework follows eight layers: observation, feature, hazard, exposure, vulnerability, financial loss, workflow action and verified outcome. It tests data rights, provenance, refresh, spatial resolution, model validation, uncertainty, regulatory use, customer adoption, renewal and collected contribution at each layer. It also distinguishes a broad imagery archive from evidence that an insurer relies on the product in production.

Recent transactions and disclosures show the direction of strategic demand. Moody's completed its acquisition of CAPE Analytics in 2025 and reported that its insurance revenue grew 15% that year; it linked growth to subscription-based catastrophe-model demand and revenue from CAPE and Praedicat. Moody's described CAPE as property-level geospatial AI integrated with catastrophe modelling. MSCI announced its acquisition of First Street in June 2026 to add physics-based physical-risk data covering more than two billion structures to financial-decision workflows. Planet reported USD 307.7 million of revenue for the year ended 31 January 2026, 98% recurring annual contract value and insurance among its served verticals. Verisk states that its data, analytics and technology are integrated into insurance workflows and that its 2025 clients included all of the top 100 U.S. property and casualty insurers for the service lines it offers. These disclosures concern the named companies and reporting periods; they do not establish the value of an unidentified target. [1][2][3][4][5]

The worked case is wholly hypothetical. A climate-analytics target presents USD 340 million of strategic value. The framework admits USD 178 million of standalone value, USD 54 million of workflow-integration value, USD 31 million of supported cross-sell and USD 22 million of validated model improvement. It deducts USD 18 million for integration execution, USD 12 million for data-rights constraints, USD 15 million for validation and regulatory gaps and USD 10 million for customer concentration. The resulting illustrative enterprise value is USD 230 million. Every amount, probability and assumption must be replaced with transaction-specific evidence.

The framework is designed for boards, insurers, reinsurers, brokers, data platforms, financial-information groups and private-capital investors. It converts technical diligence into a price, transaction structure and integration plan based on observed customer decisions and cash rather than imagery volume or model claims alone.

JEL Classification: G22, G32, G34, L86, O32, Q54

Keywords: climate analytics M&A, satellite data insurance, catastrophe models, geospatial AI valuation, insurance underwriting analytics, climate risk acquisition, data moat, customer cohorts, algorithm valuation, insurable decision

Introduction

Climate analytics sits between physical observation and financial action. Satellites, radar, weather stations, elevation models, claims histories and property records may reveal a hazard. The commercial product earns durable value when a customer can identify the insured asset, estimate loss, document uncertainty, apply an approved decision rule and measure the result. Each hand-off creates potential value leakage.

The insurance context makes this translation demanding. Underwriting decisions must fit policy terms, portfolio limits, rate governance, reinsurance arrangements and regulatory expectations. Claims decisions require event attribution, timing and auditable evidence. Capital decisions require aggregation across locations, perils and return periods. A technically impressive model may remain outside production when its data rights, coverage, explainability, latency, validation or integration do not meet the customer's operating requirements.

Acquirers should therefore value the combined decision system. The relevant unit is the governed workflow that turns a signal into a priced and monitored exposure. The paper maps that system, separates observed facts from hypothetical transaction mechanics and defines the evidence required for price, financing, contingent consideration and post-close accountability.

1. Define the acquisition decision

The decision question concerns the valuation date, buyer strategy, target perimeter, decision workflows and capital structure. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with board papers, transaction scope, management accounts, product architecture and customer contracts. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is one approved investment question with an evidence cut-off. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should state which insurance decisions the combination must improve and how that improvement will be measured. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

2. Map the signal-to-decision chain

The decision question concerns the sequence from raw observation through feature, hazard, exposure, vulnerability, financial loss and workflow action. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with data lineage, model documentation, APIs, decision rules and customer process maps. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a traceable chain from source to customer action. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can

be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should assign value only where evidence supports every material transformation. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

3. Inventory observation sources

The decision question concerns satellite, aerial, weather, sensor, cadastral, property, claims and third-party inputs. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with licences, source catalogues, refresh records, coverage maps and supplier contracts. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is an observation register by peril, geography and use. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should separate proprietary observations from replaceable or restricted inputs. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

