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PA FIRE RECOVERY SERVICE, LLC

RESPONSE TO PROPOSED

HOUSE BILL 2427

September 30, 2014

You Help Them... We Help You

Response to Proposed House Bill 2427

PA Fire Recovery Service, LLC (PAFRS) is a third party billing agency that contracts with Pennsylvania Fire Departments to conduct billing services on behalf of these departments. We engage in both the billing of insurance companies and direct billing of individuals as dictated by the Fire Department and by local Ordinance, if applicable.

PA Fire Recovery Service, LLC has been serving Pennsylvania Fire Departments for 10 years and currently bills for just under 600 Departments in the Commonwealth of PA. PAFRS was founded by President and Co-Owner, Shawn Meder who has been in the Volunteer Fire Service for 26. In his 26 years of service, Shawn has held almost every position in the volunteer service on both the administrative and fire operations sides.

How it Currently Works

On a typical Motor Vehicle Accident everyone gets paid except for the Fire Department.

- Towing Company
- Utility Company
- EMS Provider
- PennDot

Why should they be treated any different than the above? A service is being provided and the costs of equipment/materials is the same as the other entities.

The State Of Volunteer Fire Companies in PA

- The Volunteer Fire Service has reached a critical point. Not only are Fire Departments struggling to pay for equipment and apparatus, but some are struggling to just keep their stations from disrepair, such as Delaware Water Gap Fire Department (**Article 1**)
- Today we have 50,000 volunteers as opposed to 300,000 volunteers in the 1970's (**Article 2**)
- Costs for apparatus and equipment are skyrocketing without much, if any increase in local government funding (**Article 3**)
- Fundraising duties are one of the biggest deterrents to recruitment and retention in the fire service (**Article 3**)
- Fire Department responses have increased by 167% in the past 26 years (**Article 4**)
- Resident funding, which was always low is on the decline as well. Most departments run yearly fund drives and sadly only receive support from 20 - 30% of the community

April 1, 2000 Inquirer News Article (Article 5)

- In 2000 it was estimated that 500 to 750 Fire Departments in PA were billing for their services.
- It was stated that, **“the Volunteer emergency service organizations could no longer realistically afford or be expected to exist and provide services at a financial loss.”**
- In 14 years, no action has been taken and nothing has changed.

Billing for services has become standard practice (Article 6)

- In the 2000 estimate, 500 to 750 Fire Departments in PA were billing for services.
- PAFRS currently bills for almost 600 Fire Departments – most of which who never billed before contracting with PAFRS.
- Many departments are also billing on their own as well as through other billing services.
- It would be a conservative estimate that 50% of the Fire Departments in the State currently bill for some type of service.
- This is no longer a ‘novelty’ idea – it has become a necessity for departments to generate revenue to make up for the increasing costs.
- In addition to the departments that we currently bill for, we have been contacted by over 280 additional departments inquiring about our services.
- More Municipalities are recognizing the dire straits and attempting to assist their Departments in their billing efforts by passing Ordinances (**Articles 7 – 10**)

The Insurance Companies’ Role

- PAFRS currently bills individuals directly for Fire Department response for several departments as allowed by local Ordinance. However, these charges have been difficult to recover. The main reason for this difficulty is due to the stance of the Insurance Industry.
- Insurance Companies continue to deny claims based on incorrect assumptions such as the ‘Municipal Cost Recovery Rule’, which the Commonwealth does not subscribe to. When these claims are denied by the insurance company, they, in turn, tell their insured parties that they are not responsible to issue payment, contrary to the Ordinance (**Exhibits 1**).
- Insurance Companies also state that they only pay for charges that their insured’s are legally responsible for; and based on current lack of State ruling, they feel there is no responsibility on their insured. One way to overcome these denials is to establish some type of clarification at a state level in regard to fire service billing.

- The insurance industry will most likely claim that the passing of this bill will lead to increased premiums (premiums will increase regardless as standard procedure, as more than 1/3 of US Consumers saw increased insurance premiums in 2012 not due to filed claims, but simply because their insurance company started charging more).
- The professional services rendered by PA Fire Departments to the residents of PA save the insurance companies millions of dollars in property damages every year, yet the insurance companies continue to find ways to deny payment to the Fire Departments even for what is written into their policies.
- Insurance Companies profits continue to increase as the Fire service continues to struggle:
 - o State Farm Profit – FY 2012 = \$3.2 Billion
 - o Allstate Profit – FY 2012 = \$2.31 Billion
 - o Nationwide Profit – FY 2013 = \$1 Billion (first nine months)
- If the insurance industry was opportunistic, it would offer a rider to their auto policies written for PA drivers that would cover charges such as these. This would not only be of service to their insured parties, increase their profits but would also greatly assist the fire service funding issues.

Fire Department Testimonials on House Bill 2427 (Exhibits 2)

Fire Department Testimonials on billing with PAFRS (Exhibits 3)

In Summary

As it is already in crisis mode, it is imperative to find alternative funding for Pennsylvania's Volunteer Fire Service sooner than later as property and lives are now being put in danger.

Failure to act could cost tax payers billions of dollars in the near future as more and more municipalities will need to convert to 24/7 paid departments.

As Commissioner Mann stated in regard to the state of our Fire Service, "We've burnt the building down. Now we're all standing around the foundation holding hands trying to figure out what the hell went wrong..."

Although it is not a magic wand, passing House Bill 2427 is the first step in rebuilding this building.

Article 1

Volunteers Need Help To Fix Up Fire House

Posted 4:53 pm, March 21, 2014, by [Amanda Kelley](#), Updated at 05:48pm, March 21, 2014

DELAWARE WATER GAP — Volunteer firefighters in Monroe County are fighting to keep their fire house running.

The Delaware Water Gap Fire Department has had its current fire house since the late 1960s, but since it was built not much has been updated.

Now the repairs aren't just needed, they're critical.

The fire trucks are ready with gear lined up for the next call but volunteers says they fear the next alarm could be for their own station.

"It's hard knowing that the firehouse is falling apart on us and there's nothing we can do about it," said Delaware Water Gap Fire Chief Brad Miller.

Chief Miller says this fire house has some major hazards. The building's heating system is from the 1960s and barely functions. The wiring is old and needs updating and that caused a spark in one of their boxes just a few weeks ago.

"That's something where you don't want to get a call responding to your own firehouse saying it's on fire," said volunteer Michael Smith.

Tile is ripping off the floor and rodents have chewed through gear, even through some of hoses.

The problems aren't just inside the firehouse, they're outside, too. Just a few weeks ago, the wind caused a gutter to fly off the firehouse and there's still visible damage from Hurricane Sandy.

"To let it get to this point of disrepair is, you know, somewhat disheartening. There's no question about it," said volunteer John Siptroth.

Siptroth has served with this department for more than 45 years and says now more than ever, his fellow firefighters are working to rally the community for support.

He's going door to door with a different kind of fundraiser, an online one called Go Fund Me.

“Without their support, we’re not going to be here, and with us not being here, their insurance rates are certainly going to go up considerably. So we need to work in harmony.”

At least one Delaware Water Gap business is on board already.

“There’s been several times where if I had a customer have a problem, they were here within minutes. So I really need them here,” said Ken Austin, owner of Sycamore Grill.

Fire crews in Delaware Water Gap are hoping to raise about \$10,000 to kick start some of these much needed repairs.

Article 2



Pa. is beyond sounding the alarm about a shortage of emergency responders, fire commissioner says

Jan Murphy | jmurphy@pennlive.com By Jan Murphy | jmurphy@pennlive.com
Email the author | Follow on Twitter

on February 27, 2014 at 6:31 PM

"Sooner or later, somebody's going to dial 911 and ... nobody's going to show up." State Fire Commissioner Edward Mann

In 1977, there were 300,000 **volunteer firefighters**. Today, the number is closer to 50,000.

Volunteer ambulance squads have also seen a decline. Even the number of paid career emergency responders are seeing cuts because of municipal funding shortages.

"Sooner or later, somebody's going to dial 911 and the 911 center is going to dispatch a fire department and nobody's going to show up," State Fire Commissioner **Edward Mann** told the House Veterans Affairs and Emergency Preparedness Committee on Thursday. "That's where we're headed."

The problem may not have hit every community in the state but taken as a whole, Mann said the commonwealth is facing a public safety crisis where this scenario will likely occur more often.

The committee held a morning-long hearing on the dearth of volunteer emergency responders and heard a variety of suggestions for how to reverse this phenomenon ranging from financial incentives to entice volunteers to encouraging fire companies to merge.

Mann and others advocated the state use a toolbox approach to address the problem since one tool that will help in some places may not work as well in others. Also a tool that may help recruit and retain volunteers in one age group may not be as appealing to others.

For younger people to get involved in volunteering for emergency services, perhaps offering some type of college tuition breaks or offering firefighter or EMS courses in high

schools. For older and experienced volunteers, offering a local earned income tax break or other types of tax credits, health insurance or pensions could work.

But all of those incentives takes money. That's where lawmakers have to focus their energies instead of studying the volunteer shortage again, Mann said.

Donald Konkle, a former Harrisburg fire chief and now executive director of the Pennsylvania Fire Emergency Service Institute, said a poll conducted by Penn State found 67 percent of respondents said they could support a half of 1 percent increase in their homeowners and/or auto insurance to support fire and EMS services in their communities.

Another suggestion was to tax fireworks sold to out-of-staters but Rep. Bryan Barbin, D-Cambria, said he doesn't see such a tax law surviving a court challenge.

Fire company mergers were discussed as a way to reduce the amount of fund-raising that is needed and Mann said that is happening more and more. More fire companies have merged in the last two to three years than in the previous eight to nine years, he said.

The committee's discussion also delved into why people are leaving the volunteer emergency ranks. Mann mentioned disgust with politics inside the station as one reason and the amount of time devoted to fund-raising as another. William Jenaway, fire chief from King of Prussia, said he suggests fire companies hand off the fund-raising and administrative responsibilities to individuals other than the ones who respond to fires as a way to dealing with that issue.

Jenaway and others said one of the biggest reasons he hears as to why firefighters quit is the 160 hours of training it can entail. Konkle suggested some of that training could be offered online to make it more convenient.

Barbin was troubled that firefighters have to pay for the training. In his view, the best investment the state could make is providing funding to community colleges to offer the emergency services training at no cost.

Rep. Stephen Barrar, R-Delaware, said at the hearing's outset, it is paramount that the Legislature address this problem before the ranks of volunteer and career emergency responders dwindle even more.

Mann agreed, saying the state is beyond the point of sounding the alarm on this problem. "We've burnt the building down. Now we're all standing around the foundation holding hands trying to figure out what the hell went wrong and that's where we are."

Article 3

PA fire departments deal with big drop in recruits



Chief Barry Frantz, (left) of the East Allen Township Volunteer Fire Department, attends a training exercise with his nephew, Dallas Derosa, a 17-year-old volunteer. (ANDREW BROWN, THE MORNING CALL)

By Andrew Brown,,
Of The Morning Call

SEPTEMBER 7, 2014, 9:47 PM

The state's volunteer fire service has seen its ranks shrink drastically in the past four decades.

At the same time, the skyrocketing cost of emergency vehicles and equipment has stretched budgets thin, requiring volunteer departments to seek new sources of revenue and cost savings.

These shifts have placed a serious strain on fire departments, especially because Pennsylvania relies more on volunteers than any other state.

"As the world has changed, it has gotten harder and harder," said Bryan Evans, deputy fire chief of the SeWyCo Volunteer Fire Company in Lower Saucon Township.

These issues have come to a head in recent years, prompting state lawmakers to expand funding for equipment purchases, training and construction projects at fire stations.

In 2013, Gov. Tom Corbett expanded the state's Volunteer Loan Assistance Program, doubling the amount of money departments can borrow through a revolving loan program.

In the past four years alone, the state has approved more than \$44 million in low-interest loans, according to data from the Office of the State Fire Commissioner. At the same time, the fire commissioner's office has dispensed more than \$140 million in grants. The vast majority of that money went to volunteer fire departments, with organizations in Lehigh and Northampton counties receiving more than \$1.5 million in loans and \$4.6 million in grants.

"It's essential to us being able to stay on the cutting edge of technology," Evans said. "It allows us to have the equipment we need to do our jobs the most efficiently we can, and at the end of the day, to serve the public."

While these programs have provided a financial lifeline to volunteer fire departments, fire chiefs say more needs to be done, especially when it comes to volunteer retention and recruitment efforts.

Since 2008, the Pennsylvania General Assembly has considered multiple bills that would provide tuition help to volunteers attending college and tax credits for volunteer firefighters and their employers. But no bills have been passed.

"It seems like they scratched the surface on one issue," said Jeffrey Seip, Hecktown Volunteer Fire Company chief. "I would really like to see this progress forward and learn from what other states do for their volunteers."

Working together

Faced with declining numbers and rising costs, many departments have had to rethink the way they have traditionally operated.

Numerous departments in the state — including at least 10 in the Lehigh Valley — have entered cooperative agreements with neighboring organizations to share the cost of purchases, training and insurance, and to cut down on duplication of equipment and services.

