

# City of Dillingham

ISO workshop

(International Organization for Standardization)

## International Organization for Standardization (ISO)

- **What it is:** An independent, non-governmental organization that develops and publishes standards for quality, safety, and efficiency across many industries worldwide.
- **Purpose:** To ensure products, services, and systems are consistent, reliable, and safe.
- **Examples:** ISO 9001 (quality management), ISO 14001 (environmental management), and ISO/IEC 27001 (information security).

For this workshop we will be focusing on the ISO rating that is determined by the ISO office.

- The term PPC (public protection classification) is the industry standard term that is used.
- At this current time our PPC rating is 5.0 and is rated on a scale of 1-to-10. This current rating is where the majority of cities across the United States land.

The current rating for the city of Dillingham is 05/5x

### **Split classifications:**

When we develop a split classification for a community — for example 5/9 — the first number is the class that applies to properties within 5 road miles of the responding fire station and 1,000 feet of a creditable water supply, such as a fire hydrant, suction point, or dry hydrant. The second number is the class that applies to properties within 5 road miles of a fire station but beyond 1,000 feet of a creditable water supply. We have revised the classification to reflect more precisely the risk of loss in a community, replacing Class 9 and 8B in the second part of a split classification with revised designations.

An ISO city fire rating, also known as a Public Protection Classification (PPC), is a score from 1 to 10 given by the Insurance Services Office (ISO) to a community's fire suppression capabilities. A lower score indicates better fire protection, with Class 1 being exemplary and Class 10 meaning the area does not meet minimum criteria. The rating is based on evaluations of the emergency communications system, the fire department (staffing, training, equipment), and the water supply, with extra credit for community risk reduction efforts like fire prevention programs.

How the rating is determined:

ISO's Fire Suppression Rating Schedule (FSRS) is the basis for the rating, and it considers several key areas:

- **Fire Department:** This is the most significant factor, accounting for about 50% of the score. It assesses the department's staffing, training, equipment, and maintenance.

- **Water Supply:** This makes up approximately 40% of the score and evaluates the availability and adequacy of the community's water supply, including the number of fire hydrants.
- **Emergency Communications:** This accounts for about 10% of the score and measures how well the fire department receives and dispatches emergency alarms.
- **Community Risk Reduction:** This is an extra credit category worth up to 5.5 points and recognizes a community's efforts in areas like fire prevention, public education, and fire investigation.

### **Dillingham Insurance rate increases:**

Recently, a few homeowners in Dillingham have had an increase in their homeowner insurance, and some of them have been told that our ISO rating has changed. This is false information and has been confirmed through the ISO agency.

Some Insurance companies are evaluating rates without using the ISO system as they historically have. Insurance companies find supplemental findings that are impacting how they determine homeowners' insurance rates. Such factors may include:

#### **Property-Specific Factors**

- **Location:** This is a major factor. Premiums are higher in areas prone to natural disasters (hurricanes, wildfires, tornadoes, floods), high crime rates, or far from a fire station or fire hydrant.
- **Replacement Cost:** The premium is based on the estimated cost to rebuild the home from scratch using current local labor and material costs, not the market value of the home. Larger homes or those with unique architectural styles or high-end materials generally cost more to insure.
- **Age and Condition of the Home:** Older homes may have outdated plumbing, electrical, or roofing systems, which can present a higher risk for damage and lead to higher premiums. Newer homes or those with recent upgrades often qualify for discounts.
- **Construction Type:** Materials matter. Homes built with materials more resistant to fire and wind, such as brick or masonry, may have lower rates than wood-frame houses. The age and type of roof are especially critical, as a new or impact-resistant roof can lower costs.
- **Home Features and "Attractive Nuisances":** Features that increase liability risk, such as swimming pools, trampolines, or certain dog breeds, can lead to higher premiums or require additional liability coverage.
- **Safety and Protective Features:** Homes equipped with safety measures like smoke alarms, fire sprinklers, monitored security systems, or deadbolt locks may receive discounts.

#### **Personal and Policy-Specific Factors**

- **Claims History:** A history of filing frequent or severe claims (even claims filed by previous owners that are tied to the property) can signal a higher future risk to insurers and result

in significantly higher premiums. This history is tracked in a shared database called the Comprehensive Loss Underwriting Exchange (CLUE).

- **Credit History:** In most states, insurers use a credit-based insurance score to predict the likelihood of a homeowner filing a claim. A good credit score is often associated with lower risk and can lead to lower premiums.
- **Coverage Limits and Deductibles:** The amount of coverage selected (dwelling, personal property, liability) directly impacts the premium. Choosing a higher deductible (the amount you pay out-of-pocket before insurance kicks in) can lower your premium, while a lower deductible will increase it.
- **Bundling Policies:** Purchasing multiple insurance policies (e.g., home and auto) from the same insurer can often result in a multi-policy discount.
- **Lifestyle Choices:** Running a business from home may require additional coverage, or a wood-burning stove may increase fire risk and thus the premium.

Insurers use proprietary algorithms to weigh these factors, which is why quotes for the same property can vary between companies. It is recommended to shop around and compare quotes to find the best value.

#### **In Summary:**

- The City of Dillingham will receive an updated ISO rating after the first of the year
  - I think we will have a slight increase in our rating, but it could stay the same:
    - Everything is older, fire trucks, and water systems.
    - We will improve in the areas of training, prevention, hydrants, and mitigation plans.
- Homeowners should not be surprised if they have rate increases:
  - This is because insurance companies are using different methods other than just the ISO score of a city.
    - UAF produced a report that wildland fire across the state of Alaska have increased 7000% in the last twenty years. Now most of the areas are not in our region, but Dillingham does get looped into this study.
- Areas of concern that the city needs to address for future compliance are:
  - Upgrading the water system and hydrants
    - Right now, we have 21 hydrants and 4 that are not working. This is an improvement as the water department has been working on this.
  - New fire apparatus
  - New prevention plans, and the development of a Fire Wise program.
- Policies, Ordinances, development, mitigations and enforcement
  - CWPP (community wildland prevention plan) plan is in the works and will be completed by the end of the year
  - Ordinances that will reduce potential fire hazards and can be referred to
  - Remote water storage that can be accessed by the fire department.