



MONTANA MUNICIPAL INTERLOCAL AUTHORITY MUNICIPAL PROPERTY SCHEDULE AUDIT GUIDE

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Property Schedule Audit Highlights

In the following pages, this resource provides a thorough guide on how to audit your municipal property schedules for each of the three property categories: real and personal property, vehicles, and mobile equipment. MMIA will also explain how audits are critical in helping maintain stable coverage rates for the MMIA Property Program, and how auditing benefits your municipality should a claim occur. Last, MMIA will demonstrate how the property renewal process provides you with the information necessary to put together the municipal budget for property coverage for the next year.

Key areas of property audits that will be covered include:

- Is it scheduled?
 - Is everything scheduled that should be?
 - Is there anything scheduled that shouldn't be?
- Is the property's data correct?
 - Have there been any changes to the property?
- Should the property be scheduled at replacement cost or stated amount?
 - Does the coverage option previously selected still meet your municipality's needs?
- Is the insured value accurate?
 - How does MMIA help with updating values?

The following resource provides in-depth detail and explanation regarding the bullet points above and is a resource when completing your annual property renewal. Key property renewal milestones that will be covered include:

- Audits and finalizing schedules
- Annual property program rate memo
- Property proposal (annual chance to select deductibles for each property category)
- \$0 value property memos



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Property Schedule Review Requirements

Although member-owners of the property program are encouraged to make updates to their property schedules throughout the year as changes occur, MMIA requires member-owners to complete a review of their property schedules for real and personal property, vehicles, and mobile equipment on an annual basis. The review ensures the schedules contain accurate lists of all properties and their values, which helps provide rate accuracy and stability for the self-funded property program. If scheduled values are not accurate, and are systemically lower than their true value, loss amounts may exceed the amount of assessment that is collected and result in significant rate increases for the future. Accurate reporting of properties and their values is key in maintaining stable coverage rates.

The property schedules are also utilized for coverage determinations should your municipality experience a claim. So not only does the accuracy of the schedules impact the program as a whole, but also your individual municipality as well. MMIA recommends member-owners conduct a thorough audit of their property schedules before completing the review. To assist with this critical task MMIA has put together this resource.

Auditing Real & Personal Property

1. Is it scheduled?

When auditing, start by comparing the “locations” schedule from the Origami Risk platform, with an independent listing of all municipal owned property. Examples of independent lists may include information from the Montana Cadastral website, the Montana Department of Revenue website, or an internal list kept by the municipality.

Look for:

- Properties on the independent list that are not on the “locations” schedule.
 - Determine why it is not listed on the “locations” schedule. Reasons why it may not be listed on the “locations” schedule may include:
 - omitted in error
 - omitted intentionally because another party (i.e. lessee, tenant, etc.) is responsible contractually to provide property coverage
 - omitted because it is bare land
 - Review contracts, leases, agreements, memorandums of understanding, etc. to determine if properties were omitted intentionally because another party is responsible to provide property coverage and whether changes have been made to the agreements.
 - Add any missing properties to the “locations” schedule that were omitted intentionally but now need coverage due to changes in the agreement(s) or were omitted in error.
 - Do not add bare land to the property schedule.
 - Bare land is only listed on pollution schedules, not property schedules.



