

HARRP NOTES

Housing Authorities Risk Retention Pool
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Website: www.harrp.com

PLEASE ROUTE:

_____ Executive Director
_____ Accounting / Finance
_____ Maintenance
_____ Property Management
_____ Personnel
_____ Safety Program Coordinator
_____ Other

MAY 2007

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Coverage Agreement Changes



Property coverages afforded by HARRP are predominantly habitational structures. HARRP bases its property rating component on the replacement cost value of the structure. Of course, the replacement cost is fueled by the square footages of the structures listed on your inventory.

HARRP has been investigating methods of streamlining the renewal and invoicing process. During our investigation, it has been determined that 8% of our members have specifically listed carports and garages separate on their property inventory. These carports and detached garages have been handled like all other structures, carrying a full rate based on the square footages. Clearly, replacement costs would be less for these support structures versus replacement of units.

After extensive research into the issue from a coverage standpoint, a loss history review and lost premium generation, the HARRP Board of Directors approved staff recommendation to discontinue specific entries for detached carports and garages, as of March 1, 2007. Carports and garages will be combined into "Other Structures," which engage a 20% of building value coverage. HARRP will no longer specifically track the carports.

Members will no longer need to isolate detached carports, garages and other support structures on their inventory reports to HARRP.

"Other structures" will automatically invoke replacement cost coverage, limits up to 20% of structure value; structure value being that of the building in which the detached garage, carport, storage shed, etc. serves.

With this change, the Coverage Agreement has been modified. If you would like the latest edition of the Coverage Agreement, please notify the HARRP staff for a copy or visit our website.

HARRP Agency Insurance Services, Inc.

The HARRP Agency Insurance Services, Inc. was formed in 1997 to provide HARRP's members access to insurance coverage for risks that are unique to housing authorities. That is, they either can't be covered by HARRP because of IRS private letter ruling and are excluded from HARRP coverage or by purchasing additional levels of coverage above HARRP's retention.

Since forming HARRP Agency, there has been a substantial amount of confusion differentiating HARRP from HARRP Agency. The most prevalent source of confusion is in accounts receivables, as it is common for warrants directed to HARRP Agency to be drafted for HARRP, or vice versa.

In order to eliminate or reduce the confusion with the close name association of HARRP and HARRP Agency, the staff has recommended to the Board of Directors that the agency name be changed. The Board of Directors has approved moving forward with a name change. HARRP will announce the name change formally when the proper filings have been successfully executed for the three states in which HARRP Agency operates.



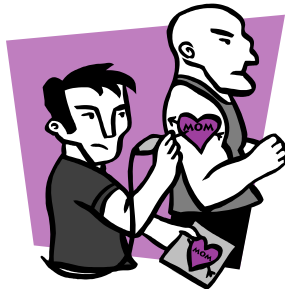
[Web Site Redesign](#)

Have you visited HARRP's webpage recently? www.harrp.com will link you to all of the services and information regarding HARRP. HARRP is your pool, so your input is critical to us!

HARRP will be performing some updating and architectural changes to the functionality of the HARRP website in the immediate future. HARRP would greatly appreciate any feedback you have regarding our current webpage; what you like, dislike, can't live without, couldn't care less about, etc. HARRP will accept any and all feedback as we venture into redesigning the website. Please contact any HARRP staff member with your input. Thank you!

Body Art

Body piercings and tattoos as forms of self-expression are generally unprotected by both federal and state law. We are not aware of any specific law prohibiting an employer from establishing a dress code policy prohibiting visible tattoos and body piercings at work. Any such policy would need to be enforced uniformly to avoid potential liability for unlawful discrimination, though minor sex-based distinctions to protect a company's business image have been upheld (i.e., generally okay to permit female employees to wear earrings but prohibit males from doing so). Beyond such disparate treatment issues, employers DO have a duty to reasonably accommodate employees' sincerely held religious beliefs or practices that are in conflict with a company policy (see www.eeoc.gov/types/religion.html). If an employee has a tattoo or piercing that is claimed to be required by his/her religion, the employer would need to explore reasonable accommodations. Initially, an employer can just ask if the jewelry can be removed or the tattoo covered (perhaps with a bandaid or clothing) and usually that will take care of it.



