

SUMMER BREAK NOTICE

DATE: April 19, 2006
TO: Fraternity Executives and Directors
FROM: Todd Mattox, Education Consultant
SUBJECT: Preparing a chapter house for SUMMER BREAK

Before you know, it will be the last week of school and students will be completing final exams! Summer break, or the months of May through August, is the time your chapter house is at risk for serious claims. It is imperative you take the time to properly prepare your chapter house for the summer break period.

The leading risks to a chapter facility during the summer break period are:

- Fire*
- Theft*
- Wind*
- Vandalism*
- Water damage*
- Hail*

Detailed below is an analysis of claims in the high risk areas outlined above by means of frequency for chapter properties participating in the FPMA Property Insurance Program from April 1, 2000 to April 1, 2005.

Frequency of Claims	
<i>Water damage</i>	<i>34%</i>
<i>Wind/Hail</i>	<i>23%</i>
<i>Vandalism</i>	<i>22%</i>
<i>Fire</i>	<i>13%</i>
<i>Theft</i>	<i>8%</i>



From 2000-2005 there were 54 water damage claims in the four month period of summer break. The average expense from a water damage loss was more than \$6,500.00

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 security deposit. Excellent documentation during inspection and room checkout can clarify any issues in the event of a loss
- Thoroughly clean the property, remove potential fire hazards and safely store combustibles
- Clean and inspect all roof drains and gutters (contact a local professional for this service)
- Repair all broken windows and doors to prevent damage from inclement weather
- 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/health hazard
- Inspect and repair all exterior lighting, outside lighting is a deterrent of trespassers



- Contact emergency service company to conduct an inspection and service emergency lighting, alarm equipment, fire suppression and sprinkler systems
- Remove and dispose lumber, mattresses or other debris outside the facility, especially near the dumpster. These items are an open invitation to arsonists & vandals
- Unplug and properly store unused appliances, do your research regarding small appliances
- Service and clean stoves, ovens, hood ranges and other kitchen equipment
- Have a local alumnus/house corporation member check the property frequently
- Inform the host institution (university/college) as to whether the residence will be occupied or not and provide proper contact information for the facility

If members will be attending school and living in the facility over the summer period:

- Have each sign a housing agreement, specific to the summer period
- If the appropriate officers will not be living in the facility, 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

If the chapter facility is unoccupied over the summer, make sure the following is completed:

- 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**
- Inform local police and/or campus security the property will not be occupied. Ask them to patrol frequently and provide a key/code for access to the facility
- If it will not affect the function of your fire sprinkler system or other systems requiring water, turn the water off at the main supply line (contact a professional for this service)
- Hire a mature caretaker to reside in and look after the property in exchange for free/reduced rent if a house mother and/or resident advisor is not available
- Provide the caretaker or other resident with the following:
 - Alumni & House Corporation Contact
 - University/College Contact
 - Information for a local company, such as Service Master that can respond to emergency repairs and can secure the property from sustaining further damage
 - Insurance claim reporting information. **Members of FPMA can report a loss at www.kirklin.com or by calling 1-800-736-4327.**
- When not in use, remove all hoses and store in an appropriate place, preferably inside facility
- Remove spigot knobs or install locks at each spigot location. Many vandalism claims involve turning on the attached hose and placing it near or in the house with water turned on
- If the property will not be occupied in the fall, contact HRH/Kirklin to ensure you are meeting the necessary conditions required by a vacant property

What are the benefits of being prepared for Summer Break?

- Avoid the expense and the time associated with a claim and 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 summer break preparation can make a big difference. In reviewing the claims history since 2000, here are the simple facts:

- Since April 1, 2000 \$5,291,430.90 has been paid out on losses during the four month period of May through August. This represents 30% of all payments from April 1, 2000 to April 1, 2005.
- 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, \$1.3 Million dollars were paid in claims due to fire in chapter facilities occupied by members. In all the fires, the common denominator was lack of leadership and organization with the chapter.
- Vandalism is the second leading cause of truly preventable loss. Since April 1, 2000 nearly \$400,000 has been paid out due to vandals entering an unsecured chapter facility.

Listed below are the top five losses in terms of expenses of the claims:

Total Cost of Loss '00-'05

<i>Fire</i>	<i>\$3,793,613.20</i>
<i>Wind/Hail</i>	<i>\$668,773.82</i>
<i>Vandalism</i>	<i>\$387,010.89</i>
<i>Water damage</i>	<i>\$359,801.09</i>
<i>Theft</i>	<i>\$82,232.10</i>



From 2000-2005 there were 20 fire claims in the four month period of summer break. The average expense from a fire loss was nearly \$190,000.00

Only one peril category on the list is truly unavoidable, that being wind/hail. Due to an increase in named storms and natural disasters, unfortunate loss in this key category has more than doubled during the previous policy year. However, the risks and resulting claims from wind/hail often occur to the roof and structure of the facility, emphasizing the need to have the facility inspected by a professional on a regular basis to assure the facility is structurally sound and current damage is repaired.

Most incidents involving water damage could have been minimal if someone had been paying attention to the chapter house. The plumbing issues creating 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 repair turned into a costly claim!

Avoiding a claim can make a significant difference in the cost of property insurance and ability to provide a safe and healthy environment for undergraduate members. Following the recommended steps outlined above will help to minimize your exposed risks and provide a safe chapter environment.

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