

Interim Study Proposal 2013-201
By Representative Kim Hammer

*“REQUESTING THAT THE HOUSE COMMITTEE ON CITY, COUNTY, AND LOCAL AFFAIRS
CONDUCT A STUDY OF THE BEST PRACTICES OF FIRE DEPARTMENTS IN THE STATE AND IN
THE NATION THAT MAY BE IMPLEMENTED IN A LOCAL COMMUNITY TO IMPROVE
EFFICIENCY”*

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INTERIM STUDY PROPOSAL 2013-201

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3 REQUESTING THAT THE HOUSE COMMITTEE ON CITY, COUNTY, AND LOCAL
4 AFFAIRS CONDUCT A STUDY OF THE BEST PRACTICES OF FIRE DEPARTMENTS
5 IN THE STATE AND IN THE NATION THAT MAY BE IMPLEMENTED IN A LOCAL
6 COMMUNITY TO IMPROVE EFFICIENCY.

7
8 WHEREAS, the Insurance Services Office, Inc. is a private, for-profit
9 company that provides fire loss risk evaluations based on its Fire
10 Suppression Rating Schedule to determine the capabilities of a local
11 community fire department to respond to fires; and

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13 WHEREAS, the Insurance Services Office, Inc. helps insurers calculate
14 local property insurance rates by grading a local community's fire loss risk
15 that is used for property insurance rating schedules; and

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17 WHEREAS, a local community's public protection classification grade is
18 calculated by comparing the actual conditions in a local area with the
19 standards of the fire suppression rating schedule; and

20
21 WHEREAS, recent revisions to the Fire Suppression Rating Schedule used
22 by the Insurance Services Office, Inc. will impact a local community's public
23 protection classification grade and property insurance rating schedules; and

24
25 WHEREAS, national and state research should be analyzed to study
26 possible improvements to the public protection classification system used by
27 the state to evaluate the fire loss risk of local communities and its impact
28 on property insurance rates; and

29
30 WHEREAS, because of the rural nature of local communities that are
31 served by many fire departments in the state, the responsibilities of a fire
32 department include more than just fire protection, including without
33 limitation providing assistance for medical calls, rescues, and other
34 emergency services; and

1 WHEREAS, a large number of fire departments are staffed by an aging
2 population of volunteers and fire departments are currently having a
3 difficult time obtaining new volunteers and keeping experienced volunteers;
4 and

5
6 WHEREAS, there are one thousand three (1003) fire departments in the
7 state and many of these fire departments overlap service areas of other
8 jurisdictions or cover areas that are too large to provide adequate fire
9 protection; and

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11 WHEREAS, there are a number of different types of fire departments in
12 the state, resulting in a lack of uniformity in business structure and
13 operation that is confusing for property owners, insurance companies, and
14 fire departments themselves; and the departments that are organized as fire
15 protection districts seem to be the most efficient and effective way to
16 organize a fire department,

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18 BE IT PROPOSED BY THE HOUSE COMMITTEE ON CITY, COUNTY, AND LOCAL AFFAIRS OF
19 THE EIGHTY-NINTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20
21 THAT the House Committee On City, County, And Local Affairs conduct an
22 interim study to determine the best practices of fire departments in the
23 state and in the nation that may be implemented in a local community to
24 improve efficiency.

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26 BE IT FURTHER PROPOSED THAT the study review and provide a proposal for
27 the implementation of an in-state property insurance rating system that does
28 not utilize or participate in the Insurance Services Office, Inc.'s Fire
29 Suppression Rating Schedule and public protection classification system.

30
31 BE IT FURTHER PROPOSED THAT the study review and analyze the impact of
32 an increase in funding to volunteer fire departments.

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34 BE IT FURTHER PROPOSED THAT the study review the role of fire
35 departments including without limitation response to fires, medical
36 assistance calls, rescues, and other emergency services.

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BE IT FURTHER PROPOSED THAT the study review and analyze potential incentives and methods to recruit and retain volunteers for volunteer fire departments.

BE IT FURTHER PROPOSED THAT the study review the number of volunteer fire departments and any available resources in the state to determine the most efficient operation of volunteer fire departments and evaluate if consolidation of fire departments or other options or measures are necessary to improve efficiency.

BE IT FURTHER PROPOSED THAT the study review and study the conversion of all non-municipal fire departments to fire protection districts.

BE IT FURTHER PROPOSED THAT the study review and develop an overall comprehensive plan to bring all the non-municipal fire department's Insurance Services Office, Inc.'s public protection class rating to a six (6) or less by 2024.

Respectfully submitted,

Representative Kim Hammer
District 28

By: ANS/ANS

In Arkansas, the State Insurance Department (SID) reviews rates to ensure compliance with state law. The Property and Casualty Division of the SID is responsible for monitoring and regulating rate and form filing activities. The division evaluates how a rate is distributed among policy holders but may only disapprove a rate if it is actuarially excessive, inadequate, or unfairly discriminatory. Arkansas is considered a “competitive rating state” for most lines of insurance so a rate change becomes effective twenty (20) days after filing the rate.

Under § 23-88-104, an insurer is required to prepare an impact statement that describes a rate’s effect on fire protection in the geographic area with any filing it submits *unless* the insurer utilizes a public protection classification (PPC) system maintained by a licensed advisory organization to attain the rate. ISO is an advisory organization with the SID.

Overview of Insurance Services Office, Inc.

The ISO is a private for-profit company that provides fire loss risk evaluations based on its Fire Suppression Rating Schedule (FSRS) to determine the capabilities of a fire department or agency to respond to fires. ISO helps insurers calculate local property and casualty insurance rates, operates as a statistical agent, and provides underwriting services, risk management development services, and other similar services.

The ISO PPC system assigns a numeric value to reflect a community’s local fire protection that is used for property insurance rating schedules. The fire protection level of a community is typically graded using ISO’s FSRS to measure a community’s water distribution system, fire department equipment, and fire alarm facilities. A detailed FSRS Chart is attached.

A community’s PPC is calculated by comparing the actual conditions in a graded area with the standards of the FSRS. Points are awarded and the total is used to develop the local community’s assigned classification: 1 (best) to 10 (worst). The formula was originally compiled by the National Board of Fire Underwriters to provide uniform standards to measure a community’s fire protection and defense. The PPC of a community determines the base rating which is an integral part of the individual rate calculation for property insurance. A PPC Class chart is attached.

Although participation in the evaluation of a community’s fire protection is on a voluntary basis, the areas that do not participate are labeled “unprotected” Class 10 areas.

How difficult would it be to blend the plans of the four states previously identified, i.e. Hawaii, Louisiana, Mississippi, and Oregon, to find the common ground included in all their requirements and the individually unique points they offer that none of the other states offer?

I researched Hawaii, Louisiana, Mississippi, Oregon, and Washington as the states that were previously mentioned as operating independent rating organizations. However, the ISO system is used in Oregon but it appears Idaho operates an independent rating system.

A short compilation of common and unique characteristics of the five (5) states that are considered independent rating organizations is below along with details for each state.

Common among non-ISO states

Governance - Board of Directors or Executive Committee

Membership - Private insurance companies

Unique characteristics between non-ISO states

Membership – voluntary / mandatory

Election of Board of Directors - elected by members / only members are eligible

Funding – member assessments / state funds

Services provided on behalf of members - rate filings / statistical information

Forms and filings – pre-programmed as state specific

HAWAII

<http://www.hibinc.com/aboutUs.aspx?AspxAutoDetectCookieSupport=1>

The Hawaii Insurance Bureau (HIB) is an independent, non-profit corporation that operates as an advisory organization. It is governed by a board of directors that is elected by the property and casualty insurance company members. HIB prepares and files rules, forms, and loss costs for its members with the State of Hawaii Insurance Division. Many of the forms are pre-programmed and tailored to Hawaii's state requirements. The HIB publishes a "Public Protection Classification Manual" that provides public protection gradings for local communities in Hawaii.

Member assessments are based on the proportion of written premiums for the preceding year in Hawaii as documented on the Annual Statement to the State of Hawaii Insurance Commissioner.

The HIB grades a community's public protection classification on a scale of 1 to 10 based on their fire suppression capabilities.

IDAHO

<http://www.isrb.com/>

The Idaho Surveying and Ratings Bureau, Inc. (ISRB) is a non-profit cooperative association and is regulated as an independent rate-making organization. ISRB provides member insurance companies with fire insurance examinations and ratings. It is governed by a board of directors who are elected by its members. Members are limited to property insurance companies that have a certificate of authority issued by the Idaho Department of Insurance. The ISRB prepares filings on behalf of its members.

Although considered independent, the ISRB utilizes the property insurance statistics compiled by ISO. The ISRB may modify ISO's data taking into consideration local and state economic conditions, market availability, amount of premium volume per type of coverage loss, and the local impact of past rate changes. Final advisory loss costs are

determined in compliance with Section 41-1405(1), Idaho Code.

LOUISIANA

<http://pial.org/>

The Property Insurance Association of Louisiana (PIAL) is a private, non-profit association whose members are state-licensed property insurance companies. On behalf of its members, PIAL grades municipal areas in terms of fire protection capabilities to enable fair insurance rating of the graded areas. On request, PIAL inspects any commercial building in the state for the purpose of fair pricing of individual risks. PIAL also files advisory rates for its members for review by the Louisiana Department of Insurance. PIAL has statutory authority under Louisiana R.S. 22:1460. Expenses of the association are paid by member assessments levied in proportion to services rendered by PIAL to the member based on the direct premiums, less returned premiums, written on properties located in Louisiana by the insurer in the year before the preceding year. A fire chief has the right to request a review of the public fire protection grading for his or her area if the fire chief or his or her designee has attended the Professional Grading Assistance Program class or similar approved fire suppression grading class.