If the religious belief/practice prohibits this, however, then an employer may need to allow an exception to its policy, unless doing so causes an undue hardship on legitimate business interests.

To be eligible for this exception, an employer must be able to prove that any accommodation would require more than ordinary business costs, diminish efficiency in other jobs, impair workplace safety, infringe on the rights and benefits of other employees, cause other coworkers to carry the burden of the accommodated employee's hazardous or burdensome work, or conflict with other laws/regulations

If an exception is permitted for religious reasons, it need not be applied to other employees who have non-religious tattoos/piercings and want the exception for themselves. A policy that discourages but does not prohibit tattoos/piercings, is, of course, fine.

HARRP Staffing Changes

HARRP has experienced some staffing changes in recent months, losing Ric Weaver to retirement and Cynda Howell as our Controller. HARRP has recently hired a new Accountant, Michelle Frye. Michelle brings years of public, private and non-profit accounting expertise to HARRP.

Following is a list of the HARRP staff, duties and phone extensions for your records:

- Marianne Schneider, insurance certificates, video library
360/694-3600 x100
- Michelle Frye, A/P, A/R, all accounting functions
360/694-3500 x101
- Bill Gregory, pool administration, loss control, other issues
360/694-3500 x102
- Al Alvarez, risk management, contract, safety
360/694-3500 x104
- Kathie Thomas, renewals, database maintenance
360/694-3500 x105
- Rick Gehlhaar, claims, loss control, underwriting
360/694-3500 x106
- Robin Cox, agency, database management, other issues
360/694-3500 x108





Don't Be A Witness for the Plaintiff

A resident exits her apartment at the crack of dawn, slips on the ice from the ice storm that passed through overnight and breaks her wrist.

She reports the incident to the on-site manager who responds, "Darn, I should have called maintenance to get here early this morning to remove the ice."

A resident gets mugged and beaten up in his unit by an intruder who entered through an unlocked window so he could steal the resident's prescription drugs.

While speaking to the maintenance man after returning from the doctor, your maintenance man says, "I've been telling the housing authority we need to put bars on the first floor windows to protect the residents from burglars."

A resident trips over a toy left on the sidewalk by a neighbor's child and shatters her knee.

When she reports it to the on-site manager, he replies, "I'm really sorry to hear you got hurt. I knew someone would eventually get hurt because of the toys the kids in unit 6 leave lying around."

Each of the above is an example of a housing authority employee at worst, provoking a claim/lawsuit against the Authority or at best, becoming a potential witness for the resident/plaintiff.

All employees should know that it is human nature to feel compassion for someone who is injured. They should also know that they should not accept responsibility on behalf of the Authority for victims of accidents or crimes that occur on your sites. All employees should be instructed as follows:

- Don't volunteer information or opinions about the incident.
- Don't respond to statements about how or why the incident occurred.
- Don't answer questions from the victim or his/her family about how or why the incident occurred.
- Don't talk to investigators, insurance representatives or attorneys about the incident.

A specific individual, either on-site, or at the central office, should be designated to speak for the Authority. If you have any questions, please feel free to call or e-mail Rick Gehlhaar, Al Alvarez or Bill Gregory at the HARRP office.

[If your staff knows of problems that, if uncorrected, might lead to someone being injured, they should bring it to the attention of the proper person within the Authority and the situation should be dealt with **before** an incident occurs.]

"YOU'RE MADE AWARE OF A POTENTIAL CLAIM – NOW WHAT?"

HOW SHOULD YOU PROCEED WHEN SOMETHING HAPPENS THAT MIGHT BE COVERED BY HARRP?

ALL incidents need to be reported to HARRP even if you think no claim will be presented.

