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Velocity Risk

Small Commercial Update

Common Quoting Errors with Big Premium Impacts

Mistakes happen. Recently we have noticed several risks quoted with incorrect rating information and these mistakes can cost you the sale. The most common errors are mis-rating due to inaccurate construction and roof type.

Example 1: Roof error

Quoted risk: Light Metal Panel, Gable roof without bracing: Premium \$39,866

Accurate risk: Standing Seam Metal, Hip roof: Premium \$27,537

That's a mistake that cost over \$12,000 in premium!

Example 2: Construction error

Risk Details: 2019 year built, office, 5-10 miles from the coast:

Quoted risk: Noncombustible construction: Premium \$29,888

Accurate Risk: Masonry Noncombustible construction: Premium \$10,909

Premium saved on this risk is almost \$19,000!

(Examples only, premiums will vary based on location and risk characteristics.)

Construction errors can result in increased premiums and missed opportunities. Included are our quick tip sheets to help illustrate the different roof and building construction types to assist you in determining the correct classification to get the best rate for your client.

Velocity Risk Quick Tip Sheet Commercial Construction Types

The construction of the building is an important factor in determining the correct rate for the risk. In fact, incorrectly identifying the proper construction type can significantly impact the rate. The 6 most common construction types are:

Frame

Buildings with exterior walls, floors, and/or roofs made of combustible materials. Frame buildings generally have roofs, floors, interior walls and supports of combustible materials (usually wood). Masonry Veneer (brick veneer) and Metal Clad are variations that are also considered frame construction.

Advantages: Easy to erect and alter; economical, versatile

Disadvantages: Increased fire risk that spreads rapidly and increase likelihood of a severe loss.



Joisted Masonry

Buildings with exterior walls of masonry or fire-resistant construction rated for at least 1 hour and with combustible floors and roofs. Joisted Masonry exterior walls may be brick, concrete, gypsum block, hollow concrete blocks, tile, or stone.

Advantages: Harder to ignite, slower to burn

Disadvantages: Floors and roofs are combustible increasing fire risk.



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Velocity Risk Quick Tip Sheet Commercial Roofing Materials

Commercial roofs come in many forms. The kind of roof plays an integral role in the overall health of the building and the longevity of the roof itself. The 5 most common roof classifications include:

Single-Ply Membrane System



Single-ply roofing systems are an attractive choice for commercial buildings due to their reliability and energy efficiency. These low-maintenance systems consist of pre-fabricated flexible sheets of compounded synthetic materials, providing consistency in quality and offering a variety of application methods. The main types of single-ply membranes include:

TPO: Made of durable material, their white color provides heat reflection and heat-welded seams provide a reliable bond that protects against water and high winds.
EPDM: A durable synthetic rubber roofing membrane, available in both black and white, and can be installed fully adhered, mechanically attached, or ballasted, with the seams sealed with liquid adhesives or specially formulated tape.

Built-Up (BUR) Roofing



BUR is more commonly known as "tar and gravel" or "hot-mop" roofs is one of the oldest and reliable commercial roofing systems for low-slope or flat roof structures. BUR consists of alternating layers of bitumen (asphalt) with layers of roofing felt, creating a durable multi-layer membrane that can resist harsh weather. BUR roofing may also be finished with a top layer of aggregate, such as stone or gravel.



Metal Roofing



Metal roofing provides considerable longevity, durability, and heat resistance. They provide exceptional strength and stability and can even resist fire. Offering a variety of aesthetically pleasing options including standing seam, batten, flat, Barndura, and shingled metal. Metal panels provide protection against wind and allow rain to drain from the surface of the roof, preventing leaks and keeping occupants dry.

Tile Roofing



Tile roofing rivals metal roofs in terms of sheer longevity. Both clay and concrete tiles can endure harsh weather conditions, allowing them to last a long time. A tile roof also comes in a range of dimensional profiles, sizes and colors. Tile has one of the broadest color palettes of any roofing material.



Asphalt Roofing



The classic asphalt roofing system is one of the most widely used roofing covers in North America. They use layers of asphalt that are modified with other materials, like polymers and fiberglass, for increased durability. They are quick to install, easy to maintain, and cost-efficient. Typical lifespan is 12-15 years.

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