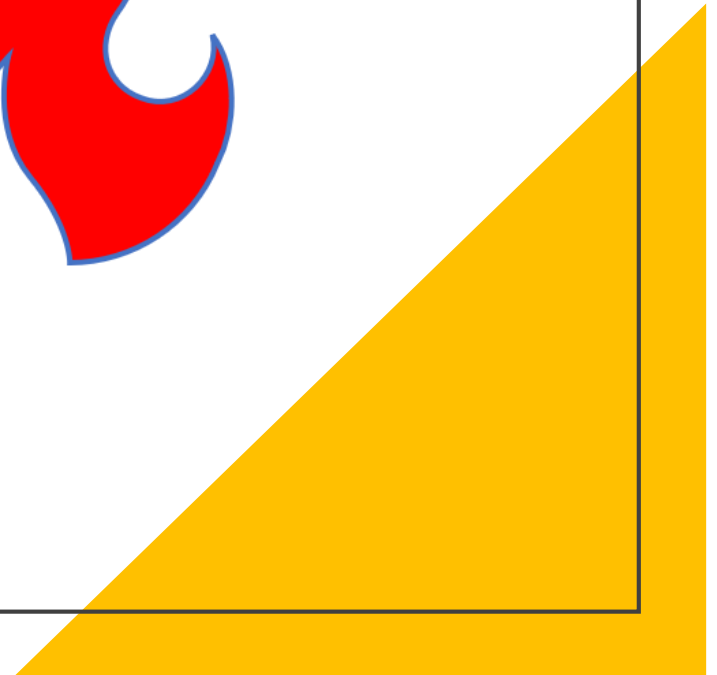


Fire Recovery

City of Peoria Fire Department
February 2023



Fire Recovery

- Recovery of fire department incident response costs has been a part of traditional homeowner's and auto insurance policies for a long time, many years.



What is Cost Recovery?

- If a fire department responds to a motor vehicle collision or car fire, a structure fire, a hazardous materials incident, dive rescue, or other calls for service, insurance funds may be available to reimburse for services rendered.
- Provisions for public safety reimbursement have been part of insurance coverage for many years. Fire departments must make requests to insurance companies for reimbursement.



Why Use a Third Party Administrator?

- Mutual aid responses – like the fire at BioUrja this past summer – can be eligible for reimbursement.
- Third party administrators (TPA) can assist in securing revenue. They have relationships with insurance companies that many fire departments do not maintain.



How Does it Work?

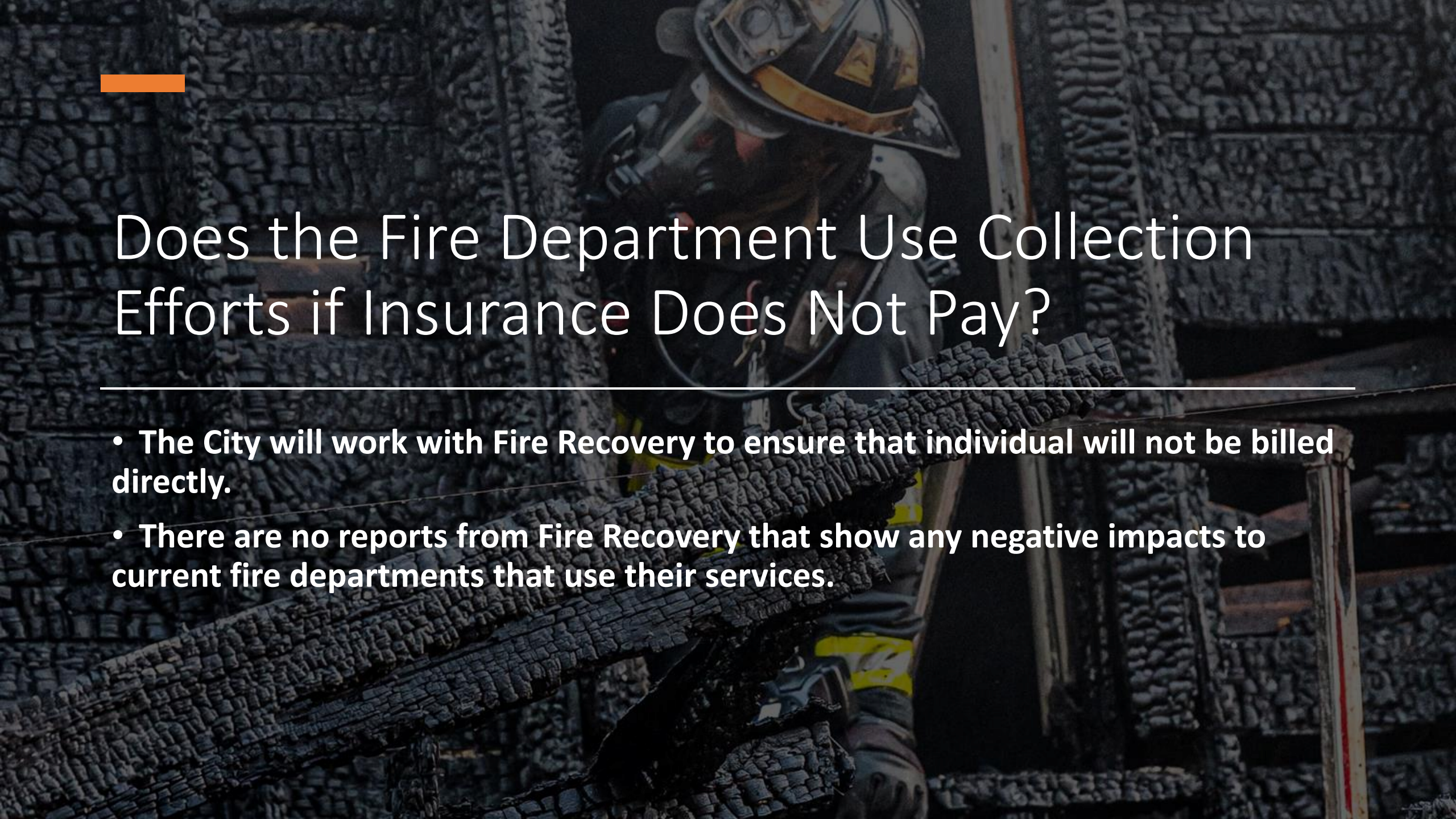
- After the incident, the Fire Department submits the information to the TPA. The TPA works on the fire department's behalf with the appropriate insurance companies.
- If no collections are made on the supplied incident report, there will be no TPA fees.



