1. **What are the appropriate protection class ranges?**
   Protection classes normally range from class 1 through class 10, with 1 being the best and 10 being the worst overall protection. A protection class of 1 is found very rarely – St. Louis, Missouri; Las Vegas, Nevada and Phoenix, Arizona, are examples of cities which have offered this class rating at one time or another. There are some state differences which also include the 8b, 1X-8X, 1Y-8Y, and 10W classes. State Auto offers protected suburban classes in most of our states. Protected Suburban is a deviation from ISO, and therefore is not returned by Location. Protected Suburban can only be used if ISO returns a PC 8b, 1X-8X, 1Y-8Y, or 9 for the risk.

2. **Why are protection classes so important?**
   Fire is the number one factor in loss dollar payout, injury and death. As such, we need to mitigate this peril as much as possible by writing the risks that are properly protected.

3. **What factors are considered for determining protection classes?**
   Three primary rating factors that go into protection class grades are Fire Alarms; Fire Department and Water supply.
   - **Fire Alarms:** 10% of the overall grading is based on how well the Fire Department (FD) receives and dispatches fire alarms. ISO evaluates the communications center, looking for number of operators, telephone service such as 911, the number of lines coming into the center, the listing of emergency numbers in the phone book, the dispatch circuits and how the center notifies firefighters about the location of the emergency.
   - **Fire Departments:** 50% of the overall grading is based on the fire department. This includes distribution of fire companies throughout the area. ISO checks that the pumps on the fire apparatus are tested regularly and inventories of each company’s nozzles, hoses, breathing apparatus and other equipment are made regularly. They check the number and types of ladders, including ground and aerial ladders. They also check other equipment such as salvage covers, saws and smoke ejectors. Fire company records are also reviewed to determine type and extent of training provided; number of people participating in training; firefighter response to emergencies; maintenance and testing of all fire department equipment.
   - **Water Supply:** 40% of the grading is based on the community’s water supply. ISO examines whether sufficient water is available for fire suppression, beyond the community’s maximum daily consumption. ISO observes fire flow tests at representative locations in the community to determine the rate of flow the water mains provide. ISO also counts the distribution of fire hydrants up to 1,000 feet from representative properties, and determines the ratio of the amount of available water and the amount of water needed to suppress fires on properties. ISO also evaluates the size, type, and installation of hydrants, hydrant maintenance and condition.

4. **How often are Public Protection Class updates made?**
   Updates to the Location® product are received on a monthly basis. This update includes all changes that have occurred for a given PPC during the past month. The monthly updates also include an updated “Future Effective” file feature which provides us with future Protection Class changes that
are scheduled to be made within the next 90 days. This will provide you with the very latest protection class changes when quoting new business with future effective dates. This is a daunting task but ISO is equipped to handle it. As an example, in one year, out of 45,000 fire districts in the United States, 9,500 had fire district response boundary changes. In addition, there were 2,800 Fire Station Location changes. Each of these changes were updated into the Location® PPC data-base. With this many changes, you can see how protection classes on existing business can get outdated rather quickly.

5. **Why is State Auto using ISO Location® for their Protection Class assignments?**

Location® is used by over 1,600 insurance organizations and all but two Columbus insurers. The average misclassification using the old paper system is 33%. This rate drops down to 10% using the Location product – reflecting a 90% accuracy rate.

6. **What makes the ISO Location® product different than the old Community Mitigation Manual?**

The location product goes off of the latitude and longitude of the insured’s risk compared to the latitude and longitude of the primary responding fire department. Since it is automated spatial data, it takes all guesswork out of the equation.

7. **Does it really matter if a risk is misclassified?**

There are many reasons that it is important that a correct protection class is used to classify a risk, not the least of which is the proper application of premium to exposure. There are also state-filed rates for which we are all accountable.