In response to those moves, state officials at the Department of Community and Economic Development have expanded programs that assist departments in organizing partnerships.

Robert Brady, policy specialist for the department's shared services program, said he has helped departments in 34 counties merge completely or consolidate their services in the last few years.

"You have these efforts going on all over the state," Brady said. "Money and people are the two things that drive these efforts."

While mergers have occurred in previous decades, officials say the number of departments interested in consolidations has reached a new high.

"In the last three or four years, there have been more consolidations and mergers than there had been in the last nine or 10 years put together," said Edward Mann, the state fire commissioner.

Among them were the SeWyCo and Leithsville volunteer fire departments, which merged in 2012.

That company, now under SeWyCo's name, also cooperates with the Dewey Fire Company and Southeastern Volunteer Fire Department, both of Hellertown, and the Steel City Volunteer Fire Company in Lower Saucon, Evans said.

"It allows us to streamline our operations and response," he said.

In the northern part of Lehigh County, the Weisenberg Volunteer Fire Department, Lynnport Community Fire Company, Goodwill Volunteer Fire Company No. 1 of Germansville and the Community Fire Company of New Tripoli have consolidated their purchasing, training and response operations and unofficially are known as the Northwestern Lehigh Regional Emergency Services Steering Committee.

Scott Freeman, chief of the Weisenberg department, said the consolidation has allowed all the departments to save money. The companies' joint purchase of insurance alone has saved each more than \$600 a year and improved their coverage, he said.

In Allen and East Allen townships, the volunteer departments have agreed to respond to calls together, said Barry Frantz, the East Allen chief, who added that he expects that cooperation to expand to joint purchases in the future.

The joint-response agreement allows the departments to have an adequate number of firefighters on call, even during weekdays when volunteers can be scarce.

The mutually beneficial relationships also reduce the amount of equipment that one fire department needs to buy.

Unlike in the past, when nearly every department would have matching ladder, tanker and rescue trucks, the consolidations have cut down on duplication, saving the departments and the state money.

For the departments that have gone through the process, the consolidations have been a good thing and have made them more optimistic.

"It's absolutely positive," Evans said. "If you look around the area, there's a lot of places where folks need to consider it. If they aren't already looking into it, they definitely will. It's the wave of the future."

Taxpayers pitch in

While numerous townships have provided money to volunteer departments through budget line items for years, some township supervisors have agreed to take that effort one step further, appropriating a percentage of property taxes to ensure that money will be available annually.

East Allen Township is one such example.

"If it comes to the point we don't have enough funds, you have to go to your local government and ask for their support," Frantz said.

While volunteer firefighters save local governments an estimated \$139.8 billion annually, according to the National Fire Protection Association, the operation of a volunteer department still requires a large budget.

"Volunteer firemen aren't free. It costs money for our helmets, coats and boots" said Vincent McNally, a volunteer firefighter who teaches political science at St. Joseph's University in Philadelphia. "It costs money to train. It costs money to insure them."

The four decades of data from the state fire commissioner's loan program highlights the relentless rise in equipment, vehicle and construction costs.

In the 1970s, the average loan provided to volunteer fire departments was \$24,169. But since 2010, that average has leapt to more than \$111,500. During that time, the average loan for a firetruck jumped from

\$27,558 to more than \$110,000. The average loan for firefighting equipment went from \$6,996 to \$100,000.

"If you are a fire department that doesn't receive any appropriation or tax revenue from your local government, you're raising all that money with chicken barbecues, spaghetti dinners, bingo games, street fairs, car washes and gun raffles," said Mann, the fire commissioner.

According to chiefs and state officials, those fundraising efforts are one of the biggest deterrents to recruitment and retention of volunteers.

Pennsylvania has around 2,300 volunteer fire departments, making up 96 percent of fire coverage in the state, according to a 2014 legislative report. Those departments are staffed by an estimated 50,000 to 70,000 firefighters, compared with the nearly 300,000 volunteers who made up the fire service in the 1970s.

Mann said he hears two reasons why people quit a volunteer fire company. One is petty politics or a lack of leadership at some departments. The second is that volunteers are asked to do too many things that have nothing to do with emergency response.

"They are spending entirely too much time doing fundraising, and they are not doing the things they want to do as a firefighter," Mann said.

When Mann started volunteer firefighting in the '70s, he had to work bingo, but there were so many volunteers that he only had to do it every couple of months. Now, he said, departments are so short-staffed that firefighters have to work fundraising events every other week.

"You are doing more fundraising, and you are doing it with fewer people," Mann said.

Few have time

The drop in volunteer firefighters is associated with a general decline in volunteerism in society. The volunteer rate — 25 percent at the end of September — is the lowest since the government started issuing a report on volunteerism in 2002, according to the U.S. Bureau of Labor Statistics.

"If the garden club doesn't have enough people, flowers don't get planted in the downtown square," Mann said. "But when the fire department doesn't have enough people, we're impacting public safety."

Changes in people's work schedules, an aging population, and increased demands on volunteers' time are to blame for the decline, according to reports by the Pennsylvania Legislature and the Federal Emergency Management Agency.

The rise in two-income households and the drop in self-employed occupations, such as farming, have made it more difficult for people to be available to fight fires, especially during weekdays.

"The most precious commodity that we have as volunteer firemen is the time we have to do the job," McNally said.

The lack of young recruits at fire departments throughout the state has taken its toll on volunteer numbers. Chiefs say their ranks have grown noticeably grayer.

"It's a bunch of old people trying to do what they used to do 40 years ago," McNally said. "It's like old people dancing at a wedding. It's not cute."

While the departments are getting older, some say they also are getting better. The changes made to deal

with the new realities of volunteer firefighting have made some stronger and better equipped.

"Within the next 10 years, the landscape of public safety in the area will be completely changed and look drastically different than it does today," SeWyCo's Evans said. "But that's all for the positive."

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Article 4

The New York Times <http://nyti.ms/1qfsxeW>

SUNDAYREVIEW | NEWS ANALYSIS

The Disappearing Volunteer Firefighter

By **ANDREW BROWN** and **IAN URBINA** AUG. 16, 2014

IN most places in America, when a fire breaks out, a volunteer shows up to put it out.

But the ranks of volunteers are dwindling. What was once an iconic part of American life is losing its allure, in part because the work — some would say the calling — is a lot less fun than it used to be.

There are still more than twice as many volunteers as career firefighters. But the number of volunteers has dropped by around 11 percent since the mid-1980s, while the number of career firefighters has grown more than 50 percent, according to the National Fire Protection Association. The allure has diminished because fund-raising now takes up roughly half the time most volunteers spend on duty. It's also harder to fit in volunteer work. The rise in two-income households often means that there is no stay-at-home parent to run things so the other can dash off for an emergency. Urbanization and the aging of the rural population are taking their toll as fewer young people are available to replace firefighters who retire.

Federal, state and local officials would like to attract new volunteer recruits. The stakes are particularly high because volunteers save not only lives but money — more than \$139.8 billion annually for local governments,

according to the fire protection association. The time and training needed to become a certified firefighter have also increased. Federal standards enacted to save firefighters' lives have unintentionally created a barrier for volunteer service: It now takes hundreds of hours to be certified, and new firefighters often must cover the cost of training.

Other costs are also contributing to the dwindling of the ranks. Since the 1980s, the price of a single self-contained breathing apparatus has jumped to over \$5,000, from \$900. A fire engine costs \$400,000 more than it did 30 years ago. In surveys, firefighters consistently cite the endless burden of fund-raising, which takes up to 60 percent of their work time, as one of the biggest deterrents to staying on the job.

For decades, departments relied on benefit auctions, raffles and community bingo events to cover overhead. In recent years, however, departments have had to resort to adding fire taxes onto local property-tax bills, or charging homeowners and insurance companies for individual response calls. Others have merged with neighboring departments to cut costs.

Vincent P. McNally, a volunteer firefighter and an emeritus associate professor of political science at St. Joseph's University in Philadelphia, who has studied the decline of volunteer firefighters, said that too much is being asked.

"I fund-raise, I train and I go to fires," he recounted being told by one fire chief. "I can do two out of the three. You tell me which two out of the three you want me to do."

Firefighters' duties have also shifted. In many departments, a vast majority of calls are for medical emergencies, not fires. Much like emergency room doctors, volunteer firefighters are increasingly serving as primary care providers. They are also routinely dispatched for water rescues, vehicle entrapments, hazardous material spills and drug overdoses.

Since 1986, the number of fire-related calls for all firefighters, volunteer and paid, has dropped by more than 3.6 million. In 2012, only 5 percent of calls were for actual fires. But the total number of fire department responses has jumped by 167 percent in 26 years, largely because medical responses have

gone up by 15.2 million.

Still, the work is dangerous. Last year, 97 firefighters died, according to the National Fire Protection Association, including nine who died when a fertilizer plant exploded in West, Tex. Thousands more are injured every year.

Meanwhile, state and municipal governments are trying different tactics to entice new recruits.

Municipalities in Florida, New Mexico, Minnesota and many other states offer stipends to volunteers to cover time spent training, the cost of travel and overnight or on-call service. Others have provided some pay for volunteers based on the number of calls they respond to, their level of training or the years they've served — or simply by the hour.

New York State grants volunteer firefighters property tax abatements, income tax credits and \$50,000 in death benefits if they die in the line of duty. Most states allow volunteer departments to provide workers' compensation, often through state-run programs.

"Benefits are important — yes, to compensate volunteers for their time, but also to show that the community values their service," said David Finger, the government relations director for the National Volunteer Fire Council.

Underlying many such recruitment efforts is an elemental question: Should volunteer firefighters be defined as public employees and afforded all the according benefits and protections?

Some states like California, Missouri and New Jersey have said yes, granting them things like taxpayer-subsidized pensions, college tuition assistance and life insurance benefits. And in a decision that could markedly increase the number of unionized firefighters in the state, Pennsylvania labor officials have granted many volunteer firefighters the right to organize.

After some volunteers argued that they should not be categorized as public employees because requirements of the new health care act could bankrupt small firehouses, the Internal Revenue Service ruled this year that volunteer departments are exempt from the mandate.

In the meantime, the burdens on firefighters continue to grow. Edward A. Mann, a volunteer chief in Pennsylvania, said that training requirements keep increasing partly because volunteers are now being called to do much more

than just “putting water on fire.” Terrorist attacks and improvised explosive devices, malfunctioning solar panels and wind turbines, ethanol and natural gas fires, and electric- and hydrogen-powered vehicle accidents — these are just some of the emergencies for which training is needed, said Mr. Mann, who is also the Pennsylvania State Fire Commissioner.

“Every time something goes wrong with that stuff, someone dials 911,” he said, “and guess who gets sent?”

Andrew Brown is a news intern for The Morning Call of Allentown, Pa. Ian Urbina is an investigative reporter for The New York Times.

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Article 5

In Some Pa. Towns, A Blaze Could Leave You With A Bill

By Patrick Kerkstra, INQUIRER SUBURBAN STAFF

Posted: April 01, 2000

After the flames have died down, and the alarms and hoses have been shut off, an increasing number of fire victims across Pennsylvania are being left with more than a mess and insurance nightmares.

They're being left with a bill.

Hundreds of volunteer fire companies, coping with lean budgets and a shortage of recruits, are trying to bolster their bank accounts by charging homeowners and businesses, or their insurance companies, for emergency services.

In Lancaster County, it can cost \$200 an hour to have your house doused by a volunteer engine company. Expenses - such as flares, foam, and even disposable bags - are extra. In Lower Merion, the Union Fire Association of Bala Cynwyd said last week that it wanted to start charging \$250 per call, every call.

Fierce local opposition is likely to quash that plan, but fire experts say billing - now becoming common in rural counties - could become a staple of volunteer fire budgets in the Philadelphia region, which in turn could drive up insurance premiums.

"We have fewer people responding to more calls. Fire companies need more money, and this is one way many are finding to get it," said John Brenner, executive director of the Pennsylvania Fire Services Institute.

There is no solid count of companies that bill for services that once were free, but experts estimate that 500 to 750 of the commonwealth's 2,400 nonprofit fire companies now bill. In New Jersey, where volunteer companies more often enjoy the benefits of fire taxes and stronger municipal support, government officials say there is no billing.

Pennsylvania companies are doing it out of necessity, experts say.

"Most fire companies are down to a 22 to 35 percent [response rate] on fund-raising drives in their communities. Fire equipment costs are escalating, and they need to come up with supplemental income," said Randy Gockley, emergency management coordinator for Lancaster County.

The fees that fire companies charge for their services are usually covered by homeowners' and other general liability insurance policies. Most policies will reimburse

fire companies up to \$500 per emergency call, and volunteer companies often limit bills to that amount.

Still, choosing to charge is rarely an easy decision for fire departments. Many companies consider it contrary to their volunteer ethos.

"Some of us think it's the greatest thing in the world, some of us think it's the end of the volunteer service," Brenner said.

His fire company chose not to bill because "some of our members felt pretty strongly there was a moral problem with it. You're telling everybody you're volunteers, and then you're going to turn around and send a bill."

