

Our mission

To act as the Ohio property and
casualty insurance industry's voice
on matters affecting or involving the industry.

Ohio Insurance Institute

172 E. State St., Suite 201
Columbus, OH 43215
P: 614.228.1593
F: 614.228.1678
ohioinsurance.org

Proponent Testimony—HB 139 Fire Hydrant Testing (Hall)

Michael D. Farley, Esq., Vice President, Government Affairs and General Counsel

Chair King, Vice Chair Kishman, Ranking Member Sims, and members of the House Local Government Committee, thank you for the opportunity to submit comments in support of House Bill 139. I am Michael Farley, and I have the distinct honor to serve as the Vice President, Government Affairs and General Counsel for the Ohio Insurance Institute (“OII”). The OII is a trade and information association of more than 55 Ohio-based property and casualty insurance companies and related affiliate organizations. OII members write approximately 90% of home and auto insurance in Ohio and 81% of home insurance. And OII members write more than three-quarters of the commercial insurance in the state.

The OII applauds Representative Hall for introducing legislation to enhance fire safety throughout our state by ensuring regular and uniform testing of fire hydrant systems. For background, a community’s Verisk Public Protection Classification (“PPC”) is widely used by U.S. insurers of homes and business property in calculating premiums. A PPC is a number from 1 to 10, where Class 1 generally represents superior property fire protection, and Class 10 indicates that the area's fire suppression program does not meet minimum criteria. Generally speaking – when all other factors are held equal – the price of fire insurance in a community with a good PPC is lower than in a community with a poor PPC. Rate setting is complicated and involves many variables.

The process to determine a community’s PPC involves the objective evaluation of the following four key areas: 1) emergency communications systems; 2) the fire department; 3) the water supply; and 4) community risk reduction. The review of the water supply system accounts for 40% of the total classification, with the frequency and completeness of hydrant inspection and flow-testing programs being considered. Given that the reliability of a community’s water supply system carries such a significant weight in the PPC calculation – a key underwriting factor – we believe that Ohio will benefit from the implementation of uniform, statewide fire hydrant system testing requirements.

More broadly, HB 139 would enhance public safety and give Ohioans peace of mind that firefighters will have ready, ample access to water in the hopefully unlikely event of a fire at their home or business. The OII appreciates the opportunity to voice our support for HB 139; we ask for your favorable consideration of this legislation.