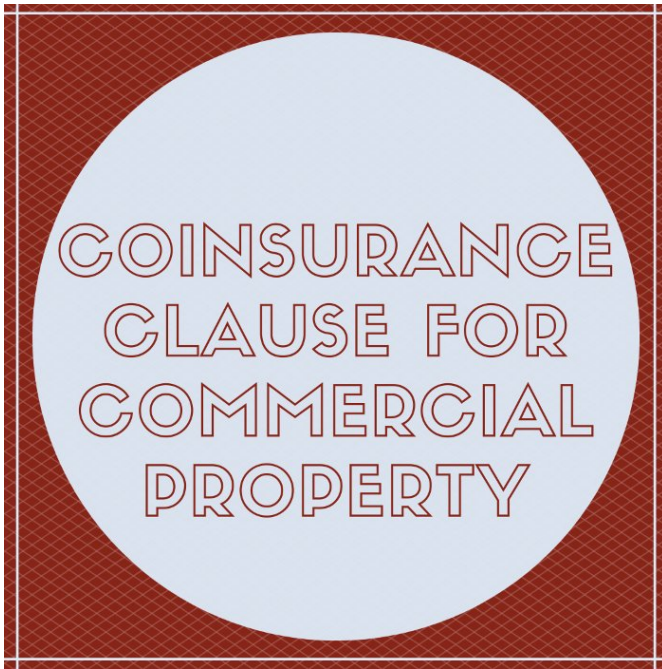




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Coinsurance Clause for Commercial Property

via winstarins.com

Many business owners and managers understand coinsurance from a health insurance perspective. The idea that the insured pays part of the cost of health services as a percentage of the total and the insurance carrier pays the rest. The consumer becomes the coinsurer. What a lot of people don't know is there can be a similar "coinsurance clause" in commercial property policies. Many commercial property policies contain a coinsurance clause. This clause imposes a penalty when a policyholder suffers a loss and has failed to purchase an adequate amount of insurance.

In property insurance, coinsurance is based on the concept of insurance to replacement cost, meaning the ratio of your insurance limit to the value of your insured property. This means that you must purchase a policy limit that meets or exceeds the coinsurance percentage. If you have a 100% coinsurance clause and a building that would cost \$1 million to replace, you must purchase at least \$1 million in coverage. For example, let's say the insured had only purchased \$800,000 in insurance on the \$1 million dollar building and had a covered loss with damage of \$100,000. In this scenario, the building was only insured for 80% of its actual replacement cost value. Therefore, the carrier is only obligated to reimburse 80% of the cost of damages less the deductible. In other words, the insured would only receive \$80,000 less the deductible of their \$100,000 claim.

The carriers we insure our water and waste water systems through have a 0% coinsurance clause. Meaning that in our above example, the insured would receive full claim reimbursement less the deductible. No surprises!

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Spring Rainfall is Critical to Drought Outlook

via texaswaternewsroom.org

Is drought something we'll always be contending with? And in Texas, the answer is pretty much "yes."

We did get a lot of snow, at least for Texas, in February. That didn't help much, however, since snow is mostly air. It takes 10 to 12 inches or more of fresh snow to provide one inch of moisture. Most of the state still had below-average precipitation in February, leading to an increase in the area of the state impacted by drought.

Spring's pretty crucial for us for drought statewide. Our big months for precipitation, on a normal basis, would be April, May, and June. And so, if we get average rainfall in April, May, and June, that's usually enough rainfall to keep us out of extreme drought through the rest of the year.

One route that we could take, and this would be the worst possible route, would be something similar to a setup like we got in 2011 where we just didn't get rains in the spring at all. We were dry coming into April, May, and June, and then April, May, and June failed us. We didn't get those rains. And at this point, that looks unlikely to be the pattern that we would follow this year. More likely, the pattern looks like we'll have about average rainfall for April, May, and June, and that will set us up for more average-type conditions for most of the state. That'll prevail in—looks like it'll prevail in—Central Texas and East Texas.

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Dealing with the Media

via glatfelterpublicpractice.com

The media performs many functions that may have an impact on an organization. It can educate the public and surrounding community about an organization and its mission. It might also publicize successes and provide positive press. Unfortunately, however, the media is also quick to broadcast when things don't go quite right.

Taking a proactive approach to risk management within an organization is important in helping avoid unwanted situations. Consider developing a tailored policy and procedure for handling the media both in day-to-day and crisis situations. Laying that foundation may help prepare for future interactions. The following are suggestions on how to work with the media and what to do should a crisis occur within an organization.

Tips for Working with the Media

Develop a media policy for the organization - A written policy and procedure detailing the process for handling media inquiries can be a valuable tool for staff when questions arise. Information on the policy and process can be included in new employee orientation. Some organizations even develop press kits, which include background information and fact sheets about the organization.

Designate a media relations person within the organization – Identify someone within the organization who can fill this role. It is important that this individual be trained how to respond to media inquiries, particularly in a crisis situation. Once a designated official spokesperson is identified, provide them with up-to-date information on the organization and any evolving issues or situations on a regular basis. When utilizing more than one spokesperson it is important that they “speak with one voice.” Consistency and accuracy are important when dealing with the media.

Develop a positive relationship with local media contacts – Identify local media contacts and educate them about the organization and the services provided. Consider developing a list of reporters who would be likely to cover stories about the

organization. Developing a good working relationship with the local community can often begin with positive press.

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Texas Makes Unprecedented Strides Towards Flood Mitigation

via texaswaternewsroom.org

In 2019, the 86th Texas Legislature and Governor Abbott greatly expanded the Texas Water Development Board's role in flood planning and financing. By administering a new regional flood planning process, providing grants and loans through the new Flood Infrastructure Fund, and collecting current flood-related data, the Texas Water Development Board (TWDB) has made considerable progress in setting up Texas communities for improved flood mitigation planning and implementation efforts.

Implementing regional flood planning

In October 2020, the TWDB designated the initial voting members of Texas's first-ever regional flood planning groups representing the state's 15 flood planning regions formed around river basin boundaries. The groups, composed of representatives from specific interest categories, are responsible for delivering regional flood plans by January 2023. The regional flood plans will form the basis of Texas' first-ever state flood plan, which is due to the legislature by September of 2024.

“Regional flood planning is important for Texas because flooding impacts all Texans—from El Paso to East Texas, and the Panhandle to the Gulf Coast,” said TWDB Chairman Peter Lake. “There's no one-size-fits-all for Texas. Each part of Texas is unique, and that's why we're relying on local leadership to help identify the best ways to protect their communities from the ravages of flood.”

The regional flood planning groups are actively holding meetings and moving forward with



developing their flood plans. All planning group meetings are open to the public. Meetings dates, agendas, and participation details are available on the agency's [Regional Flood Planning Group Meetings webpage](#).

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