



THE POWER OF PROTECTION CLASSES

Builders Risk Program Manager, Jeff Benson

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THE ISO PUBLIC PROTECTION CLASSIFICATION (PPC) PROGRAM



- To help establish appropriate fire insurance premiums for residential and commercial properties, insurance companies need reliable, up-to-date information about a community's fire-protection services.
- Insurance Services Office (ISO) provides that information through the Public Protection Classification (PPC) program.

WHAT IS THE PPC PROGRAM?

- ISO collects information on municipal fire-protection efforts in communities throughout the United States.
- In each of those communities, ISO analyzes the relevant data using their Fire Suppression Rating Schedule (FSRS).
- They then assign a Public Protection Classification ranging from 1 to 10.
- **Class 1 generally represents superior property fire protection**, and Class 10 indicates that the area's fire-suppression program doesn't meet ISO's minimum criteria.



WHAT IS THE PPC PROGRAM?



- By classifying a community's ability to suppress fires, ISO helps them evaluate their public fire-protection services.
- The program provides an objective, countrywide standard that helps fire departments in planning and budgeting for facilities, equipment and training.
- By securing lower fire insurance premiums for communities with better public protection, the PPC program provides incentives and rewards for communities that choose to improve their firefighting services.
- ISO has extensive information on more than 40,000 fire-response jurisdictions.

FIRE SUPPRESSION RATING SCHEDULE (FSRS)

The FSRS measures the major elements of a community's fire protection system and develops a numerical grading called a Public Protection Classification (PPC).

The schedule is performance based and assigns credit points for each item. Using the credit points and various formulas, they calculate a score on a scale of 0 to 105.5.

Example	
Emergency Communications	10 pts
Fire Department	50 pts
Water Supply	40 pts
Community Risk Reduction	5.5 pts
<i>Fire Prevention</i>	
<i>Fire Safety Education</i>	
<i>Fire Investigation</i>	
Total Possible	105.5 pts

PUBLIC PROTECTION CLASSES 1-10

Protected

- **Protected 1** – One mile or less from fire dept.
- **Protected 2** – More than one mile, but two miles or less from fire dept.
- **Protected 3** – More than two miles, but three miles or less from fire dept.
- **Protected 4** – More than three miles, but four miles or less from fire dept.
- **Protected 5** – More than four miles, but five miles or less from fire dept.

Partially Protected

- **Protected 6-8** – Building is located more than 500 feet away from a fire hydrant, but is within five miles of fire dept.

Unprotected

- **Protection Class 9** – community meets the ISO requirements for quality and communications, but has an inadequate water supply.
- **Protection Class 10** – community does not meet the ISO's minimum standard in any category.

RAMIFICATIONS



Impact of higher classes on premium, eligibility and capacity



Split Classes



Brushfire territories and the impact on the protection class



Effect of urban sprawl



ADDITIONAL RAMIFICATIONS



Impact of mountainous terrain



High value dwellings and higher protection classes



Smaller towns and rural communities relationship to the protection class

SPLIT CLASSIFICATIONS

- In many communities, ISO develop split classifications to reflect the risk of loss more precisely.
- An example of split classification is 4/4X or 4/4Y
(the first number refers to the classification of properties within 5 road miles of a fire station and within 1000 feet of a water supply).
(the second number - with either the X or Y designation – applies to properties within 5 road miles of a fire station but beyond 1000 feet of a water supply).
- The X and Y classifications replace the former 9 and 8B portions of a split classification e.g. a community formerly graded as 6/9 will change to a split 6/6X.
- To the individual property owner, the X/Y designations offer the potential for decreased property insurance premiums.

FIRE DEPARTMENTS



Career fire departments



Volunteer fire departments

“PASS THROUGH” RISK

What’s a “pass through” risk?

A “pass through” risk is any case submitted into V² that does not generate an underwriting hold and flows from quote to bind to issue.

If your client does not need to increase the limit of automatic additional coverages or add any optional coverages, and you can answer, “yes,” to the following questions in your V² submission, your quote will not generate an underwriting hold and you will receive your quote in minutes.

Q. Is the project ground-up, new construction?

Q. Is the project less than 30% complete?

Q. Does the project type fall within protection classes 1-7?

Q. Is this a new construction project with a completed value of:

- \$1.5 million or less (coastal)

- \$3 million or less (inland)

Q. Does the builder, remodeler, owner or general contractor have at least 2 years’ experience?



QUESTIONS?



YOUR EXPERIENCED BUILDERS RISK TEAM



Jeff Benson

Senior Underwriting Manager

jeffrey.benson@victorinsurance.com

(904) 607-4916



Donna Berry

Senior Underwriter

buildersrisk.us@victorinsurance.com

(800) 944-7472

General telephone: (800) 944-7472

General email: buildersrisk.us@victorinsurance.com



THANK YOU