PIAL is considered independent but utilizes ISO's Fire Suppression Rating Schedule (FSRS) and assigns communities a PPC at least every five (5) years. PIAL employs Municipal Field Representatives who visit each community to gather the information needed to determine the applicable PPC through its Rate Application Property Inspection Database (RAPID) software (GIS locator).

In addition to the PPC, other factors used to develop fire insurance rates for the community include a fire communications system, the location of fire department stations, the quality and quantity of fire equipment, number of and the specific equipment on each fire engine, annual inspection records, fire prevention activities, and a review of the water supply (water source, the number of pumps, daily consumption).

MISSISSIPPI

<http://www.msratingbureau.com/>

The Mississippi Ratings Bureau (MSRB) is a non-profit corporation comprised of several departments including the Rating Department, Public Protection Department, and Audit and Accounting Department. The MSRB is governed by a board of directors (or an executive committee). Every insurance company licensed by the Mississippi Insurance Department (MID) to write Fire and Allied Lines Insurance in Mississippi is required to be a member of the MSRB (approximately 639 members). Members are assessed an annual fee based on the premiums written in Mississippi. Since 1988, auditing of insurance policies is performed on an optional basis.

The Rating Department provides data concerning property insurance advisory loss costs through review of fire protection plans, actuarial audits, and interviews with the community.

The Public Protection Department conducts on-site surveys of municipalities and local fire districts to establish or improve classifications as a basis for determining fire insurance rates. It also makes recommendations to improve the efficiency of fire loss prevention and to educate the public about fire protection, including auditing of local water distribution systems. The Public Protection Department handles the Building Code Effectiveness Grading Schedule for local governments in Mississippi.

The Audit and Accounting Department audits property insurance policies to evaluate the accuracy of the specifics used to calculate the premiums. Using a Statement of Values, the Auditing Department calculates the Blanket Average Rates / Loss Costs and Public and Institutional Property (PIP) Average Rates / Loss Costs.

The MSRB prepares and files rating plans and related changes for Fire and Allied Lines Insurance Coverage with the MID on behalf of its members. The MSRB notifies members of changes in PPC grades and changes to local fire districts and local government that impacts property insurance and provides members with various Fire and Allied Lines Insurance rates / loss costs, forms and manuals.

The MSRB maintains it is a neutral party in the property insurance premium process and its services are available to the public.

OREGON

http://www.oregon.gov/osp/SFM/pages/data_standardscover.aspx

Oregon State Police – Oregon Office of State Fire Marshal
Uses ISO PPC rating information.

WASHINGTON

<http://www.wsrb.com/WSRBWeb/Default.aspx>

The Washington Surveying Rate Bureau (WSRB) is a non-profit, public-service institution that provides property underwriting and rating information to all state-licensed insurers in Washington. The WSRB is funded by an annual assessment of subscribers based on premiums written in Washington.

The Washington State Office of the Insurance Commissioner approves the schedule used by WSRB to evaluate local communities for their fire protection and fire suppression capabilities. A mayor or fire district commission may request an evaluation.

WSRB assigns each community a Protection Class of 1 through 10 after surveying four (4) major areas including: (1) Fire department data (engine companies, ladder companies, distribution of fire stations and fire companies); (2) Water supply [conducting flow tests to measure water pressures (psi) and volume (gpm), hydrant size, type, and installation, inspection frequency]; (3) Emergency communications systems (community's 911 system, dispatch personnel and training); and (4) Fire safety control

(fire prevention activities, fire code enforcement, public education, building code enforcement).

WSRB inspections are used as a basis for establishing rating and loss cost values for insurance companies and for risk management purposes. In addition to inspecting for rating and loss cost purposes, WSRB provides more detailed reports for insurance underwriting needs including a commercial property report, general casualty report, and a custom report.

Are there federal requirements that a state must comply with if they are not going to use ISO or is each state at liberty to develop their own?

The ability to establish an in-state independent rating organization is not limited by federal law.

Points Required for Each PPC Class

Class	Points
1	90 +
2	80 to 89.99
3	70 to 79.99
4	60 to 69.99
5	50 to 59.99
6	40 to 49.99
7	30 to 39.99
8	20 to 29.99
9	10 to 19.99
10	0 to 9.99

Items Considered in the FSRS and the weight of each item used in calculating a PPC rating.

Emergency communications

Emergency reporting: ISO will credit basic 9-1-1 or Enhanced 9-1-1. Other items evaluated include E9-1-1 wireless, voice over Internet Protocol (VoIP), and computer-aided dispatch (CAD). **3 points**

Telecommunicators: ISO credits the performance of the telecommunicators in accordance with the general criteria of NFPA 1221, *Standard for the Installation, Maintenance, and Use of Emergency Services Communications Systems*. We also credit emergency dispatch protocols and the telecommunicators' training and certification programs. **4 points**

Dispatch circuits: ISO credits the number and type of dispatch circuits in accordance with the general criteria in NFPA 1221. **3 points**

Emergency communications total: 10 points

Fire department

Engine companies: ISO compares the number of in-service pumpers and the equipment carried with the number of needed pumpers and the equipment identified in the FSRS. The number of needed engines depends on the basic fire flow, the size of the area served, and the method of operation. **6 points**

Reserve pumpers: ISO evaluates the number of reserve pumpers and their pump capacity; other factors include hose and equipment carried. **0.5 points**

Pump capacity: ISO compares the pump capacity of the in-service and reserve pumpers (and pumps on other apparatus) with the basic fire flow. ISO considers a maximum basic fire flow of 3,500 gpm. **3 points**

Ladder/service companies: Communities use ladders, tools, and equipment normally carried on ladder trucks for ladder operations, as well as for forcible entry, utility shut-off, ventilation, salvage, overhaul, and lighting. The number and type of apparatus depend on the height of the buildings, needed fire flow, and size of the area served. **4 points**

Reserve ladder/service trucks: ISO evaluates the number of reserve ladder/service trucks and the equipment they carry. **0.5 points**

Deployment analysis: ISO credits the percentage of the community within specified response distances of pumpers (1.5 miles) and ladder/service apparatus (2.5 miles). As an alternative, a fire protection area may use the results of a systemic performance evaluation. That type of evaluation analyzes CAD history to demonstrate that, with its current deployment of companies, the fire department meets the time constraints for initial arriving engine and initial full-alarm **10 points**

assignment. The timing is in accordance with the general criteria in NFPA 1710, *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*.

Personnel: ISO credits the personnel available to respond to first alarms for structure fires. For personnel not normally in the fire station (on-call and off-duty members), ISO reduces credit for the responding members to reflect the time needed for notification, travel, and assembly on the fireground. ISO then applies an upper limit for the credit for personnel because it is impractical for a very large number of personnel to operate a piece of apparatus. **15 points**

Training: Trained personnel are vital to a competent fire suppression force. ISO evaluates training facilities and their use; company training at fire stations; training and certification of fire officers; driver/operator, hazardous materials, and recruit training; and building familiarization and preincident planning inspections. **9 points**

Operational considerations: ISO credits the standard operating procedures for structure firefighting and the establishment of an incident management system. **2 points**

Fire department total: 50 points

Water supply

Supply system: ISO compares the available water supply at representative community locations with the needed fire flows for those locations. The supply works, water main capacity, or fire hydrant distribution may limit the available supply. **30 points**

Hydrant size, type, and installation: ISO evaluates the design and installation of fire hydrants. **3 points**

Inspection and fire flow testing of hydrants: ISO evaluates the frequency and completeness of fire hydrant inspections and the flow-testing program, which can include the use of calibrated hydraulic molding. ISO also includes credit for hydrant marking. **7 points**

Water supply total: 40 points

Community risk reduction

Fire prevention code adoption and enforcement: This section assesses the Fire Prevention Code adoption and enforcement capabilities of a community. Items evaluated include adoption and maintenance of one of the model codes; number and qualifications of fire prevention personnel, including certification and continuing education; and fire prevention programs, such as plan review, certificate of occupancy **2.2 points**

inspections, quality control, code compliance, inspection of private fire protection equipment, fire prevention ordinances, and coordination with fire department training and preincident planning activities.

Public fire safety education: ISO evaluates the existence of a fire safety education program; the qualifications, training, and certifications of public fire safety educators; and the activities of the various public fire safety education programs, such as residential fire safety programs, fire safety education in schools, juvenile firesetter education programs, and fire safety education in occupancies with large loss potential or hazardous conditions.

2.2 points

Fire investigation: This section examines the fire investigation activities of a community and is based on establishing authority to conduct and enforce fire investigations, the number and qualifications of fire investigators, the activities of the fire investigation staff, and the use of the National Fire Incident Reporting System.

1.1 points

Community risk reduction total: 5.5 points

Survey total: 105.5 points

Divergence

Divergence: Even the best fire department will be less than fully effective if it has an inadequate water supply. Similarly, even a superior water supply will be less than fully effective if the fire department lacks the equipment, personnel, or operational considerations to use the water. If the relative scores for fire department and water supply are different, ISO adjusts the total score downward to reflect the limiting effect of the less adequate item on the better one.

Arkansas statutes

23-67-202. Definitions.

As used in this chapter, unless the context otherwise requires:

(1)(A)(i) “Advisory organization” or “rate service organization” means any entity which either has two (2) or more member insurers or is controlled either directly or indirectly by two (2) or more insurers, licensed under § 23-67-214, and which assists insurers in ratemaking-related activities such as those enumerated in § 23-67-216.

(ii) Two (2) or more insurers having a common ownership or operating in this state under common management or control constitute a single insurer for the purpose of this definition.

