

# Newsbriefs **EXTRA**

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## Risk management Keeping our co-ops safe

### Our co-op is safe – isn't it?

Accidents happen. But accidents in housing co-ops can cause devastating damage to homes and sometimes even loss of life. And, while sometimes they can't be avoided, in many cases, there are things you can do to reduce the risk and prevent damage to your co-op from fires, floods, falls and other hazards.

And – for those accidents that can't be prevented – there's insurance to help keep your co-op and members protected.

This supplement to *Newsbriefs* is designed to help you educate co-op members about potential risks in the co-op, take steps to reduce the risk in your housing co-op, and make sure your homes and members are protected from harm.



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# fire and

## How much do you know?

### Test your fire-safety knowledge

Here are some questions to help test how much you know about your risks (answers on back page):

#### 1. What is the most common cause of fires?

- Smoking
- Candles
- Children playing with lighters or matches
- Cooking

#### 2. Who is at the highest risk of being killed or injured in a fire?

- Children under 6
- Children from 6 to 16
- Young adults
- Adults over 65

#### 3. When do most fatal fires occur?

- At night
- During the day
- In the evening
- In the morning

#### 4. What should you do if a pot on the stove catches fire?

- Slide the lid on
- Put baking soda on it
- Take it outside
- Pour water on it

#### 5. How can you prevent kitchen fires?

- Stay in the kitchen when you are cooking
- Wear clothes that fit tightly around your arms and body when you are cooking
- Do not cook (or smoke) when you have been drinking alcohol
- a, b and c

# water

Water damage and fires are the most common causes of insurance claims in housing co-ops. Other claims are related to security issues such as vandalism, fraud and theft, or claims for bodily injury from falls. Weather accounts for a small number of claims. The best way to keep safe is to educate yourself about potential risks and learn how to avoid them.

## Water damage – what is it and what can your co-op do about it?

Adapted from the CHF Canada Risk Management Kit

Get started to reduce water damage in your co-op with this checklist. Every housing co-op in CHF Canada's commercial insurance program receives a Risk Management Kit designed specifically for co-ops. The Kit gives information that will help you round out your knowledge and answer questions that might come up.

Do you know?

- How to spot the early warning signs of water leaking into your walls and ceiling?

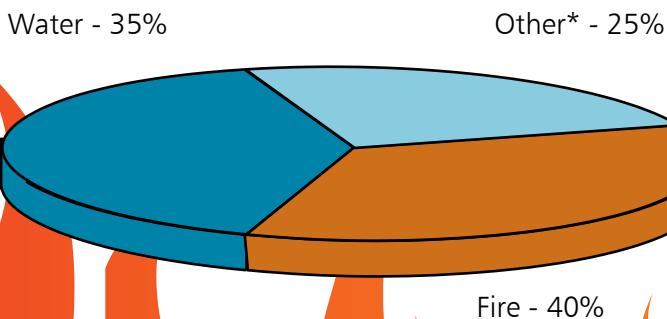
- How to get rid of cooking grease so that it does not damage your drains? Kitty litter? Used motor oil?
- When your toilet is trying to tell you something?
- What to do when it overflows?
- Where to find the shut-off valves for your toilet? For your kitchen sink? For your building?
- Where to find a plunger in a hurry? Late at night?
- What to do when your sink backs up and fills with dirty water? What to do when it overflows?

- Who to call if a pipe bursts? On a weekend?
- Which pipes in your co-op need to be drained and turned off for winter?
- How to turn the water back on safely?
- Where the wet vacuums are?
- What a sump pump is and why you may have one?
- How often vacant units should be checked during the heating season?
- What your co-op's insurance policy says about water damage?
- What your personal insurance policy says about water damage?

If you've already had experience with water damage, you may know the answers to many of these questions. If you haven't it doesn't hurt to know now and may actually prevent the worst outcomes of water damage.

There are other risks to your co-op safety and ways to increase your members' safety from threats to their personal and financial security, and your co-op from vandalism, fraud and theft. You'll find more detailed safety information in *Securing Co-op Communities*, available under *Running Your Housing Co-op* - Co-op Staff in the Resources section of CHF Canada's website at [www.chfcanada.coop](http://www.chfcanada.coop).

Housing co-op insurance claims: 2002-07  
The Co-operators



\*Other includes damages from: wind, vandalism, theft, vehicle impact, boiler, glass breakage and other causes.

# Reducing your risk

**A**n ounce of prevention is worth a pound of cure. Insurance may give you peace of mind that you will have money to soften the blow of damages, if and when something happens to you. But it can't actually lower your chances of one day facing a loss or injury.