Chiefs at other companies look at it differently. When municipalities do not contribute enough and donations are down, billing is one of the only options left, chiefs said.

"Volunteers are more than willing to get up in the middle of the night to do things people wouldn't imagine - for free. They don't ask for benefits, they don't ask for a pat on the back. All we're asking for is a minimal amount of money to keep us doing a good-quality job," said Christopher Burns, chief of the Geistown Volunteer Fire Company in Cambria County.

Because there are no formal statewide or, in most cases, even countywide billing guidelines, fire companies are approaching the practice in a variety of ways. Some bill directly after dealing with the flames, others ask for the check later. Some pursue property owners if insurance companies refuse to pay, others drop the claim. But no companies, chiefs and experts said, will deny fire protection to properties who have refused to pay past fees.

And as the practice grows, still developing standards are starting to emerge. At least one firm, Fire Inc. of Bridgeville, Pa., has been formed to act as a professional billing service for fire departments.

"As a company, we've more than doubled, almost tripled, our business in the last year," said Fire Inc. president Brian Higbee.

Higbee's company is in the "cost-recovery business." Volunteer companies send their bills to Fire Inc. and the company collects, keeping a percentage of each bill.

Fire Inc., though, often has a difficult time collecting money from the insurance companies it bills.

Higbee said he collects only 40 percent to 60 percent of company claims within 90 days, and fire companies that go at it alone usually experience even less success.

For most fire companies, that has translated so far into just a few thousand extra dollars a year.

"Many of the insurance companies are balking. They tell us, 'It's always something that's been free in the past.'" Higbee said.

But the balking appears due more to unfamiliarity with the practice than real financial objections.

"Frankly, when you're talking about a claim for a fire, a \$500 emergency call charge is not going to be worth worrying about," said Brenda O'Connor, a spokeswoman for the American Insurance Association.

In states where fire-company billing is more common, claims are handled routinely by insurance companies, said Pat Musick, an executive with the Alliance of American Insurers.

Part of the confusion may be due to the murky legality of billing for emergency services. Unlike some other states, Pennsylvania has no laws either permitting or forbidding fire-company billing. Worse, two Common Pleas Courts, one in Delaware County and the other in Indiana County, have issued conflicting rulings on the issue.

A bill being sponsored by Rep. Paul Clymer (R., Bucks) could clear things up.

Recognizing that "volunteer emergency service organizations can no longer realistically afford or be expected to exist and provide services at a financial loss," the legislation would create county offices to determine fair billing rates and collect on behalf of the fire companies.

The bill could put Fire Inc. out of business, but Higbee supports it.

"The fact is that at 3 a.m., when the town fire alarm goes off, you and I pull our blankets up a little closer while they rush out the door. I want to see these guys taken care of," he said.

If the Clymer bill is made law and billing becomes widespread and consistent, it could spark insurance rate hikes, both O'Connor and Musick said.

"It could lead to higher [insurance company] losses, and higher losses always lead to higher rates," O'Connor said.

But Brenner and other firefighters are not bothered by the notion of higher rates. Ultimately, he said, the money must come from somewhere.

"Whether people pay in taxes, or at firehouse chicken dinners, or in insurance premiums or service fees, they'll still have to pay," Brenner said. "There's no getting around paying for fire protection."

Article 6



View this article online:

<http://www.insurancejournal.com/magazines/features/2011/09/05/213493.htm>

First Responder Fees Claims Becoming Routine for Insurers

While fee recovery by fire departments is nothing new, an increasing number of local municipalities have begun to charge for first responder, primarily fire department, services. Though the types of fees and rates vary considerably, one thing is clear — the recovery of fees by first responders is here to stay and insurance companies will see those fees as part of routine claim submissions.

During the 1970s, a new legal theory emerged regarding the collection of fees for emergency services known as the “free public services doctrine” or the “municipal cost recover rule.” This doctrine is built on the notion that a governmental entity may not recover costs of public services incurred responding to a tortfeasor’s act. Instead, these costs are presumed to have already been borne by the public as a whole through taxation, and to allow the collection of such costs would constitute double recovery for the governmental entity.

The “free public services doctrine” has two major exceptions. First, “[a] municipal corporation may, however, avoid this non-recovery rule by statute.” Second, a governmental entity may recover emergency services costs “by alleging that the county utilized emergency services to protect property of its own.”

These exceptions, primarily exempted by statute, have largely eroded the free public services doctrine. Only eight states — Arizona, Delaware, Hawaii, Iowa, Kansas, Maine, New York, and South Dakota — still adhere to the doctrine.

Legal Challenges

Despite the prevalence of statutes authorizing first responders to charge service fees, there are a number of legal challenges in case law. Successful challenges have focused on lack of statutory authorization to charge a fee or noncompliance with statutory procedures.

In *Board of Supervisors of Fairfax County v. U.S. Home Corp.*, the defendants caused a gasoline leak and were charged for abatement and remediation costs. Defendants successfully defeated the costs on the grounds that there was no authorizing statute and the county did not invoke the emergency services to protect any property of its own.

Since this decision, Virginia has enacted legislation requiring responsible parties to contribute to a cleanup fund; thus, the case may now be moot under Virginia law. This case may still provide persuasive authority in states where there is no authorizing statute to charge for emergency services.

In a case in Massachusetts, *American Commercial Financial Corp. v. Seneca Insurance Co.*, an insurer was charged \$3,934 by a fire department for "fire watch" services after the sprinkler system in an insured's building failed. The charges were not provided under contract and there were no town laws which revealed a "requirement that the fire department charge for administering a fire watch when a sprinkler system becomes inoperable." As a result, the court held that the insurer was not responsible for these charges.

Where there has been an authorizing statute for first responders to charge for services, there is only one successful challenge published. In *Atwater Township Board of Trustees v. Welling*, the Ohio Court of Appeals vacated a \$600 fire department charge to a heating oil tank spill, despite finding the fee "necessary and reasonable."

The court found the fee impermissible because the township did not follow the procedures prescribed by the statute. The township also failed to certify its costs with the county prosecutor, and the prosecutor further failed to make the required 30-day demand for payment prior to filing suit. Thus, the defendant was not liable for response costs.

This case stands for the proposition that authorized emergency service fees can be defeated if the procedures prescribed by the statute are not followed.

Other challenges have been less successful. In the same Ohio Court of Appeals seven years earlier, the reasonableness of emergency services fees charged from a fire department responding to an overturned diesel tanker were discussed in *Knox County Local Emergency Planning Commission v. Santmyer Oil Co.*

In addition to the unreasonableness of the fees, the defendant contended the fees were not based on a detailed record and were unrelated to actual costs of cleanup.

Except for the administrative fee, the court found the remainder of the costs reasonable. The 15 percent administrative fee, which covered training costs, was deemed unreasonable because the court found that it bore no relationship to the "necessary and reasonable, additional or extraordinary costs" collectible under the statute. However, the court found the \$6.50 per volunteer man hour reasonable because it covered labor, benefits and insurance costs.

In *Rizzo v. City of Philadelphia*, a group of taxpayers challenged the city's practice of charging a fee for emergency medical services provided by the city's fire department. The challenge hinged on whether the fees were revenue producing, an impermissible tax, or were merely meant to reimburse the municipality for its administrative and regulatory costs in providing a service, which would be permissible.

In drawing this distinction, the court announced “the crucial factor in determining whether a municipal charge for services constitutes a valid regulatory fee is whether the charge is intended to cover the cost of administering a regulatory scheme or providing a service.”

The court found the EMS fees to meet this requirement and the taxpayers’ challenge was dismissed. This case could stand for the proposition that fees in excess of costs incurred for administering a service may be held to be invalid.

Collectively, case law seems to present the general principle that — where a fee is authorized by statute, issued pursuant to statutory prescription, and proportional to the cost of the service rendered — it will be upheld.

A fee may be defeated where there is a lack of detail in the billing, no clear statutory authorization, disproportional charges, and where statutory procedure is not followed.

It is imperative to examine the state, county or local specific statutory authority before coming to a conclusion in applying the general principles.

Current Trends

Over the past 15 years, first responder fees were primarily limited to incidents involving releases of hazardous materials or other non-hazardous spills. First responders often mitigate the ultimate damages incurred by the responsible party through quick response and containment of the spilled material, not to mention, in the case of hazardous material releases, providing protection to the public at large.

Often, the services and related fees reduced the total damage exposure and were well worth the cost. As with any “service” fee, situations may arise where fees billed are considerably higher or inconsistent with the services provided. More recently, emergency response billing fees may include fire departments, ambulance and paramedic, police and local emergency management services.

One noticeable trend is the billing of nonresidents for emergency response fees.

California appears to be leading the nation in passing statutes and ordinances to bill nonresidents. The rationale is that non-residents do not pay taxes to support the local first responder budget, thus, if the non-resident is unfortunate enough to be involved in an incident requiring a fire department response in a jurisdiction with an applicable statute or ordinance, then that non-resident will be charged for the response.

Though cities nationwide have implemented nonresident first responder fees, at least 10 states have outlawed them. States that do not allow nonresident fees include: Alabama, Arkansas, Florida, Georgia, Indiana, Louisiana, Missouri, Oklahoma, Pennsylvania and Tennessee.

As case law and the exception to the free public services doctrine illustrate, there must be a statutory authorization in order for first responders to charge for their services.

Statutes authorizing first responder fees are far from uniform among the states. Sixteen states authorizing charges only for hazardous cleanups are Alaska, Connecticut, Idaho, Maryland, Massachusetts, Missouri, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, and Tennessee. Ohio allows the responsible party's taxpayer status to be accounted for in the billing.

General authorization allowing fire departments to charge for services is provided by statute in Alabama, Arkansas, Florida, Illinois, Louisiana, Michigan, Minnesota, Mississippi, Oklahoma, South Carolina, Texas, Utah, Vermont, and West Virginia. Kentucky allows different response costs to be assessed against resident and nonresidents.

Six states — California, Georgia, Virginia, Washington, Wisconsin, and Wyoming have general statutes which allow the municipality, rather than the emergency response department, to recover costs incurred in responding to emergencies.

As a result of the growing number of state statutes addressing this issue, insureds and their insurers can expect to see more bills for first responder services. Claim professionals should keep abreast of state and local governmental statutory developments to assure permissibility of fees and to challenge those that appear excessive.

Articles 7 - 10

Murrysville fire departments to begin billing insurance companies

By Daveen Rae Kurutz
Wednesday, July 31, 2013, 9:00 p.m.

Fighting fires can be expensive. But three local volunteer fire departments want to try to recoup some of the costs.

Murrysville's three fire departments – Murrysville, Sardis and White Valley – plan to begin using an Allentown-based company to bill insurance companies for equipment costs incurred during calls.

“We've talked about this for several years,” White Valley Chief John Bohinc said. “We've just never gotten this off of the ground.”

The three fire departments plan to contract PA Fire Recovery as a third-party billing company. After fires and accidents, department officials will itemize the equipment used during the incidents and have the company bill insurance companies based on a pre-set list of equipment costs.

The departments can't charge an insurance company for its labor – the groups are strictly volunteer – but they can recoup what Chief Administrator Jim Morrison called “reasonable costs” for the use of equipment. For instance, an insurance company could be billed \$1,500 for a medical extraction in a car accident. If a department spends three hours fighting a structure fire, a claim could be issued for \$350 per hour for the engine; \$50 for each fire fighter's air pack; \$25 per 50-feet of hose used; and \$100 per hour for any road closures associated with the incident.

Bohinc said the average claim through PA Fire Recovery nets about \$900 – which he said the company estimates is about 50 percent of what is requested. The company typically retains 15 percent of the recovered costs in lieu of a regular fee, and the fire department receives the rest of the payment.

That's money the fire departments are entitled to, said Shawn Meder, owner of PA Fire Recovery.

“The majority of the time, the departments would not see a dime of that money,” Meder said. “It's just the matter of the fire departments going after it.”

Bills never go to a homeowner, Meder said. If an insurance company refuses to pay, the bill is written off, he said.

Before voting in favor of the plan, Murrysville Councilman Ron Summerhill needed to be reassured that residents wouldn't be billed for fire department services. That wasn't his only worry.

“The fire departments have the right and the opportunity, I understand that,” Summerhill said. “But the more these payouts are, the higher the premiums are going to go.”

Bohinc said the departments understand that there might be an impact on local insurance premiums, but he said the departments aren't going to bill for every call.

“It's not our intent to bill for every fender-bender,” Bohinc said. “But when we're out there on Route 22 for three or four hours because a tractor trailer lost its load, that's a different story.”

More than 500 departments in Pennsylvania have signed on with PA Fire Recovery, Meder said. That includes 15 departments in Allegheny County and six more in Westmoreland – although Meder would not identify any of his clients. The seven municipal volunteer fire departments in nearby Penn Hills have considered the move several times, said Shawn Snyder, chief of Penn Hills Volunteer Fire Department No. 221. However, those chiefs worry there could be repercussions.

“There's a lot of concern it could affect donations,” Snyder said. “We decided not to do it individually.”

