



**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

October 2012

Dear NRMC Member:

The summer is over and we are entering our "busy season". We have begun our renewal process and ask for your cooperation in completing your submissions as soon as possible. Our goal for Policy Year 2013 is to provide our members with quotes by March 1, 2013. A lot of work goes into getting the quote, and we will keep you posted on developments.

We are also entering the time of year when weather challenges are greatest. In our Risk Tip section, we will be discussing Severe Weather Precautions that should be considered for all properties.

The results of the second quarter were very good as noted below. If this trend continues, this will be very beneficial to our group at the next renewal, which will take place on April 1, 2013.

Our educational programs and training sessions continue, and we invite all of you to attend the next NTI in Washington, DC on Wednesday December 13, where we will be presenting a 1-day interactive risk management training program with experts in the field from Willis.

We welcome new members who recently joined NRMC. Our program continues to remain strong and grow. But, our continued success depends

upon the continued support of our members, who benefit by our group program. And as we engage in the renewal process, we will be considering the coverages that best suit the needs of our membership in terms of scope and cost effectiveness.

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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**Our next Webinar is Monday Oct. 22, 2012 - 3:00 PM
(Eastern)**

Focus on Losses and Mitigation Tools

**We are counting on you to join us! To register, contact
Debbie Beaver (Willis) at 614.326.4832
(Debra.Beaver@willis.com).**

NRMC's Second Quarter 2012 Performance Results Show Very Good Performance and Continued Strength

NRMC's Second Quarter 2012 results are in, and there is very good news to report: For the first half of Policy Year 2012 (4/1/12 to 9/30/12) the NRMC Program did very well with significantly fewer and lower losses than for the same period last year, especially for Property. (See the chart below.) 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 for PY 2Q12:

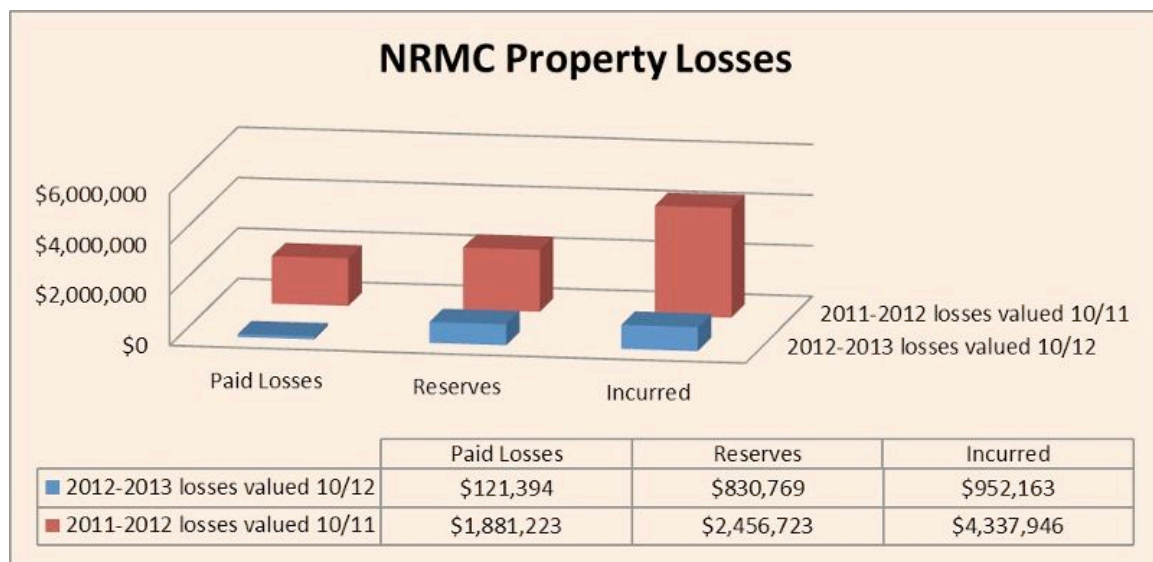
General Liability: Through the Second Quarter of the 2012 Policy Year (4/1/12 to 9/30/12):

- Reported General Liability (GL) claims/incidents: 61
- Number of Members with reported GL incidents: 24
- Reported GL losses with expected payment: 33 (this may include loss or just expense payments - both erode the \$100,000/claim)
- Paid GL Losses: \$7,556.60
- Incurred GL Losses (total of losses paid and reserves) to date for the year: \$54,457.60

Property: Through the Second Quarter of the 2012 Policy Year (4/1/12 to 9/30/12):

- Reported Property claims / incidents: 46
- Number of Members with reported Property losses: 14
[One member had 10 claims in 1Q12.]
- Paid Property Losses: \$121,393.62
- Limited Losses (limited to/paid from the Retention): \$747,168
- Incurred Property Losses (Retention *plus* what the carriers pay above or outside the Retention) \$952.163

The Property claims include a \$195,000 claim that does not erode the retention because it was a flood claim (not subject to the retention).



