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# **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.



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:

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) Moscorny Venere (brick venere) and Metal Clad are variations that are also considered frame

Consultation.

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-resistive construction rated for at least 1 hour and with combustible floors and roots. Joisted Masonry exterior walls may be brick, concrete, gypsum block hollow concrete blocks, till, or stone.

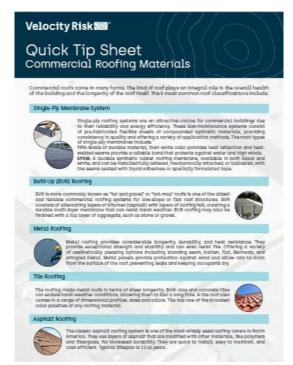
Advantages: Harder to Ignite, slower to burn

Disadvantages: Floors and roofs are combustible increasing fire risk.









### **Contact Customer Service**

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