

## What Works

**All Fired Up: How an insurance company helps its workers support their local fire departments. By Cliff Terry**

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The Fireman's Fund Heritage program gave \$80,000 to build a live-fire training tower in Lake County, Ill.

## All Fired Up

How an insurance company helps its workers support their local fire departments *by Cliff Terry*

Last summer, the fire department in Geneva, Ill., a Chicago suburb, received a \$9,500 grant from the Fireman's Fund Insurance Company's Heritage program to purchase a thermal imaging camera. Such cameras, once viewed as luxury gadgets, are now considered important lifesaving tools by fire departments, though few can afford them. "We can use the camera to see more readily where the fire is seated, especially when there's so much smoke you can't see past the end of your nose," says Steve Olson, the town's fire chief. "It can also locate an injured firefighter, as well as hidden fires in the walls."

Without the grant, the camera probably would have remained on the department's wish list. "Like any public agency, we have more needs than resources," Olson notes. "We make budget decisions, and have to be like Solomon: What part of the baby do you want to divide?"

The grant is one of more than 150 made by Fireman's Fund Insurance Co. to local fire departments or nonprofit

organizations since the inception of its Heritage program in January 2004. Totaling \$5 million so far, the grants have provided funding for such firefighting tools as hydraulic rescue tools, power saws, and pumps for fighting grass fires, as well as for fire prevention programs. Darryl Siry, Fireman's senior vice president and chief marketing officer, says the Heritage program is the first of its kind in the insurance industry.

The program earned the Novato, Calif.-based property and casualty insurance company the "Innovator of the Year" award this year from the *San Francisco Business Times*. In addition, the program received a 2005 Silver Anvil award, the top award from the Public Relations Society of America, the world's

### Honoring a Company's Heritage

largest organization of public relations professionals, for its contributions to firefighters and fire safety in San Diego. Fireman's Fund has a long history of philanthropy. When it was founded in San Francisco in 1863, its board promised to pay 10 percent of its annual profits to the widows and orphans of volunteer firefighters. As fire departments professionalized and governments began paying survivors' benefits, the company instead began directing a smaller portion of its profits to community organizations.

Siry conceived of the Fireman's Fund Heritage program as a new way to connect the company to the positive image of firefighters in the public's mind, and also to support firefighters' efforts to make communities safer.

To develop the concept, Siry talked to fire chiefs about their needs. "There's plenty of support for widows and orphans," Siry says they told him. "What we really need



is equipment and training.” The federal government reported in 2002 that nearly 80 percent of fire departments must raise funds to cover some of their expenses, and funding problems have been exacerbated by new antiterrorism laws that have expanded departments’ responsibilities.

Siry took his idea to Joe Beneducci, Fireman’s chief operating officer and the son of a firefighter. “He saw how this program could radically impact the fabric of this company,” Siry says.

But Siry worried about selling the concept to the company’s board. “We told them, ‘Look, we want to take a significant amount of profits and actually give it away,’” he recalls. “They had to understand why it made sense.” Because supporting the fire service can improve the public’s perception of the company, enhance employees’ morale, and boost agents’ loyalty – all of which may redound to the bottom line – the board supported the program.

Exactly what proportion of Fireman’s Fund’s profits is diverted to the Heritage program is unclear. Since 1991, the company has been a subsidiary of Allianz AG of Munich (one of the largest property-casualty insurers in the world), which does not report its profit data. Moreover, while Siry says that grant amounts are tied to the company’s performance, he won’t discuss the formula.



To help out their local fire department, Fireman’s Fund Insurance Company employees in Rohnert Park, Calif., paint curbs near fire hydrants a bright red.

## CRAFTING A CORPORATE CAUSE

- Choose a cause related to the company’s history or reputation
- Educate employees about the cause
- Let employees make major decisions about how to execute the program
- Connect employees to their local communities

## Passing the Bucket

Originally designed as a program through which the company could make grants to fire departments, both employees and agents now play a role in choosing which departments receive grants, with employees participating in a program component called the Bucket Brigade, and agents participating in Heritage Rewards.

Through the Bucket Brigade, for example, Tim Hogan of the Lisle, Ill., Fireman’s Fund office nominated the Geneva Fire Department after hearing about the department’s financial problems through a friend. “Chief Olson told me their old camera was not very effective, that they were ‘Radio Shacking’ it to keep it working,” remembers Hogan. “The thermal imaging camera used to be a ‘wow.’ Now, it’s a need.”

But before employees can nominate grantees, they must first take an online certification course on the company’s history and on general fire service information. “Before I got involved with the Bucket Brigade, I was very naive about the needs of the fire departments,” Lisa Berson of the Chicago office says. “The fact that they don’t have adequate equipment is amazing.” About 550 of the company’s 4,000 employees have received certification.

Bucket Brigades also organize employees for nonemergency volunteer work. For example, one day last September, Hogan and Berson went door to door in a neighborhood that had been hard-hit by fires, handing out smoke detectors, flashlights, and educational material.

The program’s second component, Heritage Rewards, gives independent agents sales-based rewards that they can redeem for fire departments of their



A convoy of fire trucks motors to a Heritage program-sponsored community education event in San Diego, Calif.

choosing. Launched this year, Heritage Rewards not only benefits fire departments, but builds independent agents' loyalty to Fireman's Fund. "Independent agents have the opportunity to do business with multiple companies," Siry points out. "Our Rewards program provides an incentive to do business with us, and also allows [agents] to build trust with potential customers."

Don Zimelis, a principal in Schwartz Brothers Insurance in Chicago, one of the country's largest privately owned insurance companies, agrees that the program "brings the agents closer to Fireman's Fund, and also brings community awareness of what the company's giving back."

Zimelis learned about the depth of fire departments' needs when he served on a grant committee. "It becomes very emotional when you see all the needs out there," he says. "You hear about a fire department using their own cars to go to a fire, or having worn-out protective gear. They usually have to beg for dollars from the state or municipality, so to be given gifts like these makes them very appreciative."

### Spreading the Warm Glow

In January, the company also expanded the program's geographical reach, making it nationwide. Initially, grants were limited to departments in San Diego, Atlanta, the Bay Area, and Chicago – areas in which Fireman's Fund has concentrations of employees, agents, and policyholders. Now, a

national committee of 10 employees and five agents meets quarterly in different cities to review and rank all nominations. "We had other offices looking at it and saying, 'Well, what about us?'" Siry says. "Very quickly, we realized that we had to make the program systematic and not regional."

It's too early to tell if Heritage has helped agents' sales, Siry says, but a company study found that customers who are aware of the program are less likely to end their relationship with Fireman's.

Siry also believes that Heritage is an excellent marketing tool. "Insurance companies are among the least trusted institutions in the country," he notes. "Only a couple rank lower than us – tobacco and oil companies. So Heritage is a mechanism through which we can build trust with the communities."

The program has already boosted employee morale. "We've seen an increase from 24 percent to 40 percent of employees saying they'd rather work here than other companies because of Heritage," he says. "I have people stopping

me in the halls, saying things like, 'I've been with this company 25 years, and I've never been more proud.'" □

–Cliff Terry is a Chicago-based freelance writer and former writer and critic for the Chicago Tribune.

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