Bohinc said the three Murrysville departments will file claims separately, but will work together to negotiate an agreement with PA Fire Recovery.

Read more:

<http://triblive.com/neighborhoods/yourmurrysville/yourmurrysvillemore/4442608-74/fire-departments-company#ixzz3ELvyv9f3>

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Bethlehem Township, other Lehigh Valley volunteer fire companies, look to bill insurance for fire response

Tight fit

Bethlehem Township's Nancy Run Fire Co. is looking for greater township support in being able to bill insurance companies to pay for equipment used in responding to fires and car crashes (*Express-Times File Photo*)

Lynn Olanoff | The Express-Times By Lynn Olanoff | The Express-Times
on August 11, 2014 at 6:10 AM

Bethlehem Township's **Nancy Run Fire Co.** subsists mostly through fundraisers, along with an annual contribution from the township.

A couple of years ago, the volunteer fire company learned it could bill insurance companies to pay for equipment used in responding to fires and car crashes.

The insurance collections have only been going so-so, however, since the township doesn't have a law permitting them. Nancy Run Chief Jamie Hauze is pushing for the township to enact such a law.

"The more we recover through the insurance, the less that comes from the taxpayers," Hauze said.

More volunteer fire companies have started billing insurance companies as both fundraising and sometimes municipal support has been declining, said Shawn Meder, owner of PA Fire Recovery Services.

The Macungie-based company bills insurance companies for more than 600 volunteer fire departments in Pennsylvania, including about 30 in the Lehigh Valley. Local clients include Nancy Run, Se-Wy-Co, Southeastern and Lower Mount Bethel Township/Sandts Eddy Fire Co.

Pa Fire Recovery Services doesn't have any New Jersey clients, and both the Alpha and Phillipsburg volunteer fire departments don't bill insurance companies and didn't know of any New Jersey fire companies that do.

"I hear a lot of fire companies saying, 'We're struggling so bad,'" said Meder, a former volunteer with both Nancy Run and the Eastern Salisbury Fire Department. "We returned over \$1 million to Pennsylvania volunteer departments last year. It's absolutely worthwhile."

A few **Bethlehem Township** residents said at a meeting last week they considered the idea of billing insurance companies for fire response as double taxation. Most volunteer fire companies that charge for response only bill insurance companies and not residents, however, Meder said.

"The majority of our companies only bill our insurance companies, and if the insurance companies deny it, the buck stops there," he said.

Township Commissioners President D. Martin Zawarski said the township will likely look to match its fire billing rules to a pending state law to allow such billing. The bill that was introduced last month wouldn't allow fire companies to bill residents who pay taxes to the town in which they're located.

Zawarski said he doesn't expect Bethlehem Township would look to bill residents for fire company service.

"They're volunteers who use very, very expensive pieces of equipment to take care of the needs of the township residents," he said. "They're not in it to make money and pay people."

The **Plainfield Township** Volunteer Fire Co. also has been billing insurance companies to help pay for equipment for a couple of years, Deputy Chief George Biggs Jr. said. Like Nancy Run, the company recoups only a very small amount of its costs from insurance companies, but every little bit helps with the company's expensive equipment costs, Biggs said.

The company also never seeks payment beyond what the insurance companies will pay, Biggs said.

"If they send us \$5, we take it. We don't argue," he said.

"We're not out to rip anybody off or make a killing on this, we're just looking to recover our costs," he added. "There's never any worry about us responding to a call."

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SALISBURY TOWNSHIP BOARD OF COMMISSIONERS

Wednesday, July 9, 2014 by PAUL WILLISTEIN
pwillistein@tnonline.com in [Local News](#)

Ordinance mulled to recoup fire, police, public works emergency response costs

Salisbury Township officials are looking into the possibility of an ordinance to help the township police and public works departments and township volunteer fire companies recoup emergency services costs.

The measure could save the township hundreds and possibly thousands of dollars.

- [Print](#)
- [Comments \(0\)](#)

The proposed ordinance has quickly gained the backing of several township commissioners and two key township department heads.

Township Commissioner James Seagreaves, an Eastern Salisbury Fire Department volunteer fireman, made the proposal at the June 26 township meeting.

Seagreaves, during the commissioners' comment portion of the meeting, said while there's a township ordinance to recoup the cost to clean up oil spills, "there's no clause for the fire department to charge for other things."

Eastern and Western fire departments utilize third-party billing. However, while the township ordinance covers oil spills, it doesn't cover the cost of fires, vehicular accidents and search and rescue.

"Any type of calls, we'll bill. But the authority to charge, that's what you want to see," Seagreaves said, who provided examples of other municipalities' ordinances covering recouping emergency services costs.

"So, you're losing revenue?" Commissioner Joanne Ackerman asked Seagreaves concerning Eastern Salisbury Fire Company.

"Potentially," answered Seagreaves, adding, "And this [a new ordinance] doesn't guarantee we'll receive it."

"You should have the right to do that," Commissioner Vice President Debra Brinton said to Seagreaves concerning Eastern Salisbury Fire Company.

Salisbury Township Police Chief Allen W. Stiles strongly backed Seagreaves' proposal.

"We, at the police department, get involved in crashes when there are hazmat materials," Stiles said.

"I think we should look into having a resolution to make sure the township is reimbursed." Stiles continued. "We are responsible as a township to pay initial costs for a hazmat cleanup. However, it takes months sometimes [for reimbursements]," Stiles said.

Stiles said a resolution or ordinance would ensure "the township wouldn't be responsible for costs that would fall back upon township taxpayers."

Stiles recommended the township adopt an ordinance rather than a resolution.

Seagreaves also had examples of other municipalities' ordinances concerning cost reimbursements.

Township Manager Randy Soriano referred to a 1988 township oil spill ordinance covering petroleum and chemical spills that cause fires.

"I think we should include all three departments," Brinton said, referring to fire, police and public works.

Salisbury Township Director of Public Works John Andreas said he agreed public works should be included in the cost recouping ordinance.

Soriano noted, "We do have an ordinance" for spills.

"It has no teeth," Stiles said of the ordinance.

Seagreaves also noted some municipalities bill businesses for repeated false alarms.

"You take a \$500,000 piece of equipment out at 2 in the morning," Seagreaves said, indicating the challenges in responding to a false alarm.

Scranton looks to insurance to cover firefighting costs

BY BORYS KRAWCZENIUK

Published: August 26, 2014

Financially troubled and on the lookout for new money, Scranton plans to seek reimbursement from insurance companies to recover some of the costs of fighting fires and responding to traffic accidents.

The city opened the only proposal for the service Monday. It's from the Pennsylvania Fire Recovery Service LLC of Macungie. The proposal wouldn't cost the city any money. The company would earn 15 percent of whatever insurance money it recovers and up to 30 percent if recovering the costs takes longer than six months.

That's a good deal, Fire Chief Patrick DeSarno said.

"We have zero (reimbursement) right now," Chief DeSarno said.

City staffers who opened the proposal turned it over to city lawyer Jason Shrive for review. Based on his review, the city will decide whether to award a contract or seek more proposals.

Pennsylvania Fire Recovery's proposal included a lengthy menu of charges. They range from as much as \$400 an hour for the use of an aerial ladder to as little as 25 cents a foot of tape used to cordon off emergency scenes.

Mayor Bill Courtright, who campaigned for election last year promising to find new sources of revenue based on suggestions from public safety union members, said this is one example of that. He referred detailed questions to Chief DeSarno, who recalled a chemical spill that "used every drop of our absorbent."

"And we got stuck with that cost," he said.

Chief DeSarno said he began looking for ways to create revenue through the fire department after hearing Police Chief Carl Graziano talk about revenues the police department obtains through grants and the forfeiture of illegal drug money and illegally obtained property.

"What do we (the fire department) have? We have zero," Chief DeSarno said.

The cost recovery goes beyond the use of firefighting equipment such as absorbent materials, which, once used, can't be reused. The charge for use of firefighting equipment

like the aerial ladder is meant to cover wear and tear and the eventual cost of replacement, the chief said. The city's rescue truck rolls whenever a traffic accident happens, too.

The city of Chester was able to collect \$50,000 in one year, the chief said. He does not know how much money Scranton might collect and the city isn't counting on the money for now, he said. His goal is developing a steady revenue stream the city can use to pay the monthly costs of leases on new fire trucks and other equipment instead of always buying new equipment, he said.

"I'm just trying to think outside the box," Chief DeSarno said.

Using the company will require better record-keeping by firefighters, who will have to keep track of what equipment was used at each call, he said.

Shawn P. Meder, president of Pennsylvania Fire Recovery Service, said his company files insurance claims for services provided by almost 600 fire departments statewide. The vast majority are volunteer departments whose costs are mostly never reimbursed by their host municipalities. In Lackawanna County, the Elmhurst-Roaring Brook, Covington and Jefferson volunteer fire companies use his company, he said.

Filing claims shouldn't hike fire insurance premiums. Most insurance policies already have a forgiveness clause for the first claim of fire damage and a \$500 fire protection service charge built in, Mr. Meder said.

Only after a second fire within three years is a premium increase a serious possibility and an increase is certain after a third claim, but only rarely does anyone suffer through more than one fire within three years, he said.

Exhibits 1



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HARRISBURG, PA 17109



PAIRL GROUP, INC.
4000 VICTORY BLVD., SUITE 1000
HARRISBURG, PA 17109

September 11, 2014

INSURED: GREG STEPHENSON
DATE OF LOSS: August 15, 2014
CLAIM NUMBER: 0339629791 WLC

PHONE NUMBER: 800-726-8890
FAX NUMBER: 717-540-7515
OFFICE HOURS:

Dear PA FIRE RECOVERY SERVICES,

Re: Your Reference/Billing #: 02-137-2014-349

To whom it may concern,

We are in receipt of your letter dated August 28, 2014 pertaining to the above incident, which requests reimbursement for services rendered by the Edgewood Borough Ordinance No. 951 in response to a motor vehicle accident involving our insured on August 15th, 2014.

Please be advised that we have reviewed your request for payment and respectfully, we deny this request. Allstate Insurance Company, and/or our insured, Greg Stephenson, are not legally obligated to pay for the charges submitted by Edgewood Borough Ordinance No. 951, for services rendered on August 15th, 2014. This decision is based upon the general rule of law in Pennsylvania which provides that the "cost of public services for protection from a safety hazard is to be borne by the public as a whole," not assessed against an individual who allegedly created the need or perceived need of such services. See City of Pittsburgh v. Equitable Gas Co. (1986). Based upon this understanding of applicable Pennsylvania law, we have determined that these charges by the Edgewood Borough Ordinance No. 951 are not legal obligations of either Allstate or its insured.

If you have any questions about the position Allstate has taken regarding this bill please direct in writing or by phone to our claims handler, Lee Craley, at 717-540-7535.

Sincerely,

LEE CRALEY

LEE CRALEY
800-726-8890 Ext. 5407535
Allstate Fire and Casualty Insurance Company

Copy: GREG AND NICOLE STEPHENSON



Pittsburgh Claim Service Office
Penn National Insurance
P.O. Box 1364
Harrisburg, PA 17105-1364
(800) 788 4764 Phone
(866) 495 4764 Fax



September 19, 2014

PA Fire Recovery Service
Attn: Mr. John A. Walter
7260 Periwinkle Drive
Macungie, PA 18062

RE: Our Insured: Sean & Keli Jo Flannigan
Our Claim #: 04433320
Date of Loss: 09/01/2014

Dear Mr. Walter:

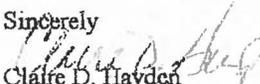
This letter will acknowledge receipt of your letter and invoice with respect to the above matter. Please be advised that based upon the advice of legal counsel, we do not agree with your position that our Insured or this Company is responsible for payment of your invoice.

First, this automobile policy does not contain any additional coverage for a Fire, or Police Department Service Charge. Since this automobile policy does not contain that coverage, any claim for payment of the services included within the invoice must fall within the general insuring agreement of the policy. This agreement allows only for paying costs in which our Insured is held to be legally liable. Our legal counsel has indicated that our Insured is not legally responsible for such costs.

Except for provisions of the Hazardous Materials Emergency Planning and Response Act, no similar statute authorizes the recovery of response costs resulting from a vehicular accident. Even with respect to recovery of response costs as a result of a release of a hazardous material, the statute limits who is entitled to recover such costs and the types of recoverable expenses. That Act does not provide for a fee or service charge for fire or rescue vehicles sent to the scene. Nevertheless, since this accident does not fall within the provisions of the Hazardous Materials Emergency Planning and Response Act, we do not need to further address that issue. If you believe that your services would fall under the provisions of that Act, please provide us with certification relating to the fire company's training and documentation that the fire company was dispatched by a legal authority. We will then reconsider those portions of the invoice that may fall within recoverable expenses under that Act.

Finally, by copy of this letter, we are advising our Insured that based upon advice of counsel, the Insured has no obligation to pay these claims. With respect to this matter, we have acted in good faith toward our insured and in compliance with appropriate claims practices and procedures.

