



MMIA PROPERTY PROGRAM FREQUENTLY ASKED QUESTIONS

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WHAT TYPE OF PROPERTY COVERAGE DOES MMIA OFFER?

Property coverage includes:

- **Real property:** Real property or real estate is typically the structure or building improvement located on a site.
- **Personal property:** Personal property is the loose items (non-fixtures) or contents within the structures.
- **Vehicle**
- **Equipment**
- **Boiler**
- **Cyber liability and property:** A commercial standalone policy that provides coverage for information security and privacy with electronic media liability coverage.

WHY DOES MMIA CONDUCT AN ANNUAL REVIEW OF SCHEDULED ITEMS AND THEIR VALUES?

Conducting an annual review of scheduled items and the accuracy of their values helps to ensure rate accuracy and stability. MMIA requests information on an annual basis to identify the Total Insured Value for the property program. This value is used to set future rates for coverage. If values are systemically lower than their true value, losses may exceed the amount collected and result in significant rate increases. Accurate reporting of the true value of property is key in maintaining stable rates.

WHAT IS A STATED AMOUNT?

An amount defined by the member for a scheduled asset. It is the maximum amount payable in the event of a loss.

- **Example:** An equipment trailer is scheduled at a stated value of \$5,000. The trailer is in an accident, with a total cost to repair of \$5,000. The amount payable is \$5,000 minus the deductible.
- **Example 2:** A vehicle is scheduled at a stated value of \$35,000. The vehicle is in an accident, with a total cost to repair of \$40,000. The amount payable is \$40,000 minus the deductible, up to the maximum amount of \$35,000.

WHAT IS A REPLACEMENT COST?

An amount defined by the member for a scheduled asset. It is an estimate of the cost to replace the item in its entirety if it were lost or damaged. Replacement value coverage provides for the repair or replacement of the asset without regard to a maximum amount payable.

- **Example:** A police passenger vehicle is scheduled at a replacement value of \$45,000. The vehicle is totaled in an accident. A new police vehicle with the necessary equipment costs \$47,000. The amount payable is \$47,000 minus the deductible.

WHAT IS A MINIMUM REPLACEMENT COST?

An amount defined by the MMIA for a type of asset. It is the minimum amount that an asset's value may be scheduled to be eligible for replacement value coverage. For a list of minimum replacement values, please contact MMIA at 800-635-3089.



WHAT IS INCLUDED IN SPECIALTY VEHICLE VALUES?

- Permanently affixed or equipment stored in the vehicle is part of the vehicle value i.e. hoses, guineys, rescue tools, etc.
- Equipment that is primarily stored elsewhere is part of the personal property value of the location it is stored (i.e. uniforms at the Fire Department)

WHAT IF COVERAGE FOR A PROPERTY ISN'T NEEDED?

Even if coverage for a property has been deemed by the member to be unnecessary, MMIA asks member-owners to list the property on their schedule at a \$0 value. By scheduling at \$0, it is confirmation that no coverage is desired by the member and helps to avoid any confusion if a claim is filed for that property. Assets listed at \$0 value do not result in an assessment cost to the member.

- **Example:** A member has an equipment trailer that is valued at \$1,000. Because the member's deductible is also \$1,000, the member elects not to have property coverage for the trailer. They list the trailer on their schedule at \$0. The member is not charged for coverage and MMIA has documented confirmation that no coverage is desired.

This FAQ guide is for information purposes only, is not the Memorandum of Property Coverage itself, is subject to change, and is designed only to briefly describe the contents of the Memorandum of Property Coverage. Each member's coverage may be different. For complete TERMS and CONDITIONS, and important EXCLUSIONS from coverage please read the applicable Memorandum of Property Coverage. This FAQ guide shall not be deemed to be the rendering of legal or coverage advice. The coverage afforded by the MMIA is subject to the TERMS and CONDITIONS of the applicable Memorandum of Property Coverage and other MMIA program documents. Nothing herein shall be construed to alter, amend, supersede, or otherwise change the TERMS and CONDITIONS of the Memorandum of Property Coverage or other MMIA program documents.