



Providing Funds to Our Fire Departments
www.firerecoveryusa.com

About Our Service

Fire Recovery USA provides funds to fire departments at no cost to the department. Basically, what we do is bill on your behalf, for the services you provide during a **Motor Vehicle Incident (which includes accidents and vehicle fires), Structure Fires, Marine and Water Incidents, Hazmat calls, False Alarms, Gas Pipeline and Power Line Incidents, and Special Rescue services.** However, we're much more than just a "billing service".

Although billing for Fire Services sounds simple, how we generate our high recovery rate is very sophisticated. Some fire departments do perform in-house billing; unfortunately, they typically see a low recovery rate (between 10-15 percent). This low rate can be attributed to the fact that the typical fire department or city is not equipped in the field of fire service billing.

Fire Recovery USA uses advanced methods resulting in a proven higher recovery percentage - over 98% of "fluid-based" MVA runs with hazardous materials spills and over 70% of all billable events (see list on next page). This is the highest recovery rate in our industry for all types of runs. So what makes us different?

We have several interesting techniques in our system including methods that we've developed during our years of billing experience that informs the responsible parties of their fiscal responsibilities. While this alone would guarantee us to equal or exceed our competitors; the real basis for our high recovery percentage is our ability to gather the necessary information to recover funds for a call that would otherwise be written off as unrecoverable by others.

What our clients really appreciate is our ability to track down the necessary information of those persons involved in the incidents. We require the least amount of information from the fire departments to create a bill (name of individual, car license number, and the name of the insurance carrier) - that's it! We have investigative techniques (both live and software-based) that allow us to find most of the necessary facts. We believe that this is our responsibility and not the fire departments'.

Bottom line: if you employ our billing service, you will enjoy, not only our excellent customer service and training, but also be confident you have the highest recovery percentages possible.

There is no up-front cost to you as we only take a portion of the money we recover for you as our fee – there are no other costs to you whatsoever.

Fire Recovery USA offers repayment to local fire departments for:

- ***Motor Vehicle Incidents***
- ***Hazmat Clean-up***
- ***Pipeline Incidents (gas, sewer, etc.)***
- ***Power Line Incidents***
- ***Vehicle Fires***
- ***Structure Fires***
- ***Fire Investigation***
- ***Special Rescues***
- ***Water Incidents***
- ***Fire Prevention Inspections and Permit Billing***
- ***And More ...***

The Truth About Billing

In today's economic environment, governmental entities are facing two conflicting stresses as they strive to efficiently operate their fire departments. Most areas are seeing a decrease in their tax base while also a seeing consistent, if not increasing, demand for emergency response calls. They recognize the large tax burden that is already being borne by their residents and realize a tax increase isn't the correct course of action.

They also know incident victims deserve the highest level of response to prevent loss of life. They don't want to enact measures (brownouts, layoffs, etc.) that will reduce the levels of service, i.e.: longer response times. Therefore, fire departments are searching for new ways to avoid increasing taxes and/or decreasing levels of service. As a result, fire departments are seeking non-traditional answers to avoid the unacceptable alternatives of increasing taxes and/or decreasing levels of service. One such measure being adopted to defray emergency response costs is filing insurance claims against the at-fault driver in motor vehicle incidents.

Although the process may vary depending upon the applicable state law, generally the fire department's city, county, or district will adopt an ordinance or resolution that sets forth the terms of their cost recovery program. The city or county or district will adopt the ordinance or resolution and the fire department will then have the authority to file claims for their emergency response services.

Many local governments see their fire departments as infrastructure provided by taxpayers, but believe the cost of responding to a motor vehicle incident should be borne by the at-fault driver. They equate this policy to the use of a state park or professional sports arena. Governments often believe it is in their best interest to use public money to provide parks and sports facilities, but they seek to recover some of their operating costs by charging a reasonable rate to those who use them.

Adopting these widely accepted mitigation rates as a basis, cities, counties and districts easily support filing claims against the at-fault driver for the cost of the emergency response resulting from their negligence.

Is this double taxation?

The short answer is no, it's not. **In fact, not billing is more likely double taxation. All of us paying an insurance premium to cover these costs, and then having our cities use tax money to cover these costs is double taxation.** Our service is simply the attempt to recover a portion of the costs incurred to mitigate an emergency incident.

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The confusion lies in the misunderstanding of the "Municipal Cost Recovery Rule". This rule bans government agencies from suing for some response costs. The courts came to the conclusion that this was a type of "taxation through litigation".

The court felt, however, that if the local government agrees that the costs of certain public services should be borne by the parties whose conduct necessitates that service (rather than the taxpayers in general), then it has the right to enact a statute by ordinance or resolution to expressly authorize recovery of such cost.

Virtually all state legislatures have passed laws stating that the responsible party is liable for the mitigation costs of those incidents, rather than the taxpayers in general. Most municipalities need to pass ordinances to specifically define what they will hold the responsible party accountable for.

Most communities only have three choices:

- A - Lower the level of service provided.
- B - Increase local taxes.
- C - Bill those using the services their fair share of the service.

Our Billing Process

At The Scene of the Incident: The client's personnel will either log the data from the incident using their existing system protocol, or via our paper-based "Incident Reports".