4. Test provenance and data rights

The decision question concerns ownership, licensing, derivative rights, redistribution, model-training rights, retention and change of control. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with source agreements, legal opinions, consent clauses, data lineage and deletion obligations. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a lawful commercial perimeter for each dataset and derived product. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should make missing rights a price deduction or closing condition. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

5. Measure refresh, latency and continuity

The decision question concerns the time between physical change, observation, processing, delivery and customer decision. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with capture schedules, service levels, outage logs, cloud telemetry and customer incidents. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is decision-grade latency and continuity by use case. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should avoid paying a real-time premium for products used only in periodic portfolio review.

The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

6. Define peril and geographic coverage

The decision question concerns the hazards, territories, return periods and edge cases covered by each model. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with hazard catalogues, validation regions, loss histories, scientific literature and exclusions. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a coverage matrix tied to customer portfolios. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should exclude unvalidated extrapolation from the base case. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

7. Resolve exposure at decision level

The decision question concerns the linkage between a geospatial signal and the insured location, building, asset, crop or infrastructure unit. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with address matching, geocoding tests, property attributes, portfolio records and exception logs. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a verified match rate with known error classes. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should price unmatched and incorrectly matched exposure as operational loss. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

8. Test vulnerability functions

The decision question concerns the conversion of hazard intensity into physical damage and business interruption. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with engineering studies, claims data, calibration records, expert review and uncertainty ranges. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is vulnerability curves supported by observed evidence. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should separate scientific plausibility from insured-loss performance. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

9. Calibrate financial loss

The decision question concerns policy terms, deductibles, limits, inflation, demand surge, business interruption and reinsurance. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with policy data, claims triangles, event studies, loss adjustment and portfolio simulations. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is gross, net and retained loss distributions. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should link technical outputs to the economics actually borne by the customer. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

10. Address climate non-stationarity

The decision question concerns whether historical frequency and severity remain representative under changing physical conditions. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with current climate science, scenario sets, model versions, back-tests and governance minutes. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is explicit treatment of trend, uncertainty and model change. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should avoid embedding one unexamined climate trajectory in price or capital. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

11. Map customer workflows

The decision question concerns where underwriters, actuaries, portfolio managers, claims teams and capital committees use the product. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with screen recordings, process maps, decision logs, user roles and control approvals. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a workflow inventory with accountable users. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should distinguish a purchased licence from a product used in consequential decisions. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

12. Test underwriting integration

The decision question concerns risk eligibility, referral, pricing, limits, deductibles, inspection and renewal decisions. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with underwriting rules, production logs, policy cohorts, overrides and quote outcomes. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is measured adoption and underwriting impact. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should value embedded decision rules above dashboard access. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

13. Test pricing and rate governance

The decision question concerns how model outputs enter technical price, filed rates, approved factors and portfolio steering. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with pricing models, filing support, actuarial review, approval records and change logs. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a lawful and controlled route from signal to premium. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should discount benefits that depend on approvals or rate changes not yet obtained. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

14. Measure portfolio accumulation value

The decision question concerns concentration by geography, peril, event footprint, policy term and correlated infrastructure dependency. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with geocoded portfolio data, event sets, aggregation tools, limits and breach records. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is faster and more accurate accumulation decisions. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should quantify avoided concentration and released capacity only when observed. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

15. Measure reinsurance value

The decision question concerns how the analytics affects placement, attachment, limits, pricing, model views and counterparty discussions. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with treaty submissions, broker models, reinsurer feedback, renewal outcomes and capital models. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is evidence of improved risk transfer or retained economics. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should avoid double counting underwriting and reinsurance benefits. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

16. Measure claims value

The decision question concerns event detection, triage, damage assessment, fraud, reserve setting and settlement. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with event imagery, claim files, adjuster outcomes, cycle times and leakage studies. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is verified claims outcomes by event cohort. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should separate faster notification from accurate covered-loss determination. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

