

RiskMeter eNewsletter

December 2004

www.RiskMeter.com

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Focus On: CDS Crime Scores

We have received a significant number of inquiries recently about the Crime Scores available on the RiskMeter Online. We wanted to take a few minutes and explain what they are, and the suggested way to use them. We also have scheduled Online training for Wednesday, January 19th. Please read below for more details.

Crime Scores – How they Work

Crime scores give you relative measure of crime for any location in the United States. They are a combination of demographic modeling and actual crime statistics. They are put together by our partner Applied Geographic Solutions. The crime data used comes from the FBI's Uniform Crime Reporting (UCR) statistics. Crime scores are collected from each law enforcement division in the country. This is done by the FBI, and is mandatory for all law enforcement agencies. Here's the process by which the scores are calculated...

First, the UCR data is assembled. Next, the UCR statistics are compared to demographic "clusters" at the block level. There are two key items to understand about demographics: **blocks** and **clusters**. A census "**block**" is the smallest geographic unit for which the Census Bureau tabulates 100-percent data. Many blocks correspond to individual city blocks bounded by streets, but blocks – especially in rural areas – may include many square miles and in some cases may have some boundaries that are not streets. *The crime scores are for each block. This means for each crime score, in cities, you will get the scores for each individual city block. This is very detailed information.*

Demographic **clusters** break people down into about 60 categories based upon demographic characteristics including:

- ◆ Age
- ◆ Income

- ◆ Education Level
- ◆ Rural vs. Urban
- ◆ Family Status
- ◆ Employment
- ◆ Housing Characteristics
 - Race and Ethnicity are NOT used!

Finally, they compare the crime patterns with the demographic patterns. They look at which clusters (i.e. which demographic profiles) have the highest crime rates. Here's how they do it. Each block is assigned a dominant cluster (the dominant cluster is the cluster with the most people in that block). They look at each cluster, and the crime rates, and determine which clusters have the highest crime rates.

They then look at each block, and see how many people from each cluster are in a block. They then score each block based upon the number of people from each cluster in the census block.

Key Items to Take Away from This:

One might ask why we use these estimated scores instead of actual statistics. Essentially, there are some significant biases in the statistics. Let me point out the most important ones:

- ◆ Although mandatory, not all agencies provide the statistics as required. This creates holes in the data. This forecasting method allows us to fill in the holes. You will get a score anywhere in the US
- ◆ Since in some cases a city is in charge of crime fighting, and in other areas it's a county so the geography varies, and it would be difficult to compare the statistics among jurisdictions.
- ◆ A city only has to provide statistics in aggregate (i.e. statistics for the entire city, not for small areas), so you couldn't really use them to look at individual neighborhoods or areas. This modeling allows us to look at small areas effectively
- ◆ Over the years, it has been alleged that many jurisdictions under report crime figures, due to the stigma attached to high crime rates. This is why we look at areas vs. the national average instead of vs. raw crime rates

What scores are returned?

Through the RiskMeter, 10 scores are returned for a given location. There are 7 individual scores, which are rolled up into 2 categories, and there is an overall crime index. Here is what is returned:

- ◆ Aggregate Crime Index
 - Crimes Against Persons (Combines the 4 below)
 - Murder
 - Rape
 - Robbery
 - Assault
 - Crimes Against Property (Combines the 3 below)
 - Burglary
 - Larceny
 - Motor Vehicle Theft

How are they used?

As explained the scores are reported vs. the national average for the category. A score of 100 is the national average. So, a score of 11 is very low, and a score of 375 is very high. Scores range from 1-2,000.

What companies have done is used them to identify areas that may have a crime problem. For example, a company may want to ask additional information for properties with crime scores above a certain threshold. Since a score of 100 indicates a score that meets the national average, perhaps a company would be concerned with any property that has a score greater than 300 (3x the national average). For commercial buildings, this may prompt you to ask additional questions, like:

- ◆ Is there security on premises?
- ◆ Is there a fence around the perimeter?
- ◆ Is the building secure/boarded up (for vacant buildings)?

You could also use the crime scores to assess a surcharge for buildings in high-crime areas. I do believe that most of our customers who use the product do use a threshold of 300 to determine areas of concern.

For more information or to test-drive the CDS Crime report for 1 month FREE, please call 617.737.4444 and ask to speak with your account executive.

[FREE Crime Scores Online Training – Limited Seats Available!](#)

Wednesday, January 19, 2005
1-2pm EDT
<http://cdsys.webex.com>

We've received many inquiries about the CDS Crime report. In order to help people to gain a better understanding on how to interpret and use this report, we're dedicating a one-hour training session on this topic. Don't miss this exceptional opportunity to learn about the content, methodology and results of this report. To register, go to:

<http://cdsys.webex.com>

[New Offerings- Manual Flood Determinations & Guarantees \(Certifications\)](#)

In our ongoing effort to make the RiskMeter the only geographic risk determination tool you'll need, we plan to enhance our flood capabilities very soon. CDS is preparing to offer both manual flood determinations and guaranteed determinations. If you don't get a good geocode, you will be able to enter some more information, and you can get a manual determination done. This means that someone will actually do research so that you get the right answer every time. While the answer may not be instantaneous, it means you will always get an answer, and will not need to use any other source. Guaranteed determinations mean that we will ensure that the determination is correct.