Upon Return to the Station: The client's designated personnel will submit the run using our secure RecoveryHubsm on-line system. This takes about 3 minutes. When they log-on, RecoveryHubsm will recognize the client and bring them right to their submission page. Another option is RecoveryLinksm.

What is RecoveryLinksm: As an option, the client may be compatible with RecoveryLinksm, our proprietary "exchange software" that can interface with most current RMS systems in use nationwide. If so, at a designated time each day, RecoveryLinksm automatically receives the appropriate data from their RMS system. It optionally gives their designated person the ability to verify the run data prior to being sent electronically to us.

RecoveryLinksm is available only through Fire Recovery USA and is based on nationwide EMS billing software that has been used in the fire service industry for the past 20 years. Unlike most competitors' exchange software, we don't attach anything to their system. Our system is simply setup to "data dump" the public-record information from the incident into our secured system. We do not download any HIPPA information and everything we receive is considered public record.

After Submitting the Run: We go to work in claim recovery. By utilizing the advanced technology in RecoveryHubsm, we'll be able to harvest the necessary billing data for most incidents without further contact with the client.

Our Claim Center: After receiving the run, we assign it to a claim representative. Their job is to track down the existing claim or create a claim with the appropriate insurance carriers and/or responsible parties. We work with the insurance companies involved and/or the police to determine who is responsible. Once the claim data is assembled, the claim moves to our processing department.

Our Processing Department sends the initial claim to the responsible party(s) insurance, tracks the response(s) and begins to plan for approval of the claim. If initially denied (likely), the claim then moves to our escalation team who responds to the reasons for the denial, provides the responsible party(s) of laws pertaining to the claim, and strategizes the most effective way to counter further denials of this claim.

Viewing or Printing Reports is Available 24/7: The status of each run (Current or Archived) is available 24/7, online, on RecoveryHubsm. This will both provide immediate account information, but also allow you to forecast incoming funds and plan for their use.

Payment of Runs

On or before the 7th of each month, we issue a check for all payments received prior to the previous month's cut-off date (typically the 24th), minus our collection fee. This payment will also include an itemized breakdown of what runs the check is paid against.

What Makes Us Different?

- 1. Fire Recovery USA is the only national fire service billing company that offers a “Performance Clause”.**
- 2. There are no “hidden” costs to our service.**
 - We don’t charge for phone calls.**
 - We don’t charge for police reports.**
 - We don’t charge for fax reports.**
- 3. We never require you to purchase products from us (tactical equipment, sorbents, clothing, etc.). This, in effect, would increase your collection costs as these products can usually be acquired less expensively via a separate purchase. We simply provide you with dollars, which can be used for product purchases from any vendor.**
- 4. Fire Recovery USA saves you time and labor costs as we only require one new piece of information to create a bill. In addition to the information you are already gathering for your RMS, we only add the name of the insurance carrier.**
- 5. Fire Recovery USA may be able to transfer all the billing data from your current RMS software each day using our proprietary RecoveryLinksm system – if so, there would be no need for your personnel to go online, no need to login to our website, and no need to fax or email us anything.**
- 6. Fire Recovery USA offers a fund recovery program for Fire Inspections and Permit Inspections in your city.**
- 7. Fire Recovery USA is a Certified Small Business (#61679) in the State of California, and as such, may help you qualify for state participation programs.**

8. Fire Recovery USA is the only national fire billing service that allows you to bill for all of these services (now, or if you choose to in the future):

- **Hazmat-based Motor Vehicle Incidents (MVIs)**
- **Non-Hazmat-based MVIs**
- **Vehicle Fires**
- **Structure Fires**
- **Water Incidents**
- **Hazmat Calls**
- **False Alarms**
- **Pipeline Incidents**
- **Power Line Incidents**
- **Fire Inspections and Permit Inspections**
- **Special Rescue**
- **Collections Services**

9. Fire Recovery USA is the only fire service billing company partnered with the International Association of Fire Chiefs (IAFC).



In association with the IAFC

MITIGATION RATES

We bill at rates based on your actual costs. Our billing rates are determined by the actual incident run (from the time a fire apparatus leaves the station until it returns to the station).

These rates are based on actual costs using amortized schedules for apparatus (including useful life, equipment, repairs, and maintenance). Labor rates include an average department's actual burdened labor costs and not just a firefighter's wage. These include wages, retirement, benefits, workers comp, etc.

In order to determine your actual costs, please provide:

1. Your flat "per hour" costs (non-burdened, before fringe benefits - before taxes, insurance, retirement, etc.) for each personnel category:

- Fire Captain
- Fire Engineer
- Fire Paramedic
- Firefighter
- Battalion Chief Officer

**** We'll add for fringe benefits in our calculations. If you have the actual rates, please provide these, otherwise we'll use "industry-standard" fringe rates.***

2. We need to know how many of each you have:

- Engine Companies
- Truck Companies
- Battalions

**** We're actually looking for physical equipment (apparatus). To be specific, not just front line, but reserve as well. How many frontline and reserve engines do you maintain and how many frontline and reserve trucks do you maintain. Regarding battalions, we are looking for how many Chiefs vehicles are maintained to respond to incidents. Please include Battalion Chiefs cars, and administration cars that are used for response for incidents.***

3. We need to know:

- How much you pay for your General Liability Insurance (per year) for the fire department.
- How many Total Calls Per Year that you respond to (all calls, not just billable calls).