CoreLogic®

Insurance Solutions

Non-Weather FireRisk™

Predicting Non-Weather Fire Claims and Losses

From electrical system failures to kitchen mishaps, non-weather fire events account for over three-quarters of home structure fires, compared to a minority of those caused by lightning and wildfires, according to the National Fire Protection Association. Non-weather fire damage makes up 14% of all homeowner's insurance losses; this is about $5.8 billion in losses per year.

One of the most common industry tools used to assess and price for non-weather fire risk is to evaluate the severity of the exposure to a 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, the proliferation of petroleum-based carpets, drapes, furniture foams, and plastic piping and hoses, combined with recent changes in home construction, means 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, the fire department can't get to the fire fast enough to limit the losses; response time simply isn't as predictive of fire losses as it once was. What is most predictive of fire losses today: knowing the likelihood of a fire starting in the first place.

About the FireRisk™ Science

It's been difficult to assess the probability of a fire starting, due to the many different pathways leading to structure fire incidences. These include but are not limited to heating and electrical system failures, mechanical system malfunctions, design and manufacturing flaws, and kitchen and cooking fires.

FireRisk looks at the disparate causes of non-weather fire damage and their complex interactions to predict the frequency and severity of potential damage to a structure for any location nationwide.

FireRisk is the result of more than 10 years of primary research into the correlation between fire losses and a multitude of proprietary and public data, including:

- 4.6 million fire incidence reports from 17,900 individual fire departments nationwide (10 years of data)
- Data elements such as the reported cause and intensity of the fire and structure conditions and characteristics.
- More than 100,000 detailed appliance failure reports
- More than 200,000 localized climatological reports (30 years of data)

Key Benefits:

FireRisk helps identify granular risk on an easy-to-understand 1 to 100 scale, filling gaps in residential and commercial losses:

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

Get the Whole Story®

corelogic.com

Why CoreLogic®

While most fire risk data and models focus on wildfire risk and distance to a fire station, CoreLogic, takes property risk assessment a giant step further. With FireRisk, insurers unlock valuable insights that enable them to underwrite and price policies more accurately, minimizing financial loss and strengthening their return on investment.

Available for portfolio consumption and through RiskMeter® from CoreLogic, property insurers can now uncover previously unaccounted risk of insurance loss due to non-weather fire damage. FireRisk provides:

- 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 866-774-3282.

1-NWRFR-0920-04