

MarketStance



Win by scoring

Data makes for better decisions Ranking and scoring makes data usable

Anyone who's been in insurance for any length of time has gotten used to making decisions without the help of much relevant, objective market information.

The inherent shortcomings of this situation are clear. You lean heavily on judgment and experience — your own or that of others. Or you may find decisions deferred until something happens which forces a choice.

It's a less-than-desirable state, and why the promise of reliable and useful market information can be so appealing. But data carries its own challenges. Principal among these is making tables of numbers into actionable intelligence.

The simplest, most common way to do this is by ranking and scoring information—and both of these are fundamental capabilities of the MarketStance offerings.

For instance

Let's assume you write small commercial business and want some insight on the states and markets that offer the most robust growth opportunity. Using MarketStance Analyst it's a simple matter to filter on small commercial business and capture a by-state listing of number of accounts, all lines premium and, say, an employment growth forecast (as a proxy for general business expansion).

Your report would look like Table 1 on the next page. Good information to be sure, but a bit unwieldy in its present form for 50 states.

You can easily sort the information, say by total premium (Table 2). That helps, but one of the limitations of sorting is that you can only sort by one measure at a time and it's difficult to make use of all the data you want to evaluate.

Ranking the information makes it more manageable and useful and MarketStance makes such ranking straightforward. You can rank each of the measures or any one of them. In Table 3 we've ranked both all lines premium and employment growth, giving preference to the growth statistics.



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Table 1 High Level View of Small Commercial Market

	Number of Accounts	All Lines Premium, Total	Payroll, 4 Yr Forecast
All States	8,010,274	\$93,963,905	2.0%
Alabama	109,651	\$1,042,946	1.7%
Alaska	20,191	\$364,867	2.2%
Arizona	124,949	\$1,228,538	3.4%
Arkansas	77,236	\$718,334	2.1%
California	884,515	\$16,194,931	1.7%
Colorado	156,238	\$1,672,039	2.4%
Connecticut	92,194	\$1,322,732	0.9%
Delaware	24,495	\$351,914	3.8%
District of Col	19,158	\$223,325	2.3%
Florida	482,716	\$5,652,363	4.1%

MarketStance provides a comprehensive variety of data useful to business planning in commercial insurance.

Table 1 highlights three of the 47 measures available.

Table 2 Small Commerical, Sorted by All Lines Premium

Here all lines premium has been sorted in decending order. OK, but not the must helpful solution.

	Number of Accounts	All Lines Premium, Total	Payroll, 4 Yr Forecast
All States	8,010,274	\$93,963,905	2.0%
California	884,515	\$16,194,931	1.7%
New York	522,852	\$7,130,924	1.3%
Florida	482,716	\$5,652,363	4.1%
Texas	547,387	\$5,502,117	2.4%
Illinois	339,218	\$4,597,707	1.5%
Pennsylvania	309,091	\$3,628,926	2.6%
New Jersey	237,801	\$3,369,554	1.6%
Ohio	288,722	\$3,165,555	1.6%
Michigan	252,832	\$2,502,606	1.3%
Massachusett	177,610	\$2,239,260	1.2%
Georgia	218,101	\$2,193,542	1.4%

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Ranking can be done on multiple measures providing an improvement over sorting as a way to make the information easier to analyze. Here, prominence has been given to the growth data, with the relative rank on total premium easily viewable on the same report.

Table 3 Results Ranked, Employment Growth Primary

	Number of Accounts	All Lines Premium, Total	Rank (All Lines Premium, Total)	Payroll, 4 Yr Forecast	Rank (Payroll, 4 Yr Forecast)
Florida	482,716	\$5,652,363	4	4.1%	1
Nevada	56,671	\$554,263	38	3.9%	2
Delaware	24,495	\$351,914	47	3.8%	3
Arizona	124,949	\$1,228,538	24	3.4%	4
South Carolina	105,436	\$1,026,777	30	3.2%	5
Idaho	48,123	\$482,274	40	2.7%	6
Pennsylvania	309,091	\$3,628,926	7	2.6%	7
Washington	185,819	\$1,994,645	14	2.5%	8
New Mexico	52,564	\$467,534	43	2.5%	9
Utah	63,268	\$607,325	37	2.4%	10
Texas	547,387	\$5,502,117	5	2.4%	11
Oregon	120,369	\$1,142,043	26	2.4%	12
Colorado	156,238	\$1,672,039	18	2.4%	13
District of Columbia	19,158	\$223,325	52	2.3%	14
North Carolina	220,193	\$2,062,035	13	2.2%	15
Virginia	193,036	\$1,899,207	16	2.2%	16
Maryland	132,164	\$1,502,937	21	2.2%	17
Alaska	20,191	\$364,867	46	2.2%	18
Wisconsin	177,186	\$1,917,391	15	2.1%	19
Arkansas	77,236	\$718,334	34	2.1%	20
Indiana	162,637	\$1,602,418	20	2.0%	21
All States	8,010,274	\$93,963,905	1	2.0%	22

