



Fighting Fire With a Safe Facility

by Todd Mattox, HRH/Kirklin Education Consultant, Initiate of Beta Theta Pi Fraternity

According to the USFA (United States Fire Administration), an estimated 150 fires will occur in fraternity and sorority facilities this year. Amid the increased efforts in fire safety education to identify the dangerous risk placed upon our members, we are quickly reminded of the three fatalities occurring in a fraternity fire at the University of Mississippi in August of 2004.

It is an unfortunate prediction that before Christmas 2005, there will be at least three fire deaths in student housing in the United States. Statistics from the Center for Campus Safety indicate that an average of 15 student housing fire fatalities have occurred each year from 2000 to 2005. These numbers are unacceptable as needless loss of life is avoidable and can be prevented through simple fire safety measures and updated facilities.

Well maintained facilities compliant with fire and health standards, complimented with education and awareness by both property managers and tenants will remain the key objectives to reduce and control risks. Simple action can be taken to prevent the possible onset and exposure to fire and hazardous situations.

Danger Items to Limit & Restrict within chapter facilities:

Candles

A leading cause of fire among student and Greek housing, the dangers of candles begin with the exposed and often unattended flame. In 2002, 40% of candle fires started in the bedroom, resulting in 30% of associated deaths according to the National Fire Prevention Association (NFPA). Members should restrict the use of candles throughout the facility, and develop methods to limit or replace use within customary ceremonies.

Space Heaters

Common within facilities throughout the colder months, space heaters pose a dangerous risk to members. The NFPA reports that nearly 70% of home heating fires and deaths in 2002 were attributed to portable or fixed space heaters. It is recommended that facilities prohibit or restrict the use of space heaters.

Halogen Lights

The US Consumer Product Safety Commission (CPSC) has issued a warning advising on the excessive temperatures of halogen bulbs reaching 970 to 1200 degrees Fahrenheit. Fabrics, paper, and plastic products burn quickly when in direct contact or near the 300W or 500W bulbs.

Smoking

According to the NFPA, smoking materials (i.e. cigarettes, cigars, pipes, etc.) are the leading cause of fire deaths in the United States. Roughly 25% of all fire deaths in 2001 were attributed to smoking materials. Members should work towards enacting a no smoking policy throughout the entire building, restricting smoking to the outside ground level with a proper receptacle for disposal.

Extension Cords

Often seen as the quick fix to the answer of more outlets or greater flexibility in the placement of appliances or electronics, extension cords not only pose increased fire risk but also a safety hazard as tripping or entanglement in cords is common. The CPSC reports that an estimated 4,700 fires and 50 fatalities result from extension cords each year.

In addition to these key items, safe facilities can be provided through (1) the proper storage of combustible items in a dry and



Photo courtesy of the Boston Globe

Members and guests of Tau Kappa Epsilon at Worcester Polytechnic Institute in Massachusetts were evacuated safely with no serious injuries on the morning of August 21, 2005.

secured location, away from mechanical items such as water heaters and boilers; (2) kitchen areas that meet all necessary fire and health safety requirements with limited or restricted use of the appliances by members; (3) laundry dryers receive regular maintenance and repair and are properly cared for by members, such as frequent cleaning of lint traps and exhaust vents.

Again the prevention of the identified dangerous risks are best supplemented with education to all members in addition to updated facilities which provide emergency signage and lighting, secondary points of egress, fire extinguishers and fire sprinkler systems as well as central alarm stations.

Analysis of property claims resulting from fire reveals from 1997 to April of 2005 the average cost of a fire exceeds \$335,000. Expenditures to provide safe and updated facilities are far less expensive and quickly outweigh the alternatives. Simple steps can be taken to prevent the outbreak of fire within chapter facilities and avoid a potentially fatal or costly accident.

National Fire Prevention Week is October 9-15; how safe will your facility be?

COVERAGE CORNER

Is All Your Chapter's Property Protected?

Rich Jungman, HRH/ Kirklin Manager of Client Services & Claims, Initiate of Phi Sigma Kappa

The phone rings in the middle of night. Your first thought is something bad has happened. No one calls at this time unless that is the case. You reluctantly pick up the phone expecting the worse. A shaken voice at the other of the end of the line is your chapter's house manager and he states, "The garage just burned to the ground. It looks like someone was out working in it last night and left the space heater on. We lost everything but everyone is okay!" Relief sets in and you assure him everything is fine, the House Corporation has insurance and it will take care of it. You state, "I will call our insurance company in the morning and report it. You just need to help the adjuster inspect the damage and let him know the business personal property items we lost."



