



Neighborhood Risk Management
C O R P O R A T I O N

NWOs working to insure safer communities

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HAPPENINGS AT NRMC

July 2012

Dear NRMC Member:

A lot of exciting things have been happening at NRMC since our last newsletter. The results of the first quarter were excellent. If this trend continues, this will be very beneficial to our group at the next renewal, which will take place on April 1, 2013. In addition, our offerings of educational programs and training sessions are well underway. Included in this newsletter is our calendar of upcoming webinars, and I look forward to your participation in these programs.

With this newsletter we inaugurate two initiatives: (1) our quarterly Performance Report, reporting on the Program's overall performance. This report will be supplemented by a personalized performance report that will be sent shortly to each member. That report will summarize and compare your organization's performance to the performance of the NRMC program as a whole. We hope that this information will help each member in implementing risk management programs within

their organization. And (2) our "Risk Tip of the Month" based upon actual member claims.

We are growing and gaining new members. We continue to explore ways to enhance our program by offering more webinars. And, we are at work with developing risk management programs that we will be rolling out in the autumn.

Please take a few minutes to update yourself with Happenings at NRMC, and feel free to contact Deb Aschheim or me if you have any questions or suggestions.

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NRMC's First Quarter 2012 Performance Results and the Performance since the Program's Inception

The first quarter 2012 results are in, and there is great news to report: The NRMC Program did very well! If this trend continues, our members can expect that this will have a favorable impact on next year's renewal.

Here are some highlights from the Quarterly Results:

General Liability: During the first quarter of the 2012 Policy Year (4/1/12 to 6/30/12):

Reported General Liability (GL) claims/incidents: 22

Number of Members with reported GL incidents: 16

Reported GL losses with expected payment: 13

Paid GL Losses: \$0

Incurred GL Losses (total of losses paid and reserved) to date for the year: \$13,951

Please note, however, that GL claims may take much longer to develop, and that many of the incidents are very recent and still under investigation. Some claims may never require payment; while others may. This information will be updated accordingly.

Property: During the first quarter of the 2012 Policy Year (4/1/12 to 6/30/12):

Reported Property claims / incidents: 19

Number of Members with reported Property losses: 8 [One member had 10 claims.]

Paid Property Losses: \$0

Incurred Property Losses: \$231,133

Conclusion: How NRMC did in the First Quarter of Policy Year 2012?

The Lessons to be Learned from this data are: (1) NRMCC Program had an excellent first quarter for 2012; and (2) For many of the reported incidents, effective risk management techniques can prevent recurrences.

Snapshot of the NRMCC Program

In case you are wondering what the NRMCC program looks like, here is a summary of our Program at the end of our first quarter and as July 6, 2012:

- Total Number of Members: 51 including our newest member, Interfaith Community Housing of Delaware (ICHDE), which joined NRMCC on July 6, 2012.
- Total Number of Units in the Program: 30,722, with properties ranging in size from 1 Unit to 519 Units.
- Total Insured Value in the Program: \$3,515,925,074, with properties ranging in value from \$34,799 to \$56,197,481.

Renewal Date	# NWOs	# Units	Property Values
April 1, 2012	50	30,701	\$3,500,935,903
April 1, 2011	52	34,284	\$3,531,427,824
April 1, 2010	54	34,289	\$3,486,505,754
April 1, 2009	50	32,364	\$3,127,812,320
April 1, 2008	47	30,057	\$2,776,568,399
April 1, 2007	42	27,500	\$2,340,287,046
April 1, 2006	41	24,132	\$1,812,539,609

What's Wrong with This Picture?



A: See the Risk Safety Tip at the end of this Newsletter.

Member Survey

As we roll out our various risk management initiatives, we are going to be contacting each member to assess how they currently address risk management so that we can design a tailored and effective risk management program for each member. We will be examining your loss history profile, as well as your premium history. We will be contacting each Member in the coming weeks, and look forward to speaking with you.

Budget Developments: provided by Mary Wray of Willis

A number of our members report that their 2013 budgeting process is underway. They have asked for our assistance in determining the line item for their insurance costs in their 2013 budgets.