17. Test parametric applications

The decision question concerns whether an index is objective, timely, transparent and aligned with actual loss. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with trigger definitions, basis-risk analysis, observation continuity, settlement history and disputes. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a governed trigger with measured basis risk. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should cap value where a vendor can change or interrupt the underlying observation. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

18. Map regulatory-capital use

The decision question concerns the role of analytics in standard-formula assumptions, internal models, stress tests and supervisory reporting. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with capital policies, regulator correspondence, model-change governance and validation. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is approved use with a clear capital consequence. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should treat prospective capital benefits as contingent until approval and operation. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

19. Assess model governance

The decision question concerns ownership, validation, performance thresholds, change approval, documentation, challenge and retirement. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with model inventory, validation reports, audit findings, version history and incident records. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a controlled model lifecycle. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should make material validation remediation part of the integration budget. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

20. Build customer cohorts

The decision question concerns adoption, expansion, renewal, contraction and loss by insurer type, workflow, peril and geography. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with contracts, product telemetry, invoices, collections, support records and exit interviews. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is cohort economics tied to production use. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should use collected renewal evidence rather than logo counts. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

21. Construct the data-moat score

The decision question concerns scarcity, lawful exclusivity, coverage, history, refresh, quality, interoperability and feedback effects. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with source contracts, archive statistics, customer usage, error rates and replacement tests. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a transparent score for defensible data advantage. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should deduct value when the moat depends on revocable third-party access. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

22. Value algorithms and models

The decision question concerns performance, transferability, interpretability, maintenance, compute cost and dependence on specific data. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with benchmark tests, code records, model cards, validation, drift and operating costs. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is risk-adjusted cash attributable to model capability. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should avoid valuing technical complexity without customer conversion. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

23. Measure workflow stickiness

The decision question concerns the operational cost and risk of replacing the product within policy, claims, portfolio and capital processes. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with integration maps, user dependency, switching tests, service levels and renewal negotiations. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is switching cost supported by observed behaviour. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should distinguish genuine embeddedness from contractual friction. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

24. Test the commercial model

The decision question concerns subscription, usage, portfolio, per-location, event, enterprise and outcome-linked pricing. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with price books, contracts, usage, gross margin, discounting and renewal evidence. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is unit economics aligned with customer value. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should model expansion revenue separately from temporary event-driven usage. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

25. Measure customer concentration

The decision question concerns revenue, annual contract value, receivables, usage and product learning concentrated in a small number of accounts. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with customer hierarchy, contracts, invoices, cash receipts and telemetry. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is concentration-adjusted recurring contribution. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should stress correlated loss when customers share the same regulatory or catastrophe-model cycle. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

26. Design integration architecture

The decision question concerns identity, data models, APIs, cloud environments, security, workflow interfaces and release processes. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with architecture diagrams, data contracts, dependency maps, cost estimates and migration tests. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is an executable integration plan with service continuity. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should fund dual running and rollback before claiming platform synergy. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

27. Test transfer and consent requirements

The decision question concerns assignment, sublicensing, source-data consents, customer approval, privacy and regulated outsourcing. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with change-of-control clauses, licences, customer terms, regulator rules and consent plans. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is revenue and data rights transferable to the buyer. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should condition closing or consideration on critical permissions. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

28. Remove model and product overlap

The decision question concerns duplicate hazard models, datasets, interfaces, customers and research teams. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with product maps, cost centres, usage, contracts and roadmap decisions. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a rationalised portfolio with retained customer coverage. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should avoid counting duplicated revenue and cost savings together. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

29. Reconstruct revenue quality

The decision question concerns recurrence, renewal, usage variability, event sensitivity, services dependence, margin and cash conversion. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with contracts, billing, revenue recognition, cloud costs, support effort and collections. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is customer-level collected contribution. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should apply different valuation treatment to subscriptions, implementation and event-driven revenue. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

30. Build the hypothetical value bridge

The decision question concerns the movement from standalone value to supported integration, cross-sell and model benefits. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with transaction-specific customer, product, technical, financial and regulatory evidence. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is USD 230 million of illustrative enterprise value. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should demonstrate mechanics without representing an actual company. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