ALL claims involving your auto must be reported on the [HARRP Auto Accident Report](#) form (PDF and Word format found on the HARRP Website). Your vehicle must be identified by make, model and the Vehicle Identification Number (VIN).

ALL other claims are to be reported using the [HARRP Notice of Claim or Incident](#) form (also found on the HARRP Website).

WHEN SHOULD YOU REPORT THEM?

ALL incidents should be reported to HARRP as soon as you are aware of them. HARRP sets up three types of claim files.

INCIDENT—We feel there is no claim to be presented and will do no investigation.

INACTIVE – We feel there is a possibility of a claim being presented, but we do not actively work the claim other than an initial investigation.

ACTIVE—We investigate completely and maintain contact with the parties involved.

WHERE CAN YOU FIND THE PROPER REPORTING FORMS?

At the HARRP website www.harrp.com and clicking on the "Procedures" Tab, then under "[HARRP Forms](#)"

WHAT SHOULD YOU TELL THE OTHER PEOPLE INVOLVED?

HARRP asks that you do not contact the other party involved, but if they contact you, advise them that you have reported it to HARRP and that we will be in contact with them. Then advise us that they have contacted you, supplying us with the name, address and telephone number of that party.

WHAT SHOULD YOU DO AFTER A PROPERTY LOSS?

After most property claims – staff should immediately perform emergency clean-up and secure the site to eliminate any potential hazards. Then report the claim immediately to HARRP by faxing a Notice of Claim form to our office, then wait for an adjuster to contact you.

Your property coverage will not be jeopardized if you take the necessary precautions to protect property and secure against further damage. In fact, the HARRP Coverage Agreement requires that you take whatever action necessary to mitigate damage or loss.

SPECIAL PROCEDURES FOR LOSSES RESULTING FROM WATER DAMAGE:

Water damage losses of any kind need to be handled differently. Water damage claims can create a lot of additional damage if not addressed properly and immediately! Structures and sub-structures, as well as flooring and woodwork can deteriorate rapidly if water is not extracted commercially with drying and dehumidification started immediately. Not only can deterioration progress, but mold and mildew will develop within 24 hours or less.

All maintenance staff, on-site staff and emergency personnel should be trained on how to handle water claims. Even if there may not be coverage for a loss for one reason or another, you still want to mitigate the damage. Immediately after a water damage claim of any kind is identified, the water source should be shut off.

You can begin removing any standing water and contents, however, simultaneously a commercial water restoration company should be called out immediately (most, if not all, have 24-hour emergency response). We recommend that all first responders know this procedure and have emergency restoration contractor's 24-hour numbers available.

If you need assistance locating local water restoration contractors, or have any questions regarding losses or claims, feel free to contact HARRP's Claim Manager, Rick Gehlhaar at (360) 694-3500 x 106, or email him at rickg@harrp.com.

Were You Aware.....

2008 is a leap year, so as a valued member of the pool and a hostage of the Gregorian calendar, you get an extra day of coverage on February 29, 2008 at no additional cost!

Property Valuations

Once again, HARRP would like to reiterate the importance of reviewing your inventory database when you receive the renewal packet. Typically, the renewal packets will arrive 60 days prior to your renewal date. Please be aware that HARRP staff is randomly selecting structures off of your inventory database and comparing the replacement cost values against our valuation software, Marshall and Swift. HARRP will be making adjustments, if warranted, on your renewal database based on our information and the values reported back to us from Marshall and Swift. Since coverage for your buildings is capped at 125% of the reported value, it is of the utmost importance to have your property values reflective of current costs associated with reconstruction!

Loss Control Grants Available



Each year HARRP allocates funds for loss control endeavors related to the coverages we offer. A housing authority can apply for up to \$2,500 from the available funds on a first come first serve basis. For loss control funding ideas feel free to call Al Alvarez at 360-694-3500, extension 104. You can find the rules and the application form on our website,

<http://harrp.com/forms/MemberProposalFundingCriteriaandApplication.pdf>



From all of us here at HARRP,
have a wonderful Spring!