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- Properties that are on the “locations” schedule but are not on the independent list.
 - Determine why it is on the “locations” schedule. Reasons why it may be listed on the “locations” schedule may include:
 - Property was disposed of by the municipality but mistakenly was not inactivated on the “locations” schedule
 - Contractual obligation of the municipality to provide property coverage for the property (i.e. a facility that is leased by the municipality)
 - Property is considered personal property such as animals (i.e. K9 officers), fine art, sculptures, playground equipment, garbage dumpsters, picnic tables, light poles, flag poles, memorials, monuments, statues, scoreboards, bleachers, stand-alone fencing (i.e. no other structures at location), etc. that may not be listed on the independent list but needs coverage.
 - Review contracts, leases, agreements, memorandums of understanding, etc. to confirm properties the municipality is contractually responsible to provide property coverage for and whether changes have been made to the agreements.
 - Verify personal property is still intact at listed location (except animals) through physical audit of the location. Use department heads to assist with this task.
 - For animals, verify with department head the animal is still in the possession of the municipality and requires coverage.
 - Inactivate any properties to the “locations” schedule that were included intentionally but now do not need coverage due to changes in the agreement(s) (i.e. change in lease terms, etc.) or were disposed of by the municipality and mistakenly were not inactivated.
- Personal property that is missing from both the “locations” schedule and the independent list.
 - Conduct a physical audit at each location to identify any personal property that needs coverage and should be listed on the “locations” schedule such as fine art, sculptures, playground equipment, garbage dumpsters, picnic tables, light poles, flag poles, memorials, monuments, statues, scoreboards, bleachers, stand-alone fencing (i.e. no other structures at location), etc. Use department heads to assist with this task.
 - Add any missing personal property to the “locations” schedule that were omitted in error.

2. Is the construction, occupancy, protection, and exposure (COPE) data listed accurately?

COPE data is used by MMIA to determine coverage costs for each property. In turn, MMIA’s reinsurers use the COPE data to determine MMIA’s coverage cost for reinsurance.



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Having accurate COPE data assists in keeping rates for coverage stable for both member-owner property coverage and MMIA's reinsurance.

Look at:

- COPE data listed for each property on the "locations" schedule to identify any discrepancies and update any data that is inaccurate such as:
 - Name of property
 - Street address
 - Number of floors
 - Building area (square footage)
 - Frame type (i.e. steel, masonry, wood frame, etc.)
 - Year built
 - Flood zone

- Structures that had additions (i.e. such as adding another floor, a lean-to, or same floor addition, etc.) or reductions such as removing part of the structure (i.e. tearing down part of the structure).
 - Ensure any additions or reductions are reflected in the COPE data fields.
 - Ensure the insured value is updated to reflect the value gained or lost by making the additions or reductions.
 - Please note that making updates to a property such as replacing the old carpet with new carpet does not constitute a change in the insured value. If, however, the change is an improvement or betterment, then the insured value should be updated to reflect the amount of the improvements or betterments. Improvements and betterments are defined in the Memorandum of Property Coverage as "additions or changes made by a Member/lessee at their own expense to a building they are occupying that enhance the building's value." An example of a betterment may be replacing old carpet with a high-quality marble flooring. An example of an improvement would be remodeling within a building to add an additional bathroom.

3. Should it be listed at replacement cost or stated amount?

MMIA provides our member-owners two coverage options for each property listed on the schedule to help meet each individual municipality's needs. These coverage options allow member-owners to balance the amount of coverage needed with the amount of coverage they can afford.

The first option is replacement cost and is defined in the Memorandum of Property Coverage as "the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the



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property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation". This option provides the greatest coverage to the member-owner, but also the greatest cost for coverage as the insured value scheduled for the property will be the replacement cost.

The second option is stated amount and is defined in the Memorandum of Property Coverage as "represents an agreed value between the member and MMIA on real property and personal property and specified on the Summary of Values on file with the MMIA." This option affords a specified amount of coverage to the member-owner at a lesser cost because the scheduled insured value can be anything equal to \$0 or greater but less than replacement cost. (See section 4. What's the value? For details on listing property at \$0 value.)

When reviewing:

- Identify any properties scheduled with a stated amount.
- Determine whether stated amount is still appropriate coverage for the property.

Use the examples below to help understand the difference between how replacement cost coverage and stated amount coverage are paid out in a claim and why a municipality might list a property at a stated amount.

Example 1:

Municipality XYZ built a new city hall which cost \$1,000,000 to build. XYZ has the city hall listed on the property schedule as replacement cost with the insured value of \$1,000,000 for the building (we won't look at contents coverage for this example). Six months after the city hall is built, a fire burns the city hall and it's a total loss. The total reconstruction costs are now \$1,050,000. MMIA would pay \$1,050,000 minus the member-owners' deductible.

XYZ paid assessment to MMIA on the \$1,000,000 insured value. Their cost was:

Insured value/\$100 x rate.