31. Run downside scenarios

The decision question concerns data loss, failed validation, delayed integration, customer attrition, model error and severe-event performance. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with risk register, sensitivity model, incident history, customer cohorts and liquidity plan. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is value and cash under severe but plausible cases. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should retain sufficient liquidity and contingent consideration for unresolved risk. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

32. Set transaction protections

The decision question concerns price, holdbacks, earn-outs, escrow, warranties, covenants, consents and milestone conditions. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with value bridge, diligence exceptions, legal terms and integration plan. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is consideration aligned with realised workflow and customer outcomes. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should tie release of value to lawful data access, validated performance and collected cash. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

33. Sequence the integration

The decision question concerns customer continuity, data migration, model validation, product packaging, sales enablement and governance. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with day-one plan, dependency map, customer communications, validation calendar and accountable owners. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is a staged operating plan with measurable gates. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should preserve decision continuity while combination benefits are tested. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

34. Govern post-close value

The decision question concerns monthly evidence on data, models, workflows, customers, integration, capital and cash. Diligence should identify the insurer, business line, peril, geography, workflow, model version, data source, period and accountable owner. Evidence should begin with board dashboard, model committee records, customer cohorts and finance reconciliations. The record should reconcile technical performance, legal rights, customer use, financial reporting and collected cash. Each exception needs a dated owner and a stated consequence for price, financing, integration or closing.

The analytical output is one decision record for realised value. A value claim should pass through the signal-to-decision sequence: observed source, governed feature, hazard estimate, matched exposure, vulnerability, financial loss, workflow action and verified outcome. A probability or benefit can be used only when its event, evidence, time horizon and dependency are explicit. For transaction purposes, the board should refresh the valuation and intervention plan when evidence changes. The model should include base, delayed, degraded, customer-loss and severe-event cases, together with data, compute, validation, regulatory, integration, tax and working-capital costs.

Conclusion

Climate-analytics acquisitions create value when physical observations become governed financial decisions that customers use repeatedly. Imagery volume, model sophistication and climate relevance support the thesis, while durable transaction value requires lawful data access, validated performance, workflow integration, customer renewal and collected contribution.

The framework follows the complete chain from observation to verified outcome. It tests each hand-off for technical quality, decision relevance and commercial evidence. It also separates standalone value from combination benefits and charges the case for integration, validation, rights and concentration risk.

For a board or investment committee, the central decision is whether the proposed price and capital structure remain supportable when data access narrows, validation is delayed, a major customer does not renew or an extreme event exposes model weakness. That answer should govern consideration, financing, closing conditions, integration sequence and post-close accountability.

Appendix A. Signal-to-decision evidence register

Record every source, licence, refresh cycle, feature, hazard model, exposure match, vulnerability function, financial-loss model, workflow action, customer, product version, validation result, revenue stream, invoice, collection and accountable owner. Link each value claim to the relevant evidence and date.

Appendix B. Customer outcome record

For each material customer, record the production workflow, users, decisions influenced, policies or assets covered, baseline, intervention, observed outcome, attribution limits, renewal, expansion, support burden, gross margin and collected cash. Preserve unsuccessful and discontinued cohorts.

Appendix C. Transaction approval checklist

The approval file should contain the data-rights map, model inventory, validation, customer cohorts, product and integration architecture, regulatory-use analysis, standalone valuation, combination bridge, downside liquidity, transaction protections, integration plan and post-close dashboard.

