



**What if your castle falls in a swamp?**  
A Property Coverage Discussion

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**AGENDA**

-  **FIRE!**  
(OR ANY COVERED PERIL)
  - Definitions
  - Valuations
  - Coverages
-  **FLOOD!**
  - Special Flood Hazard Areas
  - Limits & Deductibles
-  **EARTHQUAKE!**
  - Limits & Deductibles
-  **ADDITIONAL COVERAGES**
  - Limits

 **CLAIMS**  
– What's needed after a loss

 **CLAIMS EXAMPLES**

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**FIRE!**



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## Definitions



▪ **Building:** structure including permanently installed machinery and equipment...additions under construction and related materials ...within 1,000 ft. of structure.



▪ **Contents:** personal property located in or within 1,000 ft. of described building...including member's use interest in fixtures, alterations...at non-owned locations occupied by member, provided improvements made at member's expense.



▪ **Property in the Open (PIO):** outdoor fencing, gates, flag poles, light poles, handicap ramps, generators, park equipment...



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## Valuations

▪ **Guaranteed Replacement Value (GRV):** premium replacement coverage; no cap (except flood or earthquake catastrophe); only given on appraised structures; some appraised structures exempt from GRV (bridges, docks, towers, etc.)

▪ **Replacement Value (RV):** 110% of scheduled value

▪ **Historical Replacement Value (HRV):** 110% of scheduled value (must have historical appraisal to qualify for this valuation)



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## Valuations (Cont'd)

▪ **Functional Replacement Value (FRV):** 120% of scheduled value; automatically given on structures 1940 and older with standard appraisal

▪ **Actual Cash Value (ACV):** replacement minus depreciation; 80% co-insurance clause

▪ **Debris Removal Only (DBO):** \$50,000 of debris removal coverage for buildings not to be rebuilt; provided by endorsement



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## Coverages

- Debris Removal
  - Expenses incurred in removal of debris of damaged/ destroyed covered property
  - Cost to cleanup...necessary as result of physical loss/damage
  - 25% of damaged scheduled property value (building, contents, and PIO)
- Loss of Revenue & Rental Value
  - Actual loss of revenue sustained
  - Total anticipated gross rental income of covered structure
  - Limit \$1,000,000



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## Coverages (Cont'd)

- Extra Expense and Rental Expense
  - Necessary expense in excess of total cost during period of indemnity to continue member's operations
  - Rental expense is in excess of those expenses which would have been incurred
  - Limit \$1,000,000



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## Claims Process - Fire



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## Reporting Fire

### ▪ Reporting/Contact

- ASAP with contact/location details
- Cause if known
- Extent of damage
- Immediate needs



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## Fire Damage Inspection

### ▪ Inspection

- ASAP with contact person
- Photographs/Measurements
- Diagram
- Expert needed?
- Secure site



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## Rebuilding After Fire

### ▪ Rebuilding

- Design/RFP
- Bidding per BOLI regulations
- Vetting bids
- Contract
- Project start → finish



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### Claims Examples - The Real Deal



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### Claims Examples - The Real Deal



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FLOOD!



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## Flood Details

- **Definition:** flood however caused, inundation, overflow of streams or other bodies of water, tidal wave or tidal water, tsunami, or spray...whether wind driven or not, unless loss by another peril not otherwise excluded...ensues, then such ensuing loss shall not be deemed caused by flood.

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## Flood Details

- **Special Flood Hazard Areas (SFHA)**
  - Zones A and V
  - Deductible \$500,000 on any structure eligible for coverage through NFIP whether purchased or not
  - Deductible 5% of value of each unit subject to \$100,000 minimum and \$500,000 maximum for any structure/property not eligible for coverage through NFIP such as property covered at a park (play equipment, backstops, bleachers, etc.)
- **All other flood zones**
  - Deductible \$25,000 (unless member has larger deductible on property schedule)

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## Claims Process - Flood



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## Reporting Flood

### ▪ Reporting/Contact

- ASAP with contact/location details
- Extent of damage
- Immediate needs



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## Flood Damage Inspection

### ▪ Inspection

- ASAP with contact person
- Photographs/measurements
- Diagram
- Expert needed?
- Secure site



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## Rebuilding After Flood

### ▪ Rebuilding

- Design/RFP
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- Project start → finish



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## Federal Emergency Management Agency (FEMA)

### ▪ FEMA

- Pays 75% of uninsured costs
- Document everything
  - Save CIS correspondence/Coverage Agreements, etc.
  - Use of equipment
  - Staff time/OT
  - Misc. costs incurred



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## Claims Examples - The Real Deal



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## EARTHQUAKE!



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## Earthquake Details

- **Definition:** earth movement...earthquake, landslide, mudflow, earth sinking, earth rising or shifting, or volcanic eruption unless loss by another peril not otherwise excluded...ensues, then ensuing loss shall not be deemed...earthquake
- Deductible \$25,000 (unless member has larger property deductible)



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## Flood and Earthquake Limits

- All members receive \$5 million of both earthquake and flood at no additional cost as a sublimit of property
- Excess limits of both can be purchased
- \$300 million in earthquake and flood limit is shared for both the sublimit and excess purchased coverages
- Difference-in-Conditions (DIC) can be purchased with \$10 million dedicated limits (includes both earthquake and flood)



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## Claims Process - Earthquake



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## Reporting Earthquake

### ▪ Reporting/Contact

- ASAP with contact/location details
- Extent of damage - Engineer inspected/Red Tagged, etc.
- Immediate needs



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## Earthquake Damage Inspection

### ▪ Inspection

- ASAP with contact person
- Photographs/Measurements
- Diagram
- Expert needed?
- Secure site



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## Rebuilding After Earthquake

### ▪ Rebuilding

- Design/RFP
- Bidding per BOLI regulations
- Vetting bids
- Contract
- Project start → finish



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## Claims Examples - The Real Deal



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## Additional Coverages

- Equipment hired, rented or borrowed for less than 60 days - \$150,000
- Crime coverage - \$50,000 (higher limits can be purchased)
- Personal property at unscheduled locations - \$15,000
- Personal property of employees or volunteers - \$15,000
- Temporary emergency shelter restoration - \$50,000
- Police dogs (must be scheduled) - \$15,000 each
- Restoration/reproduction of books, records, etc. - \$100,000
- Electronic Data Restoration/Reproduction - \$250,000
- Pollution cleanup - \$25,000

*Subject to the terms and conditions of the full Coverage Agreement*



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## Parting Thoughts

- SCHEDULE IT!
- Schedule with appropriate values – we trend and appraise scheduled buildings, contents and PIO
  - Newly acquired or renovated
  - Mobile equipment (ACV and RV)
- Business Resumption Plan (BRP)
- Agility Recovery Solutions



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ANY  
QUESTIONS  
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## Contact Information

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