(B) The term “advisory organization” shall not include a joint underwriting association prescribed by law, any actuarial or legal consultant, or any employee of an insurer;

(2) “Competitive market” means a market in which a reasonable degree of competition exists and which has not been found to be noncompetitive pursuant to § 23-67-207;

(3) “Commercial risk” means any kind of risk which is not a personal risk, as defined in subdivision (7) of this section;

(4) “Loss development” means the adjustment of losses as of some particular date to an ultimate settlement basis based on past maturity patterns;

(5) “Loss trending” means any procedure for projecting developed losses for the cost-level adjustment to the average date of loss for the period during which the policies are to be effective;

(6) “Noncompetitive market” means a market in which a reasonable degree of competition does not exist pursuant to the provisions of this chapter;

(7) “Personal risks” means homeowners, tenants, private passenger nonfleet automobiles, mobile homes, and other property and casualty insurance for personal, family, or household needs;

(8) “Pool” means a voluntary arrangement, established on an ongoing basis, pursuant to which two (2) or more insurers participate in the sharing of risks on a predetermined basis. The pool may operate through an association, syndicate, or other pooling agreement;

(9) “Pure premium” means that part of the premium which is sufficient to pay losses and loss adjustment expenses only;

(10) “Residual market mechanism” means an arrangement, either voluntary or mandated by law, involving participation by insurers in the equitable apportionment among them of insurance which may be afforded to applicants who are unable to obtain insurance through ordinary methods;

(11) “Rates” or “supplementary rate information” includes any manual or plan of rates, classification, rating schedule, minimum premium, policy fee, rating rule, and any other similar information needed to determine the applicable rate in effect or to be in effect; and

(12) “Supporting information” means:

(A) The experience and judgment of the filer and the experience or data of other insurers or organizations relied upon by the filer;

filer;

- (B) The interpretation of any statistical data relied upon by the
- (C) Descriptions of methods used in making the rates; and
- (D) Other information required by the Insurance Commissioner to

be filed.

23-67-206. Exemptions.

(a) In a competitive market, property and casualty insurance for commercial risks, excluding workers' compensation, employers' liability, and professional liability insurance, including, but not limited to, medical malpractice insurance, are exempted from the rate filing and review provisions set forth in this chapter.

(b) Risks or portions thereof which are not rated according to manuals, rating plans, or schedules including "a" rates, risks rated under the "referral to company" or "individual risk situations" rules, are exempted from the rate filing and review provisions set forth in this chapter. Insurers must maintain complete files on how they determined the rate for such risks and make these files available to the Insurance Commissioner upon request.

(c) The commissioner, upon his or her own initiative or upon request of any person, by order, may exempt any market, segment, or line from any or all of the provisions of this chapter if and to the extent that he or she finds the exemption necessary to achieve the purposes of this chapter.

23-67-207. Noncompetitive market.

(a) If the Insurance Commissioner has cause to believe that a reasonable degree of competition does not exist in a market, the commissioner shall hold a hearing. In determining whether a reasonable degree of competition exists, insurers operating within that market shall have the burden of establishing that a reasonable degree of competition exists within that market.

(b)(1) The commissioner shall consider relevant tests of competition pertaining to market structure, market performance, and market conduct, and the practical opportunities available to consumers in the market to acquire pricing and other consumer information and to compare and obtain insurance from competing insurers.

(2) These tests may include, but are not limited to, the following:

- (A) Size and number of insurers actively engaged in the market;
- (B) Market shares and changes in market shares of insurers;
- (C) Ease of entry into and exit from a given market;
- (D) Underwriting restrictions; and
- (E) Whether long-term profitability for insurers generally in the market is unreasonably high.

(c) After the hearing, the commissioner shall issue an order as to his or her findings. This order shall expire no later than one (1) year after it is effective as provided in the order.

23-67-208. Rate standards.

(a) Rates shall not be excessive, inadequate, or unfairly discriminatory.

(b) A rate in a competitive market is assumed not to be excessive. A rate is excessive in a competitive or noncompetitive market if it is likely to produce a profit from Arkansas business that is unreasonably high in relation to past and prospective loss experience for that class of business which the filing affects or if expenses are unreasonably high in relation to services rendered.

(c) A rate is clearly inadequate if, together with the investment income attributable to it, it fails to satisfy projected losses and expenses in the class of business to which it applies.

(d)(1) A rate is not unfairly discriminatory in relation to another in the same class of business if it reflects equitably the differences in expected losses and expenses. Rates are not unfairly discriminatory because different premiums result for policyholders with like loss exposures but different expense factors, or with like expense factors but different loss exposures, if the rates reflect the differences with reasonable accuracy.

(2) A rate shall be deemed unfairly discriminatory as to a risk or group of risks if the application of premium discounts, credits, or surcharges among the risks does not bear a reasonable relationship to the expected loss and expense experience among the various risks.

23-67-209. Rating criteria.

(a) Due consideration must be given to past and prospective loss and expense experience within and outside this state, to catastrophe hazards and contingencies, to events or trends within and outside this state, to loadings for leveling rates over a period of time, to dividends or savings to be allowed or returned by insurers to their policyholders, members, or subscribers, and to all other relevant factors. All submissions for rate changes or supplementary rate changes must include this information with Arkansas experience shown as well as companywide experience for the past five (5) years for the class of business which this filing affects. The determination of the weighting of credibility assigned to Arkansas must be fully explained. If, within a particular class, the data is not sufficiently credible for Arkansas or companywide, and common classes are grouped together for rate-making purposes, all class codes utilized in developing credibility shall be shown as an exhibit in the filing, with Arkansas experience for each class affected shown separately. If significant trends within the state are utilized, a narrative describing the basis of the trend must be included.

(b) Risks may be classified in any reasonable way for the establishment of rates, except that no risks may be grouped by classifications based in whole or in part on race, color, creed, or national origin of the risk.

(c) The expense provisions included in the rates to be used by any insurer shall reflect the operating methods of the insurer and its actual and anticipated expense experience.

(d) The rates may contain provisions for contingencies and an allowance permitting a reasonable profit. In determining the reasonableness of the profit, consideration must be given to all investment income attributable to premiums and to the reserves associated with those premiums and to loss reserve funds.

23-67-210. Rating plans.

(a) Rates may be modified to produce premiums for individual risks in accordance with filed rating plans which establish standards for measuring variations in hazards or expense provisions. Those standards may measure differences among risks that can be demonstrated to have a probable effect upon losses or expenses. The modification shall apply to all risks under the same or substantially the same circumstances or conditions.

(b) This provision does not apply to filed modification plans which may be offered to an insured including, but not limited to, retrospective rating plans and composite rating plans.

23-67-211. Filing of rates and other rating information.

(a) Filings as to Competitive Markets.

(1)(A)(i) In a competitive market, every insurer shall file with the Insurance Commissioner all rates, supplementary rate information, and supporting information for risks which are to be written in this state.

(ii) The rates and information shall be filed twenty (20) days prior to the effective date.

(B) A filing shall be deemed to meet the requirements of this chapter and to become effective upon the expiration of the waiting period or sooner if approved by the commissioner.

(2)(A)(i) In a competitive market, if the commissioner determines after a hearing or by agreement that an insurer's rates require closer supervision because of the insurer's financial condition or its rating practices, the insurer shall file with the commissioner at least sixty (60) days prior to the effective date all rates and supplementary rate information and supporting information prescribed by the commissioner.

(ii) Upon application by the filer, the commissioner may authorize an earlier effective date.

(B) A filing shall be deemed to meet the requirements of this chapter and to become effective upon the expiration of the waiting period.

(b) Filings as to Noncompetitive Markets.

(1)(A) In a noncompetitive market, every insurer shall file with the commissioner all rates for that market. These rates, supplementary rate information, and supporting information required by the commissioner shall be filed at least sixty (60) days prior to the effective date.

(B) Upon application by the filer, the commissioner may authorize an earlier effective date.

(2) A filing shall be deemed to meet the requirements of this chapter and to become effective upon the expiration of the waiting period unless disapproved by the commissioner.

(c) If a private passenger automobile, homeowners multi-peril, or dwelling fire policy overall rate is increased under this section, then the commissioner shall publish notice of the rate increase and the overall percentage of the rate increase:

- (1) On the State Insurance Department's website; and
- (2) If the increase is twenty percent (20%) or greater, in a newspaper of general circulation in this state for three (3) consecutive business days.

(d) Effective June 30, 2006, if an insurer writing private passenger automobile, homeowners multi-peril, or dwelling fire insurance revises its rates and the revision results in a premium increase on a renewal policy and the insured will receive a rate increase other than due to a change in the nature of the risk insured, then the insurer shall mail or deliver to the insured and the agent of record not less than thirty (30) calendar days prior to the effective date of renewal a notice specifically stating the insurer's intention to increase the rate for the renewal.

(e) Adherence to Filings. Insurers must adhere to filings made under this section until the filings are amended or withdrawn.

23-88-103. Rate credits or reduced rates in rural fire protection districts or areas.

(a)(1) It is found and determined by the General Assembly that:

(A) Rural fire protection districts are beneficial to all property owners in the districts;

(B) Many of the districts are financed wholly or in part by dues or subscription payments made by members of the district;

(C) Some owners of property in the districts fail or refuse to become members of and pay the dues or subscription charges to the district and that under present law insurance companies are permitted to give nonmember property owners the same rate credit as is granted to paying members of the district; and

(D) The giving of equal rate credit to paying and nonpaying property owners in the district is most inequitable and should be corrected.

(2) Therefore, it is the intent and purpose of this section to prohibit insurers from giving nonpaying property owners in rural fire protection districts the rate credit given paying members of the district.

(b) Any property or casualty insurance company which gives any rate credit or any special reduced rates on risks located in a rural fire protection district or in any area protected by a rural fire department, which district or department is wholly or partially funded by assessments, dues, or subscription payments paid by owners of property located in the district or property owners who are members of an association supporting the rural fire department, shall give the rate credit or reduced rate only on risks insured by persons who pay the appropriate assessment, dues, or subscription payments for support of the district or department.