Our challenge will be to maintain these results during the coming months, as our properties are more susceptible to weather conditions. This is where your involvement in loss mitigation programs is critical.

Renewal Season Has Begun

The renewal process for NRMCM Policy Year 2013-14 has begun.

In the coming weeks and months, we will be working closely with our Willis team - Tim Osburn, Mary Wray, BJ Rood, Bernard Jenkins, Tammy Fahy and Debra Beaver - to develop a program for 2013-14 that is tailored to the needs of our members, reflects the scope and coverage trends in the current market and provides our members with the best value for their money.

Recently, our members have received their renewal packages. If you have not submitted your completed package, please do so at once. Almost half of our members completed their package before the deadline.

Our goal for the Policy Year 2013-14 is to provide our members with the renewal quote by March 1, 2013. Getting a quote earlier than March 1, 2013 is not likely because the markets like to quote as close to the renewal date as is possible, and we negotiate the quote up to the last possible moment to ensure the lowest possible rate for our members.

NRMCM Policy Year 2013 Renewal Schedule

- **Oct. 1 - 19:** Willis will collect and review data relating to the program and to compare to previous years and work with membership to clarify any questions.
- **Oct. 20 - Nov. 16:** Willis will develop models of property exposures, financial analysis of loss information, and trend and develop historical data to include most recent data. Willis will provide scenarios and feasible options to present with the program submission to underwriters.
- **Nov. 19 (target):** Willis will submit the NRMCM renewal package to underwriters.
- **Nov. 19 - Feb. 1:** Willis and NRMCM will meet with underwriters, present the NRMCM program and negotiate the terms and pricing for the Program.
- **Feb. 1- Mar. 1:** Willis will confer with the NRMCM Board about the proposals and adjustments to reflect the best possible terms for NRMCM.
- **March (target):** Willis and NRMCM will present the renewal terms to

the NRMCM members and bind coverage with selected insurance markets.

These dates are not absolute. An unexpected change in our profile, such as a large loss during this period, can cause the carriers to reevaluate their quotes - even at the last minute.

**OUR PLEDGE TO YOU FOR THIS RENEWAL IS TO KEEP
OUR MEMBERS INFORMED OF DEVELOPMENTS,
ESPECIALLY PRICING.**

Welcome New Members: Tenderloin Neighborhood Development Corporation (TNDC) and 12 Members from Massachusetts Association of Community Development Corporations.

We are pleased to welcome new members to NRMCM: Tenderloin Neighborhood Development Corporation (TNDC) in San Francisco, and 12 members from Massachusetts Association of Community Development Corporations (MACCDC).

Tenderloin has been providing affordable housing solutions since 1981. TNDC provide supportive housing solutions combine safe, affordable home environments with free, culturally and linguistically appropriate, and voluntary on-site social services. It helps residents stabilize their lives and find resources for special medical, mental health, or substance addiction issues. TNDC also provides an after-school program and a community organizing program that encourage residents to get involved in making positive change to strengthen the fabric of the neighborhoods. TNDC currently owns and operates 28 affordable housing locations serving 3,000 tenants in the Tenderloin and adjacent neighborhoods.

MACCDC is an association of community development corporations in Massachusetts and brings 12 of its CDC members to NRMCM.

NRMC and Willis to conduct Risk Management Training at December NTI in Washington, DC (December 12, 2012) - AM240

Deborah Aschheim (NRMC ED) and David Young (Willis) and Trish Ennis (Willis) will conduct a one-day training session on Risk Management for Multi-Family: Managing Your Total Cost of Risk (AM240) at the NTI in Washington, D.C. on Wednesday December 12. This interactive session will provide an in depth review of risk mitigation tools that your organization can employ. We welcome all of you to attend, and we look forward to seeing you at NTI. To register for the course, please contact Deb Aschheim (NRMC) at 212.509.6762 or daschheim@neighborhoodrisk.org.

David Young is a senior account executive at Willis with expertise in group and captive insurance programs. He is also on the faculty of the Finance School of the University of Colorado where he teaches courses on a full range of risk management topics.

Trish Ennis is a Risk Control Consultant at Willis. She has more than 20 years of experience in risk management and uses her knowledge of the risk exposures facing clients to assist them with developing tools, training and techniques to reduce or prevent losses, adding value and improving the bottom line.

WEBINARS

Our next Webinar is scheduled for Monday October 22, 2012 at 3:00 PM (Eastern): *Focus on Losses and Mitigation Tools*. We are counting on you to join us!

In September, NRMCC and Willis sponsored a webinar on ***The Fine Art of Risk Transfer***. Deb Aschheim (NRMCC) and Trish Ennis (Willis) delivered 2 webinars that addressed how risks transfer between organizations, with an emphasis on contractual realities.

