



How to Improve Your ISO Ranking and Why It Matters

For Jane Q. and John Q. Public, nothing sends a chill up the spine like a letter from the IRS demanding an income tax audit. It means searching out lost or poorly filed documents to prove claims made years ago. It means having your entire financial life examined uncomfortably close under the IRS microscope. It can result in fees paid to accountants and lawyers, back taxes owed and fines imposed.

In the fire service the three letters that strike fear in the hearts of fire chiefs are not IRS, but rather — ISO.

Like a tax audit, an ISO audit peeks under all the rocks to expose the department's creepy-crawlies that live in dark forgotten spaces. Like the tax audit, a poor ISO review has tangible consequences. But unlike the somewhat random IRS summons, fire chiefs know an ISO audit is coming and they have three to four years to prepare for it. And unlike the tax audit, a positive ISO rating has tangible benefits for the fire department and the community it serves.

But ISO isn't some dark, mysterious cabal whose cloaked and hooded inner circle dwell in a secret underground lair with enough supplies to sustain them through an apocalypse. In fact, at the 2021 Fire Rescue International conference, ISO representatives Skip Gibson and Michael Morash talked about how to navigate the process and invited people to contact the local field office with questions or concerns about an upcoming audit. In short, ISO wants you to succeed.

"We're not bad people," Morash said. "We're teachers giving you a test, and we've given you the answers to that test."

And the reasoning behind why this system is so detailed is that, despite our prevention efforts, fire still causes the most loss to homes and businesses.

Vector Solutions: The Ultimate ISO Training Tracker

Vector Solutions offers a custom program for fire departments to track and manage all their ISO review requirements from fire hydrant testing to firefighter training hours.

Fire departments can track facilities, company, hazmat, driver and officer training for individual firefighters to monitor how they are progressing toward their minimum training hour requirements. The system automatically assigns the training sessions to the right category based on ISO priorities and moves sessions into appropriate categories when others are met so fire departments get full credit for their firefighter training hours. It has built-in note boxes to encourage departments to fully explain the training that took place and why it was assigned a certain category.

The system was designed specifically to cover all the areas required by ISO reviews. Items such as who taught the training, where and when was it done and what it involved are all preloaded in the system.

Vector Solutions worked with ISO when developing this solution. Users can print off their Vector Solutions' training and hydrant testing records and use those as official documentation for an ISO review — often, the data can be loaded into ISO's system.

Here are the benefits of using Vector Solutions' pre-built ISO training tracker to document and report ISO training hours:

- Reduces administrative time during audit
- Tracks every hour of training
- Provides visibility into training progress
- Impresses ISO auditor with perfect reports
- Keeps all training records in one place

Mitigating that risk is a prime motivator for those who pay for the damage caused by fire.

ISO, or Insurance Service Office, is part of Verisk, a data collection and assessment company that serves the insurance industry with headquarters in New Jersey — well above ground. ISO uses a fire suppression rating schedule that assigns numeric value to a community's fire prevention and protection capabilities. Those values then determine the 1 to 10 score we are familiar with, which ISO calls the Public Protection Classification. As a reminder, a score of 1 is the highest rating, one which less than 1 percent of communities achieve. Ten means the community does not meet the minimum fire protection and prevention standards.

To distill that PPC score, ISO looks at several factors. Many of those are beyond a fire department's control. According to its website, here's what ISO says it looks at and how much weight it gives each area. Most of those areas are all well within a fire department's control.

A maximum of 50 points of the overall score is based on the fire department. ISO reviews the distribution of fire companies throughout the area and checks that the fire department tests its pumps regularly and inventories each engine and ladder company's equipment according to NFPA 1901. ISO also reviews the fire company records to determine factors such as:

- Type and extent of training provided to fire company personnel
- Number of people who participate in training
- Firefighter response to emergencies
- Maintenance and testing of the fire department's equipment



Most of those areas are all well within a fire department's control.

A maximum of 40 points of the overall score is based on the community's water supply. This focuses on whether the community has sufficient water for fire suppression beyond daily maximum consumption. ISO surveys all components of the water supply system. It reviews fire hydrant inspections and frequency of flow testing, as well as counting the number of fire hydrants that are no more than 1,000 feet from the representative locations.

A maximum of 10 points of a community's overall score is based on how well the fire department receives and dispatches fire alarms in accordance with NFPA 1221. Field representatives evaluate:

- The emergency reporting system
- The communications center, including the number of telecommunicators
- Computer-aided dispatch facilities
- The dispatch circuits and how the center notifies firefighters about the location of the emergency

Finally, the community risk reduction section offers a maximum of 5.5 points. ISO says these extra points rewards communities that employ effective fire prevention practices, without penalizing those who have not yet adopted such measures. The areas of community risk reduction evaluated include fire prevention, fire safety education and fire investigation. Think of this as extra credit. These are extra-credit points not included in the total; department scores are measured against 100 points.

So, of the 105.5 possible points, fire chiefs really only have control over 55.5. Some may have control over the 911 center and may be able to influence some of those 10 points. And if a fire department is responsible for hydrant testing, it can control some of those points as well. Conversely, there will be some areas of the fire protection category, like stations, apparatus and staffing, that will be outside the scope of many fire chiefs to directly influence. That control most likely rests with elected municipal officials or fire district boards.

