



MPIC PROPERTY POINTERS

DECEMBER 2021

BUSINESS INCOME

Replacing your destroyed or damaged property is a big enough headache on its own. Add in the lost ability to maintain your normal municipal operations and you have a full-blown nightmare on your hands. MPIC's Business Income endorsement is here to help you rest easy.

Because property losses may not just affect physical property, you need to consider all aspects of your operations that may be impacted. With a serious loss you could be looking at an extended suspension of the core services your municipality provides, leading to lost revenue and even concerns with meeting your payroll. Add a Business Income endorsement to your MPIC policy and you can be covered for lost revenue and normal operating expenses, including payroll, for up to 12 months from the date of loss while your property is being restored or until operations are permanently relocated.

Common revenue generating operations:

- ✓ Pools and Recreation Centers
- ✓ Campgrounds
- ✓ Care Centers
- ✓ Community Pools
- ✓ Golf Courses
- ✓ Parking Garages
- ✓ Parks and Concession Stands
- ✓ Zoos

Contact your agent or MPIC to discuss your exposures and determine if you need a quote or more information.

A YEAR OF COMEBACKS

Last December many of us were working remotely and spending lots of time with immediate family members who were required to work or school from home. Fortunately, 2021 brought numerous medical innovations and a resilient population the opportunity to begin regaining a feeling of normalcy. Our children have returned to school, coworkers and staff returned to offices, and we were even able to start having in-person meetings and conferences.

MPIC also enjoyed another great year of growth and positive claims experience. The combination of continued growth and good claims experience has allowed MPIC to further strengthen its financial position and begin to stabilize property insurance pricing for Wisconsin municipal entities.

As part of our commitment to continuing service excellence and product growth, we completed our sixth and final year of our initial HCA Appraisal program. This program provided appraisals to more than 500 insureds for all property assets. This service will be continuing in 2022, with full appraisals for all new insureds, the development of inflation factors for MPIC insureds, and a series of focused projects that will help further detail exposures that may need additional attention.

MPIC staff are available to work with insureds in person, via Zoom, or on the phone to talk through your property insurance needs and concerns. We also welcomed John Vose as



Underwriting Manager, and will have a new board member joining in early 2022.

Coverage enhancements are a constant topic for MPIC staff, and effective January 1, 2022, we will begin using an updated coverage form that broadens several coverages and simplifies others. While the details of our coverage form aren't probably considered light reading for our insureds, these changes will make several loss situations easier to address and ultimately provide a more streamlined handling process.

As we approach the holidays, we at MPIC have much to be thankful for and wish all our insureds and partners a Merry Christmas and happy and healthy New Year. We look forward to seeing most of you in 2022 and returning to normal schedules and events.

Municipal Property Insurance Company is specifically designed to serve as more than just an insurer; MPIC also acts as a service partner that provides the highest quality insurance product and ancillary services to municipalities.



A Cooperative Corporation Between WMMIC, CVMIC, and LWMMI

WINTER CHILLS AND SPILLS



Wisconsin poses a unique atmosphere for property claim prevention because we truly enjoy all four seasons. Winter's cold weather,

snow, ice, and wind bring several specific risks for loss that can be addressed proactively to help prevent and mitigate property damage.

So, what types of losses are most common and what can you do to help prevent winter weather property damage?

Freezing or burst pipes

- Ensure that pipes routed adjacent to exterior walls are properly insulated.

- If appropriate temperatures can't be maintained, keep the faucets partially running.
- In the event you need to thaw a pipe, don't use an open flame.

Ice damming or wind damage to roofs

- After all trees have shed their leaves, clear all gutters and downspouts.
- Check low slope and flat roof edges for proper seals and flashing.
- In parts of roofs that have known problems, heating elements can be added to prevent ice damming.

Water and ice damage to foundations

- Check building perimeters for low spots where water and ice can gather and fill them.
- Be sure that all gutters and downspouts are routed away from buildings.

Damage to buildings from falling trees

- Inspect trees that are adjacent to buildings for dead or dying limbs and remove them.
- The recent rash of tree-boring bugs and diseases have made many varieties of trees vulnerable.
- Consult with an arborist to help you determine the health of any questionable tree.

Building collapse from the weight of snow and ice

- While collapse is uncommon, heavy Wisconsin snows can lead to disaster if left to accumulate on buildings that aren't structurally sound.
- Especially in older frame structures, removal of excess snow and ice from roof surfaces will help ensure the longevity of these buildings.

Preventing winter weather losses requires attentiveness to current weather conditions and proactive activities. Sometimes this may seem like too much to do, but it's generally better than having to deal with a serious winter property loss.

PROPERTY IN THE OPEN (PITO)

It was going to be a great weekend.

Life is good. It's Friday afternoon, sun shining, and you just scored tickets to the Packers playoff game on Sunday. Your positive thoughts about the coming game are interrupted by a phone call. I wonder who would be calling at 4:00 on a Friday? You look and see it's the police chief calling. Picking up the phone, you learn that a truck slid off the road. The good news is that no one was hurt, but the cleanup will take a while and the traffic control box and a traffic light at the main intersection were destroyed. We will need to order replacements as soon as possible. You do a quick Google search and find that the replacement cost will be around \$75,000. You then make a call to check on the insurance coverage. Your stomach turns over when you find out traffic lights were not listed on your property policy. Oh no. Where are we going to come up with \$75,000?...it *was* going to be a nice weekend.

PITO (Property in the Open) is one of the most underutilized and often overlooked coverages on municipal property policies. What is PITO? The most straightforward definition is "assets not affixed to a building that are outdoors." Fences, light posts, and signs are examples. These can vary in price from \$50 to thousands of dollars. For example, a video sign board can easily cost over \$50,000. Also, items like decorative streetlamps, traffic signals and control boxes, footbridges, docks, piers, and pedestrian bridges are expensive to replace.

Too frequently, PITO does not receive the needed attention until there is a claim. That's understandable as it takes time and employees to fully inventory PITO – both of which are limited resources in most communities.

For smaller claims, your MPIC policy does provide up to \$10,000 in coverage for unscheduled PITO, but that coverage can quickly be exceeded, and best practice is to schedule all PITO on the Statement of Values. So, how can you make sure you have an up-to-date inventory of your PITO? First, put it down as an objective with a date to complete. Then, be creative.

Here are some ideas:

- Use a summer intern to tour your municipality to record all PITO.
- Make it a project for a youth program or a school club.
- Is there a local drone airplane club?
- Ask your department heads to help with their exposures or for their ideas.
- Contract out to a local nonprofit.
- Ask your agent for help.

We here at MPIC are available to help and can provide tools, like our PITO classification guide, to assist so that next time the phone rings on Friday afternoon, you know the coverage is there and you can enjoy the game.



SHARE YOUR EXPERIENCE OR IDEAS WITH US! Email policy@mpicwi.com

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