



## Fire Insurance ISO Rating

*Effective May 1, 2017, the City of Thornton's Public Protection Classification is: 02/2X*

The Insurance Services Office (ISO) inspects fire departments and districts to determine their public protection classification (PPC). The PPC plays an important role in the underwriting process at insurance companies. In fact, most U.S. insurers – including the largest ones – use PPC information as part of their decision-making when deciding what business to write, coverages to offer or prices to charge for personal or commercial property insurance.

ISO is an independent company that serves insurance companies, communities, fire departments, insurance regulators, and others by providing information about risk. ISO's expert staff collects information about municipal fire suppression efforts in communities throughout the United States. In each of those communities, ISO analyzes the relevant data and assigns a PPC grade – a number from 1 to 10. Class 1 represents an exemplary fire suppression program, and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria.

Each insurance company independently determines the premiums it charges its policyholders. The way in insurer uses ISO's information on public fire protection may depend on several things – the company's fire-loss experience, ratemaking methodology, underwriting guidelines, and its marketing strategy.

ISO's PPC program evaluates communities according to a uniform set of criteria, incorporating nationally recognized standards developed by the National Fire Protection Association and the American Water Works Association. A community's PPC grade depends on:

- **Needed Fire Flows**, which are representative building locations used to determine the theoretical amount of water necessary for fire suppression purposes.
- **Emergency Communications**, including emergency reporting, telecommunicators, and dispatching systems.
- **Fire Department**, including equipment, staffing, training, geographic distribution of fire companies, operational considerations, and community risk reduction.
- **Water Supply**, including inspection and flow testing of hydrants, alternative water supply operations, and a careful evaluation of the amount of available water compared with the amount needed to suppress fire up to 3,500 gpm.