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Reliability of Risk Management Data in Measuring Police Performance: An Initial Empirical Analysis

A product of the Reform Era of policing in the 1960s (Kelling & Moore, 1988), law enforcement accreditation was conceived as a means to professionalize the industry. Established in 1979 through the joint efforts of four major law enforcement associations--the International Association of Chiefs of Police, the National Organization of Black Law Enforcement Executives, the National Sheriff's Association, and the Police Executive Research Forum-- the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) was formed to develop an accreditation process affording law enforcement agencies an opportunity to voluntarily demonstrate that they meet an established set of professional standards (CALEA, 1999).

But, as CALEA celebrates its 25th anniversary, the extent of accreditation's effectiveness remains undetermined. Less than 500 agencies, or only about three percent of the nation's nearly 18,000 federal, state, and local law enforcement agencies, are accredited by CALEA, and many law enforcement executives question the value of accreditation (Bizzack, 1993; Carter & Sapp, 1994). In an effort to support their position that accreditation is beneficial to law enforcement, CALEA has published the results of several insurance studies claiming they present "a positive correlation between CALEA accreditation and loss reduction, and . . . quantitative evidence that CALEA accreditation significantly impacts a law enforcement agency's ability to prevent and reduce loss in the area of professional liability" (CALEA, 2003). The authors conducted a secondary analysis of the data in an effort to replicate the results.

REVIEW OF THE LITERATURE

According to Cheurprakobkit (1996), accreditation is the benchmark of law enforcement professionalism since it provides a basis for modernization of the department, increased morale, and budget justification. Additionally, Crowder (1998) concluded that accreditation is required in order to receive professional standing in the law enforcement community. Falzarano (1999) found that that the CALEA accreditation process often represents the first step in establishing law enforcement professionalism since it provides law enforcement with the standards that embody professionalism. And Gallagher (1990) found the accreditation process forces agencies to address these concerns and the critical link between the management of liability and police professionalism. McCabe and Fajardo

(2001) found accredited agencies provide more training for their officers and require higher educational standards for new officers and that accreditation is one avenue to achieve professionalism in law enforcement. Snow (1992) cites self-assessment, evaluation of public services, improved agency policies, liability protection and reduced insurance fees, and fiscal accountability as benefits of accreditation. He concludes accreditation is the primary means by which a law enforcement agency can demonstrate that it is a professional organization. And finally, Trautman (1988) found that agencies that refuse to become accredited will eventually be forced to become accredited by civil liability.

Some researchers, however, have questioned the overall value of national accreditation. Bizzack (1993) examined if CALEA accredited agencies reported a decrease in civil liability after receiving accredited status. He found that CALEA accreditation only decreased an agency’s liability slightly (less than 1%).

Carter and Sapp (1994) observed that Chiefs of non-accredited agencies are uncertain about the value of accreditation. The authors conducted a national survey of 699 accredited and non-accredited law enforcement agencies to determine the attitudes and concerns of police chiefs toward the effects of the accreditation process. The authors suggest agencies do not seek accreditation because the process of accreditation is felt to be too time and resource consuming, and it cannot be demonstrated that the benefits offset the costs of accreditation.

The preceding discussion of the value of national or state accreditation is important because of its mixed reviews. Some research has found that accreditation does increase police professionalism, reduce liability claims, and improve the overall operations of participating police agencies while other studies have found that accreditation may fail to have the desired effect.

PRIOR RESEARCH

Lawsuits against the police are rising in a trend that is expected to continue (Bell, 2001; Christansen, 2001; Dauler & Romano, 1993; Fisk, 2001; McCoy, 1983; Stevens, 2001). Although CALEA claims reduced lawsuits as a benefit of accreditation, little empirical research has been completed.

Practitioners are more familiar with three financial studies completed by risk management pools: the Illinois Risk Management Association (Marino, 1998), the Tennessee

Municipal League Risk Management Pool (Fann, 2002), and the Colorado Interlocal Risk Sharing Agency (Pomeroy, 2002).

CALEA has published the results of these studies as support for the idea that accreditation reduces an agency’s liability. In 1998, The Intergovernmental Risk Management Agency (IRMA) examined the frequency and severity of claims over a five year period for 44 non-accredited and 14 CALEA accredited police departments in Illinois. The authors use a simple averaging technique to report the number of claims per 100 officers. Using this formula, the report concludes a 16% reduction in frequency and a 35% reduction in severity in favor of accredited agencies.

Using the same methodology, the Tennessee Municipal League Risk Management League (TML) compared the loss histories of 5 accredited agencies against 23 non-accredited agencies from 1994 through 2002. The authors concluded that accredited agencies were sued 51% less frequently than non-accredited agencies and paid 11% less in damages.

Similarly, the Colorado Interlocal Risk Sharing Agency (CIRSA) examined the claims of 22 state and CALEA accredited agencies to the claims of 22 non-accredited agencies from 1999 through 2001. The authors reported that accredited agencies were sued 8% less frequently than non-accredited agencies and paid 52% less in claims.

CALEA has presented these studies to its members as quantitative evidence of a correlation between accreditation and a reduction in the frequency and severity of lawsuits.

PRIOR METHODOLOGY

The data used in the risk management studies was obtained through a convenience sample available to each agency. These agencies insure both accredited and non-accredited law enforcement agencies in their respective state. The company maintains a record of claims filed by those agencies they insure, and their results were obtained through an analysis of these claims.

