

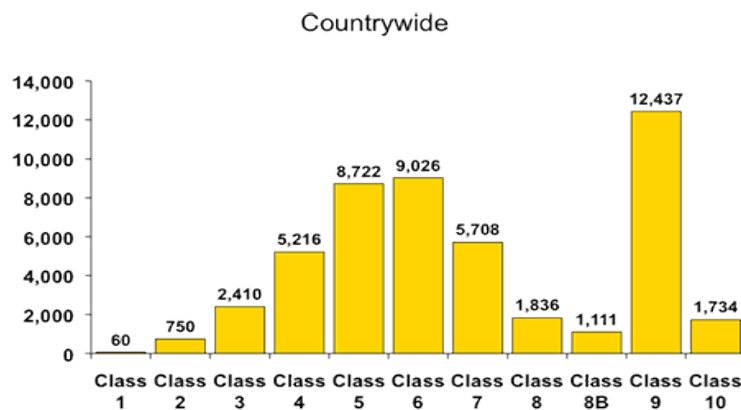
## Mokena Fire Protection District Improves its ISO Classification

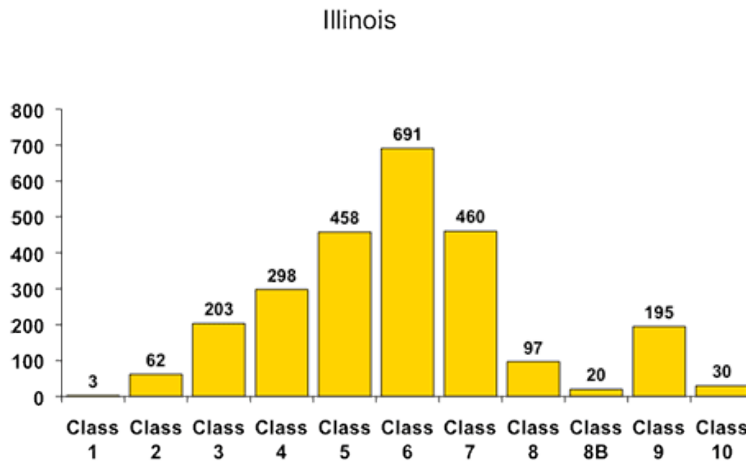
Fire departments across the country are evaluated at regular intervals (7-12 years) and given classification by the Insurance Services Office (ISO). ISO is an advisory organization utilized by many property insurance companies to factor into determining their customer's property insurance premiums. ISO evaluates and provides classifications to over 49,000 fire departments across the United States. Termed Public Protection Classifications, or PPC, the classification has been a standard for decades in comparing fire protection services.

Areas of a community's fire prevention program which are evaluated by ISO include fire department operations, emergency communications, water supply, and community risk reduction. Fire departments are scored on a numerical scale which then correlates to an ISO PPC. Fire departments are classified on a scale of 1-10, with 1 being superior fire protection and 10 being little or no fire protection.

The Mokena Fire Protection District (MFPD) was evaluated by ISO in late 2013 and recently received their revised ISO classification. The MFPD is proud to report that it has successfully lowered its classification from an ISO Class 3 to an ISO Class 1. This new ISO classification will become effective on August 1, 2014.

There are presently only 60 fire departments in the United States, and only three in Illinois, which have earned the classification of ISO Class 1. This places the MFPD in the top one tenth of one percent (0.1%) of fire departments across the country. As an Internationally Accredited Fire District as well as an ISO Class 1, the Mokena Fire Protection District has proven that it is continually seeking ways to raise the level of service, expectations, and professionalism to the stakeholders it serves.





Additional information on the Insurance Services Office:

### **Origins of ISO Public Protection grading...**

In the early 1900s, major U.S. cities suffered disastrous fires that destroyed billions of dollars' worth of property. In the aftermath, insurance companies realized they needed advance information on the fire loss characteristics of individual communities.

The National Board of Fire Underwriters (NBFU) had been established in 1866 to promote fire prevention and public fire protection. After a number of conflagrations — including the great Baltimore fire of 1904, which claimed 140 acres, more than 70 blocks, and 1,526 buildings — the NBFU expanded its scope, developing the Municipal Inspection and Grading System. Under that program, engineers evaluated the fire potential of many cities. In response, those cities improved their public fire protection services.

Since 1909, the Municipal Inspection and Grading System and its successors have been an important part of the underwriting and rating process for insurers writing personal and commercial fire policies. ISO's Public Protection Classification (PPC™) Service now gives insurers credible data to help them develop premiums that fairly reflect the risk of loss in a particular location.

### **How the ISO Public Protection Classification works...**

The PPC program provides important, up-to-date information about municipal fire protection services in each community they survey. ISO's expert staff collects information about the quality of public fire protection in more than 49,000 fire protection areas across the United States. In each of those protection areas, ISO analyzes the relevant data and assigns a PPC — a grading from 1 to 10. Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria. Most U.S. insurers of home and business properties use ISO's PPC in calculating premiums. In general, the price of insurance in a community with a good PPC is lower than in a community with a poor PPC, assuming all other factors are equal.

