

ROBERT V. REIM COMPANY

INSURANCE CONSULTING
BID MANAGEMENT



SCHOOL INSURANCE NEWSLETTER (Not Posted)

July 2019

Worker's Compensation Competitive

With companies and risk pools avoiding the Property market, Worker's Compensation business has become the big bid getter. We are just not seeing much bidding.

Last month I mentioned that a district with less than 3,000 employees had lots of choices for Worker's Compensation. By the time all bids were in, we had 14 different options from nine different carriers – fixed cost, cost plus, dividend. The lowest cost option was 46% lower than the current coverage.

More on Single-Ply Roof Systems

TASB RMF's position on single-ply does not appear to be as bleak as originally thought. They are encouraging districts to ask questions to see if there may be a solution.

Also, they may offer coverage upgrades to single-ply roofs with a Severe (S) or Very Severe (VS) Hail rating. At a minimum, they need a copy of the roof certificate with the Assembly number. "Higher limits for single-ply membrane roofing systems that meet independent third-party rating standards (e.g., FM Global, UL) for severe or very severe hail resistance."

TPS on Single-Ply Roofs

Within the past few days we received a Property proposal only from TPS for a Dallas area District that specified Actual Cash Value (depreciated) payment on single-ply roofs. Interesting that a Casualty quote was requested, but not delivered. Per TPS as respects New Business: *Coverage applies on an ACV basis to all locations that have PVC single-ply membrane roofs. (This does not apply to TPO and EPDM (rubber) single-ply membrane roofs.)*

More on Depreciated Roofs

We have seen recent proposals from PEAT and others affording Actual Cash Value (depreciated value, not replacement cost) coverage on roofs, "All roofs that are over 15 years old will be adjusted at Actual Cash Value." Assuming 20-year roofs, a roof over 20 years old has no value? And those roofs that are 16 years old will only receive 20% of the replacement cost? **Be sure to ask if there are any restrictions on roofs.**

September 1 Reinsurance Contracts

Apparently, some risk pools still do not have all of their reinsurance for September 1 in place. Pricing cannot be confirmed until reinsurance is placed. Be certain that your renewal does not contain words such as "indication" or "subject to reinsurance pricing." "Indication" is just that – an indication; it is not confirmed. Always request and compare a copy of the insurance companies' quotations with the agents' proposals.

When pools get their September 1 reinsurance committed, we may see a flurry for all types of insurance at the last minute.