That means that in order to get the best score possible, fire chiefs need to be hyper focused on those areas where they have direct control. Maximum scores in those areas will make up ground for points lost in areas outside department control. All this scoring and ranking leads to one end — how much businesses and homeowners in a fire department jurisdiction will pay for property insurance. Well, sort of. While knowing how likely a structure is to be saved by a fire department weighs on insurance rates, it is not the only factor at play. And some companies, most notably State Farm, use a different data set and pay no attention to ISO scores.



Whether an insurance company uses ISO or some other matrix, they all need to calculate the likelihood that a structure will be a complete loss in the event of fire. And following the guidelines laid out by ISO will improve a fire department's capability and lead to better fireground outcomes and a safer community.

What can't be overlooked is the political value of a good or improved ISO rating. This gives the fire chief something to brag about to elected officials who hold the department purse strings. And it gives those officials something to publicly brag about to the residents who decide if they keep their jobs at election time. That's because lower insurance rates are one way to attract businesses, and to a lesser extent, homebuyers, into a community. And attracting business can boost property values and tax revenue coming into the municipality.

Remember, ISO is a private entity and has no power to issue fines or limit operations — like OSHA does. But its scores are widely used and publicized. So, when the score worsens, it puts a great big bullseye target on the fire department. Anybody looking to take shots at the department's budget or its chief, now has plenty of ammunition.

Most residents and politicians won't bother to tease out the nuances of how much insurance premiums may or may not change based on an ISO rating and which insurance companies use ISO data. They will remember and react to news headlines that either read: "Improved Fire Department Rating to Lower Insurance" or "Fire Department Rating Falls, Insurance to Rise".

Again, focus needs to go to areas where the fire department exerts control. The fire department and fire prevention categories are most important.

ISO's fire department category has nine subcategories that each have point values adding up to 50. For example, there are four subcategories covering apparatus availability, equipment and capability. Those four are collectively worth 14 points. How close fire stations are to the farthest reaches of the jurisdiction accounts for 10 points. And the number of personnel available makes up 15 of the points. That's 39 out of the 50 points the department may not be able to directly influence in the near term depending on the budgeting situation it faces. For example, building another firehouse or adding more apparatus or staff can take several ISO cycles.

Two points can be earned for having standard operating procedures for structure fires and having an incident management system. The remaining nine points are awarded based on firefighter training. That, of course, is what fire chiefs have full and direct control over. Getting all nine of those points is a must for boosting an ISO score.

It is also an area where fire departments tend to make the most mistakes — and where records management is vital. Vector Solutions' ISO experts Robbi King and Tim Riley and ISO's Gibson and Morash agree that most departments who get jammed up here, are doing enough training; they just are not properly managing the records for that training.

The training category is broken into company training, hazmat training, officer training, driver training and facility training. And that last one, facilities training, is where the most problems occur. It alone is worth three of the nine training points — getting this right is very important. And this is where it gets most nuanced. For ISO purposes, all firefighter training, facilities and other categories, must directly relate to structural fire. Things like EMS training don't impact a fire department's ability to protect property, thus don't factor into ISO's rankings. And the physical facilities must meet a set of criteria for maximum points in the facilities training category. Those include being three stories, having burn and smoke rooms and sitting on at least 2 acres.

Once a training category's minimum requirements are met for a firefighter, additional training in that category can be applied to other relevant categories. For example, if a firefighter has her 18 hours of required facilities training and goes back to that facility for hazmat training, those additional hours can count toward her six required hazmat hours. Again, ISO and Vector Solutions experts agree that fire departments often get into trouble by trying to double dip. So, a firefighter's two hours of hazmat training at a qualifying facility can count for either facility or hazmat, but not for both.

Another mistake ISO says it often sees is departments assuming that training automatically drops from the full category to an uncompleted training category. A firefighter who has fulfilled her facility training hours and takes hazmat training at a facility will not automatically have those hours drop into the hazmat training category for ISO if those hours are entered under facilities training. There are no penalties for having extra training hours in a given category except that those hours could be more usefully applied to a different category.

ISO's Morash advises fire departments to use the comment sections to give details about what training was done and why it was put into a given category.

"A lot of this boils down to documentation," Morash said. "We need to see what actually was conducted to give credit." Again, this is where a robust training recordkeeping system can help departments avoid potential problems like miscategorized training hours.

Such a system will track each firefighter's training hours by category and automatically move additional training hours into the appropriate unfilled sections. It will also allow department leaders to quickly see where the department stands in terms of overall ISO-required training; and do deep dives into which firefighters are lagging in certain training sections. Likewise, if a department performs its own hydrant testing, prepopulated ISO requirements allow the department to log the information it will need for that part of the audit.

And when it is time for an ISO audit, those training records can be printed out or downloaded into ISO's system. That will save a great deal of headache and time.

ISO representatives and Vector Solutions' ISO experts agree that ISO wants fire departments to get full credit for their efforts. ISO can be contacted prior to a visit to answer questions about the requirements. A rating that fire departments disagree with can be challenged and re-evaluations can be requested before the next scheduled audit. Where fire departments run into problems is trying to game the system — to claim credit for training they never did. For example, driving to a call or driving to the grocery store does not count as driver training. Proper driver training involves a planned course with an instructor and required outcomes, for example.

In the most rudimentary sense, what's needed to get through an ISO evaluation is similar to handling an IRS audit. Be truthful in what you do and how you track it. And have a solid recordkeeping system that makes that truthfulness obvious, mistake free and easy to understand.

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