

## Building Replacement Values

The buildings on your property schedule are listed at 100% of replacement cost value. This is the cost to replace the building with a new one in the event of a total loss. In order to confirm that the values on your property schedule are accurate, our carriers review each building based on the construction and square footage. The values are arrived at using commercial building cost estimating software. After reviewing the cost estimates, occasionally building values will be changed during a policy period.

Carrying your buildings at 100% replacement cost offers several benefits. When you insure your buildings to full replacement value you receive the benefit of blanket coverage. Blanket coverage provides the total policy limit (all buildings and contents added together) in the case of loss. You also receive a blanket rate, which reduces your premium. Finally, along with Agreed Value coverage you will not suffer a co-insurance penalty (reduction in claim payment) in the event of a partial loss.

## Deductible Reimbursement—Auto Glass Claims

Both EMC Insurance Company and the PIRMA Property Pool utilize an auto glass network that provides repair to your covered vehicles' windshields and limited deductible waivers. If your windshield is damaged you should call H.A. Thomson at 1-800-362-1011, ext. 155 and we will set up your claim and provide you with the proper contact information for the glass network. EMC Insurance will waive your comprehensive deductible if your windshield can be repaired. PIRMA will waive your comprehensive deductible if your windshield can be repaired or if it requires a complete replacement.

## Police Dogs

In the last several years many Police Departments have acquired dogs. A number of officers who handle the dogs have asked for compensation if they take the dogs home and train them. This practice is especially prevalent with smaller departments that do not keep the dog at the station on a full-time basis. Some officers have been successful in their claims. If you are considering adding a dog, please take this additional cost into consideration. If you currently have a dog you should review your practice in this area.

Another additional cost you may consider is adding mortality coverage for the canine. A police dog can cost thousands of dollars to acquire and train. We can provide coverage if the dog dies and needs to be replaced.

## Certificates of Insurance and your Workers' Compensation Premium

Most local governments have subcontractors perform work for them. It is very important that you have the subcontractor provide a certificate of insurance showing liability coverage and workers' compensation coverage. If a liability claim arises out of the subcontractor's work, you are ensuring that the contractor has coverage to handle the claim. On the workers' compensation side, if the subcontractor does not have coverage, you may be held responsible for injuries to their employees and your workers' compensation carrier will have to pick up the claim. When your workers' compensation carrier performs a payroll audit at the end of your policy term, they will often review your use of subcontractors. If you do not have a workers' compensation certificate from a subcontractor, the entire cost of the job the subcontractor performed can be added to your audited payroll. This can significantly increase any additional premium due on your audit.

## **Sharing the Cost of Workers' Compensation Coverage for Volunteer Fire and Ambulance Companies**

Act 60 of 2002 went into effect January 1<sup>st</sup> of 2003. The law requires that a municipality which receives fire or ambulance services on a first call basis from a volunteer fire or ambulance company located in another municipality must share the cost of workers' compensation premiums for the volunteer fire and ambulance company members. Municipalities can either use a calculation outlined in the law to arrive at the premium for local governments receiving outside service or they can mutually agree on a price. The calculation is based on the population serviced in an outside municipality relative to the entire population serviced by the fire or ambulance company.

The premium breakdown calculation outlined in the law is the same calculation H.A. Thomson uses when providing workers' compensation premium breakdowns for volunteer fire companies. If your volunteer fire company or ambulance company is currently providing first call service to another municipality and we are not already providing a breakdown of costs, please let your Account Manager know and we will be happy to provide the breakdown.