



In April, 2012, I joined Neighborhood Risk Management Corporation as its first Executive Director. Renewal 2012 had just been completed.

Following a thorough review of losses, it was apparent that the portfolio had sustained a significant number of losses due to (1) cooking fires; (2) smoking; and (3) open flames, (e.g. candles): perils which are subject to remediation.

StoveTop FireStops

In July, 2013, NRMC embarked on a program-wide initiative to address cooking fires through the installation of StoveTop FireStops. At that time, STFS were installed in fewer than 45% of the kitchens insured in our program. The goal of the initiative was 100% installation by Thanksgiving 2013 and the onset of the holiday cooking season. This was a lofty and aggressive goal of less than 6 months for our member organizations who have limited funds and annual budgets that had not been factored into this campaign. At that time, slightly less than 45% of the units in the NRMC Program had installed STFS.

As of January 15, 2014, STFSs have been installed in almost 85% of the kitchens that will be insured in our program for Policy Year 2014. Many of the remaining members are in the process of installation. It is anticipated that by Renewal 2014, 90% of the units insured in the NRMC Program will have STFSs installed, with the remainder to be installed during PY2014.

This campaign began with member education and attached are some of the materials. A white paper was sent to each member. I addressed the financial and technical issues confronting members. Progress was tracked and posted. Members who achieved 100% installation were recognized and received "100% Completion" certificates.

Other Initiatives

In addition to our STFS campaign, NRMC is already working on a "Smoke Free" property campaign. Members who are in construction or rolling out new properties are implementing "smoke free" properties. We plan to initiate a campaign for existing properties in 2014 and are working with NeighborWorks America on this campaign. This will be a challenging campaign given the challenges of getting smokers to quit.

NRMC is also examining flame-free property initiatives.

Deborah S. Aschheim
Executive Director



TO: All NRMC Members and their Property Managers
FROM: Deborah S. Aschheim, Executive Director
DATE: June 2013

Fire Safety and the NRMC Program of Insurance: In support of StoveTop FireStops

Dear NRMC Member and Property Manager.

By now, you should have received your NRMC Member Report that covers your organization's performance during Policy Years 2011 and 2012 (April 1, 2011 through March 31, 2013.) That Report includes your organization's reported installation of StoveTop FireStops. NRMC has established a goal for the current Policy Year (PY 2013) 100% installation of these devices in all the properties of our members. This goal is an essential step in our loss mitigation efforts, something which will not only benefits your properties and the lives of your residents, but will enable us to reduce our loss expenses.

This Report demonstrates the benefits and values of this effort and is designed to assist you in achieving our goal. In the coming weeks, I will be contacting each Member to develop your organization's individual plan to achieve our goal.

If you have any questions, please do not hesitate to call me.

Deb

P.S. Congratulations to those members who have StoveTop FireStops installed in 100% of the units in their properties! See pages 4 and 5 of the attached. I will be following up with you to see if you have joined the ranks of "The Installed".

Fire Safety and the NRMC Program of Insurance: In support of StoveTop FireStops



Which Kitchen is in your Property?

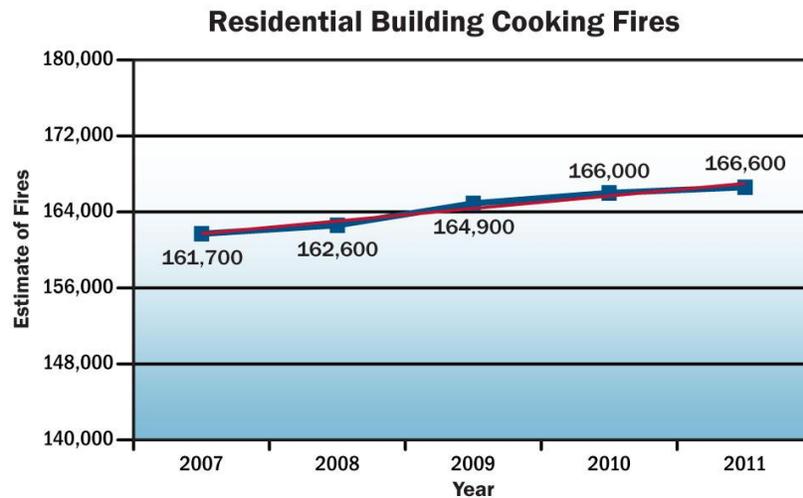


According to a January 2013 FEMA Study¹, during the period from 2008 to 2010, cooking and kitchen fires were, by far, the leading cause of all residential building fires and injuries in the United States. These fires happen most often when grease in a frying pan ignites. That FEMA report, *New: Cooking Fires in Residential Buildings (2008-2010)* also reported:

