Property/Building Damage Report

To be used to report damage to any properties (tenant buildings) and garages, etc.

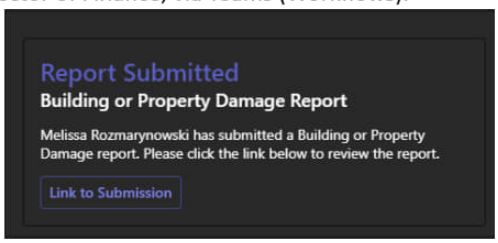
- Property/Building Damage Report
- Tenant Damage Protocol
- Tenant Captive Training
- Optional Tenant Property & Third Party Liability Insurance
- Property Damage FAQs
- Building Protection Fee Information to Tenants

Property/Building Damage Report

Property/Building Damage Report - Click Here

Tenant Damage Protocol

Tenant Damage Protocol

1. Damage occurs due to a tenant (does not include third party visitors or tenant hired services) only named lease occupants.
    a. If the damage is caused by a guest, someone invited to the property by the tenant, or a third party hired service by the tenant, the **TENANT will be liable for damages**. *This is why the coverage for their personal belongings and third party are highly recommended.*
        i. Tenant damages for third party liability should be charged to the tenant directly via AppFolio and **NOT** SCS working directly with the liable parties.
        ii. Before charging the tenant, please ensure that all materials and time & labor are accounted for before processing. Partial request for payment should be avoided at all costs.
    b. Types of Tenant-Caused Losses (Examples)
        i. Fire
        ii. Smoke
        iii. Explosion
        iv. Water Damage
        v. Backup or overflow of sewer, drain or sump
        vi. Sprinkler leakage
        vii. Freezing of plumbing, heating, or air conditioning
        viii. Discharge or overflow from appliances
        ix. Weight of Tenant contents
        x. Riot or civil commotion
        xi. Collapse of the building (if caused by something above)
    - Tenant displacement due to damage is not covered by Building Protection Fee.
2. Order repair services and work with Maintenance as needed.
3. Please complete the Property/Building Damage Report. *(available link here or on the SCS Safety Portal > Incident Forms)* https://forms.office.com/r/391AaDM5qk
4. This form will automatically notify the submitters supervisor, Human Resources, Safety & Compliance Manager, and Director of Finance, via Teams (Workflows).
    a. 

5. HR & the Safety & Compliance Manager will submit the claim to River Oaks. (claims@riveroakrisk.com)
6. River Oak will supply a Notice of Loss form and begin collecting all the information necessary to determine whether the claim is covered.
7. Supplemental information and pictures may be required – take down as much on the initial report form first (attach pictures!).
8. Sedgwick, a licensed third-party claims administrator will make determinations as to whether the submitted claims are reimbursable under the policy.
9. HR & the Safety & Compliance Manager will handle communication with our Business Commercial Policy as needed in correlation to River Oaks.
10. River Oak Risk will be working along with Sedgwick and SCS during the claims process.
11. This is a reimbursement program. SCS will initially pay to repair the damage and the captive will reimburse SCS.
12. All invoices for repairs should be sent to Accounting@scswiderski.com, CC' Nicole Blum & Dale Bergman with proper coding. Please note a COI and W9 will be needed and regardless of service (do not sign contracts that conflicts) we pay all vendors NET 30.

All questions during a claim or this process in general should be directed to the Director of HR & Administration and the Safety & Compliance Manager.

Tenant Captive Training



TENANT LIABILITY IMPLEMENTATION

SCS

RIVER OAK RISK
Return on Risk

CLAIMS PROTOCOL

- Filing a claim is simple! **Follow the Tenant Damage Protocol!**
- Complete the Property/Building Damage Report. *(available on the SCS Safety Portal > Incident Forms)*
- The HR & the Safety & Compliance Manager will email claims@riveroakrisk.com with the claim details (using the report and any supplemental documentation provided by the Property Manager)
- River Oak will supply a Notice of Loss form and begin collecting all of the information necessary to determine whether the claim is covered. Supplemental information and pictures may be required – take down as much info on the initial report form first (attach pictures!).
- Sedgwick, a licensed third-party claims administrator will make determinations as to whether the submitted claims are reimbursable under the policy.
- HR & the Safety & Compliance Manager will handle communication with our Business Commercial Policy as needed in correlation to River Oaks.
- River Oak Risk will be working along with Sedgwick and the property manager during the claims process.
- This is a reimbursement program. SCS will pay to repair the damage and the captive will reimburse S.C. Swiderski.