A community's PPC depends on:

- emergency communications systems, including facilities for the public to report fires, staffing, training, certification of telecommunicators, and facilities for dispatching fire departments
- the fire department, including equipment, staffing, training, and geographic deployment of fire companies
- the water supply system, including the inspection and flow testing of hydrants and a careful evaluation of the amount of available water compared with the amount needed to suppress fires
- community efforts to reduce the risk of fire, including fire prevention codes and enforcement, public fire safety education, and fire investigation programs

### **Benefits of the ISO Public Protection Classification Program for Communities...**

The PPC program recognizes the efforts of communities to provide fire protection services for citizens and property owners. A community's investment in fire mitigation is a proven and reliable predictor of future fire losses. Insurance companies use PPC information to help establish fair premiums for fire insurance — generally offering lower premiums in communities with better protection. By offering economic benefits for communities that invest in their firefighting services, the program provides an additional incentive for improving and maintaining public fire protection.

The program also provides help for fire departments and other public officials as they plan, budget for, and justify improvements.

The most significant benefit of the PPC program is its effect on losses. Statistical data on insurance losses bears out the relationship between excellent fire protection — as measured by the PPC program — and low fire losses. PPC helps communities prepare to fight fires effectively.

### **How ISO's Public Protection Classification information affects individual insurance policies...**

ISO's PPC information plays an important part in the decisions insurers make affecting the underwriting and pricing of property insurance. In fact, most U.S. insurance companies — including the largest ones — use PPC information in one or more of the following ways:

- to identify opportunities for writing new business
- to manage the quality of community fire protection across their book of business
- to review loss experience in various rating territories
- to offer coverages and establish deductibles for individual homes and businesses

Insurance companies — not ISO — establish the premiums they charge to policyholders. The methodology a company uses to calculate premiums for property insurance may depend on the company's fire loss experience, underwriting guidelines, and marketing strategy.

Here are some general guidelines to help you understand the benefits of improved PPC ratings for residents and businesses:

- PPC may affect the underwriting and pricing for a variety of personal and commercial insurance coverages, including homeowners, mobile home, fine arts floaters, and commercial property (including business interruption).

- Assuming all other factors are equal, the price of property insurance in a community with a good PPC is lower than in a community with a poor PPC.

### **Scope of the ISO Public Protection Classification evaluation...**

The purpose of an ISO public protection survey is to gather information to determine a PPC, which insurers use for underwriting and to calculate premiums for fire insurance. The Fire Suppression Rating Schedule (FSRS) recognizes fire-protection features only as they relate to suppression of fires in structures.

In many communities, fire suppression may be only a small part of the fire department's overall responsibility. ISO recognizes the dynamic and comprehensive duties of a community's fire service. ISO understands the complex decisions a community must make in planning and delivering emergency services. However, ISO evaluates only features related to reducing property losses from fire.

The FSRS is a manual containing the criteria ISO uses in reviewing the fire prevention and fire suppression capabilities of individual communities or fire protection areas. The schedule measures the major elements of a community's fire protection system and develops a numerical grading for the PPC.

The FSRS employs nationally accepted standards developed by such organizations as the National Fire Protection Association (NFPA), the American Water Works Association (AWWA), and the Association of Public-Safety Communications Officials (APCO) International. When those organizations update their standards, the ISO evaluation changes as well. The PPC program always provides a useful benchmark that helps fire departments and other public officials measure the effectiveness of their efforts — and plan improvements.

### **The ISO Public Protection Classification evaluation process...**

To determine a community's PPC, ISO conducts a field survey. Expert ISO staff visit the community to observe and evaluate features of the fire protection systems. Using the manual called the FSRS, ISO objectively evaluates four major areas:

#### ***Emergency communications systems***

A maximum of 10 points of a community's overall score is based on how well the fire department receives and dispatches fire alarms. ISO field representatives evaluate:

- the emergency reporting system
- the communications center, including the number of telecommunicators
- computer-aided dispatch (CAD) facilities
- the dispatch circuits and how the center notifies firefighters about the location of the emergency

#### ***Fire department***

A maximum of 50 points of the overall score is based on the fire department. ISO reviews the distribution of fire companies throughout the area and checks that the fire department tests its

pumps regularly and inventories each engine and ladder company's equipment according to NFPA 1901. ISO also reviews the fire company records to determine factors such as:

- type and extent of training provided to fire company personnel
- number of people who participate in training
- firefighter response to emergencies
- maintenance and testing of the fire department's equipment

### ***Water supply***

A maximum of 40 points of the overall score is based on the community's water supply. This part of the survey focuses on whether the community has sufficient water supply for fire suppression beyond daily maximum consumption. ISO surveys all components of the water supply system. ISO also reviews fire hydrant inspections and frequency of flow testing. Finally, ISO counts the number of fire hydrants that are no more than 1,000 feet from any representative locations.

### ***Community risk reduction***

The Community Risk Reduction section of the FSRs offers a maximum of 5.5 points, resulting in 105.5 total points available in the FSRs. The inclusion of this section for "extra points" allows recognition for those communities that employ effective fire prevention practices, without unduly affecting those who have not yet adopted such measures.

The addition of Community Risk Reduction gives incentives to those communities who strive proactively to reduce fire severity through a structured program of fire prevention activities. The areas of community risk reduction evaluated in this section include:

- fire prevention
- fire safety education
- fire investigation

For further information on ISO gradings of fire departments, refer to their web site at <http://www.isomitigation.com/>