


Customer Segment Story: COMMERCIAL BANKS

A true testimonial brought to you by **FireKing** 

In early August 2004, the nation learned that terrorist organizations were targeting U.S. financial institutions. According to U.S. Intelligence, al-Qaida had performed detailed surveillance of the headquarters of the International Monetary Fund, the World Bank, the New York Stock Exchange, the offices of Citigroup, and the Prudential Plaza building. Through heightened Homeland Security measures, a disaster was avoided.

It is important to note that the disaster risk for commercial banks is higher today than it has ever been. That's why there is an increased need for immediate disaster recovery and long term backup systems. Since 9/11, the Federal Reserve has been imposing strict disaster recovery regulations on financial institutions so that banking operations can quickly rebound from another catastrophic event. Financial institutions both large and small need to be able to protect important documents for the sake of business continuity.

According to Thomas J. Klem, MScFPE, CFI (IAAI), a fire protection engineer based in Stoughton, Massachusetts, protecting the continuity of the enterprise is the most valuable effort an organization can make. Klem has had experience with many major fires, including the famous First Interstate Bank fire in Los Angeles in 1988 – where the Los Angeles City Fire Department successfully battled what has since proven to be the worst, most devastating high-rise fire in the history of Los Angeles. From that experience, Klem determined that contingency plans, off-site locations, and backups for continuing the operation are the keys to planning for a catastrophic loss.

“With regard to fireproof file cabinets and safes,” Klem says, “there are certain Underwriters Laboratory certifications for fire resistance that are attributable to fireproof products. That would be the number one thing I would look for in a product. People who are purchasing fireproof products need to make sure there is a recognized national certified laboratory that tests the product for the performance that is desired, resisting flames and heat transfer to the interior. That Underwriters Laboratory Listing is what they are really purchasing.”

Underwriters Laboratory is the recognized standard for excellence. No other testing and standards organization matches their reputation. All FireKing products, including record safes, data safes, and media safes, are UL Listed.

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Mid Penn Bank has been an independently owned community bank since 1868. In 1931, Mid Penn Bank established a Trust Department. In December of 1991, Mid Penn Bank took on a new dimension with the formation of a bank holding company, Mid Penn Bancorp, Inc. The formation of a holding company allowed the bank opportunities to better serve customers with new products and services. As the bank moved forward, they wanted to keep an eye on the institution's future and the future of the customers.

Cindy Wetzel, vice-president and corporate secretary for the Millersburg, PA branch of Mid Penn Bank, purchased FireKing fireproof file cabinets for her organization. Wetzel uses the cabinets to manage her branch's important documents with specific retention schedules, such as trust files and original agreements from attorneys. According to Wetzel, it is the responsibility of bank administrators to maintain certain records. Therefore it is often corporate administrators that purchase fireproof products. "The last cabinet I purchased was from a catalog from Quill Corporation," says Wetzel. "When I chose FireKing, I was mainly looking at overall quality and the fireproof rating."

In order to manage data and protect important documents, many banking organizations are increasingly relying on outsourced entities to maintain these responsibilities. However, reduced operational control over outsourced activities can expose a financial institution to additional risks. According to a warning from the Federal Reserve Board of Governors:

"Under outsourcing arrangements, the risk management measures commonly used to address these risks, such as internal controls and procedures, are generally under the direct operational control of the service provider, rather than the serviced institution that would bear the associated risk of financial loss, reputational damage, or other adverse consequences."

Thomas Klem adds: "I'm dealing with a major fire loss in Chicago where a company had put their records that were strategic to their operation in a warehouse. This warehouse solicited companies whose record keeping was fundamental to their business. But these companies never asked the warehouse questions about how that facility was protected."

Fireproof file cabinets and media vaults from FireKing keep important financial documents 100% safe in case of an emergency. Since September 11, Sarbane's-Oxley, and increased recommendations from the Federal Reserve, the need for commercial banks to better manage vital records has increased dramatically. Start getting behind this issue now to figure out the best set of solutions for your organization.

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