



CoreLogic®

Non-Weather FireRisk™

Predicting Non-Weather Fire Commercial Damage Losses

One of the most common industry tools used to assess and price for fire risk is to evaluate the severity of the exposure to a commercial property once a fire is started. Components such as distance to fire station, fire station attributes, and distance to fire hydrant are typical inputs into standard risk assessment models. However, with the proliferation of synthetic petroleum-based and thereby more flammable composites in construction materials and home furnishings, structures burn much faster today than they did 30 years ago. In fact, studies show that today's homes burn nearly 6 times as fast. Because of this, only assessing the severity of fire risk has become less predictive of insurance losses than knowing the risk of a fire starting in the first place.

According to a Fire Statistics Fact Sheet published by the National Fire Protection Association, 84 percent of home structure fires result from malfunctions of either cooling, heating, electrical, mechanical and lighting systems or fixtures, are intentionally set, or involve flammable materials used in the structure. Only 16 percent of fire damage to structures are caused by lightning and wildfires.

About the FireRisk™ Science

Due to the many causes of structure fires, it's been difficult to assess the probability of a fire starting in the first place. The FireRisk methodology accounts for the likelihood of each or multiple of these events happening in any location to accurately quantify fire frequency, claims risk and severity. To accomplish this, the FireRisk methodology includes:

- ▶ The unprecedented gathering and assembly of large volumes of practical, measurable data drawn from 2.2 million fire incident reports nationwide from more than 17,900 fire departments over 5 years.
- ▶ Data elements such as the reported cause and intensity of the fire and structure conditions and characteristics.
- ▶ More than 200,000 localized climatological reports over 30 years identifying variables such as a location's average annual low and extreme low temperatures, length of heating season and cooling season, humidity levels near ground level, wind speeds and more. For example, a structure with multiple, poorly maintained heating sources located in a region with a short heating season will be at lower risk than a similar structure located in a region that requires a longer heating season.

Why CoreLogic

While most fire risk data and models focus on wildfire risk and distance to a fire station, CoreLogic, with FireRisk™ by Location, Inc., empowers insurers to take commercial property risk assessment a giant leap further. Available for portfolio consumption and through RiskMeter Online® from CoreLogic, commercial property insurers can now uncover previously unaccounted risk of insurance loss due to non-weather fire damage.

- ▶ Seamless U.S. coverage
- ▶ Over 11 million geospatial points of risk
- ▶ High-resolution, block-level granularity; more than 300x the detail of the average ZIP Code

For more information please call 855.267.7027.

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Key Benefits

Validated against an industry database containing nearly 50 million policy years and claims records across the U.S., the model generates a non-weather FireRisk Score to help commercial property insurers:

- ▶ Avoid higher frequency business
- ▶ Reduce adverse selection
- ▶ Improve re-underwriting actions
- ▶ Better tier placement
- ▶ Adjust deductibles
- ▶ Optimize eligibility lines
- ▶ Reduce inspection costs
- ▶ Automate underwriting decisions.

Get the Whole Story®



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