(c)(1)(A) It is unlawful for any insurance agent or company to knowingly write an initial policy of fire insurance coverage on any risk located in a rural fire protection district or in any area protected by a rural fire department at any special reduced rate or with any rate credit based on the location of the risk in such a district or area without having first obtained from the insured or from the fire department providing service in the district or area evidence showing that a current assessment, dues, or subscription payments for the property to be insured have been paid to the fire department serving the area in which the insured property is located.

(B) The evidence required by the insurer may be, but is not limited

to, a receipt, cancelled check, or other valid proof of payment provided by the insured.

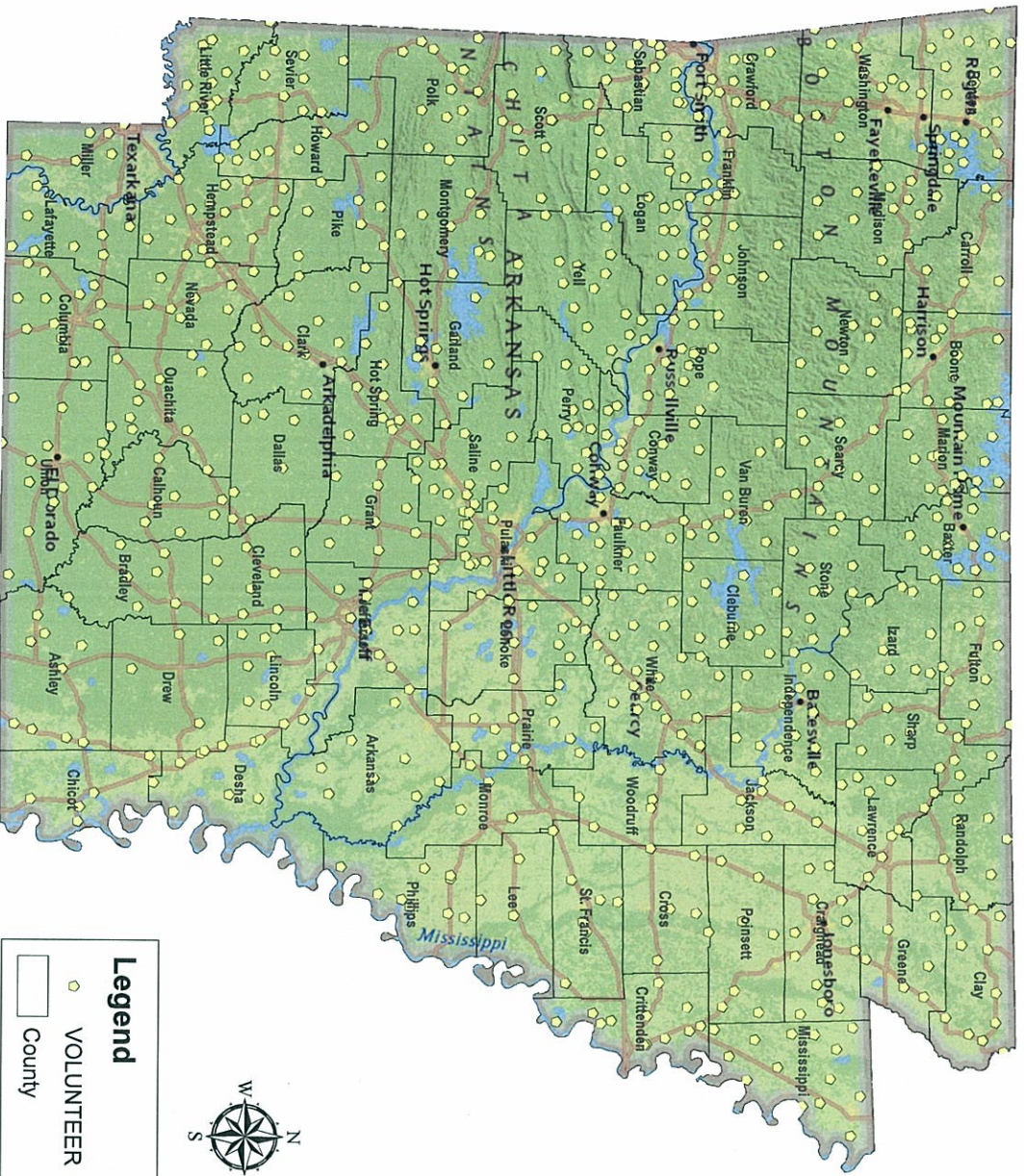
(2)(A) If any agent is found by the Insurance Commissioner to have violated the provisions of this subsection, the agent shall be liable for an administrative penalty of one hundred dollars (\$100) for the first violation and five hundred dollars (\$500) for the second violation.

(B) For any subsequent violation, the agent shall be liable for an administrative penalty of five hundred dollars (\$500) plus an amount equal to the difference between the amount of the premium actually charged on the particular policy involved based on the special rate and the amount of premium which would have been charged if the special rate had not been applied.

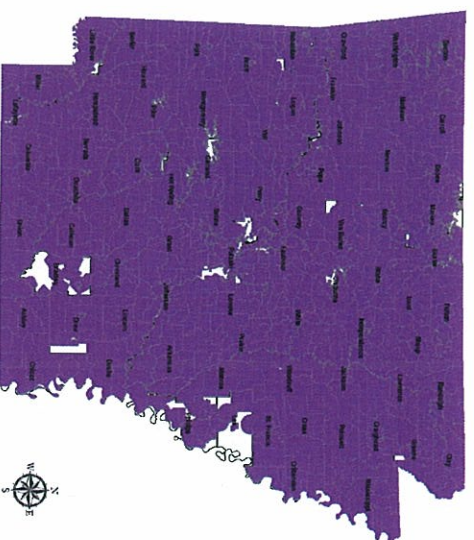
23-88-104. Fire protection to be considered in property insurance rating plans.

When making a rate or rule filing, an insurer shall include an impact statement concerning the filing's effect on fire protection in the affected area unless the insurer utilizes a public protection classification system maintained by a licensed advisory

Arkansas Fire Stations - Volunteer



Areas outside the Fire Districts in WHITE



Source: Fire Station
 Techni Graphic Systems, Inc.
 Last updated: 20100323

Metadata Point of Contact
 Techni Graphic Systems, Inc
 Mike Thompson 330-263-6222
 mthompson@tgstech.com

Challenges facing rural volunteer fire departments in Arkansas

How can we lower ISO Ratings for Fire Departments in Arkansas? Fire Departments in Arkansas face major challenges in delivering fire protection services statewide. Finding volunteers committed to training, readiness and undertaking life-threatening risks is a major task for every fire department. Establishing, collecting and administrating state and local revenues for fire houses, equipment, and water sources presents an immense set of hurdles. The sheer number of fire departments in Arkansas amplifies the challenges for acquiring and retaining trained volunteers and administrators; and creates inefficiencies in collecting and administrating revenues. According to the Arkansas Department of Emergency Management there are approximately 980 certified fire departments in Arkansas and of these there are approximately 546 rural volunteer fire departments and 343 municipal fire departments (of which 26 municipal fire departments are paid or not VFD).

Headwinds for fire departments and volunteers

Charles Gangluff, Arkansas Association of Resource Conservation and Development Councils program manager, says the challenge of finding and keeping volunteer firefighters and administrators is becoming more difficult each year. This concern is found not only in Arkansas, but nationwide. Between 2008 and 2011 the number of volunteer firefighters in the U.S. declined by almost 9 percent. Training hours are increasing as the fire departments strive to efficiently provide the various services required by the public. Obviously training is very important, but the hours required to become proficient at these demanding tasks can often discourage new recruits. Most fire departments are seeing much higher call volume than they were just a few years ago. At the same time, there are fewer people willing to serve. This is often due to less free time for many citizens. The average age of volunteer firefighters in rural Arkansas continues to go up. Younger men and women seem to be impacted more severely by the current economic conditions and therefore have to travel further for work and may also have a second job.

The ultimate goal is to provide adequate fire protection services statewide and the acceptable method of measuring the level of fire protection services is the premium rating as per the Insurance Services Office. Calculations obtained by

the Bureau of Legislative Research reflect that an improvement statewide of 2 points under the Insurance Services Office (ISO) premium rating may result in a reduction in insurance premiums to Arkansans in excess of \$80 million. The percentage of Arkansas fire departments with ISO ratings of 9 is 49 percent and much higher than the national average of 26 percent. More detail can be found in the below charts showing the ISO ratings for Fire Departments in Arkansas and the national average of ISO ratings for fire departments nationwide.

Commitment of AAC, Counties and County Officials

The Association of Arkansas Counties, the County Judges Association of Arkansas, the Arkansas Assessors Association, and the Arkansas Collectors Association along with the 75 county governments and many of our 1,334 county and district officials have a special commitment to fire departments and their officers and employees. Many counties have local taxes or appropriations for fire departments in accordance with A.C.A. 14-284-403(a). However, as per Attorney General Opinion 2012-007 and Legislative Audit this section of code must be read in light of the Constitutional prohibition for appropriating local funds to individuals or corporations. The AG stated the law is read to require as a predicate to appropriating funds contracts for services to be entered into by counties in consideration of fire services in the unincorporated areas of the county.


Worker's Compensation coverage offered by

the Association of Arkansas Counties Workers Compensation Trust ("AAC-WCT") are offered by counties for rural volunteer firefighters. Recently, the Association of Arkansas Counties Risk Management Fund ("AACRMF") adopted a program in conjunction with the Arkansas Association of Resource Conservation and Development Councils ("AARCD") to provide active volunteer firefighters with Accidental Death and Dismemberment Insurance as well as Wage Loss Protection. These policies are complementary to the current Worker's Compensation coverage and are expected to increase firefighter recruitment and retention. This program is being funded with a grant from the SAFER or the "Staffing for Adequate Fire and Emergency Response" Program. Meetings have been held throughout the state to inform the fire departments about the program and to answer questions.