If you are interested in learning more, or have ideas on how to improve our flood services, please contact CDS or your RiskMeter account representative at 617.737.4444

Slope/Aspect/Elevation Report Added FL, NJ, OR, WA

CDS has just added 4 new states FL, NJ, OR and WA to the slope/aspect/elevation report, which already consists of CA, CT, MA, NV and RI. In addition to returning the slope, aspect and elevation for the location, you will now get the minimum, maximum and average slope and elevation within a radius of 250'. This will alert you if the location is very close to a steep area. This report is available now for 9 states, and we will be adding more states in the future. If there is a state you would like to add, contact your account executive. We will use your feedback to prioritize the order in which new states are added. If you are interested in trying this new report or if you have any questions, please contact your account executive at 617.737.4444.

Win a \$150 Amex Gift Card! – Take our Survey

In order to improve the RiskMeter Online, we would appreciate it if you took part in our short survey. The answers that you give will help us determine what improvements need to be made to the RiskMeter Online. In addition, if you complete a survey you will have the chance to win \$150 Amex gift card! To complete a RiskMeter Online survey, please go to <http://www.surveymonkey.com/s.asp?u=26499776781>

DC, DE, LA and MD Distance to Fire Station Now Available!

Currently, you can get Distance to Fire Station reports for CA, CT, DC, DE, FL, LA, MA, MD, MS, OR and RI. We will continue to add more states until we meet our goal of providing nationwide coverage. We want your feedback to see which states we should add next! If there is a state you would like to see us add, please contact Jamie Munson at 860.854.6125 or jmunson@cdsys.com

FREE Online Training!

In order to help you utilize the RiskMeter Online more effectively, we are now offering FREE Online training. This is a great way for your organization to have its most pressing questions answered, learn about reading various risk reports and how to utilize cutting-edge features, such as: **Birdseye Geocoding**, **One-Click Ruler** and **Manual Placement**. To register for an upcoming Webcast, click on one of the links below or for more information, contact Maria Francis at 617.737.4444 or mfrancis@cdsys.com

National

Tuesday, December 21, 2004

1-2pm (EDT)

<https://cdsys.webex.com>

**This training focuses on people using our product across the US.

National

Thursday, January 6, 2004

1-2pm (EDT)

<https://cdsys.webex.com>

**This training focuses on people using our product across the US.

National

RiskMeter Online & Castle Replacement Cost Services Online Seminar

Wednesday, February 2, 2005

1-2pm (EDT)

<https://cdsys.webex.com>

Test Drive Any Risk Report for One Month FREE!

Would you like the opportunity to evaluate any one of our risk reports without obligation? You can now! For a limited time you will be able to test-drive any RiskMeter Online report for FREE! Take advantage of this exceptional opportunity to see how a particular risk report can benefit your organization. To add a FREE, one-month risk report to your account, please call 617.737.4444.

Articles of Interest

Below you will find a few pertinent articles related to weather risk and insurance that may be of interest...

(Disaster News Network) - Areas in east Texas are struggling with urban flood damage, said Nancy Bass, mass care coordinator for the state.

<http://www.disasternews.net/news/news.php?articleid=2498>

(Insurance Journal) – Each year the Insurance Information Institute (I.I.I.) invites a panel of Wall Street stock analysts and industry professionals to review the prospects for the industry in the current and coming year. <http://www.insurancejournal.com/news/national/2004/12/10/48525.htm>

(National Underwriter) - Despite continuing reports that insurance prices are softening, a New York agents association survey has found premium prices continue to increase while coverage choices fail to improve for most lines of property-casualty insurance in the state.

http://www.nationalunderwriter.com/pandc/hotnews/viewPC.asp?article=12_10_04_10_15471.xml&src=3

Welcome to Our Newest Customers!

Carriers

ANPAC

Century Surety

Donegal Insurance Group (Member Companies Below)

- ◆ Donegal Mutual Insurance Company
- ◆ Atlantic States Insurance Company
- ◆ Le Mars Insurance Company
- ◆ Peninsula Insurance Company
- ◆ Southern Insurance Company

Fireman's Fund – Inland Marine

Agents

All Risks

Arlan Knutson Insurance Agency
Arrow Insurance Services
CompEraser, Inc.
Contour Info Services
CRC Insurance Brokers
East West Insurance Services
Eastern Premiere Insurance Group, Inc.
Home Insurance Direct
ISU Insurance Services - Pulford Agency
Kleinfelder Insurance
Lucas Insurance
Matt Roll Insurance Agency (All State)
MBI Company Group LLC
Michael Altman Insurance Agency (All State)
Ramirez Insurance

Request a Hard Copy of the RiskMeter Newsletter

Having a hard time managing your inbox? You can now receive the RiskMeter eNewsletter via regular mail. To get the latest issue of the RiskMeter newsletter delivered to your office (when it becomes available), please email Paul Ptashnick at: pptashnick@cdsys.com

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Questions? Comments?

If you would like more information on anything in this newsletter, please contact Dan Munson, VP of Marketing & Sales at: 617.737.4444 or dmunson@cdsys.com

Help a Friend or Colleague

Please forward this free newsletter to friend or colleague who might benefit from it. We only ask that you send the entire newsletter. Thanks!

Unsubscribe

*To be removed from our mailing list, please email pptashnick@cdsys.com and type REMOVE in the subject line.

Thank you for Reading the RiskMeter eNewsletter!

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