

Fire Suppression System Saves Kentucky Apartment Builder \$300,000

Introduction

MiddleOak Specialty's Stove Top Fire Suppression Program gives property managers and owners a discount on their insurance premiums for installing devices in hoods to prevent stove top fires, the most common cause of apartment fires.

According to the National Fire Protection Association, in 2007 there were 98,500 apartment fires in the United States causing 515 deaths, 3,950 injuries, and direct property damage of over \$1.16 billion.

A look at the problem

A large Kentucky construction company builds over 300 apartment units every year. Their company performs the management and maintenance on thousands of units.

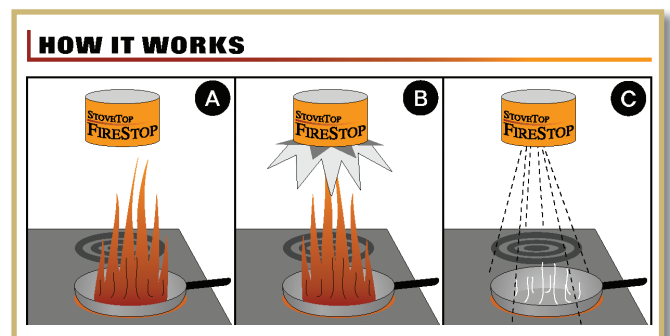
The company had 12 unit fires. These fires interrupted cash flow, put a strain on staff resources, caused tenants to leave, and put the company at risk of tenant lawsuits.

For property managers and owners, this is a hidden cash flow risk. Fires increase expenses, disrupt tenant retention, and cause resources to stop their work to handle these damages and their fallout. With the average kitchen fire costing them \$25,000 to repair, this Kentucky company discovered that if they can stop some of these fires, they can actually keep more money, keep tenants, and reduce a variety of expenses at the same time.

In a three year period, they would have about 12 fires, so the amount of money at stake was significant: \$25,000 or more per unit for a total of about \$300,000. Even with proper insurance, dealing with a fire is a time-consuming process involving many communications that take away from the regular course of doing business. Staff spends countless hours talking to:

- Tenants (communication, relocation)
- Insurance companies
- Insurance agents
- Claims adjusters
- Fire Marshalls
- Building inspectors
- Maintenance staff
- Contractors
- Accountants
- Suppliers

In addition, too many claims would only increase the company's cost of doing business and their ability to obtain affordable insurance coverage.



See Over, "The Solution"

THE SOLUTION: Stove top suppression

"We installed StoveTop FireStops® in every unit," says Greg H., Purchasing Director. "To us they are as necessary as light fixtures, flooring, and paint."

How much have we saved?

In 12 units, fires that started on a stove top were successfully extinguished by the stove top fire suppression devices. *"Conservatively, we have saved over \$300,000 in the three short years we've used the StoveTop FireStop®,"* says Greg.

A set of StoveTop FireStops® has changed the cost of a kitchen fire from a minimum of \$25,000 to less than \$500. The tenant is usually not even displaced. These devices have changed kitchen fires from a major loss to simply replacing a range hood and cleaning the range and kitchen cabinets. They can be purchased in volume for as little as \$18 per device.



Stove top fire suppression devices saved this Kentucky company time and money in so many ways—and potentially many lives at the same time. They found these devices are a necessity to keep their business and cash flow going smoothly, while providing safe housing for their tenants.

About MiddleOak Specialty:

MiddleOak Specialty is an apartment and community association insurance specialist. The company provides solutions that help property managers and owners protect their investments, cash flow, and reduce the hassles that prevent businesses from running smoothly.

MiddleOak Specialty supports the use of stove top fire suppression devices and even provides a discount off the property premium for having them, on top of other credits you may be entitled to. MiddleOak Specialty also offers tenant retention tools and other comprehensive coverage solutions. If you wish to have your property insured by a specialist, contact your certified MiddleOak Specialty independent agent to learn more.



Making Insurance Right.®