

Response to Questions on the FY 2010 County's Line of Business & Schools Program Review Processes Fall 2008

Request By: Supervisor Smyth

Question: Please discuss the possibility of the Fire and Rescue Department (FRD) being able to charge homeowner insurance policies for fire suppression calls.

Response: There are no provisions in the Code of Virginia that specifically allow charging a fee for fire suppression calls. Therefore, if the Board decides to pursue the option of charging a fee for fire suppression calls, it will require legislation that expressly gives the County the authority to do so.

Homeowners' insurance is designed to cover assets of the insured and settlements are paid only to the insured, with no option for entities such as the Fire and Rescue Department to charge insurance companies directly. There is a standard provision in most, though not necessarily all, homeowner policies which covers fire service call fees. The typical limit on this is \$500 to \$1,000, depending on the policy. It should be noted that each homeowner's insurance policy may have different levels of coverage, and this standard provision may or may not be offered by a particular insurance carrier.

As a point of comparison, the Code of Virginia requires health plans to cover emergency transports ensuring that health insurance rates are not affected by the billing for medical transport. The County's ability to charge health insurance companies a fee for ambulance transport is expressly provided in Va. Code Ann. § 32.10-111.14(B)(2008), which authorizes the governing body of any county to provide "the services of emergency medical services vehicles... to make reasonable charges for use of emergency medical services vehicles, including charging insurers." Before the County could charge a fee for suppression calls, the enactment of a similar code provision that expressly authorizes a fire suppression charge would be required.

Two of the major contributors to the success of the Ambulance Billing program are direct billing to the insurance company minimizing impact to the patient, and the compassionate billing policy ensuring no one suffers financial hardship as a result of calling 911. When an individual needs fire suppression services, FRD wants them to call 911 without hesitation. Due to this philosophy, the Department would not want to institute a policy that could potentially cause the unintended consequence of individuals not calling for assistance due to concern over being billed a fee which they are unsure if their insurance will cover.

There are no known jurisdictions in Virginia that have implemented a fire suppression fee. However, there are jurisdictions outside of Virginia that charge fees but in many cases these jurisdictions limit recovery to cases such as those where someone is found to have caused the incident through negligence, convicted of arson, and uncorrected code violations resulting in fires.