For this example, the rate for a \$5,000 deductible coverage is 0.125. So, their cost to insure the new city hall at \$1,000,000 with replacement cost was:

$\$1,000,000/\$100 \times 0.125 = \$1,250/\text{year}$

In this example, the member-owner received the greatest protection available to cover the property and paid assessment on the replacement cost insured value identified at the time the property was scheduled.



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Example 2:

Municipality ABC has been in their city hall building for decades. The facility was previously a bank and is much larger than what they really need. They have a limited budget and opt to schedule the city hall at a stated amount of \$600,000 as that is what it would cost to rebuild a facility that was more in line with their needs should a claim occur. A fire burns the city hall and it's a total loss. The reconstruction cost is \$600,000. MMIA would pay \$600,000 minus the member-owner deductible.

ABC paid assessment to MMIA on the \$600,000 insured value. Their cost was:

Insured value/\$100 x rate.

For this example, the rate for a \$5,000 deductible coverage is 0.125. So, their cost to insure the old city hall at \$600,000 at a stated amount was:

$\$600,000/\$100 \times 0.125 = \$750/\text{year}$

In this example, the member-owner received the protection that was specified on their schedule and allowed them to pay assessment on an amount they established as meeting their needs.

4. What's the value?

As a benefit to the member-owners, MMIA regularly updates the insured value of each property scheduled at replacement cost. These updates are done utilizing the COPE data on file for each property and the latest construction costs. MMIA also utilizes appraisers to value properties that may be unique, complex, historic, etc. By regularly updating the insured values of property scheduled at replacement cost, MMIA ensures that we are collecting enough assessment for the coverage provided, which keeps coverage rates stable.

For any property listed as a stated amount, it's up to each member-owner to review whether that stated amount will meet their needs should a total loss occur.

When reviewing:

- Ensure the insured value for each property listed on the "locations" schedule at replacement cost was updated to reflect any value gained or lost due to additions or reductions to the property (see section 2 on COPE data for details).
- Utilize resources to help establish a value for properties listed on the "locations" schedule at a stated amount and make updates as necessary. Resources may include architects, engineers, appraisers, etc.



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- Identify property scheduled at a stated amount of \$0 and confirm no coverage is desired for the property.
 - Scheduling a property at \$0 is confirmation to MMIA that no coverage is desired by the member-owner and helps to avoid any confusion if a claim is filed for that property. Property scheduled at \$0 value does not result in an assessment charged to the member-owner. Reasons why a member-owner may choose to schedule a property at \$0 value may include:
 - \$0 contents value for a building or structure owned by the member-owner that is leased, occupied and furnished by another party
 - \$0 building value for a building or structure leased and occupied by the member-owner from another party and the municipality is not contractually required to provide property coverage for the building or structure
 - \$0 contents value for a building or structure owned by the member-owner and no contents are stored in the building or structure (i.e. dugout at baseball field)
 - Value to completely replace the building or structure is less than the member-owner's deductible.

5. Does it have contents?

In addition to having an insured value for real property, such as a building or structure, there is an additional insured value for the contents stored at each real property. The value of contents for personal property excludes any values for personal property that is individually listed on the schedule (i.e. fine art, etc.) for that building or structure. Examples of contents may include furniture, furnishings, office supplies, inventory or supplies used in municipal operations (i.e. stock of water meters, etc.), computers, electronics, tools, equipment that is not listed on the mobile equipment schedule (i.e. communications equipment that is mounted to the building or structure, portable type equipment that individually isn't worth scheduling but when stored together would constitute a large loss, etc.) or any other movable items used by the municipality.

When auditing:

- Conduct a physical audit at each property listed on the "locations" schedule to identify whether contents are stored at the location and to complete an inventory of the contents.
 - Include locations that show \$0 contents value to ensure there are truly no contents at the location.
- Compare the inventory to any prior inventories you have on file and note any changes.



