



## CNA HealthPro

### Assessing the Risk of a Property Loss Due to Fire

The risk of a fire loss depends greatly on the ability to prevent, detect, and suppress a fire. However, there are additional factors that influence the likelihood that a structure can be saved before it is completely consumed. These factors influence the insurability as well as the insurance rates for a given structure in a given location.

#### Construction type

Property insurance rates vary by the type of construction of the structure. The materials used in building construction have differing abilities to withstand the heat of a fire before they are destroyed. The more combustible the construction materials, the more likely they are to be consumed by fire. Naturally, the rates to insure the least fire-resistant construction class are more than those of the more fire-resistant classes.

The six fire safety classes of building construction used in the insurance industry, from least to most fire-resistant, are:

- Frame – exterior walls of wood or other combustible materials, perhaps with brick, stone, stucco, or other noncombustible veneer
- Joisted masonry – self-supporting exterior walls of masonry (made of brick, stone, concrete, adobe, or other noncombustible material). Other structural components, such as floors and roof, are more combustible
- Noncombustible – exterior walls and floors are made of and supported by noncombustible materials such as concrete, stone, or metal
- Masonry combustible – like noncombustible, but with roof also noncombustible
- Modified fire-resistant – exterior walls, floors, and roof are of masonry or other noncombustible material that will maintain structural integrity despite exposure to fire for at least one hour, but not for two hours
- Fire-resistant – like modified fire-resistant, but will maintain structural integrity despite exposure to fire for at least two hours

(From *Essentials of Risk Control* by George Head. ©Insurance Institute of America.)

#### Distance

Once a fire begins, it is up to your local fire professionals to respond and extinguish the fire as quickly as possible. Their ability to do so depends a great deal on distance. The first consideration is the distance they must travel to get to the fire. If your building is ten miles from the nearest fire station, it will suffer more damage in the time it takes the fire department to arrive than if your building is located one mile from the station. Over this distance, obstructions such as railroad crossings, heavy traffic, and rough or

hilly terrain can further slow the response time. A fire can do significant damage in a short period of time. Applications for property insurance address this risk by requiring the applicant to disclose the distance from the insured structure to the nearest fire station.

The second distance consideration is the distance from your building to the nearest fire hydrant. A building that is too far for the nearest hydrant to be useful will limit the volume of water the fire department can use to that which is carried to the location by the responding fire truck(s).

### **Fire protection district**

Just as land is divided to form various counties, cities, and towns, it is also divided into fire protection districts, or FPDs. Some fire protection districts serve only the community whose name they bear, while others may cover rural or unincorporated areas tens of miles away. When placed side by side, fire protection districts provide fire response to every piece of property across the country.

Just as construction types and distances vary, so do the equipment and manpower within FPDs. Some communities will have fewer vehicles and fewer firefighters than others, which becomes a factor in property insurance rates. The Insurance Services Office, or ISO, is an insurance industry resource that compiles and indexes information about FPDs and property locations and shares it with property insurers. Each property or structure is rated on a scale of 1 to 10 based on its location and the attributes of its fire protection district, with fire protection class 1 being the best. A building in a protection class 2-rated district will cost less to insure than an identical building in a protection class 7-rated district.

Most dentists do not consider fire protection classes when deciding where to locate a practice, as demographic and economic factors are more important to their long-term success. But should you ever compare your property insurance premiums with those of your colleague in another town, keep in mind that your building may have a different fire protection class than theirs.

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