



Southwestern Insurance Information Service

WWW.SIISINFO.ORG

FACT SHEET

Date: September 1, 1999

Source: SIIS

Author: SIIS

SIIS Office: (512) 795-8214

SIIS Cell: (512) 965-4001 Jerry
(512) 468-6965 Sandra

QUESTIONS & ANSWERS ABOUT TEXAS ' FIRE PROTECTION SYSTEM PROVIDED BY SOUTHWESTERN INSURANCE INFORMATION SERVICE

(1) What is the Public Protection Classification System (PPC)?

It is the system now used in every state to rate the fire protection services of local communities. It became effective in Texas in 1996.

(2) Why is Texas using this fire rating system?

Texas was the last state in the country to adopt the Public Protection Classification (PPC System) which provides up-to-date information about a community's fire protection services. State law called for the PPC to replace the Key Rating System which has been in place in Texas since 1920.

(3) What system do other states use?

Every other state in America uses the PPC.

(4) What does this fire rating system mean to me?

Texas fire protection is now rated on a scale of 1-10, with one being the best and ten being the worst. Criteria for rating includes such factors as water supply, fire prevention, fire protection, fire investigation, public education and construction code enforcement.

(5) Is every dwelling in Texas assigned a PPC?

For Additional Information:

8303 N Mopac, Ste B-231
Austin, TX 78759

Phone: (512) 795-8214
Fax: (512) 795-9363



Southwestern Insurance Information Service

WWW.SIISINFO.ORG

FACT SHEET

Yes, every dwelling in Texas written by a company who uses the PPC System will be assigned a PPC. Not all companies use the PPC System.

(6) How will I determine the PPC?

A: You can determine the PPC in your community by contacting your City Manager or the customer service number for the Insurance Services Office, 1-800-444-4554, option 2.

(7) Is each insurance company required to give the same PPC to the same dwelling?

Yes, each insurance company using the PPC System must give the same PPC to the same dwelling.

(8) Why do some communities have better fire ratings?

The majority of the rating is based on two factors. 50 points are based on the quality of the fire department, 40 points are based on the community's water supply, 10 points are based on how well the fire department receives and dispatches fire alarms, and 5 points for a "Texas assessment" that grades such things as arson inspections, code enforcement and fire prevention and education.

(9) Which communities were impacted the most by the change to this fire rating change?

Many smaller communities and/or communities located close to larger cities felt the greatest impact from the fire rating change. Communities located close to larger cities rated better under the previous system (fringe rating rule) by allowing property owners to get better rates because of the proximity to a neighboring city. Under the PPC system, rates will be based on each community's own fire protection services and not that of a neighboring larger city.

(10) What can a community do to improve its fire rating?

If a community is rated poorly under the PPC system, officials may request that the Insurance Services Office reevaluate their fire equipment, water supply and other factors which influence a rating.

For Additional Information:

8303 N Mopac, Ste B-231
Austin, TX 78759

Phone: (512) 795-8214
Fax: (512) 795-9363



Southwestern Insurance Information Service

WWW.SIISINFO.ORG

FACT SHEET

(11) What is the Insurance Services Office?

The Insurance Services Office (ISO) is an independent statistical, rating and advisory organization that serves the property and casualty insurance industry and collects information on communities' fire protection services.

(12) Will my community be penalized for having a volunteer fire department?

No. For example, the all-volunteer Canyon Texas Fire Department has been granted a rating of 3, one of the highest ratings in Texas .

(13) If my community makes improvements to its fire protection system, how long will it take before the changes impact my insurance rates?

PPC evaluations are published by ISO quarterly, however, the process for larger cities may take substantially longer than for smaller communities. After an evaluation is completed, it could take up to one year or longer to affect your insurance rate.

(14) How much insurance savings are realized by going from one rating class to another?

The largest saving is about 8.5 percent when a community improves from class 3 to class 2. Savings will range from 2 percent up to 5 percent for movement between other classes.

(15) How can my fire department get reevaluated?

Contact the customer service number for the Insurance Services Office, 1-800-444-4554, option 2. If requesting to be reevaluated, they may ask such questions as what changes have been made in your fire protection services. ISO will also require a letter from the City Manager or Fire Chief.

(16) Why did my insurance rates change so much?

For Additional Information:

8303 N Mopac, Ste B-231
Austin, TX 78759

Phone: (512) 795-8214
Fax: (512) 795-9363

SIIS

Southwestern Insurance Information Service

WWW.SIISINFO.ORG

FACT SHEET

Your rates could have gone up or down based on the PPC rating your community is assigned, compared to your community's rating under the previous system. Many other factors, such as weather, impact homeowners insurance rates. The PPC program is revenue neutral.

NOTE: Not all insurers use the PPC System -

For Additional Information:

8303 N Mopac, Ste B-231
Austin, TX 78759

Phone: (512) 795-8214
Fax: (512) 795-9363