

ISO's Public Protection Classification (PPC™) Program

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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. 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 our Fire Suppression Rating Schedule (FSRS). We then assign a Public Protection Classification 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.

By classifying communities' ability to suppress fires, ISO helps the communities 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. And 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 47,000 fire-response jurisdictions.

How this website can help you

This website contains a wealth of information about the PPC program and the Fire Suppression Rating Schedule (FSRS). The website can also lead you to specific information about your community's PPC code and what you can do to get a better code. Some of the technical information in the site is available to registered customers and fire officials only. Find out how to register.

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Access to technical documents

These pages are available to registered customers and fire chiefs only. Find out [how to register](#).

For more information . . .

. . . on any topic related to the Public Protection Classification (PPC™) program or the Fire Suppression Rating Schedule, [Contact ISO Mitigation](#), or call the ISO mitigation specialists at 1-800-444-4554.

Origins of 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 Does PPC™ Information Affect Individual Insurance Policies?

ISO's Public Protection Classification (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 PPC™ Evaluation

The purpose of an ISO public protection survey is to gather information to determine a Public Protection Classification (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. We understand the complex decisions a community must make in planning and delivering emergency services. However, we evaluate only features related to reducing property losses from fire.

The PPC™ Evaluation Process

To determine a community's Public Protection Classification (PPC™), ISO conducts a field survey. Expert ISO staff visit the community to observe and evaluate features of the fire protection systems. Using our manual called the Fire Suppression Rating Schedule (FSRS), ISO objectively evaluates four major areas:

Emergency communications systems

A review of the emergency communications systems accounts for 10 points of the total classification. The review focuses on the community's facilities and support for handling and dispatching alarms for structure fires.

Fire department

A review of the fire department accounts for 50 points of the total classification. ISO focuses on a community's fire suppression capabilities. We measure suppression capabilities based on the fire department's first-alarm response and initial attack to minimize potential loss. Here, ISO

reviews such items as engine companies, ladder or service companies, deployment of fire companies, equipment carried on apparatus, pumping capacity, reserve apparatus, company personnel, and training.

Water supply

A review of the water supply system accounts for 40 points of the total classification. ISO evaluates the community's water supply system to determine the adequacy for fire suppression purposes. We also consider hydrant size, type, and installation, as well as the frequency and completeness of hydrant inspection and flow-testing programs.

Community risk reduction

We review a community's risk reduction efforts and credit them in the Community Risk Reduction section, which allows for extra credit of up to 5.5 points for a potential total of 105.5. That takes into account fire prevention code adoption and enforcement, public fire safety education, and fire investigation.

After completing the field survey, ISO analyzes the data and calculates a PPC. The grading then undergoes a quality review. The community will receive a notification letter identifying the new PPC. ISO also provides a hydrant-flow summary sheet, along with a Public Protection Classification Summary Report. The summary explains each subcategory and indicates the total points the community earned. The report also indicates the performance needed to receive full credit for each specific section in the schedule, as well as the quantity actually provided.

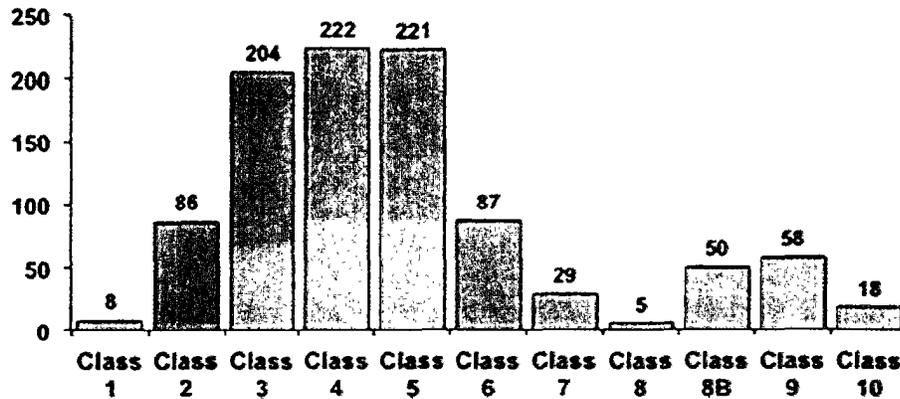
California

Distribution of Communities by PPC Class

Number within Classification

view another state:

California



How Homeowners Insurance Premiums are Determined

Insurance companies take a wide range of factors into consideration when determining how much you will have to pay in premiums. These include:

- **Amount of coverage** – The higher the policy's maximum coverage limits, the higher your premium will be. You may be able to get away with the minimums required by your lender, but go ahead and ask for pricing on replacement value limits before making that decision. Don't forget that you don't need to insure your land, only your home. Depending on the other factors listed below, you may be able to substantially increase your protection for a very modest increase in your premiums.
- **Amount of deductible** – The deductible is the portion of the claim you must pay before the insurance company will pay the remainder. Deductibles typically range from \$250 to \$2,000. As you might expect, the higher the deductible, the lower your premium will be. Note: if you have wind coverage on your policy for damage from a hurricane, your policy will have a separate and most likely higher deductible specifically for that peril. Usually, this deductible is expressed as a percentage of the insured value of your home. If you have this separate deductible, the percentage as well as the amount should be listed on your declarations page.
- **Location, Location, Location** – Where your house is located will determine how much you will pay. There are many items that are taken into consideration when looking at where your house is located. Warm climate or cold? Urban or rural? Is there a fire department and/or fire hydrant nearby? Is your house oceanfront?
- **Protection** – This primarily pertains to protection from fire and theft. Do you have smoke detectors? Do you have a sprinkler system? How far is the nearest fire hydrant and fire station? Do you have an alarm system? Is it monitored?

- **Construction** – What your house is made of makes a difference as well. Is it wood (frame) construction or is it brick (masonry)? Did the builder use fire-resistive or noncombustible materials?
- **Other items** – Your insurance company will want to know if you have a dog, and what type it is, as well as if you have a pool, and how it is protected. These are items that add some risk, and may increase your premiums. Some insurance companies will not insure people with certain types of dogs.
- **Credit Scores** - Insurance companies have recently started using credit scores as a predictor of future claims activity.