And don't forget to visit the NRMCC - Willis Portal. For access information or to register for the Webinar, please contact Debra Beaver (Willis) at 614.326.4832 (Debra.Beaver@willis.com).



RISK SAFETY TIPS

SEVERE WINTER WEATHER PRECAUTIONS

PROPERTY AND THIRD PARTY LIABILITY RISK CONTROL

WEATHER HAZARDS AND PRECAUTIONS

Winter weather not only brings freezing temperatures with it, but all the frozen goodies that cause havoc for properties and businesses, such as wind, hail, ice, freezing rain and of course

snow! Severe winter weather threatens most of the country at some point, and can result in property damage and business interruption.

What to do? Plan! Businesses can take steps to ensure that severe winter weather does not result in an incident that damages property and leads to third party claims against property owners.

RISK CONTROL BEST PRACTICES #1

REMOVAL OF SNOW AND ICE FROM THE PROPERTY WALKWAYS

Immediately after a heavy snowfall, remove snow and ice from property access roads and walkways to maintain access to your site and facilities by emergency services, such as the fire department.

A properly planned and executed snow removal program is critical for property protection because:



- Cleared drives and parking areas allow site access for emergency response vehicles, and clear walkways will allow easy access to the building by external emergency response personnel.
- Traffic areas cleared of snow and ice will minimize the possibility of slips, trips or falls by emergency responders, thereby reducing the chances for serious injury to the people responding to an incident.
- Clearing snow and ice from fire hydrants, hose connections and fire protection valves will keep them visible and easily accessible to firefighters and other emergency services.
- Be alert for the beginning of ponding-deflection cycles.

As snow compresses and absorbs rainwater, the increased weight on the roof will result in depressions that will not drain. Once this condition begins it only gets worse, and if appropriate action is not taken, the roof could eventually collapse.



IMPORTANT: Keep the roof well maintained and do roof repairs and covering replacements as soon as required.

PREVENTING FROZEN AND BURSTING WATER PIPES

Indoor pipes can freeze, depending on such variables as outside temperature, inside temperature, insulation and placement in the building. Pipes in attics, above ceilings, in crawl spaces and basements, and near exterior walls are highly vulnerable to freezing, especially where there is poor insulation, wall cracks or other openings that allow entry of cold outside air.

Monitor important risk control equipment, such as water-based fire protection systems (automatic sprinkler systems, fire pumps, hoses and hydrants). Whether or not piping in these systems actually bursts, any freezing of water can block water flow, preventing proper operation in case of fire. These systems must remain heated and ice-free to minimize losses from fire and water damage. Depending on the hazard, a wet pipe sprinkler system could be converted to a dry system.

RISK CONTROL BEST PRACTICES #2

To prevent the formation of ice in pipes due to freezing temperatures and to prevent the pipes from bursting, we recommend that you:

- Always place piping in heated areas of a building.
- Properly insulate attics, exterior walls and other areas lacking adequate heating.
- Repair broken windows, ill-fitting doors and other conditions that allow heat loss.
- Keep exterior doors closed, even if not in the immediate vicinity of piping.
- Maintain heat in buildings at all times. No area with piping should be allowed to fall below 40°F (4°C). (This requires regular maintenance, inspection and servicing of existing heating equipment, and safe emergency measures during a prolonged power failure.)
- Shut off the water lines and drain all pipes if the building is to be left unattended for an extended period. (The exceptions are sprinkler systems unless all combustible materials are removed and the building is noncombustible or fire-resistant.)
- Provide insulation around a pipe sufficient to reduce heat loss, or provide heat tracing, if the pipe might be exposed to freezing temperatures.
- Install low temperature alarms (with remote monitoring) in cold-prone areas.
- Adequately maintain and prepare dry-pipe sprinkler systems for cold weather (drain low points, etc).
- Properly service and winterize private yard hydrants.
- Clear snow and ice from private yard hydrants, outside hose connections and fire protection system valves to help prevent freezing of these systems.

IMPORTANT

Identify the main water shut-off valve(s) for the building and ensure that key personnel know where they are in case of a pipe break.

Never attempt to thaw a frozen pipe with an open flame.

For further information, please contact Trish Ennis, a Risk Control Specialist at Willis at
(303) 765-1551, trish.ennis@willis.com.

Save the Date: NRMCM's Annual Meeting - Wednesday February 18, 2013 in Atlanta

NRMCM's Annual Membership Meeting will take place on Wednesday, February 18, 2013 at 5:00 PM at the Atlanta NTL. Please mark your calendars now to ensure that you attend. Details will follow in the coming weeks.

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The coming months will be busy ones for NRMCM and we look forward to your continued support. As we learn more about the renewal, we will inform you of developments. And, as always, we welcome your participation, thoughts and suggestions. By working together, we will achieve our strategic goals for 2012-13.

Cordially,

Patrick

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Deb

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