

Fire Underwriters Survey and Calgary's Rating

Fire Underwriters Survey (FUS) is a national organization administered by Opta Information Intelligence that measures and classifies municipal fire protection programs relative to fire risk for a community. Representing more than 90 per cent of the private sector and casualty insurers in Canada, FUS provides data to program subscribers regarding public fire protection for fire insurance and underwriting evaluation. The FUS evaluates in detail, the adequacy, reliability, strength and efficiency of fire protection services, and ratings that result from the evaluation are one of several factors used in determining local fire protection insurance rates.

Calgary currently sits at one of the most favourable FUS classifications for both commercial and residential properties, which is unlikely to change with improved response coverage provided by NFPA 1710 or SLRTT. This is due to the other factors taken into consideration when assessing FUS classifications.

In the Calgary context, most properties fall into Hydrant or Fire Hall protected classifications. This means that even if we were to increase ratings for unprotected properties, very few Calgarians would see a decrease in property insurance premiums, and that decrease would be minimal. More detail is included below.

FUS Classification/Grading Systems

Using a grading schedule document, FUS assigns two grading systems – one for commercial/multi-family properties and one for residential/single-family properties.

- **Public Fire Protection Classification (PFPC):** A numerical grading system scaled from 1 to 10 that is used by Commercial Lines¹ insurers. Class 1 represents the highest grading possible, and Class 10 represents an unrecognized level of fire protection, or fire protection beyond 5 km by road travel distance from the nearest responding fire station. The PFPC grading system evaluates the ability of a community's fire protection programs to prevent and control major fires that may occur in multi-family residential, commercial, industrial, institutional buildings, and under construction developments.
- **Dwelling Protection Grade (DPG):** Assesses the protection available for small buildings such as single-family dwellings and is used by Personal Lines² insurers. The DPG is a numerical grading system scaled from 1 to 5. One (1) is the highest grading possible and five (5) indicates little or no fire protection is present; Class 5 also represents fire protection beyond 8 km by road travel distance of a responding fire station. This grading reflects the ability of a community to handle fires in small buildings such as single-family dwellings and semi-detached dwellings.

¹ Commercial Lines: A distinction marking property and liability coverage written for business or entrepreneurial interests (includes institutional, industrial, multi-family residential and all buildings other than detached dwellings that are designated single-family residential or duplex) as opposed to Personal Lines.

² Personal Lines: Insurance covering the liability and property damage exposures of private individuals and their households as opposed to Commercial Lines. Includes all small buildings that are designated one- and two-family dwellings (detached dwellings with not more than two dwelling units).

Fire Insurance Classification Assessment

To determine the ability to combat a major fire in the community, FUS evaluates four major features during a fire insurance classification assessment:

Table 4.1: Public Fire Protection Classification, City of Calgary

| Feature | Description | Relative Weight |
|-------------------------|--|-----------------|
| Fire Department | An overall analysis to determine whether sufficient resources are in place to effectively extinguish fires. | 40% of grading |
| Water Supply | Structural conditions in the community are examined to establish and ensure adequate fire flow requirements. | 30% of grading |
| Emergency Communication | All aspects of the communications system are assessed including the communications centre, telephone dispatching systems and radio communications. | 10% of grading |
| Fire Safety Control | (Fire Prevention and Public Education) An integral part of a community's defense system, fire safety programs, codes and enforcement, and personnel committed to fire prevention are assessed. | 20% of grading |

City of Calgary – Fire Insurance Grade

Previously surveyed in 2009, an update to Calgary's fire insurance grades occurred in 2020. Table 4.2 and Table 4.3 outline the updates to the fire insurance grades for the city of Calgary.

Table 4.2: Public Fire Protection Classification, City of Calgary

| 2020 | Comments |
|------|---|
| 2 | <u>Hydrant Protected</u> – Commercial Lines insured properties within 5 km in road travel distance of a City of Calgary fire station and within 150 m in hose lay of a City of Calgary recognized hydrant on a water distribution system. In Calgary, this equates to 133,030 commercial properties out of a total of 133, 875. |
| 9 | <u>Fire Hall Protected</u> – Commercial Lines insured properties within 5 km in road travel distance of a City of Calgary fire station but not within 150 m of hose lay of a recognized hydrant. In Calgary, this equates to 584 commercial properties out of a total of 133, 875. |
| 10 | <u>Unprotected</u> – Commercial Lines insured properties not within 5 km in road travel distance of a City of Calgary fire station. In Calgary, this equates to 261 commercial properties out of a total of 133, 875. |

Table 4.3: Dwelling Protection Grade, City of Calgary

| 2020 | Comments |
|------|---|
| 1 | <u>Hydrant Protected</u> – Personal Lines insured dwellings within 8 km in road travel distance of a City of Calgary fire station and within 300 m of a recognized hydrant on a City of Calgary recognized water distribution system. In Calgary, this equates to 305,092 dwellings out of a total of 305, 720. |
| 3B | <u>Fire Hall Protected</u> – Personal Lines insured dwellings within 8 km in road travel distance of a City of Calgary fire station but not within 300 m of hose lay of a |

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|---|---|
| | recognized hydrant. In Calgary, this equates to 552 dwellings out of a total of 305, 720. |
| 5 | <u>Unprotected</u> – Personal Lines insured dwellings beyond 8 km in road travel distance of a City of Calgary fire station. In Calgary, this equates to 76 dwellings out of a total of 305, 720. |