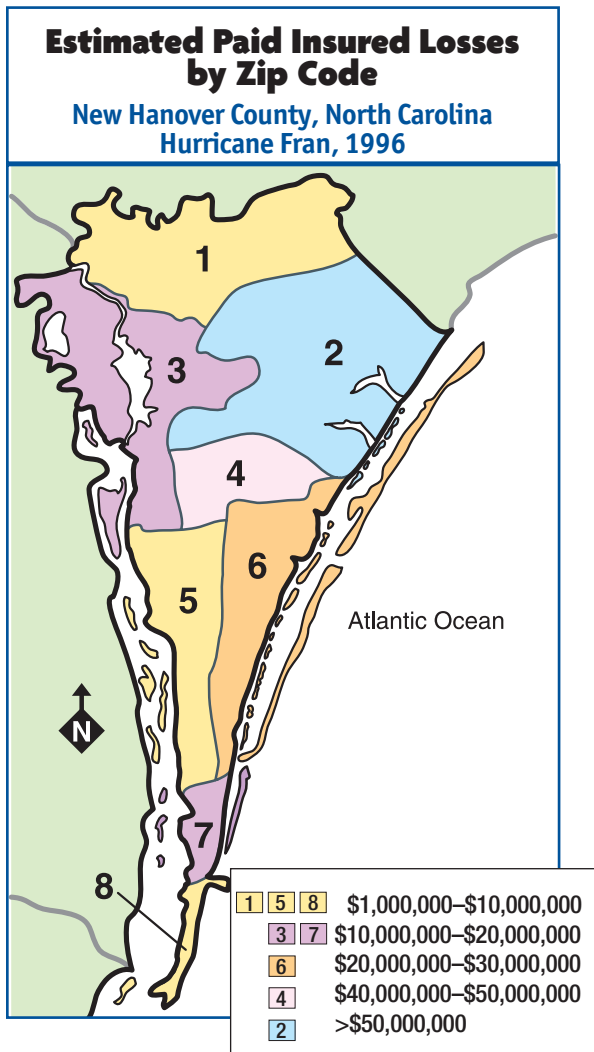


A Map of Claims

NAME: _____

DATE: _____

The amount of insurance claims paid by insurance companies as a result of hurricanes has increased over the last 10 years. New technologies such as GPS (Global Positioning System) and GIS (Geographic Information Systems) allow actuaries and insurance companies to estimate the amounts to be paid for claims in the future based on the natural events that have occurred and the related number of submitted claims in a particular area. These tools help actuaries plan for covering their customers fairly. Study the map below and then answer the questions.



Questions:

- Which section had the highest amount paid in claims?
_____ What was the amount? _____
- Which sections had the lowest amount paid in claims?
_____ What was the amount? _____
- As you move from south to north along the coast, what do you notice about the level of claims?

- As you move inland from east to west, what do you notice about the level of claims?

- From which areas should more total premiums be collected? _____
Why? _____

- If you were to represent this data on a chart, would you choose a histogram or a scatterplot?

Why? _____

Map Source: Adapted from the National Oceanic and Atmospheric Administration, www.csc.noaa.gov/products/nchaz/htm/fran_6.htm#two. Photos, clockwise from top left: © Photostock/age fotostock, inc.; © Emma Lee/Life File/Getty Images; © Javier Pieini/Photodisc/Getty Images.

Think About It

Which area might be the most appealing to a home buyer? Would that area be more or less affordable to insure?

