

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of April 14, 2021

To: Board of Directors
From: Jason Weber, Fire Chief
Subject: Receive Insurance Services Office (ISO), Public Protection Classification 2

RECOMMENDATION:

Staff recommends the Board receives and files the report.

BACKGROUND:

The Insurance Services Office (ISO), a subsidiary of Verisk Analytics, is a leading source of information about property and casualty insurance risk. It serves insurers, reinsurers, agents and brokers, insurance regulators, risk managers, and other participants in the property/casualty insurance marketplace to provide statistical and actuarial services, develop insurance programs, and assist insurance companies in meeting state regulatory requirements. Moreover, 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.

DISCUSSION:

The information collected by ISO includes evaluations of public fire protection, flood risk, and the adoption and enforcement of building codes in individual communities. Additionally, the ISO performs evaluations as a service to the insurance industry and does not charge a community fee. Moreover, through the Public Protection Classification (PPC™) program, ISO evaluates municipal fire-protection efforts in communities throughout the United States; therefore, a community's investment in fire mitigation is a proven and reliable predictor of future fire losses. Further, many districts use the PPC as a benchmark for measuring the effectiveness of their fire-protection services.

The Fire Suppression Rating Schedule (FSRS) recognizes fire-protection features only as they relate to suppression of fires in structures, and to determine a community's PPC, ISO conducts a field survey; ISO staff visits the community to observe and evaluate features of the fire protection systems. Using the FSRS, ISO objectively evaluates four major areas: emergency communications systems, fire department effectiveness, water supply, and community risk reduction. For instance, ISO uses a number 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.

The Ross Valley Fire Department received a favorable PPC rating of "2", yet the ultimate goal of any fire department is to obtain a PPC of 1, which requires scoring at least 90 points overall.

FISCAL IMPACT:

None to the Department at this time.

Attachment: Fire Suppression Rating Schedule (FSRS) – ISO-PPC Letter – Attachment 1



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March 29, 2021

Mr. Garrett Toy, Board Chairman
Ross Valley FD
142 Bolinas Rd
Fairfax, California, 94930

RE: Ross Valley Fd, Marin County, California (N)
Public Protection Classification: 02
Effective Date: July 01, 2021

Dear Mr. Garrett Toy,

We wish to thank you and Chief Jason Weber for your cooperation during our recent Public Protection Classification (PPC) survey. ISO has completed its analysis of the structural fire suppression delivery system provided in your community. The resulting classification is indicated above.

If you would like to know more about your community's PPC classification, or if you would like to learn about the potential effect of proposed changes to your fire suppression delivery system, please call us at the phone number listed below.

ISO's Public Protection Classification Program (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, coverage's to offer or prices to charge for personal or commercial property insurance.

Each insurance company independently determines the premiums it charges its policyholders. The way an 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.

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new classifications will improve the predictive value for insurers while benefiting both commercial and residential property owners. We've published the new classifications as "X" and "Y" — formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently graded as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9."
- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B."

- Communities graded with single “9” or “8B” classifications will remain intact.
- Properties over 5 road miles from a recognized fire station would receive a class 10.

PPC is important to communities and fire departments as well. Communities whose PPC improves may get lower insurance prices. PPC also provides fire departments with a valuable benchmark, and is used by many departments as a valuable tool when planning, budgeting and justifying fire protection improvements.

ISO appreciates the high level of cooperation extended by local officials during the entire PPC survey process. The community protection baseline information gathered by ISO is an essential foundation upon which determination of the relative level of fire protection is made using the Fire Suppression Rating Schedule.

The classification is a direct result of the information gathered, and is dependent on the resource levels devoted to fire protection in existence at the time of survey. Material changes in those resources that occur after the survey is completed may affect the classification. Although ISO maintains a pro-active process to keep baseline information as current as possible, in the event of changes please call us at 1-800-444-4554, option 2 to expedite the update activity.

ISO is the leading supplier of data and analytics for the property/casualty insurance industry. Most insurers use PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. The PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program. It is not for purposes of determining compliance with any state or local law, nor is it for making loss prevention or life safety recommendations.

If you have any questions about your classification, please let us know.

Sincerely,

Alex Shubert

Alex Shubert
Manager -National Processing Center

cc: Chief Jason Weber, Chief, Ross Valley Fire Department
Mr. Erik Westerman, Water Superintendent, Marin Municipal Water Department
Ms. Heather Costello, Communications Manager, Marin County Sheriffs Office
Chief Darin White, San Rafael Fire Department Chief
Chief Mark Pomi , Kentfield Fire Department Chief