Appendix D. Worked-case figures and tables

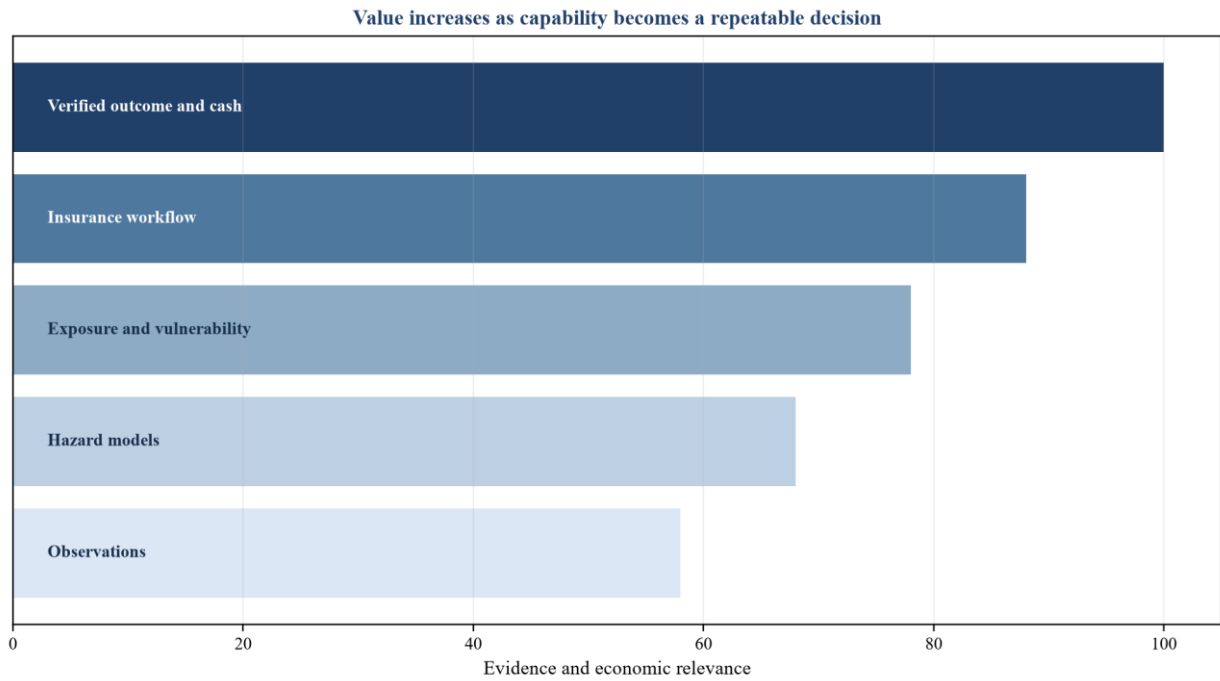
Figure 1. Signal-to-insurable-decision architecture



Transaction value requires evidence at every material hand-off

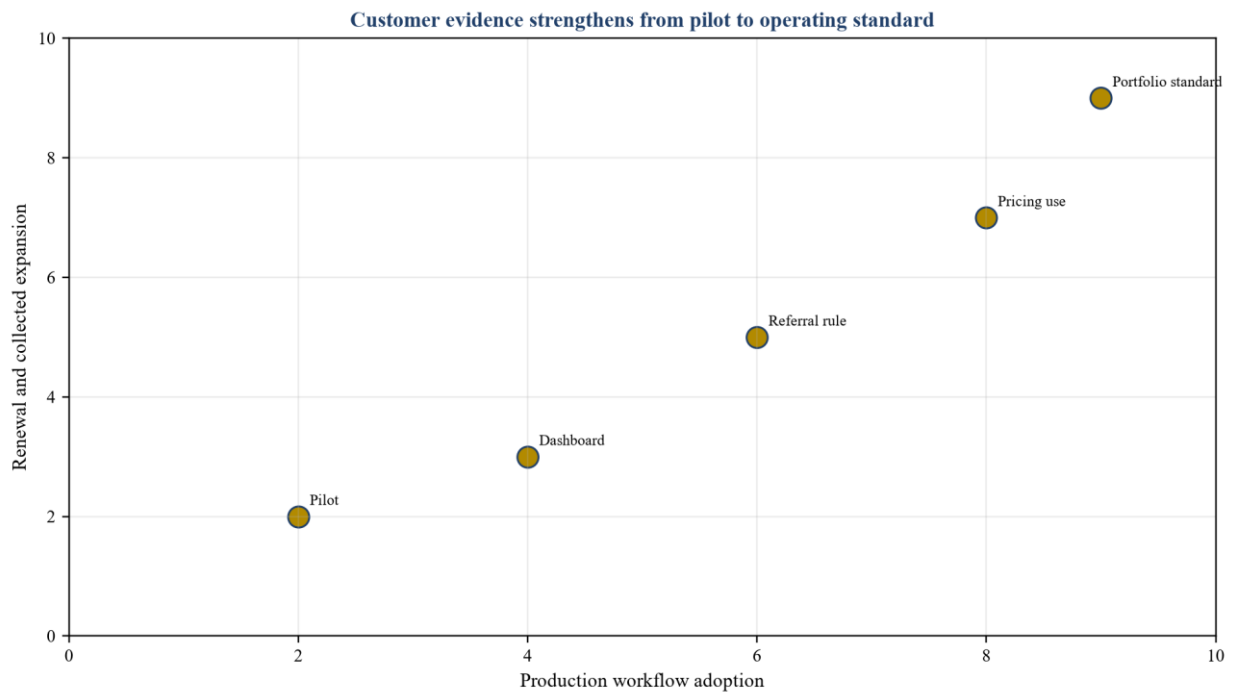
Proposed sequence from physical observation to verified customer outcome.

