

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. 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:

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

Answer:

ISO's 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.