

How Do ISO Fire Ratings Impact Homeowners Insurance Rates?

The ISO fire rating determines how well your local fire department can protect your community and home. Insurance companies use the score to help set home insurance rates, as a home that is less likely to be severely damaged or destroyed by fire is cheaper to insure. However, the impact of your area's ISO score on your homeowners insurance policy varies by insurer.

What is an ISO fire rating?

A company called ISO (Insurance Services Office) creates ratings for fire departments and their surrounding communities. These ratings calculate how well-equipped fire departments are to put out fires in that community. ISO provides this score, often called the "ISO fire score," to homeowners insurance companies. Insurers then use it to help set homeowners insurance rates. The better equipped your fire department is to put out a fire, the less likely your house is to burn down. That makes your home less risky, and therefore less expensive, to insure.

An ISO fire rating, also referred to as a fire score or Public Protection Classification (PPC), is a score from one to 10 that indicates how well-protected your community is by the fire department. In the ISO rating scale, a lower number is better: one is the best possible rating, while a 10 means the fire department did not meet ISO's minimum requirements.

According to ISO's Fire Suppression Rating Schedule (FSRS), four main criteria comprise a fire rating score:

- 50% comes from the quality of your local fire department, including staffing levels, training and proximity of the firehouse.
- 40% comes from availability of water supply, including the prevalence of fire hydrants and how much water is available to put out fires.
- 10% comes from the quality of the area's emergency communications systems (911).
- An extra 5.5% comes from community outreach, including fire prevention and safety courses.
- Any area that is more than five driving miles from the nearest fire station is automatically rated a 10.

Very few fire departments receive a ranking of one — only 0.71% of all communities surveyed. A rating of five is both the median and most common rating fire departments received.

What is my home's ISO fire rating?

Unfortunately, ISO does not provide fire safety scores to the public, so you can't look up your home's PPC rating directly from the organization. However, the organization does provide the information for free to each fire department it inspects. You can contact Chief Crain for a scanned copy of the Texas Department of Insurance letter showing our PPC rating of 2.

How does my ISO fire rating impact insurance rates?

The formulas homeowners insurance companies use to determine their insurance rates are complex and constantly changing. But, all other things being equal, **a lower PPC score for your area may translate to a lower homeowners insurance premium**, as it means your home is at a lower risk for serious fire damage. Home insurance companies offer lower rates if you have a good ISO rating because a well-prepared fire department should be able to put out a house fire more quickly.

However, how your rating impacts your homeowners insurance premium varies by insurer, and it's often only one of many factors it considers with regards to fire safety. For example, some companies ask about your home's proximity to a fire station or fire hydrant, as well as whether you have a fire alarm or sprinkler system. And some insurers, namely State Farm, do not use ISO's score to set homeowners premiums at all. Instead, they use their own metrics based on factors like historical fire data.

Source: <https://www.valuepenguin.com/iso-fire-rating-home-insurance>