Let's say that, for a variety of logistical and book composition reasons, Nevada looks particularly appealing among the highest ranked states in Table 3. So let's look more closely at the business potential in that state. In fact, let's focus on the five counties which rank the highest in terms of employment growth forecasts.

Table 4 takes a look at the business classes in those counties in terms of the number of accounts, all lines premium and employment growth. However, here we take the ranking one step further and produce a score for each class of business.

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Table 4 Scoring Classes of Business in the Top 5 Counties in NV

MarketStance <small>Friday, February 16, 2007</small>							
Top 5 Counties in NV							Layer
	SCORE	Number of Accounts	Rank (Number of Accounts)	All Lines Premium, Total (\$000)	Rank (All Lines Premium, Total (\$000))	Employment, 4 Yr Forecast Growth (2004-08)	Rank (Employment, 4 Yr Forecast Growth (2004-08))
Single family housing construction (SIC 1521)	24	530	6	\$11,077	3	6.1%	15
Concrete Work (SIC 1771)	25	200	16	\$13,846	2	7.5%	7
Plumbing, heating & air-conditioning special trade contractors (SIC 1711)	25	397	7	\$9,986	4	6.2%	14
Eating places (SIC 5812)	27	2,241	1	\$17,540	1	3.5%	25
Nonresidential construction NEC (SIC 1542)	28	232	13	\$7,859	5	6.4%	10
Electrical work special trade contractors (SIC 1731)	30	351	10	\$6,986	7	6.2%	13
Carpentry (SIC 1751)	30	210	15	\$5,573	10	7.8%	5
Spec trades, NEC (SIC 1799)	32	265	12	\$5,668	9	6.3%	11
Religious organizations (SIC 8861)	33	338	11	\$1,686	19	8.4%	3
Excavation work (SIC 1794)	34	110	21	\$5,515	11	8.4%	2
Plaster, insulation (SIC 1742)	34	128	20	\$7,011	6	7.3%	8
Offices & Clinics of Medical Doctors (SIC 8011)	37	1,341	2	\$5,337	12	3.8%	23
Terrazzo, tile, marble & mosaic work special trad (SIC 1743)	39	91	23	\$2,715	15	8.7%	1
Real Estate Agents & Managers (SIC 6531)	42	1,316	3	\$2,371	17	3.8%	22
Roofing, siding & sheet metal work special trade contractors (SIC 1761)	43	91	24	\$4,131	13	7.6%	6
Investment Advice (SIC 6282)	44	751	5	\$1,161	22	6.0%	17
Mgmt consulting ser (SIC 8742)	45	1,074	4	\$1,296	21	4.5%	20
Painting & paper hanging special trade contractors (SIC 1721)	46	151	19	\$2,027	18	6.9%	9

In this example, we give equal weight to all three measures in producing our score. You can, however, give different weights to various measures; for example, giving more emphasis to total premiums than to employment growth. Scoring the data makes it even more actionable, in this case by helping us get a handle on which products likely will have the most traction, or where we should allocate our time and resources to get the greatest return.

This is just a small example of how MarketStance information can be made actionable.

About MarketStance

For ten years, MarketStance has been effectively harnessing information from dozens of government and industry sources to transform raw data into information that is up-to-date, reliable, actionable and relevant to the business of commercial insurance. MarketStance enables carriers to turn to a single, comprehensive information resource to power a range of strategic, tactical and operational decisions.

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MarketStance offers a bundled product specially packaged and refined to be particularly useful, and affordable, to smaller commercial lines writers.

Based on a core optimized, multidimensional data cube, the MarketStance Bundle includes a wealth of information on the market for insurance. The data covers over 20 million U.S. businesses. It includes information on:

- Number of accounts
- Exposures
- Loss ratios
- By line premiums
- Growth rates

All of these measures can be analyzed by account size, by business class, or by geography to the county level and ZIP code level using either a desktop tool or web-accessed interactive reports.

The timely, flexible and reliable market information provided by MarketStance comes with the tools to make the data usable and useful—and with the context to help you make winning decisions.

Can we tell you more? Call toll-free at 888-777-2587.