8. **Would a company or agency be in trouble for deliberately applying the wrong protection class to a risk?**

Yes, there are several ways in which penalties can be assessed for improper protection misclassifications:

- **State Insurance Departments** – This is a filed rate. It would be contradictory to allow a PC other than what is filed and required for a given area. We are audited by these departments and are fined heavily if they find we are in direct conflict with the protection class filed. So far, we as a company have paid these fines and corrected the policy without recouping those fines from the agency responsible for the misclassification.

- **Sarbanes Oxley** – Businesses are held to a much higher standard with the collapse of companies like Enron; WorldCom, etc. If we have a filed rate, we must abide by those rates or face the consequences if it has been determined we are not doing so.

9. **What is the most prevalent reason risks get misclassified?**

The primary problem associated with proper PPC assignments is identifying the proper Fire District in which the risk is located. Often, we think of a fire district as the city or township where the homeowner lives. This is not always the case. Fire districts have no city or township boundaries. They can be just a small portion of the city or can extend outwards from the city limits. ISO’s Location® product identifies the proper fire district by the latitude and longitude of the risk in comparison with the latitude and longitude of the primary responding fire department. They can do this with 90% accuracy.
10. Why is there a difference between the Community Mitigation manual and the ISO Location product?
The Location product should be the most current version of the true protection class since it is updated monthly and the Community Mitigation manual is only quarterly. The only caveat to this is if you have a new road in a new subdivision, the actual streets are updated only quarterly. In most cases, we allow the agent to use the protection class they think is most accurate for the risk.

11. Why is it so important to use the ISO Location product instead of the Community Mitigation manual?
ISO files protection classes with the states on our behalf. We are required to use the ones returned in their tool in order to be in compliance with our filings.

12. What if someone wants to question a protection class that is returned?
If someone questions the protection class that returned, they can appeal and we will open an investigation with ISO.

13. Do we need a copy of the Community Mitigation manual if the protection classification is different then what was returned?
There is no need to provide us a copy of the Community Mitigation manual because that is subjective material and not risk specific. There is no guarantee that the risk is within five miles of the fire department, that they are the primary responding fire department, etc. With the name of the fire department you feel is the primary responder, we can take it from there with our investigation.

14. What information is returned by ISO?
Under most circumstances, ISO returns the name of the fire district, the protection class, and the Federal Information Processing Standard (FIPS) number of the county in which the risk is located. While ISO does not return the distance to the fire hydrant or the fire station, these are inherent in the protection class returned. For instance, if ISO returns a protection class of four, you know the risk is within at least 1,000 feet of an acceptable water source fire hydrant and within at least five road miles of a primary responding fire department with a class four rating. If ISO returns a 9, you can rest assured that the risk is within five road miles of a primary responding fire department but an acceptable water source is over 1,000 feet away. If ISO returns a class 10, you know the risk is probably over five road miles from an acceptable rated fire department and over 1,000 feet of an acceptable water source.

15. How are split classifications handled?
ISO has proper water source information on 90% of risks in the United States. Where they don’t have the adequate water source information, ISO will return a split protection class such as 6/6X, 6/6Y, or 6/9. If the agent knows the risk is within 1,000 feet of a fire hydrant, the risk will get a PC of 6. If the water source cannot be verified, the risk will get a class 6X, 6Y, or 9. In this split class return, it is inherent in the class provided that the risk is at least within five road miles of a primary responding fire department so we simply need to identify whether there is an adequate water source.

16. What if multiple classifications are returned?
Behind the scenes there are two actual ISO files we use to get protection class data. One is the address file which is used most of the time because we have a recognizable USPS address. The other file is what we reference as the “zip file” because it is based on the zip code of the respective
area and returns all possible protection classes available for the zip code. For instance, if you have a rural route address, this is not exact enough to use the address file and therefore we use the zip file.

17. Why do multiple returns have percentages after them?
When an address is not recognized as a USPS address, the zip code is used to access the zip file because we are no longer able to use the latitude and longitude of the risk. The zip file will return every protection class that is legally available within that zip code. The percentages are used to identify the protection class that is most predominant within the zip code area. Other than straight class 10, it is important that we have the distance to the fire station and fire hydrant to ascertain which of these protection classes is most appropriate for the given area.