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- Use resources such as data from your municipal accounting system to determine value for the contents for each property, keeping in mind that the cost to replace the contents would be greater than any depreciated value(s) that may be on file in the accounting system. Update the contents value for each property listed on the “locations” schedule that needs contents coverage.
 - Please note that for each property listed on the “locations” schedule, the valuation of replacement cost or stated amount applies to both the building value and the contents value. You cannot select replacement cost for one and stated amount for the other.

Auditing Vehicles

1. Is it scheduled?

When auditing, start by comparing the “vehicles” schedule from the Origami Risk platform, with an independent listing of all municipal owned vehicles. Examples of independent lists may include information from the municipal accounting system.

Look for:

- Vehicles on the independent list that are not on the “vehicles” schedule.
 - Determine why it is not listed on the “vehicles” schedule. Reasons why it may not be listed on the “vehicles” schedule may include:
 - omitted in error
 - omitted intentionally because another party is responsible contractually to provide property coverage (i.e. a shared drug task force vehicle)
 - omitted intentionally because no coverage is desired for the vehicle
 - Review contracts, leases, agreements, memorandums of understanding, etc. to determine if vehicles were omitted intentionally because another party is responsible to provide property coverage and whether changes have been made to the agreements.
 - Add any missing vehicles to the “vehicles” schedule that were omitted intentionally but now need coverage due to changes in the agreement(s) or were omitted in error.
 - Add any missing vehicles to the “vehicles” schedule that were omitted because coverage is not desired and list them at a stated amount of \$0.
 - Scheduling a vehicle at \$0 is confirmation to MMIA that no coverage is desired by the member-owner and helps to avoid any confusion if a claim is filed for that vehicle. Vehicles scheduled at \$0 value do not result in an assessment charged to the member-owner.



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2. Is the vehicle identification and classification data listed accurately?

Vehicle identification and classification data is used by MMIA to determine coverage costs for each vehicle, as well as for verification for claim purposes that the vehicle has coverage. In turn, MMIA's reinsurers use the data to determine MMIA's coverage cost for reinsurance. Having accurate data assists in keeping rates for coverage stable and avoids any coverage issues if a claim occurs.

Look at:

- Vehicle identification and classification data listed for each vehicle on the "vehicles" schedule to identify any discrepancies and update any data that is inaccurate such as:
 - Make
 - Model
 - Year
 - VIN
 - Class (i.e. light truck, heavy truck, police car, police SUV/Truck, etc.)

3. Should it be listed at replacement cost or stated amount?

Similar to coverage for real and personal property, MMIA provides our member-owners two coverage options for each vehicle listed on the schedule to help meet each individual municipality's needs. These coverage options allow member-owners to balance the amount of coverage needed with the amount of coverage they can afford.

The first option is replacement cost and is defined in the Memorandum of Property Coverage as "the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation". This option provides the greatest coverage to the member-owner, but also the greatest cost for coverage as the ***insured value scheduled for the vehicle will be the minimum replacement cost or the actual cost of replacement, whichever is higher.*** A minimum replacement cost is an amount determined by MMIA for a class of vehicle. It is the minimum amount a vehicle's insured value may be listed on the schedule to be eligible for replacement value coverage. For a list of vehicle minimum replacement values, please visit the MMIA website.

The second option is stated amount and is defined in the Memorandum of Property Coverage as "represents an agreed value between the member and MMIA on real property and personal property and specified on the Summary of Values on file with the MMIA." This option affords a specified amount of coverage to the member-owner at a lesser cost because the scheduled



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insured value can be anything equal to \$0 or greater but less than replacement cost. (See section 4. What's the value? for details on listing vehicles at \$0 value.)

When reviewing:

- Identify any vehicles scheduled with a stated amount.
 - Determine whether stated amount is still appropriate coverage for the vehicle.

Use the examples below to help understand how replacement cost coverage and stated amount coverage are paid out in a claim and why a municipality might list a vehicle at a stated amount.

Example 1:

Municipality XYZ purchased a new light truck for the public works department for \$35,000. XYZ has the vehicle listed on the property schedule as replacement cost with the insured value of \$35,000. Six months after the vehicle is purchased, it's in an accident and is a total loss. The cost to purchase an equivalent vehicle is now \$38,000. MMIA would pay \$38,000 minus the member-owners' deductible.