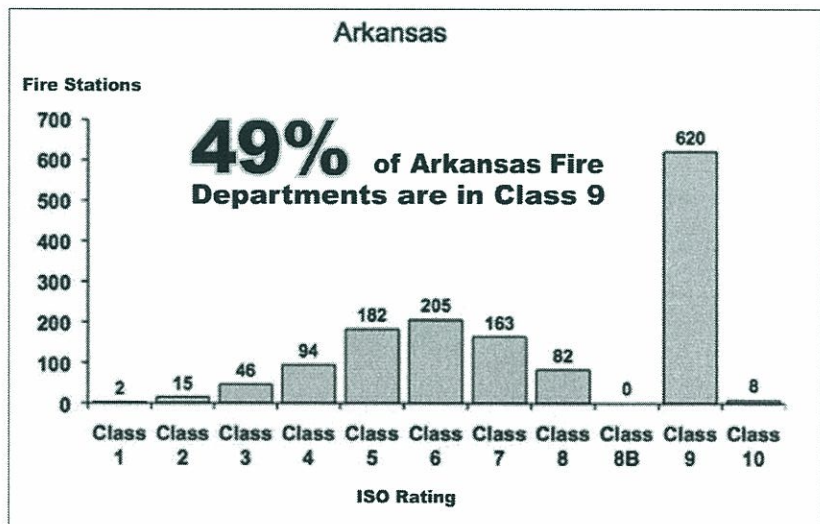
Commitment of the State of Arkansas

In 1991 the General Assembly with the support of counties, cities and other organizations rose to offer a financial rescue of fire departments in Arkansas. Act 833 of 1991 codified as A.C.A. 14-284-401 et seq. and A.C.A. 26-57-

RESEARCH CORNER



MARK WHITMORE
AAC Chief Counsel



614 assessed and declared as the public policy of the state that it is necessary to assess an insurance premium tax to provide for adequate fire protection services to the citizens and their property through the use of properly trained and equipped fire fighters. The insurance premium tax of 1/2 of 1 percent on certain real and personal property insurance under Act 833 has resulted in disbursements of over \$158 million to fire departments since commencing with state fiscal year 1992. Act 833 disbursements have grown from about \$3.5 million in FY 1992 to about \$12.5 million in FY 2012.

Also, the General Assembly Act 1314 of 2007 and Act 884 of 2009 each funded \$4 million to fire departments. The Arkansas Supreme Court in *Wilson v. Weiss* in 2007 ruled adversely concerning local appropriations by the General Assembly [368 Ark. 300 (2006); and 370 Ark. 359 (2007)]. As a result of the litigation the Governor and General Assembly have provided state funds to fire departments statewide. Funding to the Arkansas Department of Rural Services has recently been \$300,000 for fire protection grants. The funding to Arkansas Association of Resource Conservation and Development Councils ("AARCD") has recently declined to \$175,000. In 1996, the initial amount of \$1.1 million was allotted to the Arkansas Natural Resources Commission ("ARNC") to split this funding amongst their various boards funding the Rural Fire Protection Program administered by AARCD. The year end fiscal reports from 2003-2013 show appropriations of \$1.1 million to the commission, but unfortunately they also showed a consistent annual decrease in funding for the Rural Fire Protection Program. As a result, the Rural Fire Protection Program as well as Sewage and Water received fewer funds. The Rural Fire Pro-

tection Program began at \$497,000 in 2003 and dwindled to \$30,000 in a seven-year span (FY03-FY10) and to increase recently only to \$175,000 for (FY11-FY13).

Commitment to Taxpayer Fairness

It is apparent from information gathered by the Bureau of Legislative Research that the collection rates of fire departments are frequently below 30 percent. In contrast the collection rate of fire departments that utilize the county collector's office for collection is well above 90 percent and often higher. During the 2013 regular session of the General Assembly and frequently at the AAC, questions arose about the manner and laws on collecting fire dues. Rep. Kim Hammer (R, District 38) of Benton, Ark., made inquiry and has filed an ISP, Interim Study Proposal, ISP-2013-161

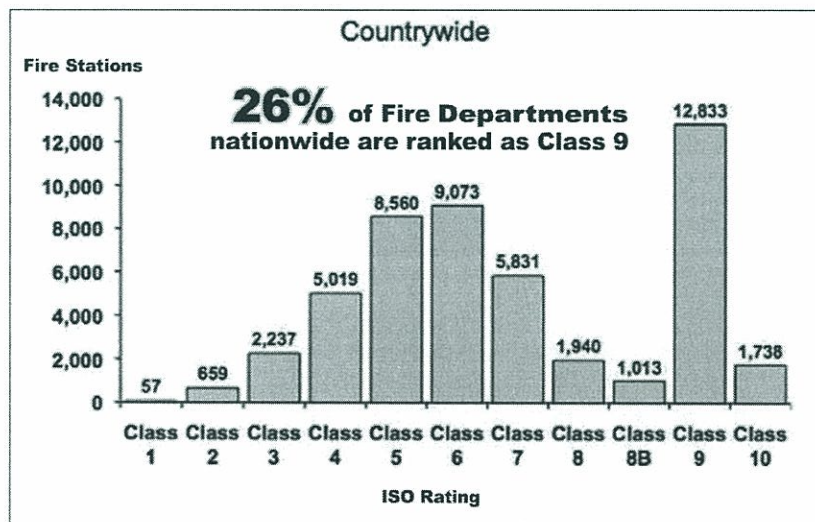
Act 1326 of 2003 funded a program that is now assisting fire departments in mailing their dues notices through AARCD. This program has successfully aided many fire departments by reducing the time consuming tasks and expense of mailing membership dues notices. The notices contain language to encourage public support of the fire department. The billing notices will appear to come from your fire department and the checks from the citizens will be mailed directly to your department at the address you specify. All of this is done at no cost to the fire department.

At the request of Rep. Hammer and the Bureau of Legislative Research, the Collectors Association polled county collectors statewide and determined that only 30 counties have collectors, sheriff-collectors or treasurer-collectors placing the fire dues on the tax statements. These fire departments had to front-end effort to organize their collection books and to comply with the law, but the return is several-fold

year after year. The remaining 45 counties indicate that they do not collect fire dues on the tax statements. Statewide the information gathered indicates that only 154 fire departments have their dues placed on the tax bills by their county collector. (See "On the Web" component for data on counties collecting fire dues.)

Some of the legal questions facing volunteer fire departments on collection of fire dues hinge upon the manner in which the particular fire department was formed. Many of these hundreds of volunteer fire departments were established as: nonprofit corporations; fire protection districts, fire improvement districts, suburban fire districts; and city or county created departments or entities such as public facilities boards, administrative boards, or advisory boards, etc. Volunteer fire departments have limited access to legal assistance and to financial administration, including collection of dues. Two laws provide an avenue for placing the collection of fire dues upon the property tax bills, A.C.A. 14-284-201 et seq. and A.C.A. 14-20-108. A.C.A. 14-284-215 is limited to fire protection districts. As per recent Attorney General Opinion No. 2013-08, A.C.A. 14-20-108 applies to any fire department including fire protection districts and including nonprofit fire departments in consideration of providing fire protection to unincorporated areas in the county.

A comparison may be needed between the ISO ratings of the fire department having their fire dues placed on the tax bills (and the resulting higher collection rate) versus those that are not having their dues placed on the tax bills (and have substantially lower collection rate). Considering the modest dues of voluntary fire departments, reduction in premiums from enhanced ISO ratings is a net gain to the constituents (often a significant net gain). Fire departments with collection rates of about 30 percent are unlikely to improve their ISO rating (and likewise unlikely to improve their constituents' ISO rating or reduce their premiums). It is our understanding that Rep. Hammer, the Bureau of Legislative Research and the General Assembly under the aforementioned ISP will continue to seek information on ways to enhance collection of fire dues. Meanwhile, the AAC, the CJAA and the Arkansas Collectors Association will assist in informing fire departments of the laws and attorney general opinions referenced in this memorandum.



On the Web:

Look for Counties & Fire Due Collection

www.arcounties.org

Search "county comparison of counties and fire dues."

	Total Number of Rural Fire Departments in County	Dues Collected by County Collector
Arkansas County	10	0
Ashley County	12	0
Baxter County	14	0
Benton County	19	6
Boone County	11	11
Bradley County	8	0
Calhoun County	7	0
Carroll County	6	1
Chicot County	3	0
Clark County	11	0
Clay County	10	1
Cleburne County	9	1
Cleveland County	8	0
Columbia County	14	13
Conway County	12	12
Craighead County	8	8
Crawford County	9	0
Crittenden County	2	0
Cross County	7	1
Dallas County	9	0
Desha County	2	0
Drew County	7	0
Faulkner County	21	18
Franklin County	10	0
Fulton County	7	0
Garland County	9	0
Grant County	10	2
Greene County	8	2
Hempstead County	13	0
Hot Spring County	5	5
Howard County	4	0
Independence County	13	0
Izard County	9	0
Jackson County	15	0
Jefferson County	9	0
Johnson County	10	0
Lafayette County	5	3
Lawrence County	14	7
Lee County	4	0
Lincoln County	7	0
Little River County	15	0
Logan County	21	0
Lonoke County	7	5
Madison County	13	1
Marion County	14	5

Miller County	8	0
Mississippi County	15	0
Monroe County	2	0
Montgomery County	9	0
Nevada County	10	0
Newton County	9	0
Ouachita County	0	0
Perry County	1	1
Phillips County	5	0
Pike County	6	0
Poinsett County	1	1
Polk County	15	0
Pope County	16	1
Prairie County	9	0
Pulaski County	18	16
Randolph County	10	0
Saint Francis County	8	0
Saline County	22	10
Scott County	16	0
Searcy County	10	0
Sebastian County	10	0
Sevier County	4	0
Sharp County	7	7
Stone County	9	0
Union County	0	0
Van Buren County	18	4
Washington County	19	5
White County	28	6
Woodruff County	1	1
Yell County	9	0
Total	736	154

