

Preparing Your Chapter House For The Summer Break!

Before you know it, it is the last week of school and you are finishing finals! Summer break is the time your chapter house is at risk for a serious claim. It is imperative you take the time to PREPARE you chapter house for summer break.

The leading risks to a chapter house during summer breaks from our research are:

Vandalism/Theft, Water Damage, Fire and all are categorized as avoidable.

What can you do to avoid these types of losses?

- Prior to the end of the semester, inspect each suite, document tenant damage and collect payment from their security deposit. Documentation in this area can clarify any issues with the carrier in the event of a claim.
- Thoroughly clean the property, remove potential fire hazards and safely store combustibles.
- Unplug unused appliances.
- For members living in the house over the summer:
 - Have each sign a housing agreement.
 - Appoint someone to oversee daily maintenance, collect rent and pay bills. Consider hiring a professional property manager to work in conjunction with a resident manager.
 - Have a local alumnus periodically check on the house and residents over the summer.
 - Remove any lumbar, mattresses, and other debris away from the house. These items are an open invitation to arsonists.

If the chapter house is unoccupied over the summer, make sure the following are done:

- Securely lock the property and limit access to only designated alumni or undergraduates.
- Have a responsible alumnus, undergraduate or professional property management company check the property daily to ensure a loss has not occurred. A consistent daily presence will deter thieves and vandals. Hiring a professional property management company is strongly recommended.
- Advise local police or campus security the property

will not be occupied. Ask them to patrol frequently.

- If it will not affect the function of your sprinkler system or other systems requiring water, turn the water off at the main supply line and bleed the water lines.
- Hire a mature caretaker to reside in and look after the property in exchange for free rent. Be sure the caretaker has the following information:
 - Alumni Contact
 - Information from a local company, such as ServiceMaster, that can respond to emergency repairs and/or can secure the property from sustaining further damage.
 - Insurance claim reporting information. **Members of FPMA can report a loss at our web site www.kirklin.com, or by calling 800-736-4327 ext. 1215.**
- When not in use, remove all garden hoses and store them in an appropriate place. Many vandalism claims involve someone placing a garden hose in the house and turning it on.
- Repair all broken windows to prevent rain and vermin from entering the chapter house.
- Have a roofing contractor inspect the roof, provide a written recommendation and repair any immediate concerns.
- Service your HVAC to ensure it is working properly and does not present a fire hazard.
- If the property will not be occupied in the fall, contact your agent to ensure you are meeting the conditions required by your policy.

What are the benefits of being prepared for Summer Break??

- You can avoid the expense and the time associated with an insurance claim as well as restoring the area damaged.
- A large loss can risk losing your tenants for the fall due to an uninhabitable house.
- Water Damage, when left unaddressed, combined with heat and humidity can lead to mold growth. Your policy limit for this is \$15,000 per year.
- Protect your legacy and history from thieves and vandals. A price can be put on everything except sentimental value.



FPMA Loss History

If you take a look at the loss history of FPMA, it is easy to see why the preparation recommend can make a big difference. In reviewing the claims history since 2000, here are the facts:

✓ Since April 1, 2000, \$4,842,389 has been paid out on losses during this four month period of time. This represents 43% of all payments from April 1, 2000 to April 1, 2004!

✓ Each year, fire has been the leading risk factor with the majority of the serious fires occurring during summer break. In fact, in the summer of 2003, 1.4 million dollars was paid in claims due to fire in chapter houses occupied by members. In all the fires this past summer, the common denominator was lack of leadership within the chapter house.

✓ Vandalism is the second leading cause of loss. Since April 1, 2000, over \$500,000 has been paid out due to vandals entering an unsecured chapter house.

Listed below are the top four losses in terms of number of occurrences:

1. Theft/Vandalism – 43%
2. Water – 46%
3. Fire – 18%
4. Wind – 17%



Only one peril on the list is unavoidable, wind. Most incidents involving water damage could have been minimal if someone had been paying attention to the chapter house. The plumbing issues creating the damage often went unchecked for days, weeks and even months. As a result, what would have been a few hundred dollars in clean up and a small plumbing bill turned into a costly claim!

If you can avoid a claim, you can make a difference in the cost of property insurance!

**2004 FRMT Risk Management College
Registration Form
June 28, 2004
Hyatt Regency, Indianapolis, IN
Registration - 7:30 A.M.**

**Please fax this registration form to the
attention of Kathy Payne at 1-800-328-0522**

Full Name: _____

Organization: _____

Title: _____

Address: _____

City: _____ State: _____ Zip: _____

E-mail: _____

Daytime Phone Number: _____

Track Attending: 1 _____ : 2 _____ : 3 _____

Cost: \$199.00 for the first attendee. Each additional attendee from the same organization **\$99.00**. **Make checks payable to HRH/Kirklin & Co., LLC**

Hotel: \$97.00 plus taxes single, double or triple occupancy.

Credit Card Number For Hotel _____

Expiration Date: _____ MC Visa Discovery _____

Lodging From: _____ to _____

Roommates Requested: _____

48 hour cancellation notice required for hotel

Out-of-town attendees should plan on arriving on Sunday, June 27th. If you need additional information, please contact Rich Jungman at 1-800-736-4327 x 215, rjungman@kirklin.com or Kathy Payne 1-800-736-4327 x201.



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HRH/Kirklin & Co., LLC.

Insurance and Risk Management Services

P.O. Box 540673

Omaha, NE 68154-0673

**FRMT, Ltd. Risk Management College
Fraternity Property Educational Seminar
Track 3
June 28, 2004 Hyatt Regency
Indianapolis, IN**

7:00 AM Registration

7:50 AM Introductions

8:00 AM ***Tax Issues Facing the Greek World***

Barbara Schwartz Bromberg,
Dinsmore & Shohl, LLP

9:45 AM Break

10:00 AM ***Managing Greek Properties***

David Kelton,
Greek Property Management

11:00 AM ***Fire Sprinkler Safety***

Buddy Dewar,
National Fire Sprinkler Association

12:00 PM Lunch

1:00 PM ***Property Insurance and Managing Risk***

Rich Jungman,
HRH/Kirklin & Co, LLC

2:00 PM ***If we build it, will they come?*** Part 1

Andy Pitts - Treanor Architects
Patrick Alderdice - Pennington & Co.

3:00 PM Break

3:15 PM ***If we build it, will they come?*** Part 2

4:15 PM ***Panel Discuss/Questions and Answers***

4:45 PM Conclusion