



# Technical Release Notes – Versions 14.1 & 14.2

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## Please Note:

Beginning with V13.2, MarketStance modified the release of our update versioning and Technical Release Notes document. All MarketStance products now use a common versioning naming convention and common update; as an example, this update covers versions V14.1 and V14.2 for Commercial Insight, Personal Insight and Agent Broker Insight in a single Technical Release Note document. Additionally, we created briefer, more concise bullets for communicating the enhancements -- if additional information is required, please contact MarketStance Support as outlined below.

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## Who to contact for more information

Please contact our Client Services department at [ms@marketstance.com](mailto:ms@marketstance.com) / 888-777-2587 or your Regional Relationship Director if you have any questions or service needs. We value your business, and thank you for your continued support!

## New in V14.2 commercial lines products:

### Institution-level coverage of private higher education

The rapidly growing private and public higher education sectors have attracted P&C market interest in recent years. Responding to this interest, our development team engineered a comprehensive source data substitution and extension. The public and private higher education data are now sourced from numerous series published by the 2008-13 U.S. Department of Education Integrated Postsecondary Education Data System (IPEDS).

The gain in accuracy was dramatic for multi-campus institutions.

Our developers linked each risks within a college systems to its system-wide headquarters. The quality of the data source meant that we could employ a more robust rating approach, combining separate rating values for key property exposures on each campus such as dormitories, libraries, class room buildings, and stadiums, while leveraging territory-specific loss costs in most states.

All higher education estimates are now available at the institution or system level, including additional exposure and growth values, such as historical and forecast enrollments and residence hall structure value estimates.

**Figure 1: Higher education commercial estimates – select institutions**

Company Name	Cornell University	Lorain County Community College	Pennsylvania State University
Organization Type	Non-Profit	Government	Government
6-Digit SIC	Colleges, Universities, and Professional Schools (Excluding Government) (SIC 822100)	Public Community Colleges (SIC 941200)	Public Colleges and Universities (SIC 941300)
Company-Wide Operating Locations	2	1	25
Value of Structures % Dormitory	12.1%	0.0%	12.0%
Enrollments	22,636	12,274	94,441



<b>Enrollments 2 Yr. Forecast Growth</b>	0.04%	-9.71%	1.68%
<b>Property Premium (\$000)</b>	\$5,284	\$90	\$4,164
<b>Property Alternative Premium (\$000)</b>	\$3,606	\$305	\$22,610
<b>Source: MarketStance Commercial Insight company data V14.2 (July 2015).</b>			

## Higher education risks separately tracked in our updated government data

The IPEDS data likewise enabled development of the first institution-level coverage of public higher education across all products, all exposures, and all covered commercial lines of business.

Enabling clients to focus on the public higher education sector marks a real advance in all of our products. With the major exception of public hospitals, until now all government sector data released by MarketStance since 2006 has been sourced from the Census of Governments (COG) data series published every 5-years, most recently in March 2015 and incorporated in V14.2.

While the COG is a remarkably detailed core data source for all forms of government administration, it lacks definition in the higher education sector. Using the COG in the past meant, for example, that clients could not see public higher education exposures and premiums separately from the county and state governments that sponsored them.

Thanks to our team's efforts, V14.2 products reflect several new government sector industry classifications:

- School Districts (SIC 941110)/School Districts (NAICS 923111) (formerly SIC 941100/NAICS 923100)
- Special Districts - Libraries (SIC 941120)/Special Districts - Libraries (NAICS 923112)
- Public Community Colleges (SIC 941200)/Public Community Colleges (NAICS 923200)
- Public Colleges and Universities (SIC 941300)/Public Colleges and Universities (NAICS 923300)

## New in V14.2 Commercial Habitational Risk Advisor (CHRA) products:

This release marks a major update and expansion of our CHRA product offerings estimating exposures and premiums written in the condominium and apartment markets. It likely represents our most advanced model of a discrete segment of the commercial market.

Specifically the CHRA models are powered by 13 million loss cost rating cells developed to reflect the market distribution of prices by:

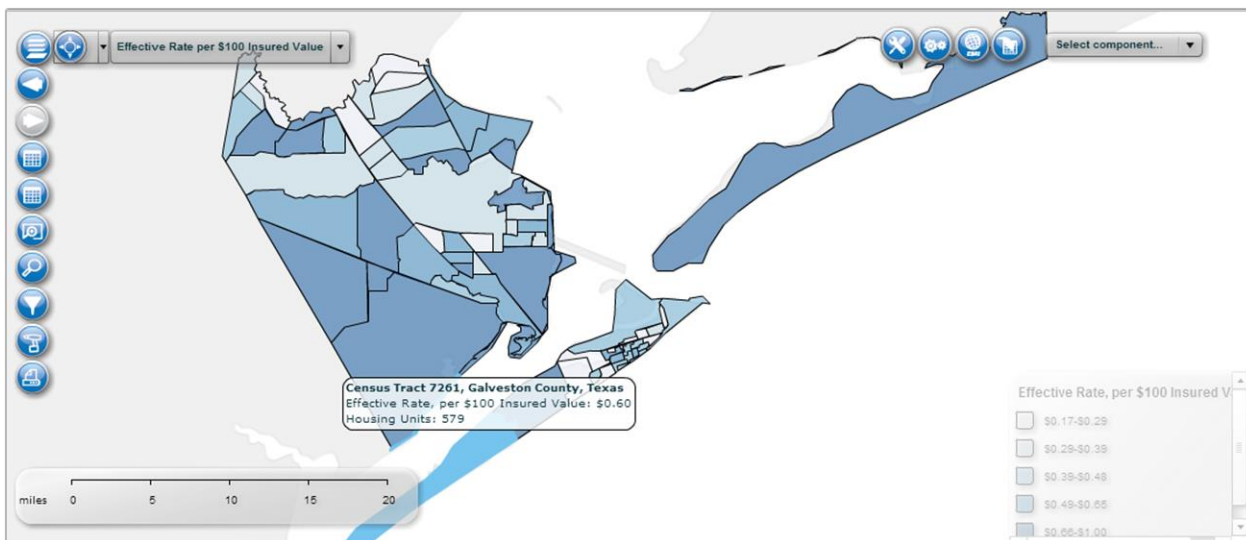
- Number of units in building
- Construction type;
- Local rating territory within all states but Hawaii;
- Fire protection class;
- Wind versus non-wind coverage (where applicable);
- Rating group (condo versus apartment);
- Risks with/without sprinklers;



Parallel with the leap in sophistication of the modeling, expanded reporting features include:

- Insured values in addition to the market values of risks
- Property and liability premiums for properties eligible for BOP
- Property and liability premiums for properties ineligible for BOP (>6 floors or >60 units) and total premiums for the market for each broad line of coverage
- Additional premium and exposure estimates for the Gulf/Atlantic Seaboard states + Pennsylvania
  - Distance to coast
  - Admitted premiums total
  - Surplus lines premiums total
- More detailed segmentation, including 1-unit attached townhome properties, 2 unit properties, and 3-4 unit properties.

Figure 2: Galveston County, TX effective rates per 100 dollars insured value, by Census Tract



Source: CHRA V14.2, August 2015.

CHRA estimates compare favorably to and draw from independent data sources such as:

- Florida name address list (NAL) of individual condominium association and apartment properties.
- A.M. Best Key Rating Guide and state-by-line direct premiums written.
- Florida Department of Insurance Quarterly Supplemental Report of habitational exposures, PIF, and premiums by county, company, and type of risk.
- Florida Surplus Lines Service Office report of habitational premiums and PIF by carrier and county.

We plan to incorporate CHRA-based market estimates across all MarketStance Commercial Insight and related products in the upcoming V15.X releases.



## BOP & Errors and Omissions revisions

We added BOP and E&O premiums for a number of classes of business that had been inadvertently omitted from each respective line of business in V14.0 and V14.1 (Figure 3, below).

<b>Figure 3: Business classifications added to BOP market estimates in V14.2</b>	
<b>6-digit SIC</b>	<b>6-digit NAICS</b>
Jewelry and Silverware Manufacturing (SIC 391125)	Jewelry and Silverware Manufacturing (NAICS 339910)
Donut Shops, No Baking On Premises (SIC 546140)	Snack and Nonalcoholic Beverage Bars (NAICS 722515)
Cafeterias (SIC 581230)	Cafeterias, Grill Buffets, and Buffets (NAICS 722514)
Ice Cream and Soft Serve Shops (SIC 581260)	Snack and Nonalcoholic Beverage Bars (NAICS 722515)
Limited-Service Restaurants (SIC 581280)	Limited-Service Restaurants (NAICS 722513)
Coffee Shops (SIC 581292)	Snack and Nonalcoholic Beverage Bars (NAICS 722515)
Other Snack and Nonalcoholic Beverage Bars (SIC 581293)	Snack and Nonalcoholic Beverage Bars (NAICS 722515)
Cookie Shops (SIC 546112)	Snack and Nonalcoholic Beverage Bars (NAICS 722515)
Household Appliance Stores (SIC 572225)	Household Appliance Stores (NAICS 443141)
Frozen Yogurt Shops (SIC 581270)	Snack and Nonalcoholic Beverage Bars (NAICS 722515)
Lessors of Residential Buildings - 1-4 Units, Owners Classified Elsewhere (SIC 651480)	Lessors of Residential Buildings, Owners Classified Elsewhere (NAICS 531118)
Support Activities for Printing (SIC 279125)	Support Activities for Printing (NAICS 323120)
Donut Shops, Baking On Premises (SIC 546130)	Snack and Nonalcoholic Beverage Bars (NAICS 722515)
Electronics Stores (SIC 573125)	Electronics Stores (NAICS 443142)
Bagel Shops (SIC 581291)	Snack and Nonalcoholic Beverage Bars (NAICS 722515)
Lessors of Residential Buildings - 5+ Units, Owners Classified Elsewhere (SIC 651380)	Lessors of Residential Buildings, Owners Classified Elsewhere (NAICS 531118)

## County definition and mapping changes – Alaska and Virginia

After receiving a handful of inquiries, all MarketStance products were rebuilt to conform to Census 2013 mid-year county definitions. Most of our business statistics data sources will not conform to this geographic standard until 2018, but the development team believed the best solution was to provide our data according to these definitions now. For more information about the boundary changes see <https://www.census.gov/geo/reference/county-changes.html>.