XYZ paid assessment to MMIA on the \$35,000 insured value. Their cost was:

Insured value/\$100 x rate.

For this example, the rate for a \$1,000 deductible coverage is 0.387. So, their cost to insure the new light truck at \$35,000 with replacement cost was:

$\$35,000/\$100 \times 0.387 = \$135.45/\text{year}$

In this example, the member-owner received the greatest protection available to cover the vehicle and paid assessment on the replacement cost insured value identified at the time the vehicle was scheduled.

Example 2:

Municipality ABC has used the same light truck for their public works department for decades. They have a limited budget and opt to schedule the light truck at a stated amount of \$15,000 as that is what they anticipate spending to replace the vehicle with another that would meet their needs should a claim occur. The truck is in an accident and the total cost to repair is \$17,000. The amount payable would be \$17,000, minus the deductible, up to the maximum amount of \$15,000.



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ABC paid assessment to MMIA on the \$15,000 insured value. Their cost was:

Insured value/\$100 x rate.

For this example, the rate for a \$1,000 deductible coverage is 0.387. So, their cost to insure the old truck at \$15,000 at a stated amount was:

$$\$15,000/\$100 \times 0.387 = \$58.05/\text{year}$$

In this example, the member-owner received the protection that was specified on their schedule and allowed them to pay assessment on an amount they established as meeting their needs.

4. What's the value?

MMIA uses minimum replacement cost values for each vehicle class to ensure enough assessment is collected to provide replacement cost coverage. In many cases, member-owners may depreciate vehicles in their accounting system. To avoid having the depreciated values used for the insured value, the minimum replacement values are utilized. These values are established by MMIA's reinsurers on an annual basis using the most recent vehicle and claim data available. As a benefit to the member-owners, MMIA annually updates the insured value of each vehicle scheduled at the minimum replacement cost automatically to reflect the new minimum replacement cost value. This update helps MMIA ensure that we are collecting enough assessment for the coverage provided, which keeps coverage rates stable. For any vehicles listed as replacement cost with an insured value greater than the minimum replacement cost and any vehicles listed as a stated amount, it's up to each member-owner to review whether the replacement cost insured value is accurate and/or the stated amount insured value will meet their needs should a total loss occur. Accurate reporting of replacement cost insured values is critical in keeping coverage rates stable. Ensuring the stated amount will meet your municipality's needs is critical to provide the coverage needed and keep operations running.

When reviewing:

- Ensure the insured value for each vehicle listed on the "vehicles" schedule at replacement cost reflects the minimum replacement cost value provided by MMIA or the actual cost of replacement, **whichever is higher**.



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- Please note equipment that is permanently affixed or stored in the vehicle is part of the vehicle value (i.e. hoses, gurneys, rescue tools, etc.), so be sure the insured value reflects these costs.
 - Equipment that is primarily stored elsewhere is part of the contents value of the location where its stored (i.e. uniforms at the fire department, computer tablets stored in the ambulance barn that may be used when taking any of the ambulances, etc.)
- Utilize resources to determine whether the insured value accurately reflects the cost to replace the vehicle with a brand new vehicle and make updates as necessary. Resources may include Kelly Blue Book, NADA, etc.
- Utilize resources to help establish a value for vehicles listed on the “vehicles” schedule at a stated amount and make updates as necessary. Resources may include Kelly Blue Book, NADA, etc.
- Identify vehicles scheduled at a stated amount of \$0 and confirm no coverage is desired for the vehicle.
 - Scheduling a vehicle at \$0 is confirmation to MMIA that no coverage is desired by the member-owner and helps to avoid any confusion if a claim is filed for that vehicle. Vehicles scheduled at \$0 value do not result in an assessment charged to the member-owner. Reasons why a member-owner may choose to schedule a vehicle at \$0 value may include:
 - Another party is responsible contractually to provide property coverage (i.e. a shared drug task force vehicle)
 - Value to replace the vehicle is less than the member-owner’s deductible.

