
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: WALTER MAGDZIARZ, COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: DISCUSSION: INSURANCE SERVICES OFFICE RATING PARTICIPATION
AGENDA: FEBRUARY 4, 2020 VILLAGE BOARD MEETING
DATE: JANUARY 31, 2020

ISSUE

Shall the Village Board discuss continued participation in the Insurance Services Office (ISO) Building Code Effectiveness Grading Schedule (BCEGS) program.

DISCUSSION

The Insurance Services Office (ISO) collects data and publishes a rating system of municipalities relative to their effectiveness with applying building, fire and floodplain regulations. The organization purports to provide a standardized rating system for insurance companies evaluating prospective policy holders. There is a presumption that this rating system is required by the insurance companies; it is not.

The Village has participated in this reporting program for decades. It requires scores of hours for documentation purposes. Improvement in a community's rating requires an immense level of investment in staff and financial resources which the Village is not in a position to provide. Most importantly, we can find no evidence of meaningful benefit of this service for property owners in the community.

The Village regularly updates its Building Code to reflect the state of the industry. We require our building inspection/plan review staff to be certified and to complete applicable training as needed.

COSTS

There are no direct costs but considerable staff time costs.

RECOMMENDATION

That the Village Board provide direction to Village staff to opt-out of the Insurance Services Office (ISO) Building Code Effectiveness Grading Schedule (BCEGS) program.