Sincerely


Claire D. Hayden
Claims Representative II
Penn National Insurance

Cc: Sean & Keli Jo Flannigan

Enclosures

Willow Grove Market Claim Office
309 Lakeside Drive
Horsham, PA 19044



PA Fire Recovery Services
7260 Periwinkle Dr
Macungie, PA 18602

September 16, 2014

OUR INSURED: Casey Thomas
OUR CLAIM #: 0332931237
YOUR REFERENCE/BILLING #: 35-151-14-109
DATE OF INCIDENT: 07/06/2014

Dear Sirs:

We are in receipt of your letter dated 7/23/14 pertaining to the above incident, which requests reimbursement for services rendered by the Elmhurst Roaring Brook Fire Department in response to a motor vehicle accident involving our insured on 7/06/14.

Please be advised that we have reviewed your request for payment and respectfully, we deny this request. Allstate Insurance Company and/or our insured, Casey Thomas, are not legally obligated to pay for the charges submitted by PA Fire Recovery Service, for services rendered on 7/06/14. This decision is based upon the general rule of law in Pennsylvania which provides that the "cost of public services for protection from a safety hazard is to be borne by the public as a whole," not assessed against an individual who allegedly created the need or perceived need of such services. See City of Pittsburgh v. Equitable Gas Co. (1986). Based upon this understanding of applicable Pennsylvania law, we have determined that these charges by the Elmhurst Roaring Brook Fire Department are not legal obligations of either Allstate Insurance Company or its insured.

If you have any questions about the position Allstate Insurance Company has taken regarding this bill please direct in writing or by phone to our claims handler, David Borgeson at 215-293-8357.

Sincerely,

David Borgeson
215-293-8357
Allstate Insurance Company



Nationwide Insurance
Allied Insurance
Nationwide Agribusiness
Titan Insurance
Victoria Insurance

PA Fire Recovery Service

Page 1 of 2

Date prepared September 18, 2014

Claim number 894054-GA

Questions? Contact Claims Associate
Kendra Kennedy
kennek1@nationwide.com
Phone 717-671-3524

PA Fire Recovery Service
7260 Periwinkle Drive
Macungie, PA 18062

Claim details

Insurer: NATIONWIDE AFFINITY INSURANCE COMPANY OF AMERICA
Policyholder: CAROLINA SOSA
Claimant: Ivan Ruiz
Claim number: 894054-GA
Loss date: August 28, 2014
Invoice #: 40-10-14-488

Dear PA Fire Recovery Service ,

We are in receipt of your correspondence to our insured Ivan Ruiz dated 09/02/2014 relating to the above captioned claim. The correspondence appears to be an invoice for services rendered by Hazle Township Fire & Rescue in the amount of \$783.00 at the accident scene.

Coverage under Nationwide's auto policy requires that a loss has occurred. The Hazle Township Fire & Rescue sustained no loss by rendering services at the accident scene. These services were already paid for by state and local taxpayers. Under these circumstances, we will not be honoring these charges.

For more information

If you have any questions or concerns, please contact me at 717-671-3524 or kennek1@nationwide.com.

Sincerely,

Kendra Kennedy
NATIONWIDE AFFINITY INSURANCE COMPANY OF AMERICA
One Nationwide Gateway
Des Moines, IA 50391-1913



1195 River Road
P.O. Box 302
Marietta, PA 17547-0302
(717) 426-1931
www.donegalgroup.com

January 17, 2014

PA FIRE RECOVERY SERVICE
7260 PERIWINKLE DR
MACUNGIE PA 18062

RE: Our Claim No: PAA-PA-01-13-0374960
Our Insured: John and Elizabeth Sasala
Date of Loss: November 1, 2013
Incident #: 02-140-2013-322

To Whom It May Concern:

Please be advised that we are in receipt of the aforementioned invoice regarding an automobile accident that occurred on **November 1, 2013** in **Elizabeth Township PA** involving one of our clients.

Please note that our client's policy does not provide coverage for non medical emergency services. The costs that you are requesting, therefore, are not covered under our client's policy.

Pennsylvania common law does not require a party involved in an accident, even a responsible tortfeasor, to reimburse a government entity for the costs for emergency relief services. Since the volunteer fire companies are performing a service usually performed by a government entity, this same restriction applies.

Therefore, the attached invoice you submitted for services rendered is denied.

Very truly yours,


Nicola Cairns-Davis JD CPCU AIC
Claims Representative
Donegal Mutual Insurance
1-800-877-0600 ext 7538

CC: John and Elizabeth Sasala
318 Circle Dr
Elizabeth, PA 15037



Michael Dugan
Unit Manager
Travelers Property Casualty
Claims Department
(800) 832-0606 x3921
(610) 736-2444 (fax)
PO Box 13426
Reading, PA 19612

December 4, 2013

Pa Fire Recovery Service
2040 Potomac Street
Allentown, PA 18103

Re: Travelers Insured: David Masumoto
Date of Loss: 7-19-2013
Incident No.: 04-36-F2013-0003048

Dear addressee

You requested reimbursement of expenses incurred by **Center Township** as a result of a motor vehicle accident involving **David Masumoto** who maintains automobile insurance with **Travelers Home and Marine Insurance Company** (hereinafter "Travelers"). As you are aware, this accident occurred at **Brodhead and Old Brodhead Roads, Center, PA** and as a result of this accident **reimbursement for assistance is being requested.**

While the precise legal basis of **Center Township** claim is uncertain, our insured cannot be held legally liable to reimburse **Center Township** under prevailing Pennsylvania law. Specifically, Pennsylvania adheres to the "Municipal Cost Recovery Rule," which unequivocally states that a state or local government cannot recover the cost of public services, such as fire department services, from the tortfeasor whose negligence created the need for the service. See City of Pittsburgh v. Equitable Gas Co., 512 A.2d 83, 84 (Pa. Cmwlth. 1986) ("The cost of public services for protection from a safety hazard is to be borne by the public as a whole, not assessed against a tortfeasor whose negligence creates the need for the service."); see also City of Philadelphia v. Beretta U.S.A. Corp., 277 F.3d 415 (3d Cir. 2002) (Applying Pennsylvania law). Therefore, since our insured cannot be held liable to reimburse **Center Township** for the expenses it incurred in responding to this accident, Travelers will not accept responsibility for this claim and will not be reimbursing **Center Township** for the expenses it is seeking from our insured.

Additionally, even if our insured could be held liable to reimburse **Center Township** for its expenses (which it cannot as explained above), there is no coverage for these expenses under our insured's automobile policy. That policy provides coverage for certain expenses incurred by an insured as a result of an auto accident. Under the "first-party" portion of our insured's policy, Travelers agrees to provide certain coverages to an insured under the policy for damages to a vehicle insured on the policy, medical expenses incurred by an insured as a result of an accident, etc. These coverages are available only to an "insured" on the policy. Clearly, **Center Township** is not an insured on the policy. See Safe Auto Ins. Co. v. Berlin and McKean Hose Co., 991 A.2d 327, 333 (Pa. Super. 2010) (holding volunteer fire company seeking to

recover costs expended in responding to accident caused by Safe Auto's insured is not an "insured" on the Safe Auto policy). Moreover, **Center Township** cannot claim it is a third-party beneficiary under the policy. Berks v. Federal Ins. Co., 883 A.2d 1086 (Pa. Super. Ct. 2005). Therefore, there is no coverage to **Center Township** for the expenses it incurred as a result of this accident under the "first party" portion of our insured's policy.

Under the "third party" portion of our insured's policy, Travelers agrees to provide liability coverage to an insured for their liability arising out of an auto accident. This coverage, however, extends only to "bodily injury" or "property damage" for which the insured is liable for. Assuming the our insured can be held liable to reimburse **Center Township** for its costs in this matter (which it legally cannot as explained above), the **Center Township** did not incur any "bodily injury" or "property damage." Although **Center Township** did incur certain expenses in responding to the subject accident, those costs are pecuniary in nature and are not "property damage" under the terms of the policy. See Berlin and McKean Hose Co., 991 A.2d at 333-35 (holding volunteer fire company seeking to recover costs expended in responding to accident caused by Safe Auto's insured are not "property damage" under automobile policy).

Consequently, we respectfully decline **Center Township's** claim for expenses it incurred to provide services at scene of the subject accident. Additionally, since **Center Township** cannot lawfully recover such expenses from our insured under Pennsylvania law, as explained above, we demand that you immediately cease all collection activity against Travelers and our insured as a result of this accident.

Should you wish to discuss this further please feel free to call me at 610-371-3921.

Very truly yours,

Mike Dugan



FARMERS
INSURANCE

Toll Free: (800) 435-7764
Send all correspondence to
Email: claimsdocuments@ohps.com
National Document Center
P.O. Box 268994
Oklahoma City, OK 73126-8994
Fax: (877) 217-1389

February 13, 2014

Pa Fire Recovery Service LLC
2040 POTOMAC ST
ALLENTOWN PA 18103

RE: Claim Unit Number: 1020052890-1-2
Insured: Jody Sherlock
Policy Number: G004391011
Loss Date: 11/03/2011

To Whom It May Concern:

We have completed our investigation based on the information available to us regarding the above-captioned loss. Please be assured your claim has received careful consideration.

As you know most firefighters are paid for their services or are volunteers. These services are set and or funded by the local government for the township or municipality and therefore are not subrogable to the private sector. As such we will be respectfully denying your request to subrogate their expenses in the amount of \$745.

If you have any questions or concerns, I can be reached at (913)827-5791. My scheduled office hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Time.

Sincerely,
Bristol West Insurance Company

Kayla Turner
Claims Representative
(913)827-5791

Enclosure(s):
Estimate or Invoice

July 15, 2014

PA Fire Recovery Services
7260 Periwinkle Dr.
Macungie, PA 18062

Re: Insured: Southeast Delco School District
Claim #: 196809
Date of MVA: 02/11/2013
Your Incident #: 23-81-13-0810212

School Claims Services, LLC is the claims administrator for the Southeast Delco School District. We are in receipt of your subrogation invoice dated June 23, 2014, issued to Southeast Delco School District on behalf of your client Chester Fire Company, pertaining to expenses they incurred responding to the February 11, 2013 Motor Vehicle Accident involving a Southeast Delco School District vehicle.

Based upon our investigation, the Chester Fire Company did not incur any property damage as a result of the MVA and cannot pursue a third party claim against our insured. Any and all claims being made by Chester Fire Company and/or PA Fire Recovery Services against the Southeast Delco School District arising out of their actions responding to the February 11, 2013 MVA are respectfully denied and will be defended.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Witmer', is written over a horizontal line.

David Witmer, AIC
Casualty Claims Specialist
Ext. 422

cc: Ms. Vanessa Scott - Southeast Delco School District

C&H
Curtin & Heefner, LLP
ATTORNEYS AT LAW

250 N. PENNSYLVANIA AVENUE • BOX 217 • MORRISVILLE, PA 19067
(215) 736.2521 • (800) 773.0680 • FAX (215) 736.3647
WWW.CURTINHEEFNER.COM

Caitlin M. Gray, Esquire
E-mail: cmg@curtinheefner.com
Admitted in PA & NJ

August 15, 2014

***Via Certified Mail, Return Receipt Requested
#7014 0150 0001 0856 5339 and Regular Mail***

PA Fire Recovery Service
7200 Periwinkle Drive
Macungie, PA 18062

Re: Insured: Robert Beer
Claim No.: 0329088355
Date of Loss: 06/04/2014
Our File No.: 1369-48818

Dear Sir or Madam:

Please be advised that the undersigned represents the interests of Allstate Insurance Company and its insured, Robert Beer in connection with the above referenced matter. All communications relative to our clients concerning this matter must now be directed to our attention. This letter is in response to your invoice dated June 6, 2014 seeking reimbursement for the services rendered by the Perry Hi-Way Hose Co. at the scene of a motor vehicle accident on June 4, 2014.

Your invoice incorrectly alleges that Allstate and/or its insured are legally obligated to pay for the charges of the Perry Hi-Way Hose Co. for public services rendered on June 4, 2014. Please be advised that the general rule of law provides that "the cost of public services for protection from a safety hazard is to be borne by the public as a whole," not assessed against an individual who allegedly created the need for the services. See City of Pittsburgh v. Equitable Gas Co., 98 Pa. Cmmw. 523, 512 A.2d 83 (1986). These charges by the Perry Hi-Way Hose Co. are not damages Allstate or its insured are legally obligated to pay despite your assertions to the contrary. Accordingly, Allstate and Robert Beer are not required to compensate PA Fire Recovery Service.

A review of both the federal and state statutes on debt collection make it very clear that PA Fire Recovery Service is a "debt collector" and subject to all the provisions of the debt collection statutes. The statutes specifically provide that a debt collector **may not** communicate

1332466.1/48818

Robert Beer
August 15, 2014
Page 2



with a consumer in connection with the collection of a debt if the debt collector knows the consumer is represented by an attorney with regard to such debt and has knowledge of such attorney's name and address unless the attorney fails to respond within a reasonable period of time to communication from the creditor. Under these circumstances, a direct contact is an unfair or deceptive debt collection act. Both the federal and state statutes provide penalties for violation of the debt collecting laws.

