

Don't Jeopardize your CAPP Property Coverage

CTSI sends out your county's property list with addresses and values twice a year. Next month, you will be receiving the most up-to-date list as part of your county's CAPP renewal packet. If you have any buildings that are not on your list of properties, include a Building Add/Delete Form with your renewal, and we will add them to your county's list of properties. Failure to report any buildings can compromise your insurance coverage. If a building is not on the CTSI county property list and damage occurs, you may not be entitled to CAPP coverage.

UNDERSTANDING THE CURRENT MARKET

In addition to property values, ensure that exposure (i.e., buildings, contents, mobile equipment, total number of vehicles, liability [total revenue], and miles of road) is accurate as this impacts your contribution for the upcoming year. Remember as you assess value to factor in rising construction and materials costs. Pandemic-caused supply chain disruptions and increases in material and labor costs are still being felt and are being predicted to last into 2023. For the Rocky Mountain region, the cost to replace a structure has risen between 15-18% versus the 4% seen in 2021. Do not confuse current assessed value with the cost to rebuild the structure in the current market. The recent Marshall Fire, which destroyed over 1,000 homes, is expected to cost over \$1 billion and further strain construction and labor shortages in the region. Many homeowners found that they were underinsured and are now struggling to rebuild in a costly market. An accurate property valuation must consider the increased costs of rebuilding in the current market.

ADDING A BUILDING TO CAPP COVERAGE

Whenever the county acquires a new building, regardless of value, it must be reported to CTSI within 90 days for coverage to apply. There is no charge for adding buildings valued under \$5 million mid-term. There is a pro-rated charge for adding buildings over \$5 million during the policy period. There is no credit for deleting buildings mid-term. The Building Add/Delete Form is available at www.ctsi.org by clicking [here](#) or contacting Brenda Hostetler at bhostetler@ctsi.org.

BUILDER'S RISK INSURANCE

Builder's risk insurance is property insurance that provides coverage on buildings or structures while they are under construction. It may also cover foundations, fixtures, machinery, and equipment used to service the building and the materials and supplies used in construction.

CAPP member counties have up to \$5 million in builder's risk coverage for renovations and repairs made by the Insured at any location (including new locations with total contract cost under \$5 million). For builder's risk projects over \$5 million, CAPP does not provide any coverage. Member counties have the following two options: 1) The member can have the contractor secure builder's risk on the entire project; or 2) The member can obtain a standalone builder's risk policy through the pool's insurance broker for the entire project.

Counties must submit a CAPP Builder's Risk Notification Form regardless of who provides the builder's risk coverage. The form is available at www.ctsi.org or by contacting Brenda Hostetler, bhostetler@ctsi.org.

WHAT THIS MEANS FOR COUNTIES

Your CAPP property coverage can be compromised if the county does not list all county building locations with addresses or follow the builder's risk procedures. This is very important as excess insurance carriers are more demanding of that information to ensure coverage. For more information, contact CTSI at (303) 861 0507.