Auditing Equipment

1. Is it scheduled?

When auditing, start by comparing the “mobile equipment” schedule from the Origami Risk platform, with an independent listing of all municipal owned mobile equipment. Examples of independent lists may include information from the municipal accounting system.

Look for:

- Equipment on the independent list that is not on the “mobile equipment” schedule.
 - Determine why it is not listed on the “mobile equipment” schedule. Reasons why it may not be listed on the “mobile equipment” schedule may include:
 - omitted in error
 - omitted intentionally because no coverage is desired for the equipment
 - Add any missing equipment to the “mobile equipment” schedule that was omitted in error.
 - Add any missing equipment to the “mobile equipment” schedule that were omitted because coverage is not desired and list them at a stated amount of \$0.



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- Scheduling equipment at \$0 is confirmation to MMIA that no coverage is desired by the member-owner and helps to avoid any confusion if a claim is filed for that equipment. Equipment scheduled at \$0 value does not result in an assessment charged to the member-owner.

2. Is the equipment identification and classification data listed accurately?

Equipment identification and classification data is used by MMIA to ensure enough assessment is collected for the coverage selected (i.e. replacement cost vs stated amount), as well as for verification for claim purposes that the equipment has coverage. In turn, MMIA's reinsurers use the data to determine MMIA's coverage cost for reinsurance. Having accurate data assists in keeping rates for coverage stable and avoids any coverage issues if a claim occurs.

Look at:

- Equipment identification and classification data listed for each mobile equipment on the "mobile equipment" schedule to identify any discrepancies and update any data that is inaccurate such as:
 - Manufacturer
 - Model
 - Year
 - Serial Number
 - Equipment Type (i.e. backhoe, compressor, generator, loader, grader, etc.)

3. Should it be listed at replacement cost or stated amount?

Similar to the vehicle and real and personal property coverages, MMIA provides our member-owners two coverage options for each equipment listed on the schedule to help meet each individual municipality's needs. These coverage options allow member-owners to balance the amount of coverage needed with the amount of coverage they can afford.

The first option is replacement cost and is defined in the Memorandum of Property Coverage as "the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation". This option provides the greatest coverage to the member-owner, but also the greatest cost for coverage as the insured value scheduled for the equipment will be the replacement cost.



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The second option is stated amount and is defined in the Memorandum of Property Coverage as “represents an agreed value between the member and MMIA on real property and personal property and specified on the Summary of Values on file with the MMIA.” This option affords a specified amount of coverage to the member-owner at a lesser cost because the scheduled insured value can be anything equal to \$0 or greater but less than replacement cost. (See section 4. What’s the value? for details on listing equipment at \$0 value.)

When reviewing:

- Identify any equipment scheduled with a stated amount.
 - Determine whether stated amount is still appropriate coverage for the equipment.

Use the examples below to help understand how replacement cost coverage and stated amount coverage are paid out in a claim and why a municipality might list equipment at a stated amount.

Example 1:

Municipality XYZ purchased a new skid steer for \$60,000. XYZ has the skid steer listed on the property schedule as replacement cost with the insured value of \$60,000. Six months after the skid steer is purchased, it’s in an accident and is a total loss. The cost to purchase an equivalent skid steer is now \$60,500. MMIA would pay \$60,500 minus the member-owners’ deductible.

XYZ paid assessment to MMIA on the \$60,000 insured value. Their cost was:

Insured value/\$100 x rate.

For this example, the rate for a \$1,000 deductible coverage is 0.138. So, their cost to insure the new skid steer at \$60,000 with replacement cost was:

$\$60,000/\$100 \times 0.138 = \$82.80/\text{year}$

In this example, the member-owner received the greatest protection available to cover the equipment and paid assessment on the replacement cost insured value identified at the time the equipment was scheduled.

Example 2:

Municipality ABC purchased a used 2021 Torro Groundmaster mower for \$64,000. They have a limited budget and opt to schedule the used mower at a stated amount equal to the purchase price of \$64,000 as that is what they anticipate spending to replace the mower with another that would meet their needs should a claim occur. The mower is in an accident and the total cost to



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repair is \$70,000. The amount payable would be \$70,000, minus the deductible, up to the maximum amount of \$64,000.