Please be advised that any direct contact with our clients in relationship to PA Fire Recovery Service's attempt to collect for invoice amounts will be considered a violation of the statutes and legal remedies may be pursued. Any further correspondence regarding this matter must be directed to the attention of the undersigned.

Thank you for your attention in this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Caitlin M. Gray".

Caitlin M. Gray
FOR CURTIN & HEEFNER, LLP

CMG/mak

cc: Dorthea Thompson, Allstate
Robert Beer

August 22, 2013

PA FIRE RECOVERY SERVICE
2040 POTOMAC STREET
ALLENTOWN, PA 18103

Claim Number: OLSO-0045136-022413B
Loss Date: 02/24/2013
Insured: LORRAIN OLSOVSKY
Insured Driver: LORRAIN OLSOVSKY

Re: Ordinance - User Fees For Public Safety Services

Dear PA FIRE RECOVER SERVICE:

It has come to our attention that you have billed for safety services associated with an auto accident/incident involving the above-named driver.

It is our position that the statute or ordinance under which you are attempting to collect for these services likely violates both the Federal and State Constitutions for the following reasons:

- The ordinance or statute allows safety services officers or other local administrative entities, to make a unilateral legal or administrative adjudication of liability or "fault", which usurps the role of the judicial process and violates any notion of due process;
- The ordinance or statute lacks any meaningful appeal process - again, the result of which is its unenforceability and unconstitutionality;
- The ordinance or statute violates the constitutional guarantees of equal protection by requiring individuals involved in an accident or emergency situation to pay again for usual and necessary governmental services already funded by tax revenue;
- It is our belief that the passage of this ordinance is an ultra vires act, inasmuch as the adoption of the ordinance or other statute which you believe authorizes your action, is likely done in excess of the scope of statutorily granted authority. As such, it is void and unenforceable.

If your position is such that you believe State Auto itself is liable for the payment of this assessment, please be advised that there is no privity of contract between the governmental entity on whose behalf you have written and this insurance company. Therefore, even if it were determined that user fees of this type were a covered loss under our insuring agreement with the above-named driver, your entity would have no standing to make a claim for such benefits. If you believe it is our insured that is liable for these charges, we will defend our insured under the terms of their insuring agreement if suit or further collection efforts are initiated.

In summary, we believe that neither our insured nor this company is responsible for the payment of these fees. Unless you have persuasive authority warranting a contrary position, payment of this assessment is respectfully declined.

Sincerely,

CAROLYN MCLAURIN
PIP/MED PAY ADJUSTER
614.917.5790

Exhibits 2



CITIZEN'S FIRE COMPANY NO.1

www.palmyrafire.com

**21 North College Street.
Palmyra, Pa 17078**

Phone 717-838-1421

"Serving Palmyra Borough and North Londonderry Township."

September 23, 2014

To: PA House Committee for Veterans Affairs and Emergency Preparedness

Citizen's Fire Company, Palmyra is very much in favor of Fire Service Billing and urge the PA House Committee for Veterans Affairs and Emergency Preparedness to pass House Bill 2427. Our department uses PA Fire Recovery Services to bill for incidents we respond to. Our department is an all volunteer department with 40 active members and we respond to an average of 750 calls per year.

When we started to bill for incidents the intention was and has remained very simple to recoup expenses incurred by the fire department responding to these incidents. Billing for services has never been nor will it ever be used as a means of "fundraising" for our department. Palmyra Fire Department bills for fires, auto accidents, calls for service such as water in a basement and like events. We bill the insurance company only and if we are fortunate and they pay some amount of the total invoice we accept that as payment in full and we have not nor we ever go after the party who is insured. As I stated we use the money generated to offset the cost of apparatus, fuel, absorbent, equipment and man hours. Through the billing program we have been able to use monies budgeted for items such as absorbent for other needs as the income from the billing has paid for the absorbent we have used. Our department has also used the income to construct a retention and recruitment program and I am happy to report that it has been very successful and it has continued to grow.

The problem with the lack of regulation is that insurance company's reimbursements can vary drastically. We can respond to three different motor vehicle accidents and depending on the insurance companies we may not receive anything or we may get several hundred dollars. The same is even truer with structure fires where some insurance companies refuse to pay anything on one event and the next like event they will

pay the invoice in full. Our department has even been threatened by one claims adjuster from a prominent insurance company stating if we continue to send him invoices he was going to go to media and was going to tell everyone in the community how bad of a department we were and how we were doing this just to "make money".

Our intentions are very simple. It costs a lot of money to do anything in the fire service and we simply are asking the insurance companies to fairly and equally compensate the fire departments for services rendered. By having House Bill 2427 in place it will allow this to happen and every insurance company will share the same responsibilities in regards to reimbursing fire departments for services rendered. Thank you for your time.

Sincerely,

David R. Dugan II

David R. Dugan II
Chief of Operations

7004 Route 59 • Lewis Run, PA 16738-2418

PA Fire Recovery Service
Shawn Meder, President
Allentown, PA 18103

September 23, 2014

Dear Mr. Meder:

We are writing you in regards to Pennsylvania House Bill 2427, currently working its way through the State House of Representatives.

As you are aware, we have been a client of PA Fire Recovery Service for several years, using your service to bill insurance providers for services and materials we utilize in the response of motor vehicle accidents in Lafayette Township, McKean County. As such, we are pleased with the level of due diligence provided by your company.

Unfortunately, we find that you are only able to collect on 30% of the claims we file, and many of those are for less than the billed amount. Most often, the insurance carriers refuse to pay due to our lack of a township ordinance/resolution, or for some other reason they feel they are exempt.

Because the return on this revenue source is unpredictable, we do not budget this income in our annual financial planning. We do, however, find the income we do receive to be beneficial in the operation of our department by allowing us to spend extra dollars that were not originally planned for.

If HB 2427 passes both the State House and Senate as proposed, and the interpretations we've seen are accurate, we feel this bill will positively affect our return rate, which in turn will provide us with a revenue stream that does not add to the workloads of our members; we are already responding to the calls whether we are reimbursed or not.

Congratulations on being selected to address the House Committee on Veterans Affairs and Emergency Preparedness, and please know you are speaking for the hundreds of volunteer fire companies throughout Pennsylvania who could use a helping hand when it comes to their finances.

Sincerely,
The Members of the Lafayette Township Volunteer Fire & Rescue Department

Meder HB 2427 Letter.docx



Albion Volunteer Fire Department

19 Smock Avenue, Albion, PA 16401

Station: (814) 756-4210

Fax: (814) 756-4607

September 11, 2014

To: Honorable Stephen Barrar
Fellow Representative Members
Veterans Affairs & Emergency Preparedness Committee

From: Scott Hyde
Chief

Re: HB 2427

Committee Members,

Please let me start by saying that I wish I could of traveled here today to address you all personally however my fulltime employment would not permit me to do so with that said please allow me to introduce myself to you.

My name is Scott Hyde, I currently live in Albion, Erie County, and we are located in the western most part of Erie County approximately 13 miles from the Ohio boarder.

Currently I am Chief of the Albion Fire Department and have served in this position for the last 8 years, I joined the volunteer fire service in 1975 at 14 years of age and have served in every fire officer positon and business officer position in my department, in 1975 my department hosted 35 ACTIVE members and 32 Pennsylvania certified Emergency Medical Technicians (EMT) as well as 2 certified Paramedics, we ran approximately 210 emergency calls a year.

As of today as I'm writing this my department has 12 ACTIVE members, 8 Emergency Medical Technician (EMT) and no paramedics, last year we ran 598 emergency calls and will go well over 600 by the end of this year.

Our community is made up of the following industries: agriculture, light industry (plastics & welding), State Correctional Institution of Albion and light mercantile shops, I have an elderly / section 8 high rise, low income townhouses, three

schools and 5 churches to protect, the current population is approximately 1,640 not including prison inmates and the employees which is approximately 2,400 persons.

Currently our borough and township DOES NOT support us financially, they do however pay for our workman's compensation coverage, to be fair the borough also covers our utilities for the fire station for which they own, other than that we see very little support from them, two years ago I approached our township supervisors for some badly needed financial support and was politely told "you are not our problem, we have our own issues".

For fire department funding we like every volunteer fire department across the great commonwealth and country, have a membership drive asking our citizens for their support, yearly we mail out 1,640 applications to our citizens in 2013 we received approximately 30 % return, in 2014 we are still actively in our membership drive and the number is 28% so a decrease from last year at this time.

Currently the Department of Corrections SCI – Albion DOES NOT contribute to our membership drive and 82% of our emergencies are at SCI – Albion, even though they do pay their ambulance bills on time and are very good about that, we also took a hit there several years ago when it was voted on at the state level to DECREASE the amount paid, for these services across the state.

We also do dinners, street dances, raffles, we sell concessions at a 4x4 mud park, provide fire & EMS protection at our local fair for a week, sell pizzas, wash cars, float plastic ducks down a creek "Lucky Duck Race".

It's getting harder and harder trust me on this, this area I live in is very "poor" even with all we do we are just getting by, if it wasn't for our ambulance billing we wouldn't survive.

Last April my fire officers approached me on doing third party billing for fires and motor vehicle accidents, trust me I wasn't sure about this, it was new to me so I contacted Mr. Shawn Meder of Pa Fire Recovery Services, LLC for more information. After talking with Mr. Meder my department went into an agreement for his company to try and recovery some additional costs for us.

Folks in 2012 we had to replace our 1993 pumper / tanker due to mechanical issues at the cost of \$386,000.00 not more than 18 months later our 1999 rescue / pumper blew a pump, cracked a rear leaf spring and showed signs of its windshield rotting away from the main structure of the vehicle, repairs alone were going to be well over \$180,000.00 dollars, we opted to purchase a second new engine for \$430,000.00.

I tell you this because that's a lot of additional fund raising.

Through Mr. Meder's help since we have been working with him he has recovered well over \$8,000.00 for us, these monies are directly put towards our engines to help take the pressure off additional fund raising.

You would be surprised just how many insurance companies REFUSE to pay for our services, whether we are paid or volunteer it doesn't matter, we still place our life on the line to protect what they insure, should we just stand back and say "let her go to the ground" of course not there is no fire fighter today walking this earth who would.

I told you what the cost of those pumpers were, that's just the cost of getting them to our station from the manufacturer, now we have to equip them. Ask any fire chief what the cost of equipping a fire apparatus cost, you might be very shocked, just to get it down the road is about \$4.95 a gallon for diesel fuel now days.

Proposed State House Bill 2427, is the right move here, this needs passed, the insurance industry needs to be held accountable for their share of supporting us, those who have insurance whether home owners or vehicle **STOP PAYING YOUR MONTHLY INSURANCE PAYMENTS** see what happens.....**you will be cancelled !**

May 21st of this year we had a very bad storm come through my area so bad that it severely damaged my homes roof, that was May 21, on July 4th the adjustor came to inspect the damage, that was after 5 more additional storms had come

through our area, finally on July 14th contractors started the repairs.....the point here is **I PAY MY INSURANCE MONTHLY ON TIME ALL THE TIME** and this is how I was treated, I can't be the only one.

So HB 2427 please do the right thing here, support the volunteers by allowing this bill to pass, I learnt a very long time ago by a well gifted state fire instructor who said **"Our Citizens Owe us nothing, We owe our citizens everything"** I believe in this with all my heart, but how can I do my job when it's getting harder and harder, more training, more fund raising, LESS PEOPLE.

Maybe the answer is this **"you as our elected officials maybe pass a law that FORCES our local municipalities to put into place a fire and EMS tax to make ALL pay their fair share for fire and EMS protection and provide those funds directly to the fire department who services their communities"**.

Folks the answer here is not retention & recruitment, I hear this all the time that the STATE NEEDS TO DO MORE TO HELP, it's not your problem, we have fought this problem for years.....people just don't want to volunteer anymore, long gone are the days of helping your neighbor, now it's what CAN YOU DO FOR ME if I volunteer or how much will you pay me.....the issue is LET'S KEEP THE VOLUNTEERS WE HAVE NOW.....**HELP FUND US, BY PASSING HB 2427, and investigate a state wide LAW that forces these communities to institute a FIRE & EMS TAX, help take the pressure off by helping fund us so we can do our jobs, that's all we can ask for.**

In closing I would like to say thank you for reading this and please remember "when a person calls 911 they don't care who comes, they just want someone to come and help them, if we the volunteers don't start getting some help and most of the commonwealth is served by VOLUNTEERS then who will help them"!