Figure 2. Climate-analytics acquisition value stack



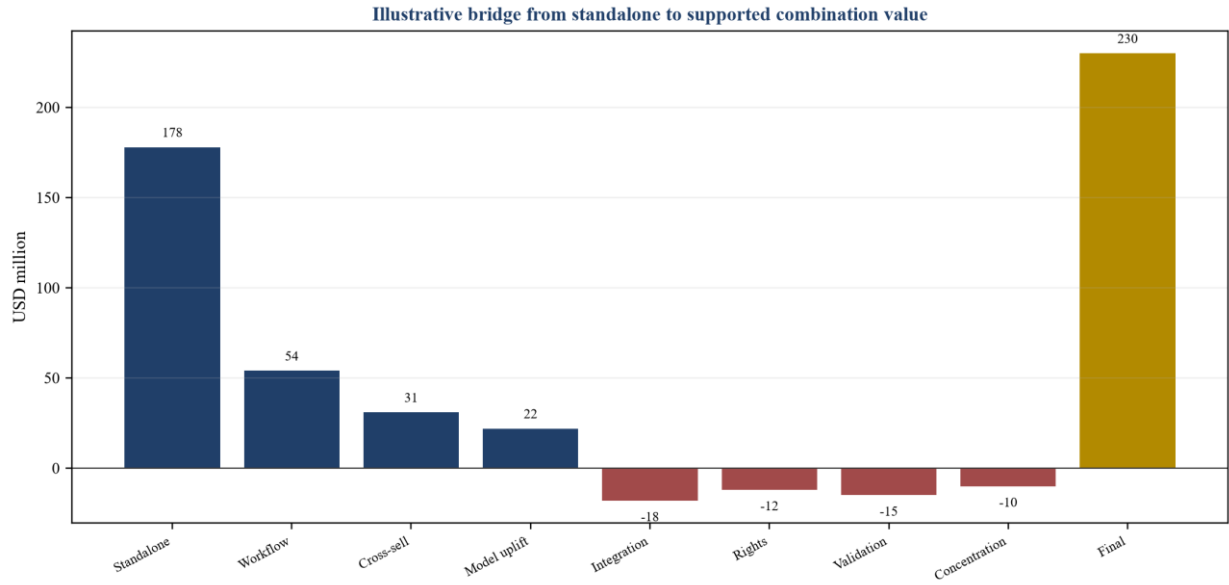
Proposed separation of technical assets, workflow adoption and verified financial outcomes.

