



Risk Improvement Statements Report

*Reduce the potential for loss
at your commercial properties*



Mitigating risk is good business. As an underwriter or loss control representative, you're trained to identify hazardous situations and help insureds take steps to correct or improve them. At a minimum, you need to rate the policy accurately to recognize potential hazards. Loss costs allow you to rate buildings correctly. When you want to see how correcting hazardous conditions at a property can improve the rating, use Verisk's Risk Improvement Statements Report. For each building and occupant, the report lists specific recommendations that:

- identify hazardous conditions and tell you how to remedy them
- highlight fire protection improvements and suggest modifications

The statements give you the insurance underwriting information you need for profitable results. For specifically rated buildings, you have the opportunity to review Risk Improvement Statements, select one or more, and have the ProMetrix® system recalculate Estimated Loss Costs for the building and its occupants based on improvement statements you select. The system also allows you to modify the Public Protection Classification (PPC™) as well as an existing automatic sprinkler grading and produce an Estimated Loss Cost for a nonsprinklered building with partial sprinkler protection. The Risk Improvement Statements Report is available separately or bundled with a Building Underwriting Report, Rating Survey Detail Report, or Underwriters Advantage Report for an even better value.

Who's behind the Risk Improvement Statements?

Verisk's staff of experienced field representatives — specifically trained to identify loss exposures — conducts thorough on-site surveys of thousands of commercial buildings and businesses each year. The statements are the result of that extensive expertise and experience and provide another way to reduce your time and expense for underwriting and rating.

Estimated Loss Costs with Risk Improvement Statements

After you've reviewed the Risk Improvement Statements, you can use Verisk's Estimated Loss Cost Report to measure the effect of implementing the suggested improvements. Just check off the Risk Improvement Statements you want to implement at the specific property and see how much the Estimated Loss Cost will change. The information can help you price coverage more precisely and provide valuable cost-benefit analyses for suggested improvements.

Here's an example of how the process works

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You order a Risk Improvement Statements Report for a building with three different occupants.

ProMetrix verisk Insurance Solutions™ Commercial Property		RISK IMPROVEMENT STATEMENTS	
BUILDING INFORMATION			
SMITH PRINTERS 100 EXAMPLE ST SAN FRANCISCO, CALIFORNIA 94112		ISO Risk ID : 04 8888 999999 County : SAN MATEO On-Site Survey Date : 01/2014 Schedule Applied Date : 01/01/2014	
Occupancy# 015 XYZ CABINET MAKING			
1	INSTALL A STANDARD DUST COLLECTION SYSTEM, AND/OR CONNECT ALL WOODWORKING MACHINERY PRODUCING APPRECIABLE AMOUNTS OF REFUSE TO THE EXISTING STANDARD SYSTEM. THE SYSTEM SHOULD TERMINATE OUTSIDE THE BUILDING.		
Occupancy# 020 ABC PRINTING			
The following item lists multiple Rate Improvement possibilities for the same condition. These are listed in order of greatest to least rating impact.			
2a	ELIMINATE OR REDUCE THE QUANTITY OF TYPE I LIQUIDS STORED WITHIN THIS OCCUPANT TO ONE GALLON OR LESS (ELIMINATES CHARGE)		
2b	PROTECT THE TYPE I LIQUID STORAGE WITH A STANDARD AUTOMATIC FIRE EXTINGUISHING SYSTEM OR ISOLATE THE STORAGE IN A TYPE I ENCLOSURE (REDUCES CHARGE)		
3	EXCLUSIVELY USE LISTED STANDARD SAFETY CANS OF FIVE GALLON OR LESS CAPACITY FOR THE HANDLING OF TYPE I LIQUIDS		
Occupancy# 025 METAL PRODUCT MFG			
The following item lists multiple Rate Improvement possibilities for the same condition. These are listed in order of greatest to least rating impact.			
4a	ELIMINATE OR REDUCE THE QUANTITY OF TYPE II LIQUIDS STORED WITHIN THIS OCCUPANT TO 65 GALLONS OR LESS (ELIMINATES CHARGE)		
4b	PROTECT THE TYPE II LIQUID STORAGE WITH A STANDARD AUTOMATIC FIRE EXTINGUISHING SYSTEM OR ISOLATE THE STORAGE IN A TYPE I ENCLOSURE (REDUCES CHARGE)		
5	ARRANGE THE TYPE II LIQUID PIPING SYSTEM TO UTILIZE GRAVITY INSTEAD OF AIR PRESSURE AND INCLUDE AN AUTOMATIC ANTI-FLOODING DEVICE		
6	ALL SPRAYING SHOULD BE CONFINED TO A STANDARD BOOTH INSTALLED IN ACCORDANCE WITH NFPA 33 WHICH INCLUDES AN AUTOMATIC FIRE SUPPRESSION SYSTEM.		

