

Answer on Question #53203, Management / Other

Explanation:

Based on systematic analysis of fire risk assessment methods, it was pointed out that fire risk index method may be adopted as standardization method to fire risk assessment for life safety in assembly occupancies. Fire risk index method was applied to distinguish relative fire risk to life safety among different assembly occupancies and then determine the risk rank which may guide underwriting and fire public liability insurance ratemaking. The insurance premium for assembly occupancies with risk level of I, II, III, IV, V, were respectively up 20%, up 10%, unchanged, down 10%, down 20% relative to basic premium. Fire public liability insurance premium were associated with fire safety conditions of insurance sites, as will fully play the leverage of premium and mobilize insurer's initiative to reduce fire risk, aim to achieve the positive interaction between fire protection and insurance.

A number of scholars at home and abroad have studied in-depth on fire risk assessment and brought out many methods. Based on quantitative degree, these fire risk assessment methods were divided into qualitative, quantitative and semi-quantitative methods. However, different fire risk assessment methods are usually limitative in application, for example, narrative method as qualitative fire risk assessment method evaluate fire risk with narrative suggestion, only to be able to give general description to identify the most dangerous events, not quantify fire risk. Because of easy to operate, the narrative method was adopted by most of domestic assurance companies.

The semi-quantitative fire risk assessment method, such as fire risk index, Gustave method, risk matrix method, because semi-quantitative analysis can achieve a simple, relatively quantitative fire risk even in case of incomplete fire data. At present, semi-quantitative assessment methods are carried on by a majority of foreign insurance companies as the essential method, because of extensive application range, abundant research achievement, and relative simple procedure. Quantitative fire risk assessment methods are able to absolutely quantify fire risk with a large amount of data as support, and the calculation is complicated, which required users to master probability theory and operations research and other more specialized mathematical knowledge.

Therefore, it is appropriate and feasible that semi-quantitative fire risk assessment method is selected as standardization method for fire public liability insurance. Fire risk index is one of representative semi-quantitative methods of fire risk assessment, which synthetically consider objective factors, historical experience and expert advice to assess fire risk. In general, Fire risk index is that based on expert judgments and experience data of fire, both positive and negative fire factors variables are assigned, and according to correlation function, then the calculation results compared with fire risk standard value, at last relative quantitative fire risk value or fire risk rank can be obtained.

Fire risk assessment standardization method for fire public liability insurance in Assembly Occupancies based on fire risk index method is featured with easiness and operability

which is convenient for insurance agent to develop business. In short, the research make up some shortcomings of premiums auditing for fire public liability insurance, such as broad-brush, simplicity, lack of scientific, that is a try on business operation of insurance companies.