Figure 3. Hypothetical customer-cohort evidence matrix



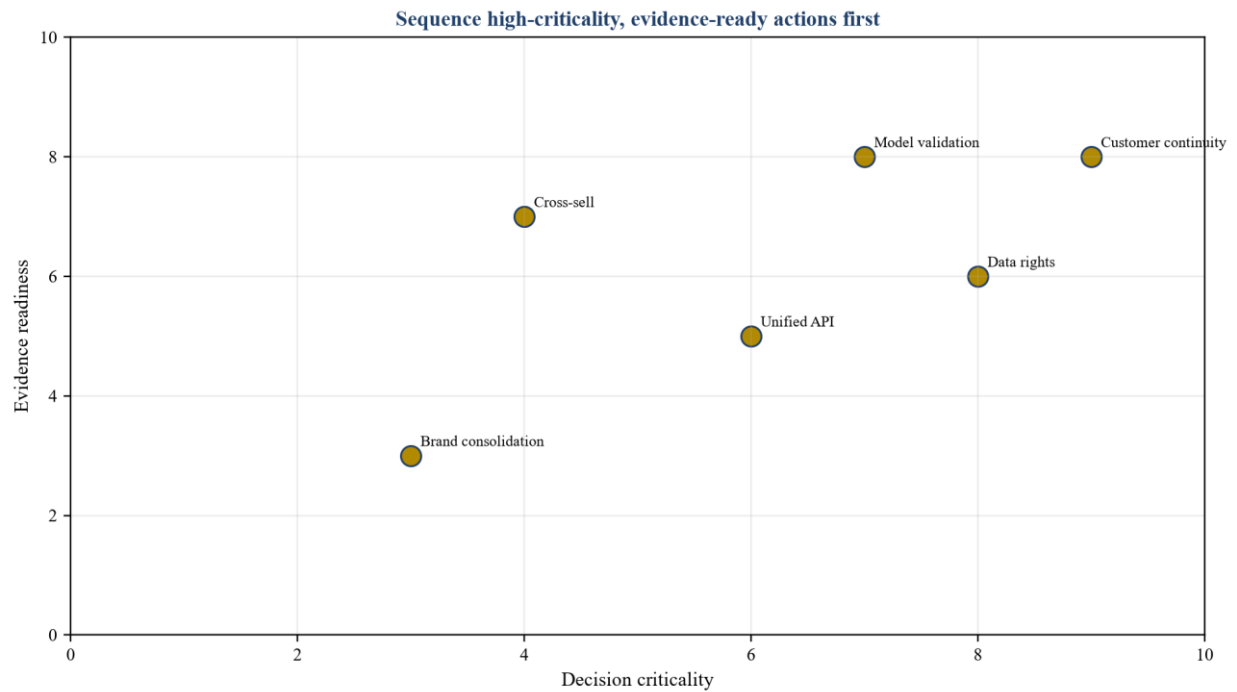
Illustrative relationship between production adoption and collected expansion.

Figure 4. Hypothetical climate-analytics value bridge



Illustrative USD millions; inputs require transaction-specific evidence.

Figure 5. Integration priority matrix



Proposed prioritisation using decision criticality and evidence readiness.

Table 1. Signal-to-decision valuation states

State	Minimum evidence	Valuation treatment
Observation	lawful source, coverage and continuity	input capability
Feature	repeatable extraction and quality controls	derived data asset
Hazard	validated peril intensity and uncertainty	model capability
Exposure	verified asset or policy match	addressable portfolio

State	Minimum evidence	Valuation treatment
Vulnerability	calibrated damage relationship	loss conversion
Workflow action	documented production decision	embedded use
Verified outcome	measured result and collected cash	realised customer value

Proposed evidence sequence for climate-analytics acquisitions.

Table 2. Selected public strategic evidence

Evidence	Disclosed observation	Transaction relevance
Moody's 2025	insurance revenue grew 15%; CAPE and Praedicat contributed	workflow and model integration demand
MSCI and First Street 2026	physical-risk data covers more than two billion structures	coordinate-level financial decisions
Planet fiscal 2026	USD 307.7 million revenue and 98% recurring ACV	subscription data economics
Verisk 2025	all top 100 U.S. P&C insurers used offered service lines	embedded insurance distribution

Named-company disclosures for stated periods; they do not establish an unidentified target's value.