Percent Collected by County Collector 21%



Arkansas Fire Departments



Fire Department Organization: Rural or Municipal

Municipal	Rural
Governance	
<ul style="list-style-type: none">Organized under a city ordinance	<ul style="list-style-type: none">Organized as Fire Protection District; or subordinate service districtsUnder auspice of the County Government; organized as non-profit corporationsOperate under contract to provide county fire protection services.
Funding	
<ul style="list-style-type: none">Funded by municipalityAct 833 FundsDedicated Sales TaxOther dedicated funding streamsAppropriations provided as needed or available	<ul style="list-style-type: none">Private corporationsAct 833 FundsCollection of Fire protection duesFundraisers and DonationsAppropriations provided as need or available



Arkansas Fire Departments



2013 Arkansas Fire Department Information

	Number	Percentage of total
Total Act 833 Enrollment	1002	
Certified Departments	890	88.82%
Uncertified Departments	112	11.18%
Volunteer Depts.	911	90.92%
Combination Depts.	63	6.29%
Paid Depts.	28	2.79%
Rural Departments	615	61.38%
Municipal Depts.	387	38.62%

2013 Arkansas Firefighter Information

	Total	Active	Active	Total
Total Arkansas Firefighter	18,936	16,152	85.30%	
Volunteer Firefighters	14,948	12,379	82.81%	76.64%
Combination Firefighters	1,634	1,486	90.94%	9.20%
Paid Firefighters	2,334	2,280	97.69%	14.12%
Municipal Firefighters	8,501	7,861	92.47%	48.67%
Rural Firefighters	10,417	8,276	79.45%	51.24%

Arkansas FD Active Smoke Detector Programs

	Total
Departments Reporting	382
Departments with Programs	94
Handout	92
Installation	83
Both	81
No Program	288

Revised Fire Suppression Rating Schedule

ISO has made a significant revision to the Fire Suppression Rating Schedule (FSRS), the manual we developed to evaluate municipal fire protection in communities around the country. We filed the revision with state insurance departments in December 2012, and a majority of states have approved it. The schedule measures a community's fire suppression system and develops a numerical grade called a Public Protection Classification (PPC™).

The FSRS incorporates nationally accepted standards developed by such organizations as the National Fire Protection Association (NFPA), the Association of Public Communications Officials (APCO), and the American Water Works Association (AWWA). When those organizations update their standards, the ISO evaluation changes as well, allowing the PPC program to provide a useful benchmark that helps fire departments and other public officials measure the effectiveness of their efforts — and plan for improvements.

The revised schedule focuses on areas that have a proven effect on fire suppression and prevention as well as revisions that align the FSRS requirements with those of nationally accepted standards. The schedule recognizes proactive efforts to reduce fire risk and frequency.

The FSRS evaluates the three major categories of fire suppression: fire department, emergency communications, and water supply. In addition, it now includes a Community Risk Reduction section that recognizes community efforts to reduce losses through fire prevention, public fire safety education, and fire investigation.

Follow the link to obtain a copy of the FSRS:
www.isomitigation.com/ppc/ppc-order-form.html

For more information . . .

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



ARKANSAS
DISTRIBUTION OF COMMUNITIES BY PPC CLASS

PPC CLASS	# COMMUNITIES	\$ CHANGE/CLASS	NEW PPC CLASS WITH 13.65 POINTS DROP PER SIMS		
			NEW PPC CLASS	ONE POINT MOVE	TWO POINT MOVE
1	1		0		
2	18	0.05	1	1	0.05
3	52	0.05	11	11	0.55
4	108	0.057	40	33	2.63
5	188	0.07	88	69	7.243
6	213	0.078	158	119	15.054
7	158	0.096	204	135	24.966
8	75	0.33	178	100	66.228
9	603	0.201	615	482	45.873
10	9	0.376	130	130	45.496
TOTAL	1425		1425	121	208.09

ADJUSTED WEIGHTED AVERAGE PERCENT 14.6

PPC CLASS	# COMMUNITIES	\$ CHANGE/CLASS	NEW PPC CLASS WITH 10 POINTS DROP		
			NEW PPC CLASS	ONE POINT MOVE	TWO POINT MOVE
1	1		0		
2	18	0.05	1	1	0.05
3	52	0.05	18	18	0.9
4	108	0.057	52	52	2.964
5	188	0.07	108	108	7.56
6	213	0.078	188	188	14.664
7	158	0.096	213	213	20.448
8	75	0.33	158	158	52.14
9	603	0.201	557	557	45.873
10	9	0.376	130	130	0
TOTAL	1425		1425	130	144.599

ADJUSTED WEIGHTED AVERAGE PERCENT 10.1

PPC CLASS	# COMMUNITIES	\$ CHANGE/CLASS	NEW PPC CLASS WITH 20 POINTS DROP		
			NEW PPC CLASS	ONE POINT MOVE	TWO POINT MOVE
1	1		0		
2	18	0.05	0	1	0.05
3	52	0.05	1	18	0.9
4	108	0.057	18	52	4.89
5	188	0.07	52	108	14.164
6	213	0.078	108	188	30.648
7	158	0.096	188	213	53.16
8	75	0.33	213	158	142.878
9	603	0.201	715	557	45.873
10	9	0.376	130	130	48.88
TOTAL	1425		1425	130	341.443

ADJUSTED WEIGHTED AVERAGE PERCENT 24

SIMS FD

CLASSIFICATION DETAILS

COMMUNICATIONS

	PRE JULY 2013		POST JULY 2013		
	OLD	MAX	NEW	MAX	
1	CREDIT FOR TELEPHONE SERVICE (ITEM 414)	1.8	2	1.65	3
2	CREDIT FOR OPERATORS (ITEM 422)	3	3	3.2	4
3	CREDIT FOR DISPATCH CIRCUITS (ITEM 432)	3	5	1.8	3
4	TOTAL CREDIT FOR RECEIVING AND HANDLING FIRE ALARMS	7.8	10	6.65	10
	DIFFERENCE				-1.15

FIRE DEPARTMENT

	PRE JULY 2013		POST JULY 2013		
	OLD	MAX	NEW	MAX	
1	CREDIT FOR ENGINE COMPANIES (ITEM 513)	10	10	6	6 3 ENGINE CO'S REQUIRED FOR POULTRY HOUSES
2	CREDIT FOR RESERVE PUMPER (ITEM 523)	0.67	1	0	0.5
3	CREDIT FOR PUMP CAPACITY (ITEM 532)	5	5	3	3 3 ENGINE CO'S REQUIRED FOR POULTRY HOUSES
4	CREDIT FOR LADDER-SERVICE COMPANIES (ITEM 549)	5	5	0.96	4 1+ LADDERS NEEDED FOR 5 POULTRY HOUSES
5	CREDIT FOR RESERVE LADDER-SERVICE COMPANIES (ITEM 553)	0.37	1	0	0.5
6	CREDIT FOR DISTRIBUTION (ITEM 561)	2.07	4	5.18	10
7	CREDIT FOR COMPANY PERSONNEL (ITEM 571)	4.19	15+	4.19	15+
8	CREDIT FOR TRAINING (ITEM 581)	3.6	9	1.6	9 FACILITIES AND OFFICER TRAINING
9	CREDIT FOR OPERATIONAL CONSIDERATIONS (ITEM 730)	0	0	2	2
10	TOTAL CREDIT FOR FIRE DEPARTMENT	30.9	50	22.93	50
	DIFFERENCE				-7.97

WATER SUPPLY

	PRE JULY 2013		POST JULY 2013		
	OLD	MAX	NEW	MAX	
1	CREDIT FOR WATER SYSTEM (ITEM 616)	35	35	26	30
2	CREDIT FOR HYDRANTS (ITEM 621)	1.08	2	1.62	3
3	CREDIT FOR INSPECTION AND CONDITION OF HYDRANTS (ITEM 631)	2.08	3	4.85	7
4	TOTAL CREDIT FOR WATER SUPPLY	38.16	40	32.47	40
	DIFFERENCE				-5.69
	DIVERGENCE				-7.63

COMMUNITY RISK REDUCTIONS EXTRA POINTS

	1.5	5.5	ADOPTION & ENF OF FIRE PREVENTION CODES	
			PUBLIC FIRE SAFETY EDUCATION	FIRE INVESTIGATION PROGRAMS
TOTAL SCORE	70.14	56.49	105.5	54.49
70 TO 79.99 EQUALS ISO CLASS 3	3	5	13.65	-15.65

2013 Fire Fee Presentation

Joy Ballard Collector

- 2013 Summer focus
- 2013 Delinquent mobile home fire fee collections
YTD snapshot Jan 1 through June 21
- Over-all delinquent collections
- Current & delinquent collections
- How you can increase your collections
- Contact numbers
- My Voluntary Fire Department Mission Statement