Thank you

Yours in Public Safety,

Scott Hyde
Chief
Albion Fire Department
Erie County

Adams Township Volunteer Fire Company, No. 2

P.O. Box 368
849 Locust Street

SAINT MICHAEL, PENNSYLVANIA 15951
CAMBRIA COUNTY STATION 84

BERNARD BLAZOSKY, Recording Secretary
JOSHUA M. PETRISKO, Financial Secretary
RODNEY J. KUNDROD, Assistant Financial Secretary
(814)-495-4111 Station
(814)-525-7534 Hall Rental
Tax-Exempt Number: 25-1607480
PA Tax-Exempt Number: 075-069064
WWW.ADAMSTWPFIRE.COM

KIRK MOSS, President
JOHN McKNIGHT, Vice President
GENE KRUPA, Treasurer

PAUL KUNDROD, Fire Chief
EARL BEANER, Deputy Chief
JOHN McKNIGHT, 1st Assistant Chief
GENE KRUPA, Captain

TRUSTEES:
EARL BEANER
BILL KRAJEWSKI
GENE KRUPA
JOHN McKNIGHT
JUSTIN McKNIGHT
DARRIN SMITH

September 12, 2014

Mr Sean P Meder
PA Fire Recovery Service
2040 Potomac Sr
Allentown PA 18103

Dear Sean,

Thank you for the information pertaining to House Bill 2427. I've thought about the impact that the billing has had on our department and would like to share with you my thoughts and concerns about HB 2427.

First of all, we have been able to recoup and cover expenses that we've incurred at auto accidents with the help of your agency. Our departments' response area includes a National Park, several major state routes, along with Interstate Route 219. The majority of our responses are to motor vehicle accidents (on an average 50% of the yearly total). As noted, on the Route 219 accidents, most are transients that travel daily for work, visitors to the area, and involve commerce shipments from both points north and south in Pennsylvania.

As listed in the proposed HB 2427, we do agree that if our residents are donating and /or pay taxes to the municipality, they shouldn't be billed for our services. Our area of concern involves those transients (using transients as a term of someone residing outside of our municipality). Why should our residents assume the expenses of our responses to those accidents, vehicle fires, rescue work involving transients travelling through our areas. Through billing of their insurance carriers, this allows us to keep a level playing field of recovering for expended equipment, tools, etc in the performance of our duties. It will allow us to recover expenses for fuel, flares, traffic control devices, extrication equipment, foam, and many additional emergency resources we use in the protection of life and property.

Unfortunately, over the years, departments got greedy and billed insurance companies enormous amounts for petty and minor calls. Now, once the insurance companies saw this happening, they've tightened their belts and recovery is much more difficult for departments like us who are just looking to get a few dollars back into the coffers to cover expenses.

Sean, your company is handling recovery the right way. An itemized bill is created based upon equipment used, time and materials, and not fluff. A standardized itemization is the way to go, as long as the Insurance Companies agree upon this and be fair with us emergency responders. We are not out to "rip them off", we just want to be treated fairly and reimbursed for responses and equipment expended by "transients" who don't support our services, or municipality.

Well, thank you for allowing me to voice some of our thoughts in regards to this issue. Please keep us informed as to the results.

Thank you,


Paul M Kundrod, Chief

On behalf of the Edgewood Volunteer Fire Department, we are highly in-favor to support House Bill 2427. With the decline of volunteer fire fighters and the closing of fire departments in the state of Pennsylvania, we have had to seek other funding to keep our fire department operational.

The lack of support from our local borough government and community has us looking for whatever support we can find to keep us answering 911 calls daily. We are a small department ad onset approximately 600 calls annually and have been growing in membership, rather than declining. I feel that not only do small departments benefit from this bill ALL departments will need this bill to keep their doors and trucks running.

Pennsylvania cannot afford to have paid departments in all communities within the commonwealth.

Please support this bill. Your life and lives may depend on it.

Steven Halle
Fire Chief Edgewood VFD (Allegheny County)

To: PAFRS

From: Frank Guido, Fire Chief Kingston/Forty Fort Fire Department

September 24, 2014

To Whom It May Concern:

I would like to offer a brief testimonial how billing has assisted our department. We have been with PAFRS since 2012 and collected over \$67,000.00 for our Municipal government. I am sure everyone knows we like all other municipal based fire departments are struggling with a very tight budget. Our biggest Cost other than the salaries of the 26 full time firefighters employed by the Municipality of Kingston has been overtime. With this money collected from PAFRS it has eased the burden of a possible tax increase to the residents of the Municipality of Kingston.

I urge approval of House Bill 2427 to even further assist any fire departments whether they are Municipal, City or Volunteer.

Respectfully,

Frank Guido, Fire Chief
Kingston/Forty Fort Fire Department
600 Wyoming Ave
Kingston, Pa. 18704
570-714-2143 Office
570-479-6056 Cell
rguido@kingstonpafire.org



CENTER TOWNSHIP POLICE DEPARTMENT

"A Community Oriented Police Department"

224 Center Grange Road

Center Township, Aliquippa, PA 15001

Beaver County, Pennsylvania

PHONE: 724-774-0271

FAX: 724-774-8761



9-22-2014

TO: Commonwealth Representative Stephen Barrar

FROM: Chief Kramer; Center Twp Police Department / Pub Safety Dir 

REF: Testimony for House Bill 2427

I will not be able to attend the hearing in person due to a professional commitment. I would like to offer this additional testimony (to be included with my 9-2-2014 letter to Pa. Fire Recovery Services). I have had discussions with auto insurance carriers about the insurance coverage as a partial remedy for the collection of the maximum \$1,000 fine under Section 7905 *Regulations and guidelines*.

First under the "collision" portion of a given policy. The collision (after the deductible is paid), has no cap and all costs surrounding the collision are covered. Therefore there should not be any increase in the collision portion of the policy (s). The liability policy(s) have no collision and would therefore need to be **mandated** to be changed to cover the maximum \$1,000 potential fee. Just as all motor vehicles are required to have liability coverage as a minimum (Pa.) an addendum to that liability requirement would be to mandate that a rider be added to all liability policies to cover the potential \$1,000 fee for Fire Department reimbursement.

Insurance companies should welcome such changes and Fire Departments can increase their expense reimbursement for actual and reasonable costs without impacting taxpayers.

Under the mandated liability change it would be made clear that the prospective insured must accurately disclose to the insurer everything that he/she knows that would be material to the insurer. The underwriter has the advantage by drafting a policy covering the precise boundaries of the potential coverage.

As the costs for volunteer and paid fire services increase at a much higher rate than municipalities can keep pace with, an alternative must be drafted for protection of the vulnerable; in this case the firefighters of Pennsylvania.

CT
P.D.

CENTER TOWNSHIP POLICE DEPARTMENT

"A Community Oriented Police Department"

224 Center Grange Road
Center Township, Allegheny, PA 15001
Lawrence County, Pennsylvania
PHONE: 724-794-0271
FAX: 724-794-0271



9-2-2014

TO: Pa. Fire Recovery Services

FROM: Chief Kramer / Director Public Safety Center Twp Police Dept.

REF: Support of HB 2427

Summary of support for House Bill 2427:

I am currently the Director of Public Safety overseeing the Center Township Police Department as the Chief of Police and Public Safety Director. The Fire Department, contains three companies (company 36, 37, and 38). I was appointed as Police chief in 1997 and as Public Safety Director approx. 3 years ago.

One of the first items on my list of changes for the Fire Department was to address the financial burden of the operation of the Fire Department, via building cost, fund raising, and lack of reimbursement of fire calls. I contracted with Pa Fire Recovery Services on about 2012. Since 2012 thru Pa Fire Recovery Services Center Twp. has collected (as of 9-02-2014) \$19,278.31. Our Fire Department / Police Department responds to the highest frequency car crashes in the County of Beaver (approx 400 annually), thus dramatically impacting the cost of operation on both agencies due to the resources used at the crash(s).

Center Township's Fire Department budget is \$154,550. The 2-3 years of collection on the insurance end averages (3 year average \$6,426.10) approx. \$6,426 each year; roughly 4% of operational costs. The remainder relies on tax payer dollars and fund raising efforts and grant funding within each fire company. Fund raising in 2014 is quite different than the fund rising in the past. Economic and social issues have dramatically impacted fund raising in 2014 compared to years past. The Women's Auxiliaries of the past previously raised tremendous amounts for the Fire Companies and now many are abolished due to lack of participation. Working families and often both spouses and longer hours have contributed to decreased involvement in fund raising efforts. The business partnerships of donations have decreased due to a weak economy over the past decade.

Fire calls on the other hand have not decreased nor has the cost of fire equipment decreased. In fact, with liability issues rising and restrictions added as to training and operation of equipment, the cost of a volunteer fire company has "sky rocketed", impacting every community served by volunteer firefighters.

State Fire Commissioner Grants have been an aid in operation but generally generate approx. \$30,000 annually. The fire relief association also receives funding to support the operation of limited equipment. Like many volunteer companies, Center Township pays an annual reimbursement pay to the volunteers for their response to calls. This cost is approx. \$40,000.00 annually.

Volunteer Fire Service has reached the critical point of becoming a very necessary financial burden on communities to continue to operate an ever so important function of providing firefighting services in 2014. I strongly support HB 2427 and look forward to discussing this matter further.

Exhibits 3

"Perkasie Fire Company No. 1 is pleased with the professional assistance provided by PA Fire Recovery Service. As a rescue service, we have been able to recoup costs for materials used on vehicle extrications from out of district residents. The Department has utilized the money received to replace and upgrade equipment used on time consuming fire incidents. The money received accounts for 15% of our annual operating expenses. I have recommended the recovery services provided by the staff at PA Fire Recovery Services to my mutual-aid Departments."

J. David Worthington, Fire Chief - PERKASIE FIRE COMPANY No. 1 - Bucks County, PA

"Our experience has been nothing short of rewarding on all aspects of the service you provide.

From the simplicity of the documentation needed to the prompt and relentless pursue of the payment from the insurance agencies on your end. Along with the immediate updates and monthly reports it has really been an enjoyable experience that I don't see ending anytime in the future. We utilize the monies collected through your service for upkeep and the purchasing of new equipment. This really takes a load off the financial side of the organization, if the equipment makes the money it goes back into the equipment. Finally on behalf of my department I would like to sincerely thank you and your company for the excellent service you provide along with the opportunities it has afforded us."

Respectfully,

Kenneth J Carroll, Assistant Fire Chief - Glassport No.1 Fire Department - Allegheny County, PA

"PAFRS has been great, its like getting free money. The process is quick and simple a few minutes to fill out the online report and just await the money. I never have to worry about follow ups or phone calls as they handle everything and send monthly reports on the status of each claim.

One of the biggest complaints I had as chief is recruitment and retention. I hated asking personnel to show up and wash dishes or sell hoagie's to raise money for equipment/gear. PAFRS has freed us from this, leaving more time where it was needed for training. We use the money to cover materials from each call as well maintenance on each truck, tools and gear. I would recommend their service to any department looking to cover operating costs with barely any additional work."

Sincerely,

Michael Eshleman, Fire Chief - Southeastern Fire Co. - Northampton County, PA

"I would like to thank you for your time and effort on our billing service. I made an attempt to do our own billing process and it did not do very well. Your billing format is simple and it does not take very long to fill them out. Our collection rate has done well as we know how insurance company's can handle claims. The money that we do receive helps to replace items that we use on calls and pay for fuel. I have recommended your service to other departments in our area, which one has climbed onboard with your service. Thanks, again for all your help."

Doug Phelps, Chief - Harford Vol. Fire Co. - Susquehanna County, PA

"The forms both paper and online version are simple to understand and complete. We have only been with the company for a short time but are completely happy. We have already generated a fair amount of money for the amount of time we have been doing this. We plan on using the money to replace equipment and items such as speedy dry etc that we use on the calls that before we had to eat the cost of. We also are using it to pay the everyday bills as well as offset the cost of fuel to run the trucks which again in the past we had to eat the cost. We plan on putting some away to purchase new equipment such as rescue tools, scba's and other items that were not essential but would be great to have but couldn't afford before. We are also looking at putting a small amount from each check received into a savings account to collect interest and help in large equipment or apparatus purchases in the future."

Brian Stout, Deputy Chief - Rice Twp Volunteer Fire Dept. - Luzerne County, PA

"Thank you for giving us this opportunity to comment on our relationship. We have been receiving this additional income for about one and a half years. The relationship we have is very professional in that we only bill for insured coverage amounts we have been able to maintain our standing in the community. We have improved our ability to promptly handle more difficult and remote extrications with the addition of the **Power Hawk** line of battery operated tools paid for with these funds.
Steve Schure, Ass't Chief - Blooming Grove Township VFD #1 - Pike County, PA

"We would just like to let you know that since our department started using PA Fire Recovery Services, we have gained some money back into our department that we did not know we could get. We only had 12 bills that we collected from last year but it was a help. When our department gets money back we are putting it into our truck payment to help pay off our Tower Ladder.

Bill Nealis, Fire Chief - Matamoras Fire Department - Pike County, PA

"In March of 2007 the Fuller Hose Company in North East, Pennsylvania changed from another billing agency to P.A. Fire Recovery Systems. Within the first months we have seen a better return in our cost recovery income. Now that our department has been using the P.A.F.R.S for nearly one year, we have seen a 40% increase in our billable insurance recovery income. As strictly an Engine company, the Fuller Hose Co. cannot rely on supplemental income, such as that from EMS, as many other departments in our area do. With recent increases in operational costs and decreases in donations, the use of the P.A.R.F.S has allowed us to maintain a steady income and remain financially viable during difficult times. We, the members of the Fuller Hose Company, highly recommend the P.A.R.F.S to any volunteer fire department who wishes to tap this often overlooked resource."