18. What is the story with feet to hydrant and distance to fire station?
As a general rule, we don’t require the input of the distance to the fire hydrant or fire station in order to get a quote. However, once we issue the policy, this information is required. The only time we will require this information at the time of quote is when ISO returns a split classification or if multiple protection classes are returned. This will enable us to determine the most appropriate protection class for the situation.

19. In Mississippi, why do you get protection class and dwelling class returns?
Mississippi has a rating bureau responsible for protection class information. While they follow ISO fairly closely, where they differentiate is what is returned. For personal lines risks, they return the dwelling class and for commercial lines risks, they provide the protection class.

20. How are Protected Suburban classes handled with Location®?
In most states we have filed to offer Protected Suburban Protection Classes. These are still available with the Location® product. Simply place a digit of “1” in front of the protection class of the primary responding fire department if the risk meets the requirements in the state homeowner manual for Protected Suburban class. For instance, if ISO returns a PC 9 on a risk, this is due to it being over 1,000 feet from a hydrant. If the risk meets all of the parameters of our Protected Suburban rule and a protection class four fire department is the primary responding fire department, it can be shown as a protection class 14. Since this is a filed rate, it is important that all of the rules which enable the risk to qualify for the Protected Suburban Class are followed. Refer to the Protected Suburban rules in the individual state homeowner manuals.

21. Is it possible to have a protection class 10 if the fire department is less than five miles from the risk?
The distance to the responding fire department is inherent in the code ISO provides (i.e. an address greater than 5 miles from the responding fire station would automatically receive a PPC 10). However, ISO does provide a PPC 10 for addresses within 5 miles of a responding fire station if that fire station is unrecognized by ISO. An unrecognized fire station is deemed not able to meet the ISO standards of being able to provide sufficient fire protection for its given area.

Questions pertaining to Location® Inquiries from ISO:

22. If you get a PPC Classification or Community Name / Fire Protection Area Name that is different than what the policy was previously rated with, is the answer in Location® wrong?
Not necessarily. PPC classifications and fire district boundaries change frequently. We go to great lengths to make sure our information is as up to date as possible. Before submitting an inquiry, you need to verify with the appropriate fire department or other official source that Location® PPC information is incorrect.

It is important to remember that PPC Classification for a specific address is based on the **primary responding fire station**, not necessarily the closest fire station.

23. **What is the difference between the Fire Station name and the Fire Protection Area name?**
   A Fire Protection Area (FPA) is a fire district, community, county, or any other legally defined geopolitical jurisdiction providing fire suppression services and assigned a unique Public Protection Classification (PPC) by ISO. Each FPA is protected by one or more Fire Stations (certain Fire Stations do not meet the ISO’s minimum criteria and are not recognized). The fact that the Fire Station name and the Fire Protection Area name are different does not mean that there is a problem or that Location® is returning the wrong Classification for the insured. Certain Fire Protection Areas contract for aid with Fire Stations located in adjacent jurisdictions; some Fire Stations provide automatic-aid response to multiple Fire Protection Areas, etc. Here are two examples where the Fire Protection Area name does not match the Fire Station name:

   - **In Ohio**: the Fire Protection Area name is – Ridgefield TS, the primary responding Fire Station name is – Huron River Joint Fire Station.
   - **In Pennsylvania**: the Fire Protection Area name is – Porter TS, the primary responding Fire Station name is – Alexandria Fire Station.

24. **What is the expected turnaround for Location® inquiries?**
   Location® inquiries are expected to be completed within 30 days of the received date. We process all inquiries as quickly as we can so it is possible that it will take less time.

25. **What is statistical placement?**
   Statistical placement is a technique used to assign PPC based on assessing the protection classes assigned to nearby streets geo-coded with high precision. Over 95% of the population of the United States is accurately placed in Location®. Placement may become questionable in rural areas, in border situations, or when a street is missing in the road bases used by ISO (such as with new property developments). In these cases, Location® may invoke an algorithm using a benefit of doubt hypothesis to assign the best possible PPC and FPA value for the risk. Since this is a "best guess estimate" on what ISO feels is the correct protection class, the agent is permitted to over-ride this protection class with the class they think is most accurate if they disagree with the class returned. By the time the policy comes up for renewal, ISO’s road base and data-base should be updated with the correct information.

