

GLENPOOL FIRE DEPARTMENT RECEIVES IMPROVED ISO RATING

Insurance Services Office (ISO) is an independent company that serves insurance companies, communities, fire departments, insurance regulators and others by providing information about risk. 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.

ISO analyzes the relevant data and assigns a Public Protection Classification, a number from 1-10. 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. A community's PPC depends on:

- Needed fire flows which are representative building locations used to determine the theoretical amount of water necessary for fire suppression purposes.
- Water supply including condition and maintenance of hydrants, alternative water supply operations and a careful evaluation of the amount of available water compared with the amount needed to suppress fires up to 3,500 gpm.
- Receiving and handling fire alarms including telephone systems, telephone lines, staffing and dispatching systems.
- Fire Department including equipment, staffing, training and geographic distribution of fire companies.

The Glenpool Fire Department recently improved their community's Public Protection Class by nearly 30% and received an impressive ISO re-classification of 3. The previous evaluation in 1999 produced an ISO rating of 6. This new rating puts Glenpool Fire Department in the top 3% of fire departments in Oklahoma for Public Protection Classification. The new classification will go into effect September 1st.

Chief Paul Newton explained, "I give credit to the firefighters for their increased workload and documenting all the things the survey requires. Furthering their professional education to meet higher standards could not have been accomplished without the hours of commitment provided by each member of the agency".

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

"The previous Council made conscience decisions every time we expended tax dollars on the fire department," explained Councilor Tim Fox. "We (the Council) wanted to know that the investments we were making in our fire department would not only benefit our Citizens with better fire protection but would also effectively lower our community's ISO rating".

ISO recognizes the dynamic and comprehensive duties of a community's fire service and understands complex decisions a community must make in planning and delivering emergency services. A community's investment in fire mitigation is a proven and reliable predictor of future fire losses. Statistical data on insurance losses bears out the relationship between excellent fire protection, as measured by the PPC program, and low fire losses.

Chief Newton stated, "We appreciate the city manager and council allowing us to purchase new equipment and utilize the funding for increased levels of education because all of that plays into the overall rating. Since the biggest part of the rating is an evaluation of the entire fire department, you can't just spend money on trucks or the station you have to cover all the bases. Having all the pieces of the puzzle put together takes complete team effort and we're very proud of the end result."

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. 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.

Based upon a quote from a local insurance agent, a homeowner with a house valued at \$150,000 that has an annual premium of \$859 will have a potential savings of \$175 when their community's ISO rating goes from 6 to 3.

"This improved rating benefits our citizen's annual expenses by lowering their home owner's insurance premiums," stated Councilor Fox. "It gives me great peace of mind to know that our resident's safety factor has been addressed and to know we have put money directly back into the family's budget by lowering their premiums".