Is this Process Legal?

- Fire service incident response cost recovery is legal in every state. There are variations and limits in every state and insurance policies.
- Fire Recovery works within these established limits to recover funds for the Peoria Fire Department and the City of Peoria.





Does the Fire Department Use Collection Efforts if Insurance Does Not Pay?

- **The City will work with Fire Recovery to ensure that individual will not be billed directly.**
- **There are no reports from Fire Recovery that show any negative impacts to current fire departments that use their services.**



Does Fire Recovery Have a Negative Impact on Homeowner's Insurance Rates?

- These provisions are already built into homeowner and auto policies and do not have a negative impact on insurance costs.
- There is no negative ISO impact for recovering funds built into the established insurance policies.

Is there a TPA Fee?

- There is a standard fee associated with Fire Recovery.
- This fee is negotiable.



How Much Money Will This Generate for the City of Peoria?

- Each City or department's reimbursements vary from year to year depending on the type of responses that we go on.
- Fire Recovery would act as our TPA to recover the associated costs for the fire department and the City.
- Based off of the moderate projections over the past (5) years, the City of Peoria could potentially recover upwards to \$300,000 to \$500,000 annually.



Prepared date: November 2, 2022

Prepared for

[Redacted]

DUNLAP, IL 61525-7509

Phone: (309) 264-5909 (Home)
(309) 264-5909 (Work)

Your State Farm agent

Derek Eastman

Eastman Ins and Fin Svcs Inc
506 W Center St
Eureka, IL 61530-1112
Phone: (309)467-2301

Property location

DUNLAP, IL 61525-7509

Property Details

Quote Effective Date: 11/09/2022
Year built: 2009
Subzone: 99
Territory Zone: 50
Construction: Frame
Num Families: 1

Rate IV: 100%

Quote description: 100% Replacement Cost

Quote results	Limit	Premium
Coverages		
Dwelling (Coverage A)	383,000	2,098.00
Increased Dwelling - Option ID	76,600	
Dwelling Extension	38,300	
Personal Property (Coverage B)	287,250	
Personal Liability (Coverage L) each occurrence	300,000	10.00
Medical Payments (Coverage M) each occurrence	10,000	15.00
Credit Card / Bank Card and Forgery	1,000	
Damage to Property of Others (Each Occurrence)	1,000	
Loss of Use	114,900	
Loss Settlement Provision		
Loss Settlement Option - Dwelling	A1 - Replacement Cost - Similar Construction	
Loss Settlement Option - Personal Property	B1 - Limited Replacement Cost	

Example of insurance policy

- This is an example of an insurance policy with the built-in provisions to recover.
- FIRE DEPARTMENT SERVICE CHARGE

Quote results	Limit	Premium
Deductibles		
Policy deductible	1/2% 1,915	122.00
Charges / Credits		
Claim Record		(168.00)
Home / Auto discount		(676.00)
Utility rating plan		(38.00)
Policy Options and Endorsements		
Jewelry and Furs	1,500 / 2,500 Option JF included	
Silver / Goldware Theft - Option ST	2,500 included	
Business Property - Option BP	1,500 included	
Building Ordinance or Law - Option OL (% of Coverage A)	10% included	
Firearms - Option FA	2,500 included	
Back-Up Sewer/Drain - Dwelling/Contents, 5% of Dwelling	5% 19,150	196.00
Fire Department Service Charge Increased Limits	500 included	
Service Line Coverage	10,000	66.00
Total annual premium		25.00
Monthly premium		135.42

Other cities in Illinois that currently use Fire Recovery

- There are over 150 communities in Illinois that currently use Fire Recovery.
- Huntley Fire Protection District
- Dekalb Fire Department
- City of Elgin
- Lockport Township
- Morris Fire Protection District
- City of Kankakee
- Joliet Fire Department
- Rockford Fire Department



QUESTIONS