Date:    February 13, 2009

To:      Dr. Elba Garcia, Chair
          and Members of the Public Safety Committee

Subject: Insurance Services Office (ISO)

The Public Safety Committee will be briefed on the Insurance Services Office (ISO) on
Tuesday, February 17, 2009.

Ryan S. Evans
First Assistant City Manager

Attachment

"Dallas, the City that works: Diverse, Vibrant and Progressive"
Dallas Fire-Rescue

INSURANCE SERVICES OFFICE (ISO)

Joseph Vasquez
Assistant Chief
Special Projects

February 17, 2009
Insurance Services Office (ISO) Update

Last review for Dallas – 1999

City of Dallas received a Class “2” Rating

Next review – 2010/2011

Preparation for the next review is underway
In February 1998, Texas Department of Insurance (TDI) adopted the ISO Public Protection Classification (PPC) as the basis for rating municipal fire protection capabilities.

The ISO is an independent statistical rating and advisory company that serves the property and insurance industry.

ISO also collects information and evaluates a community’s fire protection services.
Texas Department of Insurance (TDI)
Headed by Commissioner of Insurance
Mike Geeslin appointed by the Governor
Responsible for regulating the insurance industry and setting premium rates for Texas cities
What is the Public Protection Classification (PPC)?

- The PPC is the system used by the ISO in all 50 states to rate or grade the fire protection services of local communities.
- Services are rated on a scale of 1 – 10, with 1 being the best.
- Ratings are performed every 10 – 12 years.
ISO Rating Evaluation

- Receiving and processing fire alarms
- Fire Department
- Water Supply
- Addendum (up to 5 extra points)
Addendum Explanation

- Inspectors
- Inspections
- Investigators
- New Construction
Fire Alarms
10% of Total Rating

- Receipt of Alarms – 20%
- On Duty Personnel – 30%
- Alarm Dispatch Circuits – 50%
Fire Department 50% of Total Rating

- Engine Companies – 22%
- Ladder Companies – 12%
- Distribution of Companies – 8%
- Pumper Capacity – 10%
- Apparatus Staffing – 30%
- Training – 18%
Water Supply
40% of Total Rating

- Supply works, fire flow and distribution of hydrants – 87.5%
- Hydrant size, type and distribution – 5%
- Hydrant inspection and condition – 7.5%
## Public Protection Class

<table>
<thead>
<tr>
<th>Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>90% +</td>
</tr>
<tr>
<td>2</td>
<td>80 – 89.99%</td>
</tr>
<tr>
<td>3</td>
<td>70 – 79.99%</td>
</tr>
<tr>
<td>4</td>
<td>60 – 69.99%</td>
</tr>
<tr>
<td>5</td>
<td>50 – 59.99%</td>
</tr>
<tr>
<td>6</td>
<td>40 – 49.99%</td>
</tr>
<tr>
<td>7</td>
<td>30 – 39.99%</td>
</tr>
<tr>
<td>8</td>
<td>20 – 29.99%</td>
</tr>
<tr>
<td>9</td>
<td>10 – 19.99%</td>
</tr>
<tr>
<td>10</td>
<td>0 – 9.99%</td>
</tr>
</tbody>
</table>
## Texas Cities PPC

<table>
<thead>
<tr>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Paso</td>
<td>Arlington</td>
<td>Brownsville</td>
</tr>
<tr>
<td>Frisco</td>
<td>Cleburne</td>
<td>Farmers Branch</td>
</tr>
<tr>
<td>Houston</td>
<td>Dallas*</td>
<td>Lubbock</td>
</tr>
<tr>
<td>Plano</td>
<td>Lewisville</td>
<td>Midland</td>
</tr>
<tr>
<td>Mesquite</td>
<td>Longview</td>
<td>Orange</td>
</tr>
<tr>
<td></td>
<td>Pasadena</td>
<td>Temple</td>
</tr>
</tbody>
</table>

*1999 Review*
Index City PPC

Austin – 2
Baltimore – 2
Dallas – 2
El Paso – 1
Fairfax County VA – 3/9

Ft. Worth – 2
Houston – 1
Miami-Dade County – 4
Phoenix – 2/9
San Antonio – 3

Other Cities:
Baltimore – 2
Philadelphia – 1
In 1999, ISO rated Dallas – Class 2

Improvements since 1999:

- Fire Department
- Water Supply
- Receiving and processing fire alarms
## Dallas 1999 Rating

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>MAXIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Alarms</td>
<td>9.90%</td>
<td>10%</td>
</tr>
<tr>
<td>Fire Department</td>
<td>36.84%</td>
<td>50%</td>
</tr>
<tr>
<td>Water Supply</td>
<td>36.92%</td>
<td>40%</td>
</tr>
<tr>
<td>Divergence* Fire Control Addendum</td>
<td>&lt;3.74%&gt;</td>
<td>5%</td>
</tr>
<tr>
<td>Totals</td>
<td>83.67%</td>
<td></td>
</tr>
</tbody>
</table>

* Divergence is a reduction in credit to reflect a difference in the relative credits for water distribution and water supply.
Benefits to Community

- Potential reduction in insurance rates
- Helps communities to manage and mitigate risk
- Lower ISO rating attracts business and development
- Helps communities plan and budget improvements
Review will determine:

- Number of inspectors
- Number of inspections performed
- Frequency of hydrant maintenance and flow testing
- Adequate Truck and Engine company distribution
- Number of reserve Trucks and Engines and equipment carried
- Training facilities and their use
An expert in this area can significantly increase chances for an improved rating:

- Complex three part process:
  - Gathers information and provides a report with focus areas
  - Prepares the pre-survey packet
  - Assists Department during ISO field representative’s assessment
- An expert is familiar with ISO (speaks the language of ISO)
- Cost: Approx. $120K (will be submitted in FY09/10 Budget)
Dallas is currently rated Class 2

Fire and Water, as well as response processing, have improved since last rating in 1999:

- Increased number of fire stations
- Increased number of fire hydrants
- New CAD system
- Increased number of inspections/Inspectors
- Our goal is to move to a Class “1” rating
Questions?