



Red River Mutual is pleased to provide **Insurance to Value** Consultative Services to better serve our policyholders, ensuring you are fully protected in the event of a loss.



LOSS PREVENTION PROGRAM

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LOSS PREVENTION PROGRAM

**INSURANCE
TO VALUE**



Red River Mutual believes the best insurance policy is the one that is never needed. That is why we provide Consultative Services for our policyholders to aid in preventing a loss before it happens.

CONSULTATIVE SERVICES

Loss Prevention

Red River Mutual Loss Prevention Specialists will complete a thorough site visit of the premises including all exposures within 100 feet. They will provide valuable recommendations to reduce the risk of loss or damage to your business, and to ensure that adequate limits of coverage are placed on your property.

These recommendations will assist in understanding the building improvements capital planning, risk management enhancements, action plans, and more.

Assessments include, but are not limited to the following:

- › Building Valuations (including Reconstruction Cost)
- › Construction Types
- › Electrical
- › Exit Doors, Signage, etc.
- › Fire Systems, Sprinklers, etc.
- › Furnace and Heating
- › Mechanical Room
- › Occupancy
- › Physical Structures, Walkways, and Physical Safety Hazards
- › Roofing and Systems

INSURANCE TO VALUE

Insurance to Value means protecting the true value of your property. It is important to provide as much information as possible when applying for insurance on Commercial properties. This will help calculate the Insurance to Value and ensure all properties are properly protected against loss.

Insurance to Value affects the accuracy of risk evaluation, coverages, and pricing. When properly recorded, it provides the peace of mind that you will be protected should a loss occur.

Building Insurance Value

The building valuation software being used includes an additional fee to the square footage that most professional appraisals do not provide in their reports. Often business owners are not aware of these additional costs until they experience a loss.

Replacement Cost

This is the cost to construct or replace, at one time, an entire building of equal quality and utility; modern materials and current methods, designs, and layouts are used for replacement.

Replacement Cost does not take into consideration improvements necessary to conform to current building codes, demolition, debris removal, site accessibility or site work, reuse of building components or services, overtime, bonuses for labor, soft costs, extraordinary fees, premiums for materials, or other contingencies. For insurance purposes, the prices used for labor, materials, overhead, profit, and fees are those in effect immediately prior to the loss.

Reconstruction Cost

To improve the accuracy of the calculated value, it is recommended that additional information be provided when evaluating a building. This includes, but is not limited to:

- › Additional Fixed Equipment (cranes)
- › Average Storey Height
- › Basement
- › Construction Class
- › Elevators
- › Exterior Wall Material
- › Fire Detection, Alarms, Sprinkler System, etc.
- › Gross Floor Area
- › Gross Perimeter of the Building(s)
- › Heating
- › Occupancy Type
- › Plumbing
- › Roof

Reconstruction Process

It takes into account the reconstruction cost to replicate, at current prices, using the like kind and quality materials, construction standards, design/layout, and quality of workmanship.

Reconstruction costs also include a number of site-specific and process-related costs that are experienced when rebuilding after a loss.

These additional expenses are related to repair/restoration contractors, construction process, time urgency, limited site mobility, adjoining non-construction areas, insured's property, economies of scale, demolition, debris removal, dangerous/hazardous materials, and mold concerns.

EXAMPLE OF A LOSS:

Company ABC experienced a total fire loss and needed to rebuild. The property was insured at \$30 million. However, upon rebuilding they discovered that there were additional costs which included architectural fees (additional 7%), overhead and profit (additional 20%), and debris removal (additional 12%) which accounted for \$12 million in additional values.

Had they taken Insurance to Value into consideration when they first insured the property they would not be required to pay the additional fees to rebuild because it would already have been covered in their insurance policy.

It is essential to consider Insurance to Value to ensure the true value of the property is insured.

Thermal Imaging

Red River Mutual provides detailed thermal imaging services for electrical panels, mechanical devices, motors, and specialized equipment to determine whether any faults exist.