ABC paid assessment to MMIA on the \$64,000 insured value. Their cost was:

$$\text{Insured value}/\$100 \times \text{rate.}$$

For this example, the rate for a \$1,000 deductible coverage is 0.138. So, their cost to insure the used mower at \$64,000 at a stated amount was:

$$\$64,000/\$100 \times 0.138 = \$88.32/\text{year}$$

In this example, the member-owner received the protection that was specified on their schedule and allowed them to pay assessment on an amount they established as meeting their needs.

4. What's the value?

Because there is such a wide range of items that are listed on “mobile equipment” schedules, the MMIA relies on member-owners to use due diligence to accurately list the insured values. Being a member-owner of the property program comes with many benefits, but also with the responsibility to accurately schedule insured values. Accurate reporting of replacement cost insured values is critical in keeping coverage rates stable. Ensuring the stated amount will meet your municipality's needs is critical to provide the coverage needed and keep operations running.

When reviewing:

- Ensure the insured value for each equipment listed on the “mobile equipment” schedule at replacement cost reflects the actual cost of replacement.
 - Utilize resources to determine whether the insured value accurately reflects the cost to replace the equipment with brand new equipment and make updates as necessary. Resources may include manufacturer or dealer information, etc.
 - Please note supplies or materials that are stored in the equipment (i.e. inside an enclosed trailer) can be part of the equipment value or be listed independently on the real and personal property schedule. Be sure to identify and describe where the value of the supplies or materials within the equipment are captured in the notes section on the equipment schedule.
- Utilize resources to help establish a value for equipment listed on the “mobile equipment” schedule at a stated amount and make updates as necessary. Resources may include manufacturer or dealer information, etc.



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- Identify equipment scheduled at a stated amount of \$0 and confirm no coverage is desired for the equipment.
 - Scheduling equipment at \$0 is confirmation to MMIA that no coverage is desired by the member-owner and helps to avoid any confusion if a claim is filed for that equipment. Equipment scheduled at \$0 value does not result in an assessment charged to the member-owner. Reasons why a member-owner may choose to schedule equipment at \$0 value may include:
 - Value to replace equipment is less than the member-owner's deductible.

Once the audits for real and personal property, vehicles, and mobile equipment are complete, ensure all changes enacted are displaying correctly in the Origami Risk platform and make any final corrections if needed. The next step is to submit your schedules for property renewal as complete. Submitting schedules as complete means you have completed your annual review as required. MMIA will then include the aggregate total insured values for each property category in the annual property program rate memo issued in April/May. You can use the information from the rate memo to estimate your cost for coverage for the next coverage period for budget purposes. Note, coverage periods are from 7/1 to 6/30 annually.

When estimating your cost for the next coverage year, you can use the rates listed in the memo for the various deductible levels to determine whether it would be beneficial for your municipality to change deductible levels for each category of property. MMIA will send you a proposal via the Origami Risk platform around the same time as you receive the annual property program rate memo. This proposal will include line-item details and aggregate totals for each property category. If you do not need to update deductible levels, there is nothing further you need to do with the proposal. If you need to update deductible levels, you can make the changes in the proposal and submit it to MMIA for approval. For details on how to access and edit the property proposal, see the Property Program Proposal Instructions on the MMIA website. Note, each property category deductible level is independent and can be updated without changing the other property category's deductible levels (i.e. increasing your deductible for vehicles is independent of the deductibles elected for real and personal property, and mobile equipment).

The last step for property renewal is to make a final independent confirmation for all property listed on the schedules at \$0 value. A memo with schedule(s) of all items listed at \$0 will be sent to you via email from the Origami Risk platform. Conduct a final review to ensure there are no errors. If no corrections are needed, follow the steps in the email to electronically sign and return the memo acknowledging the accuracy. If corrections are needed, contact MMIA at 800-635-3089. Once you have completed this step, you are finished with the property renewal process for the year.



Member owned. Member driven.

We are you.