Insurance companies make a best guess of what the costs might be to cover a loss for you if and when it happens. And you can too. By getting in touch with your risks and what you can do to reduce them, you just might better your odds. Here's what you can do to manage your risk of property damage or personal injury, and keep your insurance rates low:

Review your Risk Management Kit. This kit includes prevention booklets on the four top risks to co-op members: fire, water, security and personal injury. The booklets are great resources of information presented with special features like quizzes, checklists, and prevention tips, all of which can help co-op members and co-ops' Risk Management Teams who need to know more about how to make your co-op safe from these threats.

For times when co-ops do need to access insurance coverage, the kit includes a how-to booklet on how to report your claim and settle it quickly.

If you are covered through CHF Canada's commercial insurance program but can't locate your Risk Management Kit, contact **Louise Briglio** at 1-800-465-2752 ext.224 or e-mail [lbriglio@chfcanada.coop](mailto:lbriglio@chfcanada.coop)

For more information, contact **Linda Stephenson**, CHF Canada's Program Manager, Corporate Services, at 1-800-465-2752, ext. 234 or e-mail [lstephenson@chfcanada.coop](mailto:lstephenson@chfcanada.coop).

The Risk Management Kit will give you the tools, but you need to involve your membership to look at co-operative and individual safety practices, establish an emergency response team, a safety team and rehearse safe exits.

## WHY HAVE INSURANCE? AVOIDING THE WORST-CASE SCENARIO....

On an afternoon in September 2007, **Moonstone Housing Co-operative** in St. Catharines, Ontario was devastated by a fire when sudden strong wind knocked over a tin-can ashtray on a balcony (see photo below). One entire co-op building was destroyed and the other suffered smoke and water damage. Because the co-op had commercial insurance with The Co-operators, they are already planning the restoration. "The Co-operators were on site immediately....and their customer service is very, very positive," **Todd Crawford**, the co-op's manager explained.

Unfortunately, many members did not have insurance for their personal belongings.

"Even the Red Cross was only prepared to assist 50 people in case of a disaster and we had 160 for the first 33 hours, until it was safe for people to move back into one of the buildings."

When a similar disaster happened at **Mountainview Housing Co-op** in Port Moody, BC in 2001, and 46 families lost their homes, most of them had at least \$30,000 coverage through MemberGuard, CHF Canada's insurance program for co-op members' personal belongings.

"MemberGuard representatives flew out from Toronto and within two days people had emergency cheques and their loss assessed within one week," **Laura Soucey**, Treasurer for Mountainview, said at the time.

Through HB Group Insurance, a member company of The Co-operators, CHF Canada members can purchase MemberGuard insurance to cover their personal belongings.

While some things are irreplaceable, and some people might want additional coverage to cover prized possessions, having contents insurance means when members are hit by tragedy they are able to get back on their feet. In 2002, a fire left members of **Paloma Housing Co-op** in Vancouver homeless for six months. The former chair of the board, **Stephen Lock** commented at the time, "Those who were covered by MemberGuard had their hotel accommodation paid for until they could find other living arrangements and all their moving costs were covered."



CHF Canada's commercial insurance program with The Co-operators has seen an increased number of fires over the last few years – a trend that could become a problem. We need to work together to reverse this trend. Most fires are caused by members, and most are preventable. Risk management in your co-op is the key to keeping claims down, and keeping your members safe. If you do one thing this year, please do a thorough review of your co-op for any fire hazards and get them fixed right away. Work with your Co-operators representative to identify risks if that will help. Only you can stop preventable co-op fires!



3

**Keep your co-op safe from water damage**

With regular safety checks, you can reduce your risk of water damage.

- Look at all the ways your co-op uses water – water supply, laundry facilities, drains and sewers, hot-water heating, sump pump, or sprinkler system – and inspect and eliminate any hazards on a regular basis.
- Examine your building envelope – roof, walls and windows.
- Insulate any exposed pipes that could freeze.
- As part of your regularly scheduled maintenance, use the water damage checklist in your Risk Management Kit.
- Maintain your replacement reserve so you're able to keep your co-op building in good repair.
- Make sure your co-op has the necessary water damage insurance coverage.

- Have an escape plan that considers how to help members who may have more difficulty in exiting the co-op in case of a fire.
- Organize fire safety drills.

5

**Educate your membership**

Share what you learn with your membership:

- Publish fire safety and water hazard identification checklists and safety tips along with emergency preparedness information in your co-op newsletter.
- Post this information on co-op bulletin boards.
- Share this information at membership meetings.
- Ask committees to take on roles, i.e. maintenance committee to help with co-op inspection, membership committee with education.
- Have a co-op fire and water safety survey– to help identify hazards, share concerns and get feedback.
- Distribute an emergency plan and ask membership to participate in regular emergency rehearsals.

1

**Assemble a Risk Management Team**

A Risk Management Team is the important first step in covering the essentials of risk management. The team will

- become familiar with the Risk Management Kit
- research your co-op's risks, community services, rules and regulations
- share risk management information with your co-op membership
- collaborate with committees to organize safety checks, educate members, assemble your emergency kit and rehearse emergency plans.

