

NEWS RELEASE

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Town's ISO fire insurance rating jumps three classes *Class 2 rating may mean significant savings*

PROSPER (February 7, 2017) Beginning on June 1, the Town of Prosper will undergo a reclassification from the Insurance Services Office (ISO) which may mean a reduction in homeowner premiums for some residents.

“Starting on June 1, Prosper will move from a Class 5 rating to a Class 2/2X rating,” says Fire Chief Ronnie Tucker. “The lowered class is significant in that many homeowners may see a lowering of their homeowner insurance rates.”

While the change has been approved, the effective date of June 1 is necessary to allow insurance companies, appraisers and actuaries time to enter the new classification into their pricing structures.

Under the ISO program, called the Fire Suppression Rating Schedule, communities can score between 1 and 10, with Class 1 being the most exemplary and Class 10 being the least. To come up with the new rating, the ISO evaluated the Town in three areas:

- Fifty percent of the score took into account Prosper's Fire Department, including staffing, training, geographic distribution of firehouses and adequacy of the fire equipment;
- Forty percent of the score looked at the community's water supply, including the placement and condition of fire hydrants and the amount of water that's available to put out fires; and
- Ten percent of the score measured the efficiency of emergency communications, such as the 911 system and the number of emergency dispatchers.

A split of Class 02/2X means that those properties located within 1,000 feet of a fire hydrant or water supply suction point and within five miles of a fire station will be designated as Class 2; while properties located farther than 1,000 feet of a fire hydrant or water supply suction point and within five miles of a fire station will be designated as Class 2X. A slight difference in rates exists between the affected properties in the split.

Even with the significant improvement in the classification, homeowners should continue to seek the best deal on their homeowner coverage, as there are differences in how insurance companies approach the ISO classification.

“While this is extremely good news, some insurance companies may or may not use the ISO rating in setting premiums,” said the Chief. “Also, other factors can come into play such as the age and condition of the home, the type of roof on the structure, and other factors. Doing some comparison shopping can make a difference. And, of course, dealing with a properly-licensed agent is essential.”

Some insurance companies offer immediate rebates once the change in classification is made official, others will wait to adjust premiums at the next renewal period. Across the country, fewer than two percent of almost 50,000 communities, and fewer than eight percent of the over 2,500 Texas communities received a Class 2 rating.

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ABOUT THE TOWN OF PROSPER – The Town of Prosper is a fast-growing suburb with small town charm, located 30 miles north of Dallas at the crossroads of U.S. 380, Preston Road and the Dallas North Tollway in Collin and Denton Counties. Prosper sits on 27 square miles and is home to more than 17,800 people. A home-rule municipality, governed by a council-manager form of government, the town has full-time fire and police departments, including its own dispatch service. As the Town grows to its projected build-out population of 70,000 residents, Prosper's vision is to remain a “Place Where Everyone Matters.”