While it is too early to know where the insurance markets will be in January - March 2013 (when we will be finalizing the renewal), based upon what we are seeing in the market and to be cautious, we recommend budgeting a premium increase of 5% to 15% over Policy Year 2012. Our recommendation is based upon a number of factors, which include:

- Global insurance losses in 2011 had a significant impact on insurance market pricing, as our members are well aware. Even with the natural catastrophes and weather-related losses (wildfires in Colorado, Wyoming and Utah, hailstorms and thunderstorms in New Mexico and Texas) through June 30, 2012, the impact of these events to date remains well below last year.
- NRMCM's extensive property losses in 2011 were an anomaly when compared to their history; the increase in both premium and retention funds reflects both NRMCM's 2011 losses as well as the market losses that year.
- NRMCM losses through June 30, 2012 (2Q12) are very low - also great!
- NRMCM will be rolling out risk management initiatives and tools to help members control their insurance destiny, to the extent they are able.
- Provided NRMCM's current favorable trend continues as well as the global insurance market profitability thus far in 2012, it is possible NRMCM members would see little upswing if any in pricing for April of 2013.
- Based on current pricing trends in the multi-family

habitational market, and on a conservative basis we would recommend estimating a premium increase of 5% to 15% for April 1, 2013.

We will be closely monitoring the group's performance as well as conditions in the insurance market, and informing you of changes in our forecasts. If you have questions, please contact Deb Aschheim (212.509.6762 / daschheim@neighborhoodrisk.org) or Mary Wray of Willis (312.312.7081 / Mary.Wray@willis.com.)

Welcome New Member: Interfaith Community Housing of Delaware

We are pleased to welcome our newest member, Interfaith Community Housing of Delaware (ICHDE). ICHDE builds, rehabilitates, and owns or manages 380 housing units plus land in New Castle and Kent Counties. It is the largest statewide nonprofit community housing organization in Delaware.

NTI in New Orleans (May 2012)

Thanks to Steve Sachs and Mary Wray of Willis, we held two workshops at the NWA NTI in New Orleans devoted to the benefits and savings of an effective risk management program. More than 30 CFOs and members attended the two sessions. In addition, thanks to our host, Willis, over 100 CFOs and members attended a cocktail receipt on Monday, May 7 at Ruth's Chris Steak House in historic downtown New Orleans, and had the opportunity to meet and greet each other.

The NRMC Web Portal

There are two pieces of news on the NRMC Web Portal:

First: In June, our broker, Willis, sponsored 2 webinars and demonstrations of navigating the NRMC (Willis) Web-Portal. Our members visit and utilize the Portal to varying degrees. Mary Wray of our Willis team demonstrated to more than 60 participants the ease of navigation and the depth of information in the Portal. She showed how to locate useful risk management tools, access member-specific loss and property information, and contact links and forms for reporting claims, ordering certificates and much more. Traffic to the Portal has increased! Immediately following the Webinar, Willis received 10 more requests for Portal Access from 7 different members.

It's never too late to gain entry to the Portal. If your organization would like log-ins or information about the portal, please contact: Debbie Beaver of Willis at 614.326.4832 or Debra.Beaver@willis.com.

Second: Our Portal has been updated to include a FAQ (Frequently Asked Questions) link. There you will find answers to more than 40 questions. If you would like to see more FAQs, please contact Tammy Fahy of Willis 614.326.4824 or tammy.fahy@willis.com.

Risk Safety Tip

Check Window Guards

It's summer and the windows are open! And, with school out, children are more likely to be playing near open windows, running in-and-out of buildings and simply more active when indoors. Secure window guards (or window gates) are essential for accident prevention arising from children falling out of open windows: windows without guards should never be open by more than 4 inches.



One of our members recently reported an incident involving children slipping out of an open window while they were playing unsupervised. Here are some safety tips based upon that incident:

- Remind residents of the importance of window guards and to check their guards frequently, and to immediately report loose or defective window guards to property managers and maintenance staff. Only properly approved window guards should be installed.
- Remind maintenance staff to check window guards upon leaving a maintenance call or residence visit.
- Remind maintenance staff to have on hand the proper tools to secure and tighten loose window guards. It is also a good idea to check wooden window frames for signs of rotting wood or weakening of screws or mounts.
- Remind residents that even if they don't have children residing in their homes, children are likely to visit and proper window safety should be observed. When children are visiting residences which are not required to have window guards, the windows should not be open by more than 4 inches.

Save the Dates: NRMCM's 2012-3 Webinar Calendar

In addition to our June and July webinars, there are a lot more programs in store for our members. In a separate e-mail, you will receive our Webinar Calendar for 2012 and 13.

Please mark your calendars now to ensure that you attend one broadcast of each session.

And, please spread the word and invite all interested members of your organization to attend these webinars. The success of our program depends upon participation, and webinars are an easy and effective way for NRMCM to broadcast the importance of our risk management initiatives.

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We concluded our last newsletter saying that 2012-13 will be a very exciting year for NRMCM, and that if we all work together, we will achieve our strategic goals for 2012-3. Although we have a way to go, our group is clearly on the right path. We welcome your participation as well as your thoughts and suggestions on how NRMCM can best support the needs of each of our members.

Cordially,
Patrick

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