Matt Skrekla, Fuller Hose Co. - Erie County, PA

"We are very grateful that your department takes the time to bill for our department. Being a volunteer fire department, and a small one at that, we do not have the call volume of other departments. Additionally, we are not QRS and we don't have an ambulance, but we need to be able to recover money for the calls that we are able to. Our department is extremely pleased with PAFRS. You respond to our needs, take the time to work with us, and provide us with a necessary income."
Thank you,
Tammy, Sandy Lake Fire & Rescue Co. - Mercer County, PA

"We have been using your service for over two years now, and we are finding it very useful. The money that is collected from the insurance companies is used for equipment and other supplies for the company. The process of entering the information into the computer and sending it to you is extremely easy, and to know that we might get something back from your service makes it so much more worth it. Being a volunteer company we count on donations and fundraisers to get extra money and with your service it helps us out as well. Myself, and the rest of Pennsburg Fire Company want thank you for your service."

Sincerely, Greg Young, Pennsburg Fire Co. - Montgomery County, PA

"Cherrytree Township Volunteer Fire Department's association with PA Fire Recovery Service (PAFRS) has been gratifying so far. They have collected on many more claims than our previous billing service. The methods for submitting claims are easy and straight forward. Currently we are faxing in our claim forms but are aware of the on-line feature.

PAFRS reports on our claims are timely and on time. They email all of our information on the 1st of the month so it is available for our meetings. Checks are usually sent on the 1st of the month also. The moneys generated by their efforts have made it possible to keep ahead of the repairs needed on our 1989 tanker and pay normal bills. As a rural fire department with no tax income, any funds are greatly appreciated."

Don Deliman, Assistant Chief/Treasurer - Cherrytree Township VFD - Venango County, PA

"Pa Fire Recovery Service has impressed our department with their hard work on the recovery of payments for us. The extra money helped with the rising costs of fuel and heating. The hard work they put in for our small department shows us the outstanding people who work for their company."

Neal White, Fire Chief - Lake Silkworth VFD - Luzerne County, PA

"I just wanted to write you a quick note to relate how pleased we at Station 23 are with your services. In the past we have used different collection or recovery services and have had minimal results. In the amount of time that we have been doing business together our recoveries have more than doubled. The extra funds that you have aided us in acquiring have allowed us to upgrade tools and equipment, such as rescue tools and a new rescue truck in 2009. Your service has been prompt, professional and reliable. We would not hesitate to recommend your services to any and all fire companies. Thank you for what you have done and we look forward to a long relationship."

M. Philip Meyers, Chief - Dublin VFC - Bucks County, PA

"I would like to take this opportunity to provide feedback to PA Fire Recovery Service. Gouldsboro Volunteer Fire Company began using PAFRS about a year ago for Fire Company Billing. We have a separate EMS organization and were not seeing any results from billing through them. Therefore, we decided to go out on our own. To date, I would say our company is pleased with the results we have seen from using PAFRS.

We did not have to change our reporting in any way. The information that was required for the billing process was already information that we were collecting on incidents. All we need to do is fax the information and wait for payment. The process couldn't be simpler and the results are far better than anything we have used in the past. We put all the money generated through billing into our truck fund which is necessary to help pay for a much needed new engine we recently purchased to replace a 1976 engine."

Denise Rinaldi, Gouldsboro Volunteer Fire Company - Wayne County, PA

"When faced with the opportunity to start billing, I was hesitant thinking about the tradition of providing our services for free. But looking at the state of the economy and not billing victims directly, we decided to look into it further. PA Fire Recovery System was our first choice. Shawn and his staff are great, easy to work with and submitting information for billing is easily done online.

In the last year we have collected over 75% of our submitted claims it has helped us cover operational costs tremendously.

The income of billing for services rendered supplements the shortfall of fundraisers that may be affected by the hard economic times for all. With the rising cost of supplies and equipment, we use our monies collected to recoup our cost of supplies and further our training.

Talking to other companies about their billing arrangements, I thank the heavens above for PAFRS and their excellent success of collecting our claims."

Ed Beneshunas - Fire Chief, Friendship Fire Co. #1, Englewood, Butler Township - Schuylkill County

"PAFRS is the number 1 cost recovery services agency in PA. Their service to the Fire/EMS community of PA is second to none, from start to finish! Since selecting PAFRS for our cost recovery agency we have had great cost recovery returns. Money we would have lost in years past. The money PAFRS has recovered we are able to replenish our supplies, pay down our operating costs and put back into training our members. So, if your company is looking to recovery costs associated with providing a vital service to your community look no further then PAFRS."

Mike Evans - Deputy Fire Chief, Green Ridge Vol. Fire Co. 1 - Aston - Delaware County, PA

"We, the members of the Windber Fire Department are greatly thankful for the PA Fire Recovery Service. Our departments average about 350 calls a year, with a majority of them being vehicle accidents. In this day and age funding for volunteer departments is tough. **After adding the billing to our department we have generated over \$10,000 in returns that this department greatly needed.** We were able to pay off some bills, get much needed equipment, and were able to fix equipment that we did not have the money to fix. You have a 50/50 shot with insurances, and as easy as it is to fill out the paper work and submit, it costs you nothing, but you have so much you could gain. I would highly recommend this service to any department that would like to see monetary returns for their services"

Bill Killinger - Windber Fire Department - Somerset County, PA

"We cover a close knit community that is spread out over a fairly large area and PA Fire Recovery Service does a job that no one here would want to do. By direct billing the home owner's insurance company, PA Fire Recovery Service saves us the time, hassle and frustration of doing this ourselves. The online bill submission is direct and easy to fill in with just the information acquired at the scene. **One half year's returns are more than we would see from all of our BBQ's and pancake breakfasts combined.** Shawn and his crew know the business and are fast, efficient and are good at what they do. This leaves us more time to do what we need to do."

Dave Magliacane - President - Pleasant Mount Emergency Services - Wayne County, PA

"Until we started using Pa Fire Recovery Service we did NOT have any way of billing for structure fires and car accidents.....**Since we started billing with the company we have brought in a little over \$ 4,000. Now that seems small to some, but it was a big help for our dept.** I would defiantly recommend this company and have recommended the company to other area Vol. Fire companies."

Jamie Carson - Seneca VFD - Venango County, PA

"Since using PA Fire Recovery Service, our success at recouping our costs for materials and equipment has drastically increased in comparison to the old recovery company we used. Without this extra money being recouped, it would make balancing the budget even more difficult in these tough financial times when contributions and donations are down. This money recovered goes to assist in providing new equipment to give the residents of our district and surrounding mutual aid the best possible service possible. The process is easy and takes very little time per call to complete and submit.

Thank you PA Fire Recovery for your assistance in helping us help serve and protect our community!"

Josh Mallery - Chief - Trumbauersville Fire Company - Bucks County, PA

"The Hustontown Vol Fire Co was made aware of your service by one of our other county Fire Departments. **Since signing the contract with you this past November your company have recovered over \$18,000.00 for our Fire Service.** PA Fire Recovery Service has been very prompt with return calls and emails as well as keeping us informed of the status of each claim. Our Company does not receive any local tax base money for our services so any money that PA Fire Recovery Service collects for us helps offset the operating cost of the Company. **If you company is looking for a Recovery Service I would HIGHLY recommend they get in touch with PA Fire Recovery Service. Its also nice to know that you will be dealing with fellow firefighters and a PA. Company.**

Thanks again to Shawn and Pa Recovery for all the help they have given to us here at Company 57."

Tracy A. Miller - President - Hustontown Vol. Fire Company - Fulton County, PA

"The Kutztown Fire Company started using Pa Fire Recovery Service in February of 2009. Before using them we did our own billing with limited success and a lot of work. **Since signing on with Pa Fire Recovery our revenues have increased significantly.** We are now able to fund a incentive program for our members which we could not have thought about doing before. We have had nothing but a positive experience from the start."

Troy Arndt - Fire Chief - **Kutztown Fire Department** - Berks County, PA

"I'd like to thank PA Fire Recovery for there very dedicated and quick recovery program. My department has been with you guys for over two years now, and ever since we started the Recovery Program. It has changed my department's budget on apparatus, ppe, rescue equipment and much more. **With today's economy an call volume growing every year, I honestly don't know how we would do it without you guys.** An as far as paperwork process its great, I don't think it could be any easier. Thanks again PA Fire Recovery keep up the good work."

JR Sagle - Fire Chief - **Needmore Fire Company** - Fulton County, Pa

"PA Fire Recovery Service has made cost recovery easy. The on-line forms are easy and quick to fill out. Monthly statements are easy to read and you know what you are receiving without searching through a lot of paper work. I would recommend them to any department! We use are extra money to purchase equipment we normally would not be able to get, all this through the hard work of PA Fire Recovery Service!"

Keith Blauch - Deputy Fire Chief - **Bellegrove Fire Company** - Lebanon County

"As far as PA Fire Recovery service and what they have done for the Orbisonia Fire Co. I will tell you. **Thanks to PA Fire Recovery Service it has been very uplifting and reasuring to see them collect recovery cost from an incident that we normally would not see anything at all.** They have and very reasonable recovery record and to say it is improving more and more as time goes on. The revenue returned to the dept from PA recovery is going toward a much needed rescue pumper that we cannot afford to purchase on our own. This money allows us to save in an account established only for equipment and we leave it alone. We are able to do this because we have already incurred the cost of response and just return the money to a set aside account which we were unable to do prior to PA Recovery. It just made it easier. So to say, PA Recovery helped this dept set aside an equipment fund that we could not do with out them. Thank you PA Recovery Service."

Matt Gilliland - Fire Chief - **Orbisonia And Rockhill Vol. Fire Co.** - Huntington County, PA

"PA Fire Recovery Service has helped our department in a couple of different ways. We use the "unexpected" money for say as a help to cut down everyday expenses. Being a smaller department in the state as we all know every bit counts and your company helps make our operating cost more affordable. Thank you for you commitment to the fire service and we look forward to working with you for many more years to come."

Charles R. Barker - Captain - **Richland Township Fire & Rescue** - Bucks County, PA

HB 2427

Good morning Chairman Barrar and members, thank you for the opportunity to testify.

My name is Donald Konkle. I am the Executive Director of the Pennsylvania Fire and Emergency Service Institute and the Law and Legislative Chair of the Fireman's Association of the State of Pennsylvania. I have been involved in the fire service since 1967, including 37 years as a member of the Harrisburg Bureau of Fire; 27 of those years as Chief

I have several comments on HB 2427 as drafted.

1. Beginning on page 3 line 18 the bill reads as follows

18(d) Bills from multiple fire companies.--If more than one
19 fire company incurs actual and reasonable costs in a response to
20 an emergency, separate bills may be submitted by the fire
21 companies, unless the fire companies were requested by an
22 incident commander or through a public safety answering point,
23 in which case, only a single bill may be submitted on behalf of
24 the fire companies.

Only one fire company should be allowed to submit a bill. The current language may encourage free lancing. A fire department should not respond to incident unless they have been dispatched.

2. Beginning on page 2 line 11 the bill reads as follows

11 "Fire company." A volunteer fire company located in this
12 Commonwealth.

Strike the word volunteer. Most career departments are struggling finically and should be given the opportunity for some cost recovery.

3. Beginning on page 2 line 20

20 § 7902. Reimbursement.

21 A person involved in an emergency that necessitates a
22 response from a fire company shall be liable for the actual and
23 reasonable response costs incurred by the fire company unless
24 the person has:

25 (1) paid a tax which funds at least part of the fire
26 company's services to the municipality in which the fire
27 company is located; or

28(2) made a monetary contribution to an annual fund drive
29of a fire company recognized by the host municipality within
30the 12 months preceding the date of the emergency response.

Both exceptions should be removed. Taxes and annual contributions pay for capital and operating expenses. Responses create and additional expense often covered by insurance should be billed to everyone.

4. Language should be added to exclude a response that requires 'no service'. Accidents often called in by a third party witness, smoke investigation and other good intent calls. Billing for these types of calls may discourage a person from calling 911 early; which is dangerous. However, billing ordinances that charges for repeated false alarms from automatic alarms system should be included.
5. An additional fee should be allowed for extended incidents of more than 3 hours, such as stand buy for wires down. A flat rate of \$200 dollars an hour is suggested.
6. If a bill is not paid and goes to court recovery of all the fire department s court related costs should be allowed.
7. The direct payment from an insurance company to a fire department should be allowed. This will avoid the current problem being encounter by EMS agencies.

There is currently not a consensus in the fire service about billing. However, HB 2427 does not require billing, thereby allowing communities to make their own decision on the issue. Therefore, PFESI supports the concept of billing for service but believes the bill could be improved by adopting the suggestion offer here.

Finally, a quick note of caution billing is a tool that can help the emergency services thru very difficult times. It is by no means the only solution. Additional, legislation is still need to help our emergency services.

Thank you, I will be happy to answer questions.