2

**Keep your co-op safe from fire**

- Review high-risk areas and activities outlined in your Risk Management Kit.
- Obey all fire safety laws.
- Maintain all fire safety systems: fire exits, alarms, fire extinguishers, and escape routes.
- Deal with obvious fire hazards promptly.
- Have an up-to-date fire emergency plan.
- Make sure your co-op has the necessary fire insurance coverage.

4

**Be prepared for an emergency**

- Assemble an emergency preparedness kit – this should include first aid and survival equipment as well as emergency contacts. Refer to the Risk Management Kit for what to include or visit websites like [getprepared.ca](http://getprepared.ca).
- Identify who will be in charge. Assign roles like Fire Captain and Second, and know who will take charge in an emergency.

# What is insurance?

*Most of us understand the basics of insurance: pay some money now so that we don't have to pay so much later – when something goes wrong. Right?*

Yes....but did you know that insurance does more than provide a way to cover your loss? Having insurance coverage also gives you a guarantee that can reassure others. For example, banks like to know that homeowners are insured before they'll give a mortgage. The same goes for co-ops who may be renegotiating mortgages or borrowing for renovations. People who visit your co-op have an expectation that you are concerned for their safety – having liability insurance, part of The Co-operators commercial insurance – shows you are. Losses covered by insurance can also include specialized plans to make sure that co-op insurance will pay the housing charges if a key earner in their household dies (CHF Canada's Housing Charge Life Insurance program).

Another way of looking at insurance is that you share the risks with everyone else who buys the insurance. This is where it sometimes becomes tricky to understand. Insurance companies manage the pool of money that we all pay into. They decide how much we pay (our premiums) by calculating what the cost of replacement or coverage might be if, against the odds, something damaging happens – a fire, a flood, a death. They do this by comparing a wide variety of factors.

Accuracy and correct comparisons are important so that you get adequate coverage when you need it and to make sure you do not pay too much up-front. If many members have to take out money from the pool all at once, the rates might need to go up. Fortunately, with The Co-operators commercial insurance or The HB Group Insurance, MemberGuard, a single member's rates do not automatically go up after that member makes a claim. There will only be increases if many members need to draw on the pool of money in one year.

You can help make sure the amount you need to pay - your individual and co-op premiums – stays low by reducing the risks. For instance, your co-op can install alarms and sprinkler systems to help prevent fires. For life insurance, you can demonstrate healthy lifestyle choices; for auto insurance, a safe-driving record.

You can learn more about reducing risks through using your co-op's risk management kit.

## What to do when your car's on fire...and other information on CHF Canada's insurance programs

**D**ave Howard and his wife Sheila were on their way to Ottawa when he noticed that, while the road in front of him was perfectly clear, the air behind him seemed foggy. "Sheila, I think we have a problem," he said. By the time he pulled off the road, the engine was failing and flames were coming up from under the hood.

Dave, a member of **Tabby Town Urban Housing Co-op** in Stoney Creek, Ontario and now a Team Leader (acting) for Ontario/PEI at the Agency for Co-operative Housing, was on CHF Canada's Board of Directors at the time and was heading to Ottawa for a meeting.



**Dave and Sheila Howard of Tabby Town Urban Housing Co-op in Stoney Creek (Ontario) were pleased with the "fantastic" service they received through AutoGuard when their engine caught fire on the way to Ottawa.**

Other motorists ran to a nearby service station and returned with a fire extinguisher. While Dave was frantically tossing their luggage from the burning van, Sheila had grabbed the insurance papers and was on the phone with their AutoGuard insurer.

"They were fantastic," he says. "They called Enterprise car rental to meet us with a rental van and arranged to have our van towed; 45 minutes later we were back on our way to Ottawa." A week later, Dave received a cheque for the value of his van, which was not repairable.

As well as being happy with the service, Dave is pleased with the cost of his insurance. "I always tell people that when I signed up for MemberGuard and AutoGuard, I paid less for both policies than I previously paid for auto insurance alone."

These are the insurance products available from The Co-operators to CHF Canada member co-ops and their members:

### PROPERTY AND CASUALTY INSURANCE

This is insurance to protect your co-op buildings. The lower premiums available through our group property and casualty



programs with The Co-operators General Insurance Company go a long way toward paying your CHF Canada dues. And the program includes \$1,000,000 in personal liability coverage for each member of a member co-op, without extra charge to the co-op, or any charge to the individual.

To find out more or to sign up, call 1-800-265-2612. Your local agent with The Co-operators should be listed on your renewal papers; if you're not sure who that is, ask for **Viet Nguyen**.

