



**CRIME ADVISOR**



**ABOUT CRIME ADVISOR**

Since 1997, we have delivered innovative information products to the commercial insurance industry.

With Crime Advisor, MarketStance delivers accurate, reliable crime scores to direct intelligent business decisions that underpin tactical planning to reach strategic goals.

We work with carriers on an individual basis to make crime score output relevant to home office and field personnel to:

- Compare crime levels from location to location to drive informed underwriting decisions
- Trigger key business decisions and actions when clearly defined crime score thresholds occur
- Incorporate updated information into planning and underwriting decisions to remain current with a changing market and crime landscape

Applying the crime scores to seemingly similar accounts delivers the competitive advantage to insurers, enabling them to opt to write those accounts with less crime risk thus reducing potential loss.

**CRIME ADVISOR PRODUCT OFFERINGS**

MarketStance gathers data from many sources in each category of crime. By discarding outliers and normalizing raw data Crime Advisor more accurately reflects the realities of more difficult to analyze locations. Variances found are easily managed through the standard modeling methodologies used by MarketStance. These models address misunderstood discrepancies contained within crime data sets to eliminate inaccurate or outlying statistics.

**OVERCOMING LIMITATIONS IN CONVENTIONAL DATA:**

Insurers have struggled to apply crime statistics in an actionable way due to limitations with readily available data. Whether or not a carrier is aware, many of the crime rates or scores reported include strong biases that can result in misinformed decisions.

- Many communities do not report crime data
- Granular variations in crime are not visible
  - E.g. New York City reports a single rate though crime frequency and type vary markedly from borough to borough
- Extensive year over year volatility for small communities
- Bias in rates reported for seasonal communities with low year round residency and communities with largely commercial occupancy

**MARKETSTANCE ADDRESSES LIMITATIONS TO DELIVER AN ACCURATE, RELIABLE CRIME DATABASE:**

- Identify alternative sources for crime data where it is not available from the FBI
- Identify variations in crime data characterized by a single rate, but where parts of the geographic landscape skew a rate too high or too low
- Smooth volatile rates by outliers in the data
- Smooth rates for seasonally adjusted population or commercially adjusted population geographies
- Annual updates of Crime Advisor incorporate the latest data



## CRIME ADVISOR

*Crime Advisor delivers the knowledge of the type and frequency of crime in any given location that is imperative for carriers business planning.*

Actions based in accurate, reliable crime data reported by MarketStance will mean a carrier has the intelligence to more effectively –

- Develop homogeneous rating territories
- Develop rating factors
- Trigger coverage exclusions
- Improve loss experience models
- Inform underwriting decisions

### CRIME ADVISOR OFFERS VARIOUS CRIME RATES

- All Crime
- Violent Crime – includes murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault
- Property Crime – includes burglary, larceny, motor vehicle theft and arson

### KEY DATA SOURCES FOR CRIME ADVISOR

- The most current FBI Uniform Crime Report
- The most current Census Bureau data

### EXTENSIVE VALIDATION PROCESSES ENSURE ACCURATE DATA

- Extensive cross-checking
- Seasonally-adjusted population counts
- Employment-modified population counts

### CRIME ADVISOR IS AVAILABLE FOR VARIOUS GEOGRAPHIC SPECIFICATIONS

- City/town
- Zip codes
- Census Tract

### COMMON CRIME DATA VARIANCES THAT MARKETSTANCE COMBATS WITH ACCURATE MODELING PRACTICES

Outliers are eliminated, especially in areas of minimal population.

- Population density
- Vacancy rates
- Housing characteristics
- Educational level attained
- Unemployment

## MARKETSTANCE ILLUMINATES THE CRIME LANDSCAPE

### Accurate crime scores that are relevant to carriers:

One of the main issues in making the data useful is to make it relative, but relative to what? The “crime rate score” itself will yield a number. However, the interpretation of that number can have a great deal of impact on whether or not the approach is accurate and relative to a given audience. MarketStance works with carriers on an individual basis to make the final crime score “relevant” to their organization.

In addition to making the crime scores relevant to a carrier, MarketStance overcomes issues in the data that result in scores that do not accurately represent a location. For example, crime rates for towns with low nighttime populations but very high business activity can be greatly biased. This is the case in Teterboro, NJ where a crime rate appears to be many times greater than neighboring towns for this reason. By taking into account the variance of day to nighttime populations, MarketStance crime scores reflect an accurate view of this location. The result is a score carriers can confidently use for planning and decision making.

The same is true for seasonal populations. If we look at Barnstable County in Massachusetts, the crime rate of the town of Hyannis with a greatly increased seasonal population results in a high crime rate for Barnstable. If you then considered this rate when evaluating potential business in the much quieter Barnstable Village with its small year round population, you have a very inaccurate view of crime in that location and may, as a result, overlook good potential accounts.

MarketStance resolves these misrepresentations in crime rates to deliver the most accurate crime scores possible so that our clients receive actionable data that will influence their underwriting decisions.