

PROPERTY INSURANCE RATES

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Factors that influence the cost of property insurance

- Location, age, and type of building
- Use of the building (residential or commercial)
- Proximity to fire protection services
- Choice of deductibles
- Scope and amount of coverage
- The value of the structure
- The roof cover
- Claims history
- Credit score
- Swimming pools and other structures
- I.S.O.

ISO – Insurance Services Office

The Insurance Services Office was formed in 1971 as an advisory and rating organization for the property/casualty insurance industry to provide statistical and actuarial services, develop insurance programs, and assist insurance companies in meeting state regulatory requirements.



BCEGS

The Building Code Effectiveness Grading Schedule is a program administered by ISO that evaluates building departments in jurisdictions across the county pertaining to their building code adoption and enforcement and grades them on a scale of 1 to 10

The BCEGS helps communities reduce the damage caused by natural disasters, lower insurance costs, and promote the construction of safer buildings.

Evaluations

Communities are evaluated based on state or local building code policies and practices in 27 areas of focus

The values are calculated based on the terms of the BCEGS schedule to determine a score on a 1-100 point scale

Each community's score is then converted to a 1-10 classification



Evaluated Factors

- Number of daily plan reviews per reviewer
- Number of daily inspections per inspector
- Certifications/licenses and experience of each employee
- Code adoption practices
- Appeals process
- Adopted codes of the jurisdiction
- Quality control practices
- Experience/education of Building Official
- Budget
- **Continuing Education Mandates**
- Public Outreach
- Training and Education
- Mentoring Hours
- Technical code training
- Payment for exam and Certification fees
- Pay rates and safety incentives

Evaluated Factors Cont.

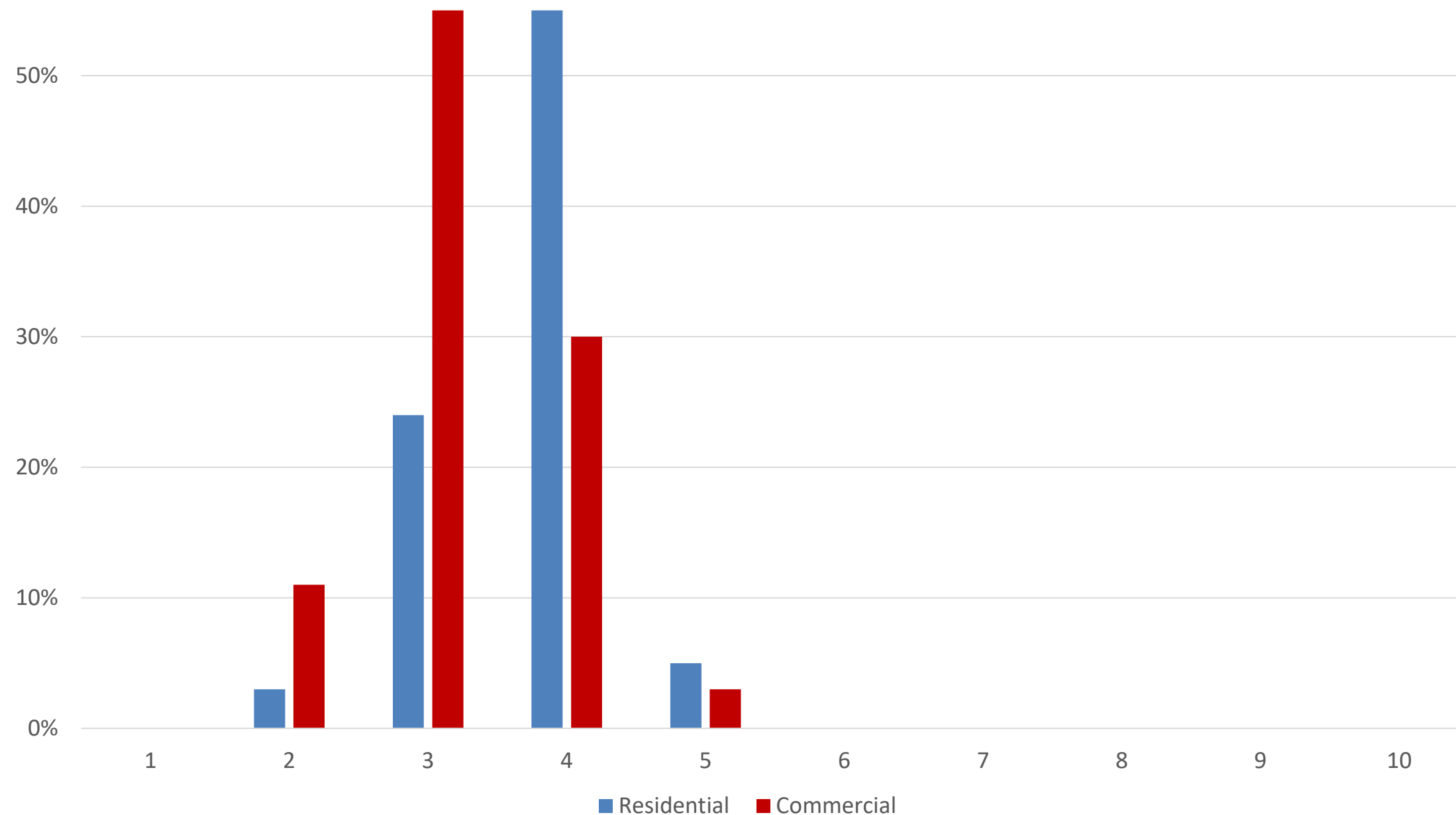
- Payment for continuing education
- Zoning regulations
- Land use regulations
- Contractor certifications
- Involvement in the code development process
- Administrative policies and procedures
- Quality assurance
- Product approval process
- Use of checklists
- Record keeping practices
- Employee performance evaluations
- Damage assessment practices
- Emergency management plan
- Certificate of occupancy requirements