- On average, an estimated 164,500 cooking fires in residential buildings occur each year in the United States.
- Cooking was, by far, the leading cause of all residential building fires and injuries. Most often, grease in a frying pan ignites.
- Confined fires, those fires involving the contents of a cooking vessel without fire extension beyond the vessel, accounted for 94% of residential building cooking fires.

¹ Source: <http://www.usfa.fema.gov/statistics/reports/cooking.shtm>

- Oil, fat and grease (51%) were the leading types of material ignited in nonconfined cooking fires in residential buildings.
- Residential building cooking fires occurred mainly in the evening hours from 4 to 9 P.M., peaking from 5 to 8 P.M., accounting for 26% of the fires.
- Residential building cooking fires peaked in November at 10% (Thanksgiving) and declined to the lowest point during the summer months from June to August (BBQ season).



According to FEMA (Jan. 2013), for the period 2008 through 2010, kitchen fires resulted in reported losses of:

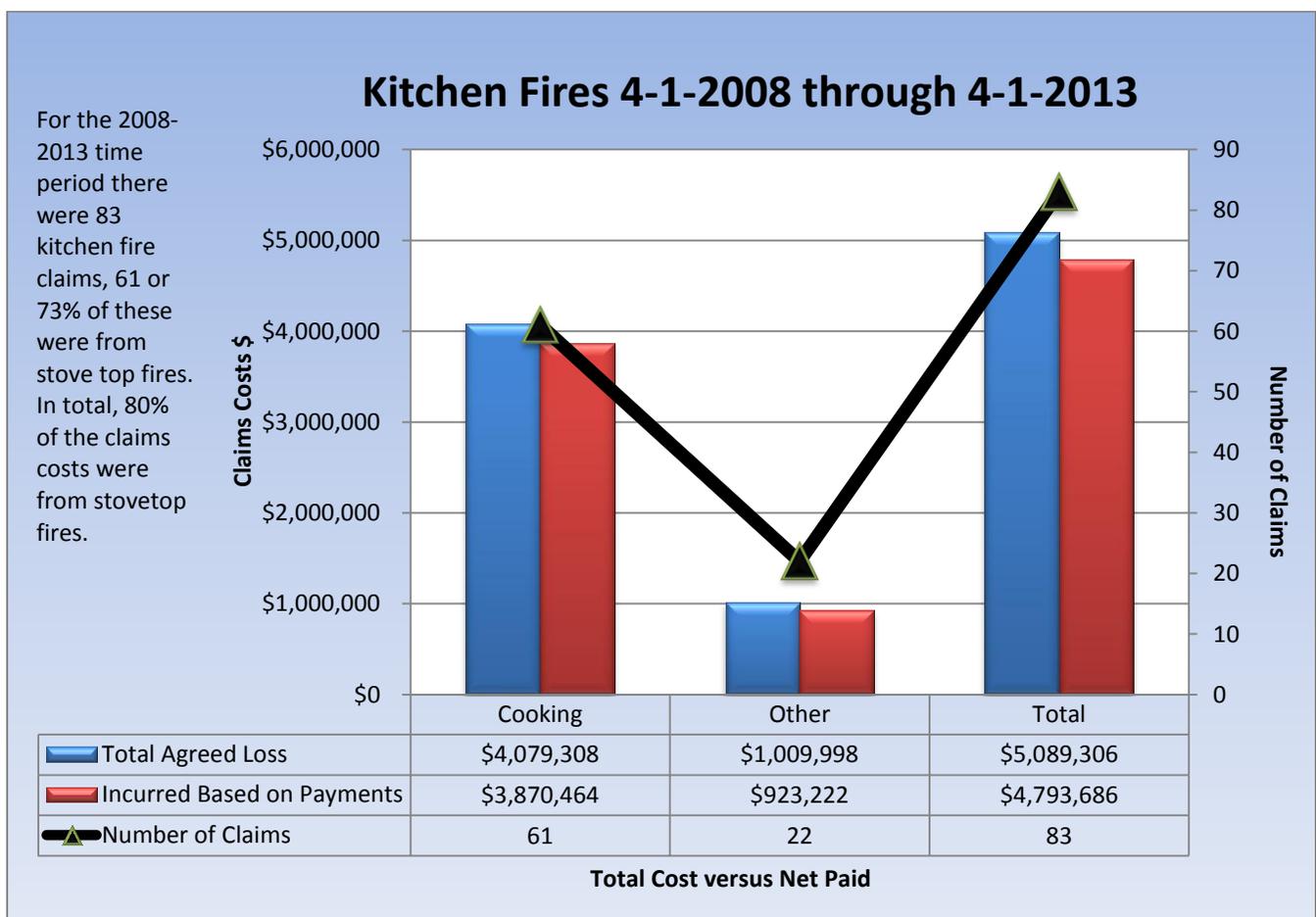
National Estimates of Residential Building Cooking Fires and Losses by Year (2008-2010) ²

