



INSURANCE SERVICES OFFICE, INC.

www.isomitigation.com

800-444-4554

RESIDENTIAL SPRINKLERS ISO FACT SHEET

ISO is an independent statistical, rating, and advisory organization that serves the property/casualty insurance industry. ISO is the leading supplier of underwriting information, advisory loss costs, supplementary rating information and standardized policy language to insurers in all 50 states and the District of Columbia. ISO offers the following regarding how residential sprinklers are reflected in ISO's advisory residential property programs:

PREMIUM DISCOUNTS

The standard ISO Dwelling Fire and Homeowners Programs contain available premium Credits for installation of fire sprinkler protection up to a maximum of:

- 13% for full sprinkler protection that includes all areas of a home, including attics, bathrooms, closets, and attached structures;
- 8% for fire sprinkler protection of all areas of a home excluding the attic, bathrooms, closets, and attached structures as long as fire detection equipment is installed in those areas where sprinklers are omitted;

Individual insurer programs may provide different credits.

SPRINKLER "LEAKAGE" COVERAGE

The presence of a residential sprinkler system may raise concern about the risk of accidental water leakage from the system. ISO's standard Homeowners policy forms provide coverage for "...accidental discharge or overflow of water...from within a...fire protective sprinkler system...".

This coverage is included in the basic policy. There is no extra charge for this coverage.

Also, coverage is provided for water damage related to the suppression or extinguishment of a covered fire.

Individual insurer programs may provide variations to this coverage.

BUILDING CODE EFFECTIVENESS GRADING SCHEDULE

The ISO Building Code Effectiveness Grading Schedule (BCEGS®) is used to review public building code enforcement agencies and to develop a classification that is provided as advisory information to insurers who may use it for insurance underwriting and rating. If the requirement of the International Residential Code (2009) for automatic fire sprinkler protection of residential dwellings was removed by legislation or local ordinance, BCEGS would not provide full recognition for adoption of code without amendments. A building code enforcement agency which adopted a code with amendments that weaken hazard mitigation issues as defined in the model codes and referenced standards would not receive maximum recognition for code adoption.

A report from September 2008 by the Fire Protection Research Foundation stated that in TN the following insurance companies offered these discounts:

State Farm	26.54% market share	10%
Tennessee Farmers	18.30% market share	5%
Allstate	11.43% market share	10%
Travelers	5.58% market share	10%
Nationwide	5.24% market share	0%

<https://www.nfpa.org/-/media/Files/Fire-Sprinkler-Initiative/Take-Action/Free-Downloads/Fact-Sheets/Home-Fire-Sprinkler-Insurance-Information.ashx?la=en>