BCEGS Classification Scoring

BCEGS Classification	Scored Points Range
1	93.00 – 100.00
2	85.00 – 92.99
3	77.00 – 84.99
4	65.00 – 76.99
5	56.00 – 64.99
6	48.00 – 55.99
7	39.00 – 47.99
8	25.00 – 38.99
9	10.00 – 24.99
10	0.01 – 9.99

Distribution of State BCEGS Classification

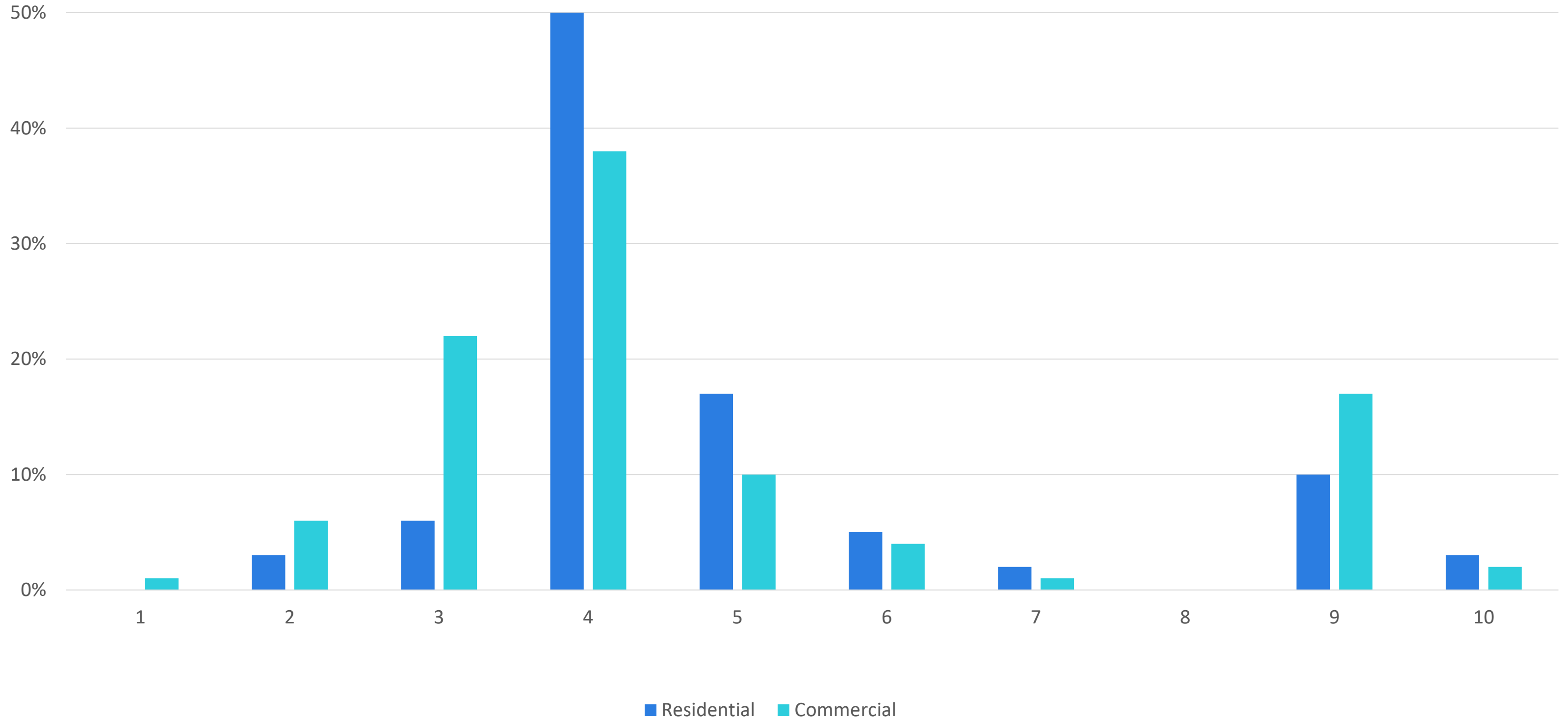
The table below illustrates the distribution of BCEGS classifications across the state by percentage of graded communities in each class for both commercial and residential



<u>State Average</u>		
	<u>Score</u>	<u>Class</u>
Commercial	78.18	3
Residential	72.47	4

<u>Port St. Lucie, FL</u>		
	<u>Score</u>	<u>Class</u>
Commercial	86.85	2
Residential	77.46	3

Countrywide



Conclusion

The City of Port St. Lucie Building Code Enforcement practices scored lower than the state average for both residential and commercial and scored in the lower 10% when compared to all building departments countrywide

Insurers may use the assigned grading to determine property insurance values and grant premium credits for buildings constructed under strictly enforced codes

Effective building code enforcement leads to safer buildings, less damage from catastrophes, and lower insured losses

Questions