Year	Residential Building Cooking Fires	Residential Building Cooking Fire Deaths	Residential Building Cooking Fire Injuries	Residential Building Cooking Fire Dollar Loss
2008	162,600	85	3,475	\$ 296,300,000
2009	164,900	105	3,350	\$ 313,000,000
2010	166,000	140	3,750	\$ 316,800,000

² Sources: NFIRS 5.0, residential structure fire-loss estimates from the National Fire Protection Association's annual surveys of fire loss, and U.S. Fire Administration's residential building fire-loss estimates.

These numbers do not include the unreported losses because they were “small” fires or near misses, or ancillary losses. In addition, other facts, such as residential population and their related cooking patterns may impact the incidence of fires, as certain ethnic and age groups may be more prone to fried food cooking.

The NRMC Program has not been immune from these trends. Since 2008, the NRMC program reported a total of 83 fires, of which 61 were cooking fires. In other words, for the five (5) year period April 1, 2008 through March 31, 2013, 74% of all NRMC fires originated in kitchens. These fires resulted in actual paid losses of \$3.87 million for the period, which is less than the initially agreed losses of \$4.079 million³ for the period.



Please Contact NRMC if you would like to review Program Kitchen Fire Losses by year or your organization’s kitchen fire history.

³ While this shows effective claims handling, the losses to the program could have been as high as \$4.079 million.

Each NRMC member is reminded that in the event of a Property Loss or claim due to a fire, the effective member is liable for the self-insured or deductible portion of the claim. For 2013, the deductible portion is \$5,000 for each claim. And, while the insurance carriers will be called upon to pay for the portion of the claim which is above the deductible amount, the carriers will factor the losses payments that paid into the rating for our program, and our rate at renewal will be adversely impacted by losses. Therefore, not only is it in each member's best interest to install StoveTop FireStops to avoid the deductible payment, but the installation of such a device will reduce, and possibly eliminate, losses and their adverse consequences on continuing of the NRMC Program.

StoveTop FireStops



Kitchen fires caused by grease and other stove top risks can be mitigated through the installation of StoveTop FireStops and other similar fire suppression tools. These devices are affixed to the hoods above stoves and have proven to be effective in the elimination or suppression of kitchen grease fires that migrate from burning pans to cabinets and throughout the kitchen. StoveTop FireStops can be used on electric and gas stove tops as well as ceramic/glass-top ranges. They can be installed in seconds by building maintenance staff.

All Members and their Property Managers are requested to kindly review the following two demonstrations which show the beneficial impact of StoveTop FireStops and the ease with which they are installed.

<http://www.stovetopfirestop.com/2012/11/video/wish-tv-indi-anapolis-in>

<http://www.louisvillefireprotection.com/vhvideo.htm>

In reviewing the potential impact that these devices can have on the NRMC program, we learned that based upon the data we received at the 2013 Renewal, sadly only 45% of NRMC members reported that they have these devices in their properties: not a passing grade! However, the good news is that the following 5 members have installed these devices in 100% of their properties:

Brand New Day
Cambridge Neighborhood Apartments & Housing
Foundation Communities
Oak Hill CDC
Woonsocket Neighborhood Development Corporation

And, the following 8 members have StoveTop FireStops installed in at least 65% of the units in their properties, so that 13 of our 59 members have FireStops in at least 65% of their units have earned passing grades:

