



Coffee Break Training - Fire Protection Series

Administration: The Insurance Services Office: What is the Insurance Services Office? Part 2

No. FP-2014-51 December 23, 2014

Learning Objective: The student will be able to understand the history of the Insurance Services Office and community fire risk management.

In Part 1, you learned about the history of the Insurance Services Office and what it does. You also read about its **S**pecific **C**ommercial **P**roperty **E**valuation **S**chedule (SCOPEs) methodology to analyze hazards in commercial properties. In this part of the series, you will learn about two other components of the national programs belonging to the Insurance Services Office that help recognize strong and resilient communities.

Public Protection Classification

The Insurance Services Office evaluates municipal fire protection efforts in communities throughout the United States through the application of the Fire Suppression Rating Schedule (FSRS). The FSRS analyzes the key elements of a community's fire suppression system, which include fire department, emergency communications, water supply capabilities, and community risk-reduction efforts. The FSRS assigns a point value for these various elements that determines that community's Public Protection Classification (PPC™) grade. PPC grades range from 1 to 10. Class 1 represents exemplary fire suppression capabilities, while Class 10 represents areas that do not meet minimum FSRS criteria. To date, more than 47,000 Fire Protection Areas have been evaluated by the Insurance Services Office.

Building Code Effectiveness Grading Schedule

The Building Code Effectiveness Grading Schedule (BCEGS®) is the schedule that the Insurance Services Office uses in assessing the building codes that are in effect in a particular community and how the community enforces its building codes. BCEGS relies on plan reviews and field inspections. The concept is simple: Municipalities with well-enforced, up-to-date codes should demonstrate better loss experience, which should ultimately be reflected in insurance rates. The prospect of lessening damage and ultimately lowering insurance costs provides an incentive for communities to enforce their building codes rigorously.

The BCEGS program assigns each municipality a BCEGS classification of 1 (exemplary commitment to building code enforcement) to 10. Like the PPC, a community with a better BCEGS class could have lower insurance rates. The Insurance Services Office began implementing this program in 1995, and to date, more than 15,000 building code enforcement departments across the country have been evaluated by the Insurance Services Office.

A community's investment in fire mitigation is a proven and reliable predictor of future fire losses. A community that invests in promoting effective building code enforcement and fire prevention efforts should experience lower losses. The SCOPEs, PPC and BCEGS programs are national programs that maintain local relevance and are designed to encourage communities to build better and become more resilient against fire and natural hazard perils. In addition to potential insurance benefits, these programs can also provide useful benchmarking information that helps fire departments, building code enforcement departments, and other public officials measure the effectiveness of their efforts — and plan for improvements.

In the next series of Coffee Break Training sessions, you will learn about the PPC program developed by the Insurance Services Office in more detail.



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