We acknowledge that the data collection process used in the prior studies may not be scientifically sound and presents limitations to this study. Given these limitations, however, we believe the data remains a valuable research tool. We contend that since no viable data exists in this area it provides a point from which we can begin to explore the issue and broaden our understanding of the effect of accredited status.

PRESENT STUDY

The purpose of this study is to re-examine the data used in prior research using statistical methods commonly accepted in social science research. Moreover, it is our objective to obtain a deeper understanding of what is accepted in the culture as a benchmark of accreditation's success. Research in this area is dated, and while several studies have found that law enforcement executives perceive that accreditation reduces an agency's liability (Hougland, 2004; Valori, 1998), the risk management studies represent the only known empirical data in the area of study. Since previous studies support the idea that law enforcement executives believe accreditation reduces the frequency and severity of lawsuits filed against their agency, it is prudent to validate the results of the risk management studies.

FINDINGS

First, we wanted to determine if any differences existed between the accredited and non-accredited study groups in the prior studies. The data used in each risk management study were examined using an independent t-test. The results of these tests are presented in Table 1.

Table 1. Independent t- test comparing individual Risk Management data

Independent Variable	df	*t*	p	N	M	SD
Frequency of Claims						
IRMA	56	-.776	.441			
Accredited				14	3.86	3.20
Non-Accredited				44	3.14	2.35
TML	30	1.62	.115			
Accredited				23	5.0	4.38
Non-Accredited				9	8.0	4.80
CIRSA	42	.51	.613			
Accredited				22	16.45	18.92
Non-Accredited				22	13.36	21.22
Severity of Claims						
IRMA	56	-.298	.767			
Accredited				14	34,391	32,979
Non-Accredited				44	29,820	54,114
TML	30	.900	.375			
Accredited				23	122,664	26,062
Non-Accredited				9	79,381	38,123
CIRSA	23.85	1.35	.189			
Accredited				22	97,869	39,963
Non-Accredited				22	42,011	10,440

Table 1 suggests no significant difference exists between the study groups for both the frequency and severity of liability claims. Surprisingly, only the TML data for severity of claims present a mean value favorable to accredited agencies. For all other analyses, the mean value favors non-accredited agencies.

Next, we wanted to see if any differences existed between the study groups when data from the prior studies were analyzed in aggregate. Since the sample size of each study group is so small, we wanted to use as large a sample as possible. Based on the Central Limit Theorem, which states that as the sample size increases it becomes more representative of the population, we felt it was necessary to examine the data as a whole. While it is acknowledged that there limitations and risks associated with the aggregation of three separate study findings, all three datasets purported to measure the same factors and have been used by the industry as evidence of the benefits of accreditation. The aggregate data was analyzed using an independent t-test. The results of this analysis are presented in Table 2.

Table 2. Independent t- test comparing Risk Management data in aggregate

Independent Variable	df	*t*	p	N	M	SD
Frequency of Claims	73	-1.32	.189			
Accredited				45	10.24	14.62
Non-Accredited				89	6.92	11.66
Severity of Claims	132	-.88	.376			
Accredited				45	74,422	21,217
Non-Accredited				89	56,827	9,156

The results presented in Table 2 indicate that no significant difference exists between the study groups. Accredited agencies reported higher frequency of claims (M= 10.24, SD 14.62) than did non-accredited agencies (M=6.92, SD 11.66). Additionally, accredited agencies reported greater severity in the claims (M=$74,422, SD=$21, 217) than did non-accredited agencies (M=$56,827, SD=$9,156). This analysis suggests the results presented in Table 1 are accurate and not the result of a spurious relationship.

DISCUSSION

While the results reported by the Risk Management companies appear informative in the insurance arena, it is a simplistic analysis that raises many questions. Additionally, CALEA's acceptance of this data, which on its face appears to benefit the organization, may be confusing and misleading to its membership and non-accredited agencies considering the accreditation process.

The prior studies have been promoted by CALEA and claim a direct relationship between accreditation and reduced liability. Caution needs to be exercised in interpreting the studies' results, however, since they were completed by financial analysts and may be limited in research and statistical methodology. Since each study was undertaken by a risk management or insurance agency, the applicability of their methodology to an academic and practitioner audience remains questionable. Specifically, the prior research focuses on liability issues and do not address the tasks, functions, and duties that our nation's police engage in daily. As such, it can be difficult to interpret the findings of these studies in a law enforcement context. Additionally, each study uses a small sample size (Marino N=58; Fann N=28; Pomeroy N=44) drawn from law enforcement agencies within the analyst's state. Thus, it is difficult to generalize the results to a national or even a state law enforcement audience as suggested by CALEA.

Our analysis failed to validate the results reported in the three risk management reports when the data from the prior studies are analyzed in their original format and in aggregate. Despite the limitations of the prior studies and its implications on the present study, we conclude that this data fails to support the idea that CALEA accreditation has a positive effect on reducing the frequency and severity of lawsuits filed against accredited law enforcement agencies. We suggest the accreditation community support future research in this area through large scale, quantitative study that is capable of capturing additional factors that may be influencing these findings.

It must be further stated that this analysis was in no part an attack on CALEA or the process of accreditation. Rather, these findings suggest that the existing data in this field are not sufficient to base large scale agencywide policy decisions. As police executives face increasing challenges in the areas of budget, personnel, and public accountability, policy decisions must be based on sound data.

If there is one thing that we can say definitively, it is that more research needs to be conducted, both by the law enforcement community and academia. And as law enforcement strives to become more professional in the 21^{st} century, there may be no need greater than this.

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