Codman Square
Community Housing Partners
Madison Park
Neighborhood Housing Services of the South Shore, Inc.
Nuestra Comunidad Development Corp.
Southwest Housing Solutions
The Neighborhood Developers, Inc.
Troy Rehabilitation & Improvement Program, Inc. (TRIP)

There are many ways to procure StoveTop FireStops or other similar fire suppression devices. They are available throughout the country at many large hardware stores. In addition, NRMC has made arrangements for the purchase of StoveTop FireStops for NRMC Members at discounted prices from **Louisville Fire & Safety** [<http://www.louisvillefireprotection.com>] as set forth at the end of this Memo. When you place your order, tell them you are a member of NRMC – Neighborhood Risk Management Corp. You are also welcome to make your purchase from a vendor of your choice.

You do the math! StoveTop FireStops pay for themselves in terms of the potential savings to your organization directly (through deductible payments) and indirectly (through reduced lower insurance premiums). And, the safety they bring – from saved lives to the peace of mind they provide residents and their families – cannot be quantified.

**The Goal for the 2013 Holiday Season:
100% Installation in all NRMC Insured Properties by
Thanksgiving 2013.**

October is National Fire Safety Month. We hope that between now and October 31, each of our Members will develop their plan of StoveTop FireStops, so that their properties can begin the 2013 holiday season with enhanced safety and fire protection. The best holiday gift you can give your residents is safety.

We will be working with each member on a plan of installation. In addition, each member is encouraged to develop its effective plan of replacement. It is highly recommended that each member develop a replacement plan that will encourage residents to report when a FireStop has deployed and prevented a kitchen fire. We suggest “Free Replacements” without question policy: The goal is to encourage replacement so that residents are continuous protected. You should track replacement requests to determine whether a resident is having difficulties managing their kitchen and may require intervention.

We are working with the carriers to obtain premium relief for achieving installation milestones, although our goal of 100% installation is independent of what the carriers offer. Once we reduce our kitchen fire losses, our loss history will positively impact our underwriting and rating, and in turn, reduce our premiums and deductions against the Property Retention.

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If you have any questions or comments, please feel free to call me. Your input in making this program a complete success is greatly appreciated.

Please let me know when you have installed StoveTop FireStops in your properties so that we can measure how we achieve our goal. And, I will also be following up with our members on installation.

MENTION YOU ARE ORDERING THROUGH NEIGHBORHOOD RISK - NRMC

Louisville Fire & Safety

10908 Deering Rd.
 Louisville, KY 40272
 502-933-5675
 502-933-9137 Fax

Estimate

Date	Estimate #
6/21/2013	2851

Name / Address
Neighborhood Risk Management Corp. (NRMC) Members

P.O. No.	Terms	Rep
	Due on receipt	

Description	Qty	Cost	Total
Pair-StoveTop FireStop automatic vent hood fire suppressor (model 675-3D) (includes shipping/handling) Pricing is valid for any Neighborworks order of 5+ pairs through December 2013.	5	35.80	179.00
Pair-StoveTop FireStop Microhood Automatic Fire Suppressors (model 677-1 black or 677-2 white) (includes shipping/handling) Pricing is valid for any Neighborworks order of 5+ pairs through December 2013.	5	58.90	294.50
Unit pricing is valid for all Neighborworks orders of 5+ pairs of the vent hood model and 5+ pairs of the Microhood model through December 2013. Orders must be placed in multiples of 5 pairs to receive free shipping. Orders typically ship 1-2 days after receipt of payment. Please reference estimate #2851 when placing your order. Sales tax will be added to any order shipping to KY. or IN. when applicable.			
Subtotal			\$473.50
Sales Tax (0.0%)			\$0.00
Total			\$473.50



Neighborhood Risk Management
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NWOs working to insure safer communities

NRMC StoveTop FireStop Initiative

As of January 15, 2014



As of January 15, 2014, 83% of the units insured in the NRMC Program have installed StoveTop FireStop suppression devices. Many remaining members are in the process of installation.

Be counted among the safe members.



Neighborhood Risk Management
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NROs working to insure safer communities

CERTIFICATE of ACHIEVEMENT

THIS ACKNOWLEDGES THAT

AHC Inc.

**HAS INSTALLED STOVETOP FIRETOPS IN 100% OF THE PROPERTIES
INSURED THROUGH THE NRMC PROGRAM**



Deborah Arschheim
NRMC Executive Director

October 2013