

Frequently Asked Questions: ISO's Building Code Effectiveness Grading Schedule (BCEGS®)

Question:

Why should my community participate in the BCEGS program?

Answer:

The BCEGS program offers many benefits for your community:

- The program produces classifications that insurance companies can use in underwriting and developing premiums for property insurance policies. If your community participates in the program, property owners may be eligible for premium discounts and/or reduced deductibles.
- If your community participates in the program, property owners may be able to secure insurance coverage that might not otherwise be available.
- Your community's classification could benefit people selling or buying property in your community. A good classification could add to the value of a house or commercial building and could attract businesses to your community.
- There's no cost to your community (other than the time it may take you to complete the BCEGS questionnaire and meet with the ISO field representative). The insurance industry entirely funds the program.
- The program evaluates your building department according to a uniform set of criteria, incorporating nationally recognized standards developed by the International Code Council, the National Fire Protection Association, and the American Society of Civil Engineers. The evaluation gives you valuable information that may help as your community considers improvement to your building code enforcement efforts.
- At the conclusion of the classification process, ISO gives you a comprehensive summary report. The report explains how ISO determined your classification. The report also compares your code enforcement efforts with those of similar departments in your state and across the country.
- The National Flood insurance program uses BCEGS classifications as a prerequisite to class improvements in their flood resistant communities.
- An NFIP/CRS rating might make property owners in your community eligible for discounts on FEMA's flood insurance policies.
- The BCEGS program encourages rigorous code enforcement. That's good public policy. It makes your community more resistant to losses in case of a natural disaster.

Question:

How do insurance companies, government agencies, and other organizations use BCEGS classifications and related information?

Answer:

- ISO publishes BCEGS classifications and related information — including suggested discounts — to insurers. Each insurer can use the information as it sees fit to satisfy its business needs.

- FEMA uses data from the BCEGS program to identify areas with codes and code enforcement sufficient to mitigate damage from natural disasters.
- The National Flood Insurance Program uses the BCEGS classification as a prerequisite for applying for a Community Rating System classification.
- ISO includes the BCEGS classification and other data from the program in its Building Underwriting Reports. Insurers purchase more than 300,000 of those reports each year.
- ISO uses BCEGS classification information as a factor in wind rating for individual commercial buildings. Insurers use that information in underwriting and developing property insurance premiums for the buildings.
- The Insurance Institute for Business and Home Safety (IBHS) uses BCEGS data for its Building Code State Grading System. IBHS distributes the information to its insurer members.

Question:

I'm concerned that my community received an unfavorable BCEGS classification. What goes into the evaluation?

Answer:

The BCEGS program evaluates your building department and your community's commitment to code enforcement. We consider a number of factors:

- edition of code being enforced
- the community's amendments to the code
- staff certification and training
- staff work load
- plan review methods and procedures
- inspection methods and procedures
- and others

Question:

Do any Massachusetts issues affect communities across the state?

Answer:

ISO has worked closely with Massachusetts communities, the Department of Public Safety, and the Board of Building Regulations and Standards. We've agreed to delay publication of BCEGS classifications for communities in the Commonwealth while waiting for adoption of the 8th edition of the Massachusetts building code.

Many building officials across Massachusetts earn BCEGS points for participating in the code adoption procedure on a local, state, and national level. Naturally, interested parties aren't always happy with final adoption or amendment decisions.

The BCEGS program doesn't make judgments about whether provisions in the national codes are beneficial or economically feasible. Rather, the program takes those provisions as the best available information and holds them as the benchmarks for

adopted codes and amendments across the country. If a state code contains provisions less conservative than those of the national codes, ISO reduces the number of BCEGS points a community can earn.

For example, in the Boston area, the state code calls for lower wind loads than the national code. That makes it difficult for communities in that area to achieve a favorable BCEGS classification. The Massachusetts decision not to mandate residential fire sprinklers also limits the classification that communities can achieve.

However, communities can improve their BCEGS classifications by passing local ordinances requiring certification of all code enforcement personnel before employment, improving record keeping, and instituting other policies and procedures recognized by the program.

Question:

Where can I find out more about ISO and the BCEGS program?

Answer:

Our special website for community officials and interested citizens — www.isomitigation.com — contains a wealth of information about the BCEGS program and other ISO mitigation programs. For general information about ISO, please visit www.iso.com.