

ROBERT V. REIM COMPANY

INSURANCE CONSULTING
BID MANAGEMENT



SCHOOL INSURANCE NEWSLETTER

February 2019

TASB RMF's Property Coverage is Different Than Most Other Companies

The comments below are based on what I am seeing with our clients, not for the entire state.

Recent claims and weather events have prompted insurance companies to reduce coverage and increase premiums. TASB RMF has been providing superior coverage for many years, but member losses have caused them to make the following revisions:

- Wind/Hail deductibles of \$250,000 are not unusual; however, lower deductibles may be available upon request or from other carriers. Deductible Buy-downs are also available.
- An additional \$50,000 Wind/Hail deductible may apply for each building in excess of 25,000 square feet, up to \$1,000,000 total additional deductible.
- **Single ply roofs** are subject to a \$1,000,000 limit (see below for more information).
- Coverage can be denied if member fails to maintain and inspect covered property.
- Coverage will be denied if loss is reported more than 365 days after the occurrence (Hail).
- The standard Business Income (Extra Expense) limit of \$500,000 may be insufficient; higher limits may be available.
- If Crime deductibles are the same as the Property, lower deductibles may be available.
- Cyber Liability limit of \$100,000 may be insufficient; higher limits may be available.
- Coverage documents are silent as regards Terrorism coverage; therefore, coverage may be available.
- Flood insurance coverage on Contribution and Coverage Summary is confusing; \$2,000,000 limit is not enough and the deductible shown at \$50,000 is not accurate for all zones:

<u>Zone</u>	<u>Limit</u>	<u>Deductible</u>
A – within 100 ft of flood plain	Not covered	Not covered
B – 100 to 500 ft of flood plain	2,000,000	NFIP available limits
C – over 500 ft from flood plain	2,000,000	50,000 or NFIP coverage in place

TASB RMF does not assist its members in determining applicable Flood zones.

Single Ply Roofs

'Single Ply Membrane' is synthetic roofing material that includes but is not limited to EPDM, TPO, and PVC membranes.

To calculate your district's maximum possible tornado/wind loss, multiply the single ply roof square footage by \$15, for example. If the total square footage exceeds 67,000 square feet, a \$1,000,000 limit is not sufficient. If previous layers need to be removed, there will be additional costs. After a big storm, because of competition among roofers, \$15 may be insufficient.

If a district has a loss to single ply roof, payment will be based on like kind and quality. The additional cost for improving a roof will be at the expense of the district.