

**What is the ISO Fire Insurance Rating?**

The Public Protection Classification (PPC) program, also known as the ISO (Insurance Services Office) Fire Score, recognizes the efforts of communities to provide fire protection services for citizens and property owners. Insurance companies use the score to help set home insurance rates since a home that is less likely to be severely damaged or destroyed by fire is less expensive to insure. However, the impact of the ISO score on your homeowner’s insurance policy will vary by each insurance carrier.

**What is the difference between ISO ratings?**

An ISO fire insurance rating is a score from 1 to 10 that indicates how well-protected your community is by the fire department. In the ISO rating scale, a lower number is better: 1 is the best possible rating, while a 10 means the fire department did not meet the ISO's minimum requirements or a fire department for that area does not exist. Any area that is more than 5 driving miles from the nearest fire station within the Town limits is automatically rated a 10.

**What is the ISO rating for the Leland Fire District?**

As of May 1, 2019, the Leland Fire District is a Class 4/10. This includes the Town of Leland, Town of Belville, and areas of Brunswick County outside the Town limits but within the Leland Fire District. All of these areas are rated as a Class 4. Some areas of the Grayson Park neighborhood, which is within the Town limits, are more than 5 miles from a Leland fire station and would be a 10, however through automatic-aid agreements with neighboring fire departments that are within 5 miles of these Grayson Park areas, these areas receive the Leland Class 4 rating. Any areas in Brunswick County, outside of the Town limits and more than 5 miles from a fire station receive a Class 9.

**What is a fire fee?**

Fire fees are a source of revenue charged to both residential and commercial areas within the Town’s fire district. The fees are charged for improved properties (with buildings) based upon the heated square footage of the building, and for vacant land based upon the acreage of the property. The fees are not based on the tax value of the property.

**How is the Town’s fire fee revenue spent?**

In creating the budget each year, staff will determine whether or not to increase fire fees. The goal is for fire fee revenue estimates to cover the operational expenditures of the Fire/Rescue department, including personnel, training, equipment, and supplies. The department’s capital expenditures, including facilities and apparatus, are paid through other revenue sources within the General Fund.

**Why are increases in fire fees a consideration during the budget process each year?**

As the Fire/Rescue department operational expenditures increase, the feasibility of increasing fire fees to collect additional revenue becomes a consideration.

**How does the Town pay for Fire/Rescue capital expenditures, such as apparatus and fire stations?**

All capital expenditures are paid for with other General Fund revenues, such as ad valorem property tax or sales tax revenues, rather than fire fee revenue.

**What is the amount of fire fees paid for varying residential property values within the Leland Fire District?**

Property Value*	Fire Fees
\$150,000	\$165

\$300,000	\$330
\$450,000	\$495

**How are fire fees, and the determination on whether to increase them, related to the ISO fire insurance rating?**

A community’s investment in fire mitigation is a proven and reliable predictor of future fire losses. Insurance companies use Public Protection Classification information to help establish fair premiums for fire insurance — generally offering lower premiums in communities with better protection. By offering economic benefits for communities that invest in their firefighting services, the program provides an additional incentive for improving and maintaining public fire protection. Essentially, PPC helps communities prepare to fight fires effectively.

According to the ISO's Fire Suppression Rating Schedule (FSRS), there are four main criteria to a fire rating score:

- 50% comes from the quality of your local fire department including staffing levels, training, and proximity of the fire station.
- 40% comes from availability of water supply, including the prevalence of fire hydrants and how much water is available for putting out fires.
- 10% comes from the quality of the area's emergency communications systems (911).
- An extra 5.5% comes from community outreach, including fire prevention and safety courses.

Therefore, investing additional funds into the Fire/Rescue department to have the opportunity to improve the fire rating scores in any of the above-mentioned criteria, drives the need to occasionally increase fire fees.

**How does a lower ISO rating help a homeowner receive lower insurance premiums?**

The data shown in the table below is the result of research performed by Town staff in late 2020. It shows how much, on average, a homeowner saves in annual property insurance premiums as a result of Leland Fire/Rescue having a Class 4 rating rather than a Class 10 rating if the fire department was not funded and did not exist at all.

Property Value*	Ave. Insurance Savings
\$150,000	\$339
\$300,000	\$541
\$450,000	\$788

**How do residential homeowners financially benefit from their investment of fire fees in the Town of Leland Fire/Rescue Department?**

Based upon the data in the previous tables, the following table calculates the average return on investment (ROI) for a homeowner who has an ISO rating of 4 versus 10, based upon the stated amount of fire fees collected.

<b>Property Value*</b>	<b>Fire Fees</b>	<b>Ave. Insurance Savings</b>	<b>ROI</b>
\$150,000	\$165	\$339	\$174
\$300,000	\$330	\$541	\$211
\$450,000	\$495	\$788	\$293

For example, the owner of a home valued at \$300,000 pays \$330 a year in fire fees to help fund Leland Fire/Rescue. That investment helps the fire department achieve a Class 4 rating, thereby saving that homeowner an average of \$541 a year on their property insurance. This means that not only does that homeowner recoup their entire fire fee investment of \$330, but they get an additional return on that investment (ROI) of \$211 a year.

*\*Property values were based upon the median home price per square foot in Leland.*