In a study of insurance availability in Chicago, the U.S. Commission on Civil Rights attempted to examine charges by several community organizations that insurance companies were redlining their neighborhoods, i.e. canceling policies or refusing to insure or renew.

First the Illinois Department of Insurance provided the number of cancellations, non-renewals, new policies, and renewals of homeowners and residential ﬁre insurance policies by ZIP code for the months of December 1977 through February 1978.

The companies that provided this information account for more than 70% of the homeowner’s insurance policies written in the City of Chicago. The department also supplied the number of FAIR plan policies written a renewed in Chicago by zip code for the months of December 1977 through May 1978. Since most FAIR plan policyholders secure such coverage only after they have been rejected by the voluntary market, rather than as a result of a preference for that type of insurance, the distribution of FAIR plan policies is another measure of insurance availability in the voluntary market.

Secondly, the Chicago Police Department provided crime data, by beat, on all thefts for the year 1975. Most Insurance companies claim to base their underwriting activities on loss data from the preceding years, i.e. a 2-3-year lag seems reasonable for analysis purposes. the Chicago Fire Department provided similar data on ﬁres occurring during 1975. These ﬁre and theft data were organized by zip code.

Finally, the US Bureau of the census supplied data on racial composition, income and age and value of residential units for each ZIP code in Chicago.

To adjust for these differences in the populations size associated with different ZIP code areas, the theft data were expressed as incidents per 1,000 population and the ﬁre and insurance data as incidents per 100 housing units.