## Headquarters-basis data evolved to report company-wide growth and auto premiums

All headquarters-basis historical and forecast measures are now stated on a company-wide basis, with a broad impact across middle-market and larger account sizes. All prior headquarters basis databases stated growth locally, i.e. in the county, business class, and employee size segment of headquarters. This evolution of headquarters data better models the true diversity of locations and business classes of larger risks.

## New in translations BOP and GL translations products

ISO BOP and GL classifications have been translated to 2012 NAICS.



Our BOP to NAICS translation now covers all ISO BOP classes and 2012 NAICS - over 600 relationships - with a 3-level match strength indicator provided by our underwriting team.

## New in V14.2 Personal Insight products:

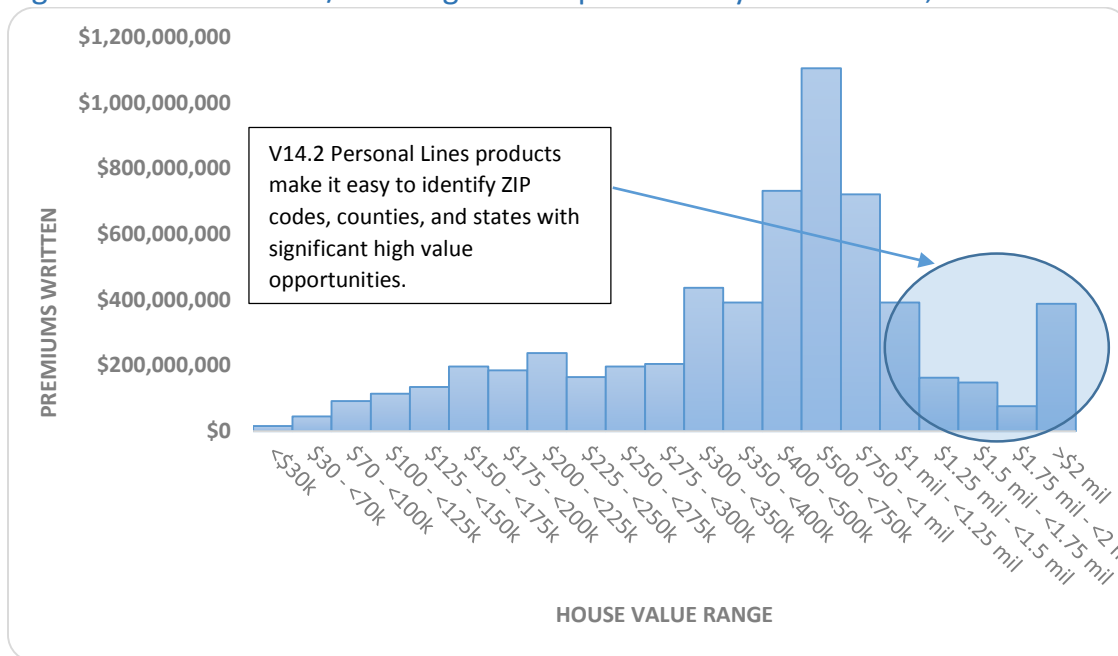
### Extended coverage for the top end of the homeowners market

Our personal lines products continue to gain traction in the market. Clients seeking to better develop segments in California, New Jersey, New York, Maryland or specific counties and ZIP codes with top-tier property values have been requesting extended coverage of properties valued above \$1 million.

In response, our development team added four new segments of market values:

- \$1-<1.25M;
- \$1.25-<1.5M;
- \$1.75-<2M;
- \$2M+.

Figure 4: Homeowners/dwelling written premium by house value, California



### Mobile home owners coverage type added

Personal Insight county and ZIP products now report premiums and exposures for five types of coverage:

- Homeowners/Dwelling;
- Condominium/Coop;



- Farmowners;
- Renters;
- Mobile home owners;

## **New in Leads & Agency Broker Database (ABD) products**

- On a custom basis, MarketStance can now merge, append and score your company's agency records with carrier appointments as to their small commercial focus, relative to other lines of coverage.
- Public and Private Higher Education risk level estimates available as a stand-alone tabulation.
- Addition of Excess Liability in trading-area estimates.
- All individual records assigned to Census Tracts and Counties based on longitude and latitude, eliminating inaccuracies in reporting directly from our source data.

## **Who to contact for more information**

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