



November 26, 2018

Property Owners in Houston:

It is with great pleasure that I can officially announce that the city of Houston has retained its fire protection rating of 5/10. The Insurance Services Office (ISO), a national insurance industry risk rating and assessment service, evaluated the city's ISO Public Protection Classification (PPC) of 5/10 established in 2013 and has validated that Houston still meets the necessary standards. In fact our scores in some areas increased significantly, most notably in dispatch and community risk reduction.

The PPC rating of a community affects the insurance premiums that policyholders pay for fire insurance on commercial and residential buildings. ISO rates municipalities on a scale of 1 to 10. An ISO Class 10 rating is considered the least effective fire defense while an ISO class 1 rating is the most effective fire defense system from an insurance analysis perspective. Most fire insurance carriers utilize ISO Class ratings in determining policy rates.

So what does this mean for you? If you have homeowners insurance, provide this letter and the attached letter from ISO and ensure they have your property classified correctly. Your insurance agent will let you know what impact this rating will have on your insurance policy and/or premium, if any. Not every insurance company uses ISO ratings as the determining factor in premiums.

An insurance company will need to know how many miles you are away from a fire station. The split rating of 5/10 means that every residence or commercial structure within 5 miles of a fire station receives a 5 rating, and any that are more than 5 miles will receive a 10 rating. Our addresses are:

Houston Fire Station 9-1
13965 W. Armstrong Rd
Houston AK 99694

Houston Fire Station 9-2
990 S. Kenlar Rd
Houston AK 99694

A 24 page report has been received by the city and will be used to seek grants and prioritize our capital needs based on maximizing the benefit of residents. For any other information, feel free to contact us at Houston Fire Department at (907) 892-6457, or have your insurance company contact us. Our email is fire@houston-ak.gov.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Christian M Hartley', written over a horizontal line.

Christian M Hartley, Fire Chief



1000 Bishops Gate Blvd. Ste 300
Mt. Laurel, NJ 08054-5404

t1.800.444.4554 Opt.2
f1.800.777.3929

November 19, 2018

Ms. Virgie Thompson, Mayor
Houston
PO Box 940027
Houston, Alaska, 99694

RE: Houston, Matanuska Susitna County, Alaska
Public Protection Classification: 05/10
Effective Date: March 01, 2019

Dear Ms. Virgie Thompson,

We wish to thank you and Mr. Christian Hartley for your cooperation during our recent Public Protection Classification (PPC) survey. ISO has completed its analysis of the structural fire suppression delivery system provided in your community. The resulting classification is indicated above.

If you would like to know more about your community's PPC classification, or if you would like to learn about the potential effect of proposed changes to your fire suppression delivery system, please call us at the phone number listed below.

ISO's Public Protection Classification Program (PPC) plays an important role in the underwriting process at insurance companies. In fact, most U.S. insurers – including the largest ones – use PPC information as part of their decision-making when deciding what business to write, coverage's to offer or prices to charge for personal or commercial property insurance.

Each insurance company independently determines the premiums it charges its policyholders. The way an insurer uses ISO's information on public fire protection may depend on several things – the company's fire-loss experience, ratemaking methodology, underwriting guidelines, and its marketing strategy.

Through ongoing research and loss experience analysis, we identified additional differentiation in fire loss experience within our PPC program, which resulted in the revised classifications. We based the differing fire loss experience on the fire suppression capabilities of each community. The new classifications will improve the predictive value for insurers while benefiting both commercial and residential property owners. We've published the new classifications as "X" and "Y" – formerly the "9" and "8B" portion of the split classification, respectively. For example:

- A community currently graded as a split 6/9 classification will now be a split 6/6X classification; with the "6X" denoting what was formerly classified as "9."
- Similarly, a community currently graded as a split 6/8B classification will now be a split 6/6Y classification, the "6Y" denoting what was formerly classified as "8B."

- Communities graded with single "9" or "8B" classifications will remain intact.
- Properties over 5 road miles from a recognized fire station would receive a class 10.

PPC is important to communities and fire departments as well. Communities whose PPC improves may get lower insurance prices. PPC also provides fire departments with a valuable benchmark, and is used by many departments as a valuable tool when planning, budgeting and justifying fire protection improvements.

ISO appreciates the high level of cooperation extended by local officials during the entire PPC survey process. The community protection baseline information gathered by ISO is an essential foundation upon which determination of the relative level of fire protection is made using the Fire Suppression Rating Schedule.

The classification is a direct result of the information gathered, and is dependent on the resource levels devoted to fire protection in existence at the time of survey. Material changes in those resources that occur after the survey is completed may affect the classification. Although ISO maintains a pro-active process to keep baseline information as current as possible, in the event of changes please call us at 1-800-444-4554, option 2 to expedite the update activity.

ISO is the leading supplier of data and analytics for the property/casualty insurance industry. Most insurers use PPC classifications for underwriting and calculating premiums for residential, commercial and industrial properties. The PPC program is not intended to analyze all aspects of a comprehensive structural fire suppression delivery system program. It is not for purposes of determining compliance with any state or local law, nor is it for making loss prevention or life safety recommendations.

If you have any questions about your classification, please let us know.

Sincerely,

Alex Shubert

Alex Shubert
Manager -National Processing Center

cc: Mr. Christian Hartley, Chief, Houston Fire Department
Mr. Zach McRae, Supervisor, Matanuska Susitna Borough Emergency Dispatch