



More insight on building ratings means better underwriting decisions

Because Verisk knows the challenges you face when underwriting commercial properties, we developed a powerful tool to give you a competitive advantage. Class Insight provides information that can help better evaluate the loss potential for a particular risk. The evaluation may be as much as 15 percent above or below the class rating, providing you a greater level of precision.

To insure a commercial property properly, you need to consider the risks and base your pricing strategy on accurate estimates of future losses. Class rating provides such estimates for properties that share the same characteristics — the loss cost is an average for all risks in that class. Class Insight takes you a step further and estimates where the property ranks in the class range, a variation that can make a vital difference. Class Insight is available to our licensed ProMetrix® Loss Cost Quote customers.

Rating segmentation enhances competitiveness, and more precise information from Class Insight gives you an advantage.

We created Class Insight by combining two key components: the ProMetrix commercial property database and ProMetrix on-site surveys. The database gives you access to information on more than 3.5 million commercial properties and more than 6 million individual businesses. Regardless of a building's rating, our on-site surveys provide you with details on construction, hazards, fire protection, occupancy, and more.

Defined rating methods

You can get class-rated loss costs from our database for buildings with the following characteristics:

- 25,000 square feet or less
- nonsprinklered
- lower value
- minimal hazards

We developed Class Insight in part through on-site surveys performed by our team of 500 field representatives. They assess the risk factors at a property and discover potential hazards, providing specific information on characteristics such as manufacturing operations; special hazards, including chemicals, restaurant facilities, and combustibles; and fire protection features. Those additional details provide a more refined property profile, allowing you to make more educated and nuanced underwriting decisions.

Consistent hazard analysis with SCOPES

To create Class Insight for buildings, Verisk uses our Specific Commercial Property Evaluation Schedule (SCOPES) to develop loss costs. SCOPES provides:

- a nationally recognized method for evaluating potential losses through the interaction of key variables (construction, hazards, fire protection, and occupancy)
- a sophisticated analysis of the causes of, and contributors to, potential property losses
- nationally recognized safety standards, such as those from the National Fire Protection Association
- product listings of nationally recognized testing organizations, such as UL
- the latest industry loss experience

Class Insight

The SCOPES evaluation focuses on “COPE” — construction, occupancy, protection, and exposure. First, we consider the type of building construction. Wood-frame buildings offer the least protection from fire; buildings constructed of noncombustible materials offer the most protection.

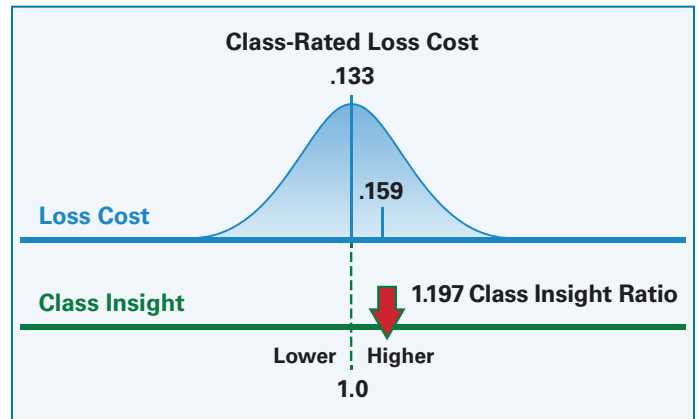


When rating a building that contains a restaurant, Verisk considers the unique hazards that type of business poses to the property.

Next, we analyze the building’s occupants and any hazards associated with their businesses. For example, restaurants create potential fire hazards and may call for a fire suppression system. We look at the building’s public and internal protection systems, such as automatic sprinklers and detection systems. Finally, we consider external and internal risk exposures, including proximity to other buildings and hazards unique to the building.

Improving your bottom line

You can order a detailed Loss Cost Quote Report for the property under consideration. The report gives you loss costs, the Class Insight ratio, and other building information you can use to motivate property owners to mitigate hazards. You can improve your bottom line by offering pricing incentives for protection features such as automatic fire detection and suppression systems, portable fire extinguishers, standpipe systems, and watchman services.



The chart shows an example where the class-rated loss cost is .133 per \$100 of insurance. We calculated that the actual rating of the property — as reflected in the Class Insight ratio of 1.197 — is higher than the average reflected in the class rating. You can see how Class Insight lets you make more refined underwriting decisions based on additional insight.

The Class Insight ratio is not a filed rating instrument or part of the standard rating schedule. It’s a tool that presents additional information and detail to give you a fuller understanding of a property when evaluating risk selection and underwriting decisions.

Class Insight is a powerful tool that gives you a higher level of specificity for building ratings. By knowing the risks associated with a specific property, you can underwrite it as competitively as possible to avoid adverse selection and maximize profitability.

For more information on Class Insight, please contact your account representative or call Verisk Customer Support at 1-855-859-8775.



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