Table 3. Data-moat scorecard

Dimension	Strong evidence	Weak evidence
Rights	durable commercial and derivative rights	revocable or unclear access
Coverage	decision-relevant peril and geography	broad imagery without use-case fit
History	consistent, quality-controlled archive	short or changing series
Refresh	reliable cadence and latency	irregular acquisition
Feedback	customer outcomes improve product	no production learning loop
Replaceability	costly lawful replication	commodity source with many substitutes

Proposed diligence scoring dimensions.

Table 4. Hypothetical value bridge

Step	Amount	Required evidence
Standalone value	178	recurring contribution and base case
Workflow integration	54	production adoption and operating plan
Supported cross-sell	31	identified customers and conversion evidence
Validated model improvement	22	independent tests and customer benefit
Integration execution	minus 18	architecture, people and dual running
Data-rights constraints	minus 12	licences, consents and lawful perimeter
Validation and regulatory gaps	minus 15	closure plan and approvals
Customer concentration	minus 10	cohort and downside stress
Final illustrative enterprise value	230	integrated evidence set

All amounts are illustrative USD millions.

Table 5. Customer-outcome evidence ladder

Level	Evidence	Treatment
Demonstration	technical output	pipeline only
Pilot	time-bounded customer test	no recurring assumption
Production use	documented workflow decision	adopted capability
Renewal	paid continuation	observed retention
Expansion	paid users, portfolios or workflows	cohort growth
Verified outcome	measured decision and financial result	supported value claim

Proposed hierarchy for revenue and synergy claims.

Table 6. Transaction protections

Risk	Potential protection	Release evidence
Data rights	closing condition or holdback	consent and transfer confirmation
Model performance	performance earn-out	accepted independent validation
Customer retention	revenue earn-out	collected retained contribution
Regulatory use	milestone consideration	approval and production operation
Integration	staged payment	tested migration and continuity
Cross-sell	contingent consideration	paid adoption from named cohorts

Proposed allocation of unresolved acquisition risk.

Table 7. Post-close value dashboard

Dimension	Core measure	Trigger
Data	rights-cleared, current and used observations	restriction or degradation
Models	cohort performance, drift and cost	validation threshold breach
Workflow	active decisions and override rate	adoption decline
Customers	retention, expansion and concentration	cohort below case
Integration	migrated products and service continuity	milestone delay
Capital	cash, integration spend and liquidity	funding shortfall
Outcomes	measured customer and financial result	attribution failure

Proposed monthly decision record.

Frequently asked questions

Q: Is a large satellite archive automatically a valuable data moat? A: Value depends on lawful rights, decision-relevant coverage, quality, history, refresh, replaceability and evidence that customers use the archive in production.

Q: Which customer evidence best supports acquisition value? A: Paid renewal, workflow adoption, collected expansion and verified outcomes by cohort support value more strongly than pilots, demonstrations or customer logos.

Q: How should an acquirer value a climate model? A: Test performance, transferability, data dependence, interpretability, validation, maintenance cost, regulatory use and cash attributable to the model.

Q: How should cross-sell be treated? A: Use named customer cohorts, product fit, consent, sales capacity, conversion timing, gross margin and downside attrition; unsupported pipeline belongs outside the base price.

Q: What creates workflow stickiness? A: Production decision rules, approved controls, integrated data flows, user dependence, switching risk and repeated renewal create stronger evidence than contractual friction alone.

Q: How should climate non-stationarity affect valuation? A: Require explicit trend assumptions, model-change governance, scenario sensitivity and capital for recalibration; do not rely on one historical period or one climate path.

Q: Which transaction protections are most relevant? A: Data-rights conditions, model-performance milestones, customer-retention earn-outs, validation covenants and integration holdbacks can align payment with realised evidence.

Q: What is the central board decision? A: The board must decide whether recurring cash and supported combination benefits justify the price after rights, validation, integration, concentration and severe-event downside.

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