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After reviewing the Risk Improvement Statements, you can click on the “Process ELC with Risk Improvements” button. Then check the individual Risk Improvement Statements you want to consider in developing an Estimated Loss Cost. You can choose one statement, some statements, or all of the statements and conduct multiple rounds of “what-if” analysis to determine the effect of changes at the property.

Instructions: Select the individual Risk Improvement Statement(s) which you wish to consider in developing an estimated loss cost.	
Occupancy: 015 XYZ CABINET MAKING	
<input checked="" type="checkbox"/>	1. INSTALL A STANDARD DUST COLLECTION SYSTEM, AND/OR CONNECT ALL WOODWORKING MACHINERY PRODUCING APPRECIABLE AMOUNTS OF REFUSE TO THE EXISTING STANDARD SYSTEM. THE SYSTEM SHOULD TERMINATE OUTSIDE THE BUILDING.
Occupancy: 020 ABC PRINTING	
The following item lists multiple Risk Improvement possibilities for the same condition. These are listed in order of greatest to least rating impact. You may select one:	
<input type="checkbox"/>	2a. ELIMINATE OR REDUCE THE QUANTITY OF TYPE I LIQUIDS STORED WITHIN THIS OCCUPANT TO ONE GALLON OR LESS (ELIMINATES CHARGE)
<input type="checkbox"/>	2b. PROTECT THE TYPE I LIQUID STORAGE WITH A STANDARD AUTOMATIC FIRE EXTINGUISHING SYSTEM OR ISOLATE THE STORAGE IN A TYPE I ENCLOSURE (REDUCES CHARGE)
<input type="checkbox"/>	3. EXCLUSIVELY USE LISTED STANDARD SAFETY CANS OF FIVE GALLON OR LESS CAPACITY FOR THE HANDLING OF TYPE I LIQUIDS
Occupancy: 025 METAL PRODUCT MFG	
The following item lists multiple Risk Improvement possibilities for the same condition. These are listed in order of greatest to least rating impact. You may select one:	
<input type="checkbox"/>	4a. ELIMINATE OR REDUCE THE QUANTITY OF TYPE II LIQUIDS STORED WITHIN THIS OCCUPANT TO 65 GALLONS OR LESS (ELIMINATES CHARGE)
<input type="checkbox"/>	4b. PROTECT THE TYPE II LIQUID STORAGE WITH A STANDARD AUTOMATIC FIRE EXTINGUISHING SYSTEM OR ISOLATE THE STORAGE IN A TYPE I ENCLOSURE (REDUCES CHARGE)
<input type="checkbox"/>	5. ARRANGE THE TYPE II LIQUID PIPING SYSTEM TO UTILIZE GRAVITY INSTEAD OF AIR PRESSURE AND INCLUDE AN AUTOMATIC ANTI-FLOODING DEVICE
<input type="checkbox"/>	6. ALL SPRAYING SHOULD BE CONFINED TO A STANDARD BOOTH INSTALLED IN ACCORDANCE WITH NFPA 33 WHICH INCLUDES AN AUTOMATIC FIRE SUPPRESSION SYSTEM.

Left: Identifying the hazards associated with spray booth operations can help an underwriter assess a risk.

Center: The proper use, storage, and maintenance of flammable and combustible liquids have a direct effect on loss costs.

Right: ISO's specific loss costs reflect wide variations in hazards and conditions at commercial properties, such as woodworking shops.

