

## How Does PPC™ Information Affect Individual Insurance Policies?

ISO's Public Protection Classification (PPC™) information plays an important part in the decisions insurers make affecting the underwriting and pricing of property insurance. In fact, most U.S. insurance companies — including the largest ones — use PPC information in one or more of the following ways:

- ▣ to identify opportunities for writing new business
- ▣ to manage the quality of community fire protection across their book of business
- ▣ to review loss experience in various rating territories
- ▣ to offer coverages and establish deductibles for individual homes and businesses

Insurance companies — not ISO — establish the premiums they charge to policyholders. The methodology a company uses to calculate premiums for property insurance may depend on the company's fire loss experience, underwriting guidelines, and marketing strategy.

Here are some general guidelines to help you understand the benefits of improved PPC ratings for residents and businesses:

- ▣ PPC may affect the underwriting and pricing for a variety of personal and commercial insurance coverages, including homeowners, mobile home, fine arts floaters, and commercial property (including business interruption).
- ▣ Assuming all other factors are equal, the price of property insurance in a community with a good PPC is lower than in a community with a poor PPC.

### **For more information . . .**

. . . on any topic related to the Public Protection Classification (PPC™) program or the Fire Suppression Rating Schedule, Contact ISO Mitigation, or call the ISO mitigation specialists at 1-800-444-4554.