### GROUP BENEFITS

Our group benefits plan for employees of CHF Canada members and associates offers a choice of four benefits options, from basic to comprehensive. Depending on the plan you select, benefits to your staff include life insurance, short- and long-term disability insurance, extended health, vision care, dental coverage and an employee assistance plan. Offered through The Co-operators Life Insurance Company, the program covers single employees as well as groups. Same-sex spouses are covered.

To find out more or to sign up for Group Benefits, call **Claire Norman** at Morneau Sobeco Inc., 1-888-503-6333.

### HOUSING CHARGE LIFE INSURANCE

Many co-op members have no life insurance. Housing Charge Life Insurance, available to CHF Canada members through The Co-operators Life Insurance Company, covers the housing charges for surviving household members for three, six, or twelve months, depending on the plan the co-op has chosen.

For less than the cost of a postage stamp per unit per month for every \$1,000 in coverage, you can keep your members covered. Once your co-op enrolls, coverage for all members under 70 years of age is automatic.

To find out more or to sign up for Housing Charge Life Insurance, call 1-888-503-6333 and ask for **Jane Clayton**, or call **Linda Stephenson** at CHF Canada at 1-800-465-2752, ext. 234 or email [lstephenson@chfcanda.coop](mailto:lstephenson@chfcanda.coop).

### MEMBERGUARD™

Affordable household contents insurance for members and employees of CHF Canada members. If your co-op is insured under CHF Canada's property and casualty program, you already have personal liability coverage. The pricing of MemberGuard™ takes this into account.

### AUTOGUARD™

Automobile insurance at exceptional prices from HB Group Insurance Management Ltd. for members and employees of CHF Canada members. This coverage is available in all provinces except BC, Saskatchewan and Manitoba where there are government-run auto insurance programs.

Call 1-800-387-1963 or email [memberguardautoguard@hbgrpins.com](mailto:memberguardautoguard@hbgrpins.com) for a no-obligation quote for MemberGuard™ or AutoGuard™.

For any other questions about risk management and/or insurance coverage, contact **Louise Briglio** at CHF Canada, 1-800-465-2752, ext. 224 or email [lbriglio@chfcanda.coop](mailto:lbriglio@chfcanda.coop).

# Answer key to Fire Safety Quiz

See page 2 for quiz. Adapted from the CHF Canada Risk Management Kit.

**1D** – Most fires start in the kitchen. According to The Co-operators' statistics, almost half of the fires that led to insurance claims were kitchen or grease fires. Candles and smoking each caused about 8% of the claims. Children playing with matches led to several fires that were listed in a general category.

Think about your co-op: The activities of co-op members caused most of these fires. Fire-safety education may make your co-op a safer place to live. Members and staff need to be aware of fire hazards in the co-op.

**2D** – Adults over 65 are at the greatest risk.

Think about your co-op:

- Does your co-op have a fire emergency plan?
- Are certain people assigned to take charge in an emergency?
- Do they know where your most vulnerable members live – frail, sick, or disabled members?
- Do you hold regular fire drills?
- Do your members have escape plans for themselves and their families?
- Has each household agreed on a safe place to meet outside the building?

**3A** – Most fires that kill people occur at night while members are sleeping. A properly installed smoke alarm can save lives. However, if your alarm is not working, it cannot save your life. According to the Ontario Fire Marshal's Office, "most fire deaths occur in homes where there are no working smoke alarms." Remember to check your smoke alarms once a month.

Think about your co-op:

- Does each unit in your co-op have properly installed smoke alarms? Are they working?
- Have members disconnected their smoke alarms because of frequent false alarms? The alarms may be too close to bathrooms or kitchens or you may need to switch to another type of alarm.
- When did you last test your smoke alarms?

**4A** – If a fire starts in a pot on the stove, turn off the burner and slide a lid over the pot. The lid will keep the fire from getting the oxygen it needs to burn. Baking soda may work but never use water as it can spread the fire. If you try to take the pot outside, you may spread the fire or burn yourself.

When a fire starts, you must be prepared and able to act quickly. Remember, fire spreads swiftly and smoke is the greatest threat. Getting everyone out safely is most important. Never put yourself or others in danger by trying to put out a fire. Only fight a fire if

- it is small
- someone has called the fire department
- everyone else is out
- you have a clear exit
- you have the right tools, and
- you know what to do.

Think about your co-op:

- Do co-op members know how to react in case of fire? In a house or townhouse? In a high-rise?
- Are they prepared?
- Does every home have access to a fire extinguisher?
- Do members know how and when to use it safely?

**5D** – All of these are important fire safety rules to remember when you are cooking.

Think about your co-op:

What other member activities could cause fires? Do co-op members know how to use and store gas barbecues safely? Do they know how to use and store flammable materials (things that burn easily such as propane and gasoline)?

If some of the information in this quiz was new to you, it will probably be new to other members of your co-op too. By encouraging fire safety you can save your co-op money and time. You can help protect members' belongings. And you will save lives.