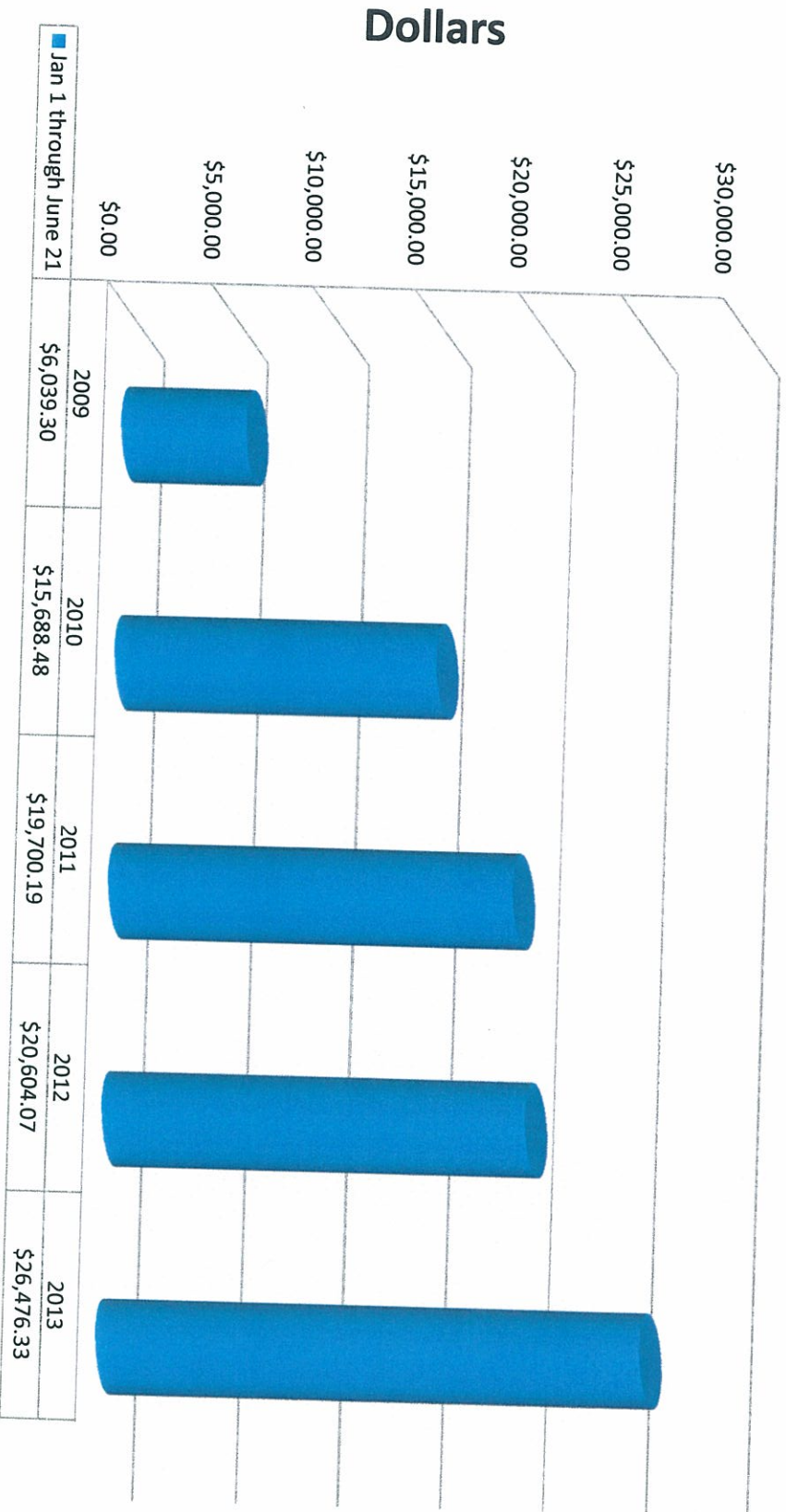
June 25, 2013

Delinquent Mobile Home Focus

- In April, 2013 we mailed letters to everyone owing delinquent 2011 “and older” taxes on mobile homes.
- We are actively working 1,320 delinquent mobile home accounts, most of those have fire fees.
- Our entire Summer is dedicated to collecting mobile home taxes.

Delinquent Mobile Home Fire Fees Snapshot

2009-2013 Jan. 1-June 21 Delinquent Fire Fees Only



YTD Delinquent Mobile Home Collection Results

- January 1-June 21, 2010 \$67,092.70
- January 1-June 21, 2011 \$79,111.78
- January 1-June 21, 2012 \$73,635.89
- January 1-June 21, 2013 \$103,705.31 54% increase

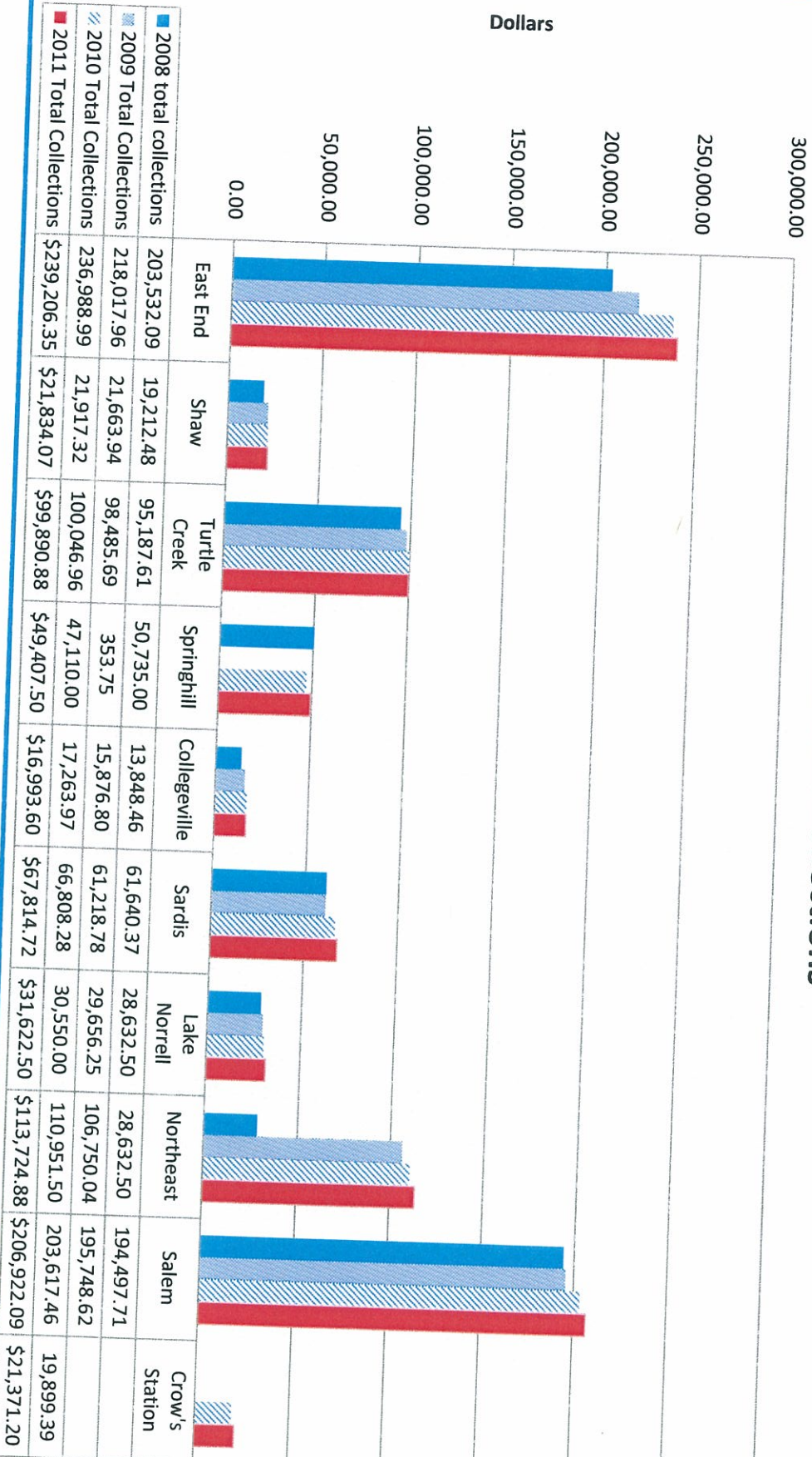
All Delinquent Collections

Total Delinquent Collections



Current & Delinquent Collections

2008 - 2011 Total Collections



Increase Your Collections

- Assign someone to communicate with the Improvement District Coordinator Sandy Rial
- In late summer, Sandy will email that person a spreadsheet with all the parcels in your fire district.
- If you will review the spreadsheet, apply new fire fees to new buildings or mobile homes, correct any parcels that have been combined or separated, and email it back to Sandy by November 1.

Contact Info

- Call the Improvement District Coordinator
Sandy Rial @ 501.303.5620 or email sandy@salinecollector.org and she can assist you with a variety of reports for your district.
- Call Joy Ballard @ 501.303.1590 or email joy.ballard@salinecollector.org with any concerns, comments, suggestions, or questions.