The next morning you call your agent's office to report the claim. You give him all the details of the loss and what the chapter suspects caused the fire. The customer service representative you are speaking with asks that you hold a minute while he confirms coverage. After a brief moment, he comes back on the line and tells you the garage is not a listed location and there is no coverage for the loss.

Is this correct? In the past two editions of the FPMA News, we discussed proper limits for the chapter house and business income and the risk of being underinsured for each. Many chapters own other properties such as annexes, detached garages, storage sheds and shelters. Each of which need to be declared and a replacement cost limit stated.

The policy form CP 00 10 sets forth what buildings are covered under the insuring agreement. The policy states:

Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery
 - (b) Equipment

As addressed by the policy, only buildings described and listed in the Declarations section are covered. This includes not only other properties at a different address than the chapter house, but other buildings located at the same address of the chapter house. The alumnus who took over the responsibility of securing insurance for the chapter property should have reviewed his chapter's coverage to verify all buildings were insured. Property insurance is rated based upon a pre-determined rate per hundred dollar of insured value. If a building is not declared and listed on the policy, no premium has been paid for the exposure and; therefore, no coverage will be afforded. This includes the business personal property stored or used at the location.

Many alumni who are responsible for insuring their chapter's assets do not have significant experience in the area of insurance. Their only experience may be the purchase of insurance that protects their homes, cars and personal liability. They take on the role and assume that the coverage in place is appropriate and do not take the time to review their limits and the memos sent to them by their agent. This can prove to be a costly error by an otherwise responsible volunteer.

If you are responsible for your chapter's property insurance, you need to make sure all buildings are listed on your policy and a replacement cost value stated. While business income may be the most re-occurring underinsured exposure discovered after loss, failing to insure all buildings or other structures is the most frequently uninsured exposure discovered after a claim.

SimplexGrinnell, a proud sponsor of the 2005 FRMT Risk Management College, is committed to the Greek community and providing safe housing to our student members.

To learn more about the products and services of SimplexGrinnell visit www.simplexgrinnell.com or contact Joe Renie, Business Development Manager at jrenie@tycoint.com or (317) 710-7920.

SimplexGrinnell is a division of Tyco International's Fire and Security Services with a network of 180 district offices and over 12,000 employees covering all of North America.

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The North American leader in fire and life safety, Simplex Grinnell provides first class products and services for fire detection and alarm, sprinkler and suppression, security and access systems as well as emergency lighting and signage.

With a heritage which reaches back to 1850, SimplexGrinnell provides products and services to over 1.2 million customers in the United States and Canada.

The Business of Brotherhood

Effective House Corporations Lead Successful Chapters

by Rod Barleen, Vice President, Pennington & Company and Initiate of Delta Upsilon Fraternity

Student housing is big business. Not only are today's students more demanding of a quality living environment, universities are spending tremendous amounts of money to attract them to live on campus, in the neighborhood of \$18.3 million per facility, or nearly \$45,000 per resident. Gone are the days of the utilitarian, sterile dormitories; instead, colleges are building stylish facilities and providing programming designed to bolster the feeling of a close-knit learning community.

Therefore, it is more important than ever for fraternity chapters to be supported by well-organized and functioning house corporations to provide leadership and a properly maintained facility.

Specifically, there are two key areas of focus for a successful housing corporation:

1. Facility management.

Far too many corporations leave the management of the chapter house up to the residents, or more specifically the undergraduate house manager. This scenario often causes two issues. First, this places the responsibility of maintaining the fraternity's most valuable asset in the hands of a very inexperienced and poorly trained individual. Secondly, the constant turnover of the position lends a short-term perspective to facility maintenance matters and allows the standards to which the facility is kept to vary from year to year.

The alumni corporation must take responsibility for maintaining the facility, either through alumni volunteers or by hiring a property manager. Make sure the facility is professionally cleaned at least once per year. Regularly assess the facility, and schedule and perform maintenance and repairs. Assume the responsibility of check-in and check-out procedures. Similar to the residence halls and apartment complexes, undergraduate members should be expected to leave the facility in "move-in" condition, with financial assessments made to their damage deposit if not reasonably kept.

Chapter houses are not only living and learning centers, but they are often proud symbols of the shared goals and values of fraternal organizations. A clean and well-maintained facility not only elevates the image of the chapter and house corporation, but often actually increases the actual performance of the fraternity.

