Avoid PPC® misclassification for the risks you insure

It isn't always easy to determine the correct Public Protection Classification (PPC®) code for an individual property. Depending on the state and type of risk, the premium for a risk in the worst classification can rise to more than double that of a risk in the best classification.

About 20% of the time the nearest fire station is not the responding station.

Common misclassification reasons and impact

Properties can be misclassified in terms of fire protection for many reasons, and the correct classification may even change from one policy term to the next. Every week, fire stations open or close; automatic-aid agreements are signed or dissolved. Whatever the cause, misclassification can lead to mispriced risk and adverse selection.

The nearest fire station isn't always the responding station—or even capable of an effective response

ISO studies show that the nearest fire station is not the primary responding fire station about 20 percent of the time. The first responding fire company may come from outside the risk's own fire protection area because of an automatic-aid agreement between areas. Fire protection areas don't always follow municipal boundaries.

For example, although the insured property is less than four miles from a fire station, the responding fire station is nine miles away.

In addition, some stations are unrecognized. That means they lack response capabilities for structure fires and are insufficient to receive credit in our PPC® gradings. In fact, there are 1,800 fire stations across the country that don't meet ISO's minimum criteria for recognition.

Only LOCATION® has countrywide information about the nearest recognized and responding fire stations.

Some water supply systems aren't creditable

An unrecognized water supply means there isn't enough water for fire suppression beyond a community's daily maximum consumption for other purposes. Knowing the location and quality of water supplies—including more than 9 million hydrants—gives PPC unequaled insight into a fundamental firefighting factor.
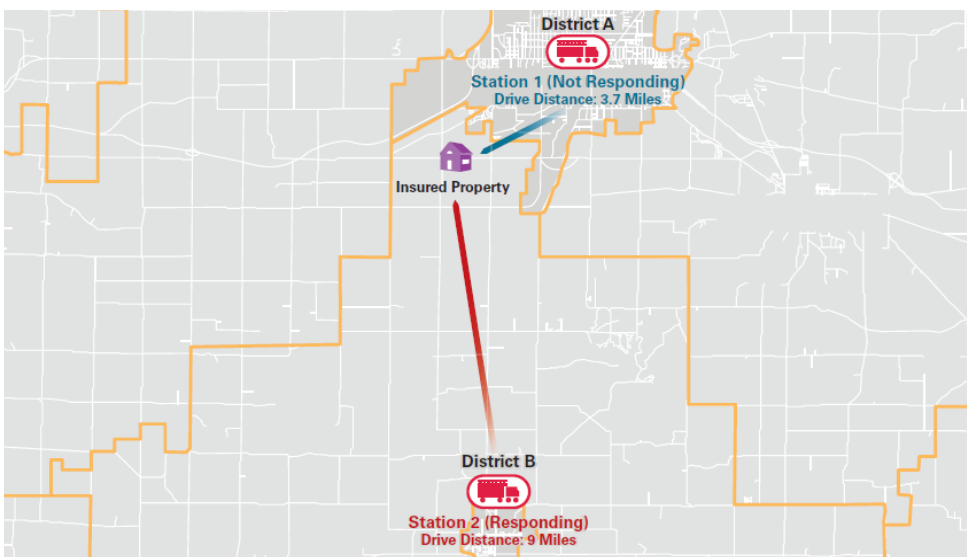
According to a recent Verisk analysis, PPC is 9X more powerful

at predicting future fire loss than distance to the nearest fire station alone.

For example: Property 1 is in an area with good hydrants, and the PPC is 5. Property 2 has hydrants nearby, but they can't deliver enough water to fight a fire effectively; the PPC is 9. Only LOCATION has countrywide information on recognized and unrecognized water sources.
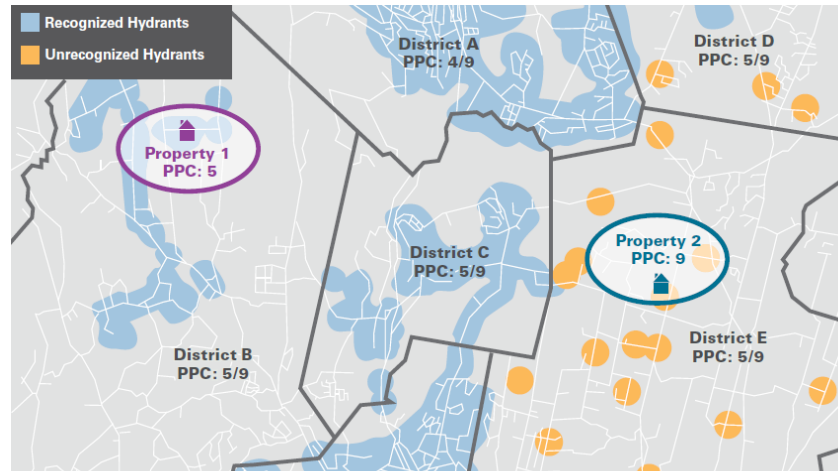
PPC is more than fire protection areas— it's address-level granularity

The boundaries for fire protection areas are complex across the country. You must be able to accurately account for the proximity of the insured address to the responding fire station and the nearest verified water source, with scoring that incorporates how both factors affect each individual property.

Accurate assignment of PPC at the address level

LOCATION is the only system with accurate, detailed information on fire protection area boundaries, distances to responding fire stations, automatic-aid agreements, and water sources—including hydrants, suction points, and hauled water. We maintain the only national database of recognized hydrants and alternative sources of firefighting water. We develop and continually maintain that information—community by community—through our strong relationships with fire chiefs, water authorities, and other local government officials.

Using digitized files and state-of-the-art geographic information system (GIS) technology, Verisk delivers up-to-date PPC information representing every address in the United States. We've filed the LOCATION database with insurance departments in all ISO jurisdictions—so you know you're always using the approved PPC.

Every month, we identify close to 2,000 geographic and boundary changes affecting PPC, including changes to fire station locations, legally established protection area boundaries, and automatic-aid agreements. No other source consolidates this critical information in one place. LOCATION also incorporates hundreds of thousands of new street segments from multiple road-base vendors every quarter.

Public Protection Classification

A property's PPC code is based on a thorough grading of a community's fire mitigation efforts and the location of that property relative to station response and adequate water resources.

PPC® is part of the suite of LOCATION® products from ISO, which cover an array of address-level property data for insurers: building code effectiveness, crime, foreclosures, latitude/longitude, premium tax, property characteristics, roof age, sinkhole, and territories. Also included are catastrophe management tools related to earthquake, flood, hail, hurricane, severe thunderstorm, and wildfire.

Emergency Communication

Water Supply

Fire Department

Community Risk Reduction

Verisk™

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