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The system recalculates the loss cost for the building and its occupants, and you get the results. The new report displays the selected Risk Improvement Statements and the current loss cost, the Estimated Loss Cost with the selected Risk Improvement Statements applied, and the estimated change in the loss cost. We recommend that you verify any changes in conditions and loss costs with an on-site field survey.

Effective/Distribution Date		ISO Filing Designation	Approval/Implementation Circular		
ELA: Current : 01-01-2014		CF-2009-RLA1	LI-CF-2009-071		
CSP Territory: 410		RCP: 1302			
Building (Line # 010): SMITH PRINTERS	CSP Class: 3959	Specific Rating Information			
		Current BGI Loss Cost	Estimated BGI Loss Cost w/Risk Improvements	Estimated BGI Change	
		.289	.267	- 7.6%	
Occupant/Content (Line # 020): ABC PRINTING	CSP Class: 4809	Specific Rating Information			
		Current BGI Loss Cost	Estimated BGI Loss Cost w/Risk Improvements	Estimated BGI Change	
		.096	.090	- 6.3%	
Occupant/Content (Line # 025): METAL PRODUCT MFG	CSP Class: 6900	Specific Rating Information			
		Current BGI Loss Cost	Estimated BGI Loss Cost w/Risk Improvements	Estimated BGI Change	
		.169	.156	- 7.7%	
Occupant/Content (Line # 015): XYZ CABINET MAKING	CSP Class: 3959	Specific Rating Information			
		Current BGI Loss Cost	Estimated BGI Loss Cost w/Risk Improvements	Estimated BGI Change	
		.300	.278	- 7.3%	

The Estimated Loss Cost(s) shown above are based upon the following unverified user-selected Risk Improvement Statements:

Occupancy# 015 XYZ CABINET MAKING

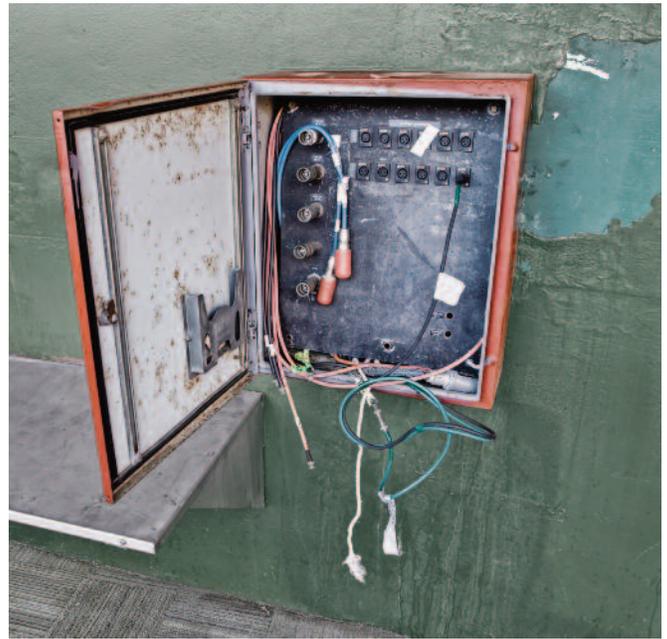
1	INSTALL A STANDARD DUST COLLECTION SYSTEM, AND/OR CONNECT ALL WOODWORKING MACHINERY PRODUCING APPRECIABLE AMOUNTS OF REFUSE TO THE EXISTING STANDARD SYSTEM. THE SYSTEM SHOULD TERMINATE OUTSIDE THE BUILDING.
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The value of Risk Improvement Statements

The statements help you:

- apply improvement recommendation scenarios to the risk — in an interactive, iterative way — to observe changes in the rating and to support cost-benefit analysis
- determine the value of implementing recommended changes to hazardous conditions
- identify conditions observed on-site by our highly trained field staff
- underwrite and price coverage more accurately



An electrical hazard would be a chargeable but correctable condition in our rating process.

For more information about Verisk's Risk Improvement Statements Report

Call Verisk Customer Support at 1-855-859-8775 or send e-mail to info@verisk.com. Or contact your Verisk representative. For information on all Verisk products, visit us at www.verisk.com.



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