2. Financial Management.

The fundamental breakdown facing many fraternity housing corporations is the inability to fund the necessary maintenance and improvements to the facility. This creates a damaging spiral where maintenance is further deferred, and the fraternity limps into a living environment that pales in comparison to their competition and does not appeal to the most talented students and prospective members.

Chapter quality suffers, recruitment declines, and financial implications grow deeper. Alumni do not want to invest time or money into a sinking ship.

This is not a business model that breeds success, and is certain to burn out even the most loyal volunteers. Housing corporations must

take a critical look at their budgets and ensure that they are appropriately accounting for all housing corporation and chapter operations when developing their fee structure. The usual glitch is the fear to charge a "market rent" to



your residents. Market rent is not simply what other fraternities are charging on your campus. Rather, it is what your local student real estate market can achieve in rent per tenant.

Research and analyze what comparable residence halls and apartments are charging in rental fees. Your university website will typically publish housing statistics and their various plans; and the university's financial aid office can often be of assistance in providing general off-campus living statistics. Utilize this market data to develop an accurate proforma and budget for your corporation.

These recommendations were developed through interviews with more than 3,600 affluent alumni regarding their interest in supporting their chapter with financial contributions or through volunteer efforts. In terms of alumni relations, these principles are just as important as a consistent newsletter and regularly scheduled alumni events. Alumni want to know that any investment they make in the chapter will be secured; therefore it is imperative that these principles are implemented to ensure consistent, long-term success for the chapter.

Pennington & Company, the recognized leader in fraternity fund raising, has consulted more than 190 house corporations on 63 campuses, and has raised more than \$70 million in support of Greek life.

What is FPMA?

- An association developed to support fraternity volunteers adequately manage chapter properties through education on risk awareness and facility care.
- Providing a comprehensive and competitive Property and Boiler & Machinery insurance program to protect the physical plant of the association participants.

Need a quote?

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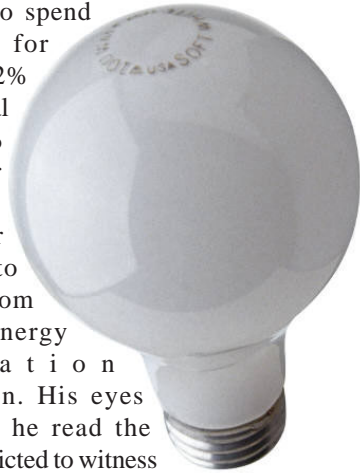
Turning Up the Heat on Budgeting and Energy Costs

by Todd Mattox, HRH/Kirklin Education Consultant, Initiate of Beta Theta Pi Fraternity

As Ted drove home from the quarterly house corporation meeting, he passed a nearby gas station and glanced at the shockingly high prices. After a short pause and shudder in disbelief, he began to internalize how these prices will affect heating bills for the chapter this winter and estimated a calculation of just how high these costs may reach.

After returning home, Ted quickly searched for recent news and reports on projected energy costs. He read consumers nationwide are expected to spend 34% more for heating oil, 52% more for natural gas, and 11% more for electricity this winter according to projections from the Energy Information Administration. His eyes widened once he read the Midwest is predicted to witness a total cost increase of 71%.

Ted knew the chapter and house corporation budget would suffer and possibly be in the red unless he found ways to cut costs and ensure the facility was efficiently heated.



After conversations with the house corporation directors, advisory team members and key undergraduate leadership, Ted created the following objectives the chapter members and house corporation would jointly accomplish to reduce heating costs and save money:

- ☑ Identify areas of the facility where heated air is escaping. Check around windows, doors, fireplaces and other areas which feel drafty. Seal these areas with weather stripping, flashing, caulking, and replace outdated units.
- ☑ Do not heat areas of the facility which are not regularly used. Close heating vents, turn back thermostats, and close doors to these rooms.
- ☑ Service the boiler, furnace, or heating pump to assure efficiency, understanding units in poor operation use more fuel and work harder. Replace air filters



and schedule annual inspections and maintenance.

- ☑ Use less hot water. Wash clothes in cold water, cut shower time in half and set the hot water heater at 120 degrees.
- ☑ Be reasonable with temperature settings, 68-70 degrees in the daytime and 62-66 degrees in the evenings. Do not set the temperature too low for risk of freezing water lines, noting the cost to reheat the facility will only make the heating unit work harder.
- ☑ Minimize the use of ventilation fans as they can push valuably heated air out of the facility in little more than one hour.

After completing the recommend items, Ted relaxed with a comforting smile and the notion he had properly prepared the chapter membership and property for the rising energy costs this winter, with a warm energy efficient facility and a few extra dollars in the budget.

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