

Fire Safety Regulations are very important

**Summit Systems Provides Valuable Fire
Safety Procedures to produce real
reductions in annual premiums**

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Fire Safety

A Fire Safety Audit is simple and valuable



- Insurance premiums are assessed on risk and other factors relating to the site.
- An important factor is the quality of risk management (or lack thereof).
- Another is contingency planning and evacuation.
- Sprinkler systems are very good but they are not the only answer. They are really expensive and can fail to operate. They also spoil many goods.

Fire Safety

A Fire Safety Audit is simple and valuable



- Sprinkler systems are likely to reduce your premium by about 10% but up to 15%.
- If you move to international insurers, they can give reductions of 50% for well managed risk and proper annual audits to find further easy to do improvements that have huge cost benefits.
- In plain language people are much more important than sprinklers. They must however be professionally trained and qualified.

Fire Safety

What a Fire Safety Audit can do for you



- It can establish your fire safety rating
- The audit can be completed in 60-90 minutes. It will measure from 40 to 90 items.
- The audit will establish your fire safety rating so that you can focus on reducing insurance premiums by up to 50%.
- All Wardens will need to be formally trained.

Fire Safety

Annual Insurance Premiums Can Change Significantly



- Insurers are influenced by high quality standards
- They are also influenced by excellent safety ratings.
- They are impressed by clients who wish to improve.
- Premiums can vary from 2% of insured value to less than 0.5% of insured value.

Fire Safety



About the Fire Safety Procedures

- The regulations apply to all properties except farm buildings and domestic dwellings.
- There are 19 Regulations in Part 1 of the Fire Safety and Evacuation of Buildings Regulations 1992/2006.
- The emphasis is on the prevention of fire and the prevention of harm to people.
- Building Owners are no longer able to contract out of their legal obligations.

About the Fire Safety Procedures

- The benefits can be impressive
 1. Potentially huge savings in premiums and it is technically possible to reduce risks and premiums by up to 80% but let us think of 25-50%.
 2. Most people think that premiums are entirely governed by sprinklers / physical fire equipment but these seldom reduce premiums by more than 15%.
 3. On the other hand, excellent procedures and well trained staff are much more effective.

About the Fire Safety Procedures

- The benefits can be impressive
 3. Better public image and staff relations. Staff and managers are much happier in the full knowledge that their workplace and job will be protected by proper systems and training.
 4. Trained staff make for good motivation. Staff take pride in having valuable training that can be useful to them in their career and transferable skills are more desirable than workplace skills that are fixed.

About the Fire Safety Procedures

- The benefits can be impressive
 5. Customers also are impressed with businesses that wish to continue to be able to provide for their needs with the risk of essential products not being obtainable or at less convenience.
 6. Large organisations, Government Departments and Local Bodies also expect that smaller companies will actually follow the laws required in this land.

How to achieve the benefits

1. Summit Systems will offer a proposal for acceptance and this is likely to be around \$1000 per day plus travel and GST costs.
2. A site audit will be carried out by a trained Consultant. A report will be prepared.
3. There will also be a Fire Safety audit of about 40 or 90 questions and this will be completed with a site manager or business owner and will take about 60 to 90 minutes

How to achieve the benefits

4. The report will go to Head Office of Summit and a detailed report will then be compiled for issue to the client. It will be processed and ready for delivery within 30 days and issued to the client.
5. The client will then rectify items identified to move up to a better risk management profile.
6. The report may then be issued to the insurance broker and or insurance company for direct action.

How to achieve the benefits

7. Or, alternatively, a much better option is for the client can arrange for a meeting between Summit and the Broker/Insurer to request an improved risk rating profile and lower premium to be offered. Summit can provide an individualised Risk Assessment and Management Report for the Broker / Insurer / Underwriter as the case may be.

8. Summit will agree to provide an annual client visit so that the risk rating is maintained and this will involve a) site audit and b) systems audit and c) retraining of the fire wardens and d) issue of new certificates to the Broker / Insurer / Underwriter.

Fire Safety

Summary



- Most people are completely unaware of the financial benefits that are available as a result of implementing good quality management procedures and simple audits. The audits help identify the real issues that insurance actuaries take into account.
- To the surprise of most clients, the actual expenses to make a number of practical changes are economical and cost effective. The financial benefit can be profound, especially after year one.

Fire Safety

Summary



- Most sites pay insurance premiums for material damage on the basis of about 1.5 to 2.5 % of the Insured Value. In simple language at a 2% rate on \$1,000,000 cover, the premium would come to \$20,000. But it is possible to reduce the rate to 0.5% which would be one quarter of the annual premium.
- Similarly, most people are not aware that the Insurance Industry as a whole would have made a sweeping increase nationwide as a result of the Christchurch earthquakes. We understand that this amount has now been factored in.

Fire Safety

Summary



- In addition, a client can expect a “loading” on the normal annual fee as a result of a claim. On the other hand, a “no claims bonus” can be available plus a special premium rate for well managed risk or highly protected risk.
- We have letters on our file to prove the above and also we can prove that clients actually gain a very worthwhile reduction. A table is provided for consideration.

Fire Safety

Summary



Here are examples of what can be achieved in the real world.

NB: reductions of MORE than 50% are possible for sites that are prepared to make economically viable incremental improvements over 3-4 years.

Insured Value of buildings, plant, vehicles	Present annual premium	Excess and exclusions	Premium after audit and improvements	Net result in percentage terms
\$1,000,000	2% = \$20,000	\$2,000	Year one \$15,000 Year two \$10,000	Year one 25% Year two 50%
\$500,000	2% = \$10,000	\$1,000	Year one \$7,500 Year two \$5,000	Year one 25% Year two 50%
\$2,000,000	1.5% = \$30,000	\$3,000	Year one \$22,500 Year two \$15,000	Year one 25% Year two 50%

Let Us Help You



- Summit Systems Ltd Consultant will offer you a quote for a Fire Safety Audit, Formal Fire Safety Procedures and/or Approved Evacuation Scheme.
- Summit Systems Ltd will ensure Client satisfaction and on-going support. S/he will also arrange for a meeting with your Broker.
- Summit Systems Ltd has had up to 20 years of experience. It has highly skilled people and is subject to independent audit of its standards plus external audit by NZQA.

Contact Details



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