26. **What is Automatic Aid?**
   Automatic Aid is defined as a contractual agreement or demonstrated track record established for one year between two Fire Protection Areas where one agrees to automatically dispatch fire apparatus from a recognized fire station to respond to reported structure fires within the FPA boundaries of the other. Automatic Aid must be supplied 24 hours a day, 365 days a year and must respond to all structure fires in the designated area. In order for Automatic Aid to be recognized, it must be within the acceptable road mile distance identified by individual state rules (usually 5 miles).
27. **What is Mutual Aid?**

Mutual Aid is when one Fire Protection Area assists another department on structure fires without a contract or legal agreement to do so. This is generally not 24 hours a day, 365 days a year but rather on an "as needed" basis. ISO does not recognize Mutual Aid.

28. **What is Contract Aid?**

Contract Aid is defined as a contractual agreement between one Fire Protection Area and an otherwise unprotected community that calls for an automated dispatch of fire apparatus from a recognized fire station to respond to structural fires within defined boundaries of the unprotected community. The unprotected community becomes a separate Fire Protection Area.

29. **What is a Subscription Fire Protection Area?**

Subscription fire protection areas are not taxing jurisdictions and do not receive their operating money from the governing body of the community. Selling contracts or subscriptions to individual property owners generates their operating revenue. The fire department will only respond to calls for assistance from property owners who hold a current contract. In some cases, the fire department will respond to non-subscribers; however, they will charge a fee for the response.

PPC 10 applies to all non-subscribers in a subscription only (no tax) Fire Protection Area, and to any risk more than five road miles from the subscription fire department – whether a fee is paid or not.

30. **Is the closest station always the responding station?**

No. All Fire Protection Areas have specific boundaries that they are legally bound to respond within. Sometimes another station in an adjacent FPA may be closer to the risk in question but it cannot be credited – since it is not the primary responding station (it may not respond at all or it may not respond to the initial alarm).

31. **How does ISO verify distance from the responding fire station?**

ISO identifies the risk location and the location of the closest responding recognized fire station. We verify this information with the fire officials and calculate the road mileage distance from the closest recognized station that is legally responsible for the protection of the risk.

32. **What do protection classes 1X-8X mean?**

In 2014, ISO began returning different codes in the event of split class situations. Prior to the change, a split class may have shown a 6/9 (for example). Under the new split class coding, the second number now matches the first followed by an X (e.g. 1/1X, 2/2X, 3/3X, etc.) instead of a 9. (By the way, those risks are still rated the same as a PC-9). Adoption of these new classes will be reflected in the applicable manuals and will vary by line of business and state. (For example, we are not adopting them in farm or business insurance at this time.)

33. **What do protection classes 1Y-8Y mean?**

In 2014, ISO began returning different codes in the event of split class situations. Prior to the change, split classes involving a second number of 8b would have been displayed as 6/8b (for example). Under the new split class coding in these situations, the second number now matches the first followed by a Y (e.g. 1/1Y, 2/2Y, 3/3Y, etc.) instead of an 8b. (By the way, those risks are still rated the same as a PC-8b). Adoption of these new classes will be reflected in the applicable manuals and will vary by line of business and state. (For example, we are not adopting them in farm or business insurance at this time.)
34. **What is Protection Class 10W?**
ISO has statistical support to show better loss experience for some PC-10 risks, if they are located more than five but less than seven miles of the primary responding fire department, and have a water source that ISO has specifically identified as being creditable. Beginning in 2014, these risks will be identified with protection class 10W. We will not vary the rate between PC-10 and PC-10W until such time as we have developed a comfort level with our own loss experience on these risks. Adoption of these new classes will be reflected in the applicable manuals and will vary by line of business and state. (For example, we are not adopting them in farm or business insurance at this time.)