Mission Statement

Joy Ballard Collector

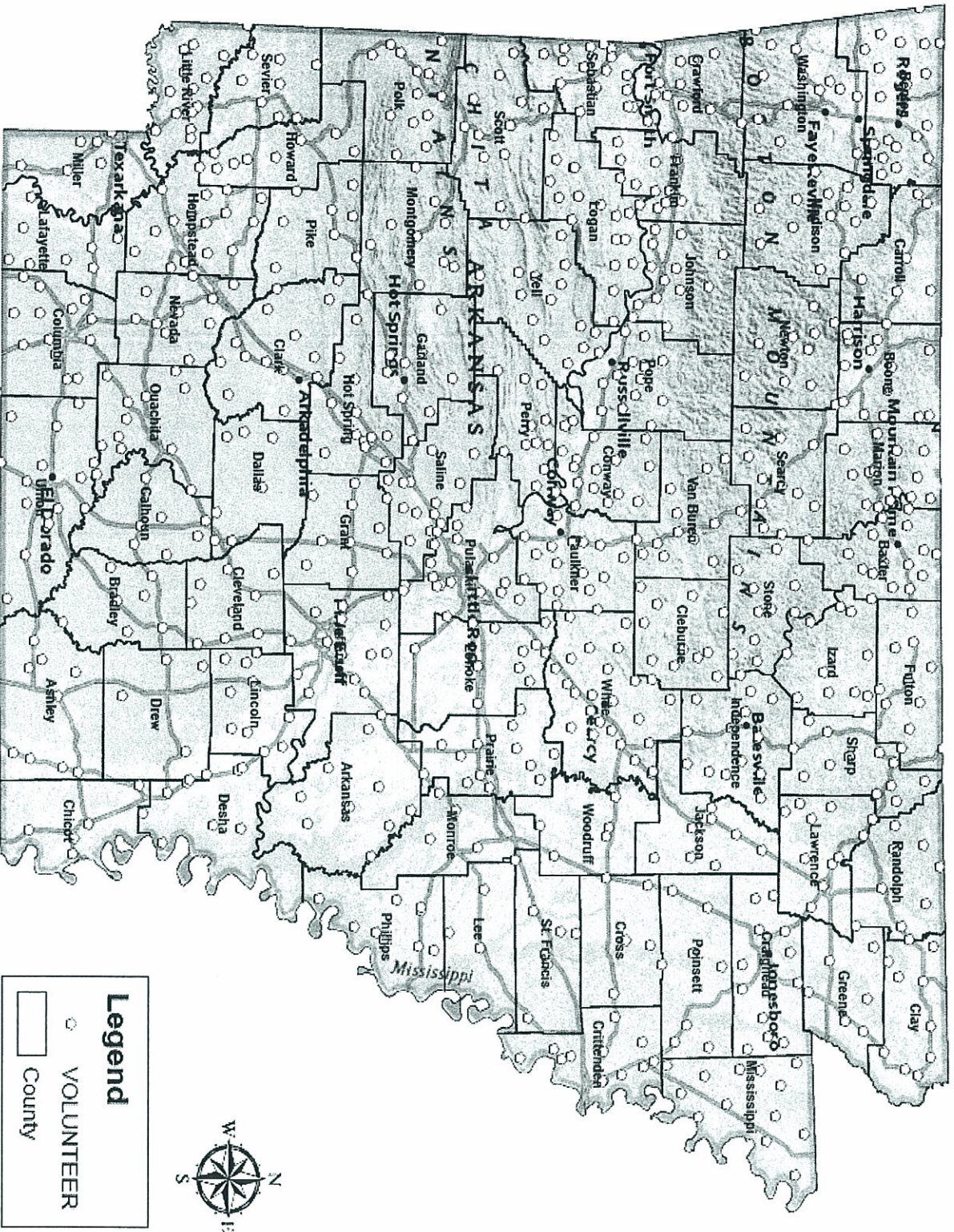
While working for the County Judge for 10 years, I became aware that Saline County's Volunteer Fire Departments provide our unincorporated communities with a service that can't be measured. **I am always committed to collecting every dollar of fire fees that the districts' boards ask me to collect.** The years of not caring whether your fees are collected are over.

**Review of Arkansas's Rural
Volunteer Fire Departments**

Presented by

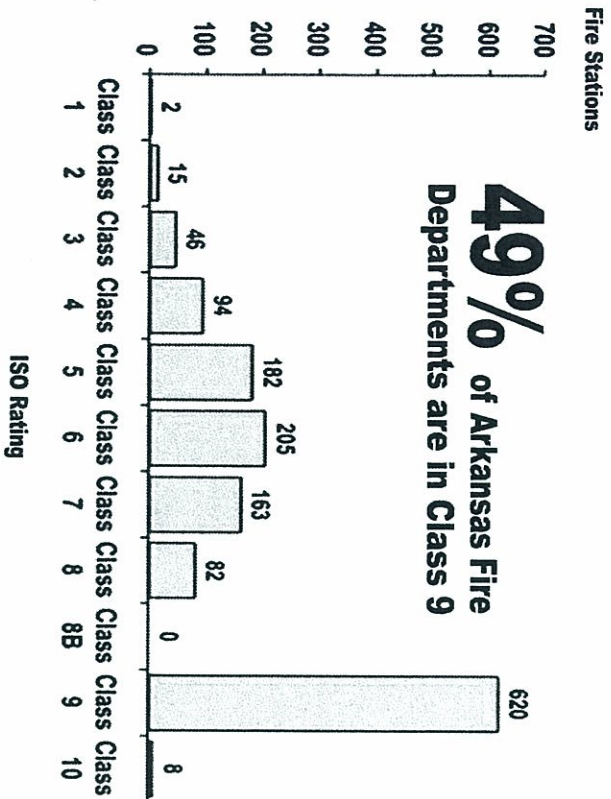
Representative Kim Hammer

Arkansas Fire Stations - Volunteer

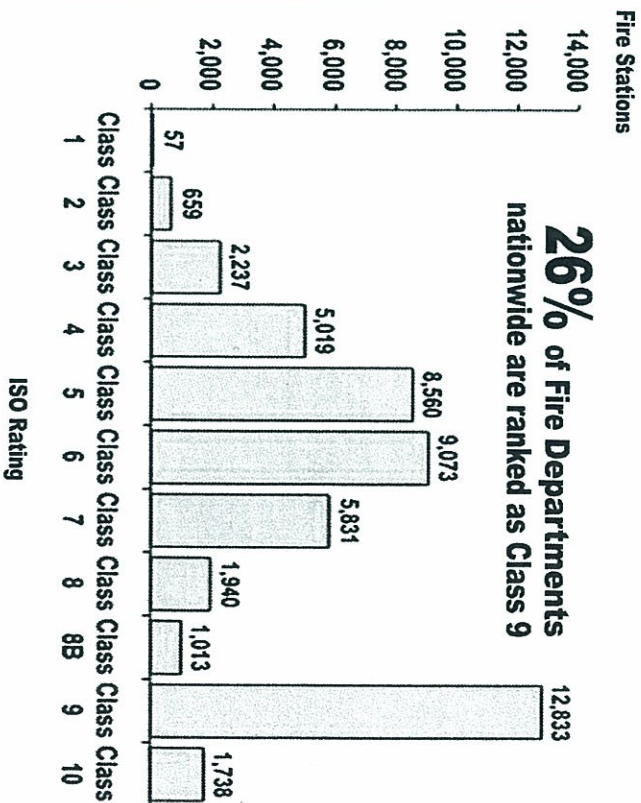


PPC Classification, FY 2013

Arkansas



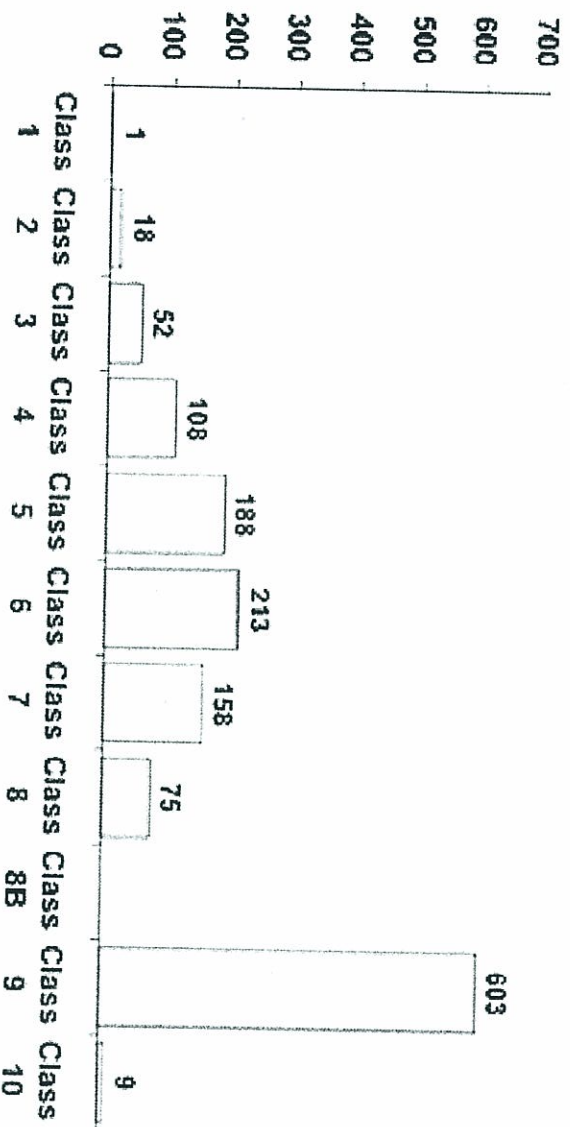
Countrywide



Current PPC Class Assignments, FY 2014

Arkansas

Distribution of Communities by PPC Class
Number within Classification



Arkansas

**42% of Arkansas
Fire Departments
Are Class 9**

PROJECTED BUDGET/COST OVER 5 YEAR PERIOD TO REDUCE ISO RATING FROM ISO 9

	END OF YEAR 1		END OF YEAR 2		END OF YEAR 3		END OF YEAR 4		END OF YEAR 5		TOTAL
	CURRENT PROJECTED	COST	CURRENT PROJECTED	COST	CURRENT PROJECTED	COST	CURRENT PROJECTED	COST	CURRENT PROJECTED	COST	
3											
4	COST										
5	ISO RATING	9	4	9	4	9	4	9	4	9	4
6	HOSE TEST PER ENGINE@450/TK	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
7	PUMP TEST PER ENGINE@250/TK	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
8	HYDRANT TEST PER HYD. \$10EA	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
9	DRY HYDRANTS TO INSTALL	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
10	EQUIPMENT REPAIRS	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
11	LOOSE EQUIPMENT PURCHASES	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
12	TRUCK PURCHASES	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
13	TRAINING LIBRARY	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
14	NEW BUILDINGS	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
15	MISCELLANEOUS COSTS	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
16	TRAINING HOURS (SEE CALENDAR)	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
17	TOTAL	\$ 20,000		\$ -		\$ -		\$ -		\$ -	\$ 20,000

Testimony from A Satisfied Homeowner

“ Just wanted to share with you what your efforts on helping us get our ISO rating down did for my homeowners insurance. In April of this year my policy was \$2,127.00 and after the rating change it dropped to \$1,048.00. That is with the Hartford Insurance. Some big drop!

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