- All questions during a claim or this process in general should be directed to the Director of HR & Administration (Nicole Blum) and the Safety & Compliance Manager (Dale Bergman).

RIVER OAK RISK
Return on Risk

What's Covered?

Tenant-Caused losses Resulting from:

- Fire
- Smoke
- Explosion
- Water Damage
- Backup or overflow of sewer, drain or sump
- Sprinkler leakage
- Freezing of plumbing, heating, or air conditioning
- Discharge or overflow from appliances
- Weight of Tenant contents
- Riot or civil commotion
- Collapse of the building (if caused by something above)

*Tenant displacement due to damage is not covered by this coverage.

REPORTING / PREMIUM PAYMENT

- At the beginning of each month, Jerry (Accounting) will supply River Oak Risk with rent rolls for the previous month that show:
  - Which tenants are enrolled in the program at each property, and the amount of fees charged.
  - It is critical this fee is assigned to new and renewal tenants.
- Each property will receive an invoice from the insurer corresponding to the rent rolls for the previous month. Accounting will handle the payment to River Oaks.
- Premiums will be paid to the insurer and the insurer provides coverage to the unit.

TENANT COMMUNICATION

Building Protection Fee What a Tenant Needs to Know

As a benefit to you, we are not requiring you to buy insurance and will instead charge a $12 Building Protection Fee as additional rent to help defray the cost of damage you and other tenants may cause to our property. This Building Protection Fee does not provide you with any type of insurance including personal property or personal liability protection which is covered in a renter's insurance policy. Even though you are not required to do so under the terms of your lease, you should consider whether you want to purchase renter's insurance on your own to insure your personal property and to protect yourself from liability to third parties (including us).

RIVER OAK RISK
Return on Risk

TENANT COMMUNICATION

- The explanation to the tenants is simple!
  - We charge $12 per month Building Protection Fee instead of requiring insurance.
  - Tenants are not required to but can still purchase renter's insurance to protect their personal property and to insure themselves against liability to third parties. This is highly recommended.
    - Personal property insurance is available for individual tenant policies (on their own accord):
      - Habitat Specialty 970-852-0938 (flyer sent with training)
      - Many times, available through their car insurance carrier.
  - **INTERNAL NOTE ONLY:** This program is **not insurance** for the tenant. This is not issued to the tenant. Think of this as an umbrella policy SCS is taking out on themselves due to tenant insurance gaps and tenants are just funding this by paying the fee.
  - Building Protection Fee will be GL Code 2190.

RIVER OAK RISK
Return on Risk

LEASE CHANGES CONTINUED

Building Protection Fee Language

Owner charges a monthly Building Protection Fee instead of requiring Resident to purchase renter's insurance. Resident agrees to pay $12 per month as a Building Protection Fee. This Fee is to be paid as additional monthly rent. The Building Protection Fee is used to help protect our assets, including real, improved and personal property owned or managed by us against certain damage caused by a Resident. This Fee offers no protection for Resident's personal property or third-party liability. You should consider purchasing renter's insurance to protect yourself from financial loss and third-party liability. By providing 30 days written notice to Resident and waiving the Building Protection Fee, we may require Resident to purchase a renter's insurance policy in the future which provides a minimum of $100,000 liability insurance for any injuries or damages caused by Resident.

RIVER OAK RISK
Return on Risk

LEASE CHANGES

- All tenants who sign a new lease or receive a renewal offer after May 1st will sign the lease with the new, Building Protection Fee Addendum.
- For those tenants, no insurance will be required and the $12 per month Building Protection Fee will be charged each month with rent.

RIVER OAK RISK
Return on Risk

OVERVIEW

- Multifamily properties typically require tenants to purchase a renters insurance policy as a condition of the lease, meaning leasing agents and property managers have to check insurance certificates and verify that tenant's get and stay insured throughout the life of the lease. We did not actually require this yet but were moving towards this in the next few months.
- Under this new system, every tenant which signs a new lease or renews their lease will pay a Building Protection Fee each month with rent and the renters insurance requirement will be waived.
- That Building Protection Fee will be paid each month to an insurance company that will insure the units for tenant-caused losses.
- After the program is fully implemented, 100% of the units will be insured and there will be no need to chase insurance certificates.

Optional Tenant Property & Third Party Liability Insurance

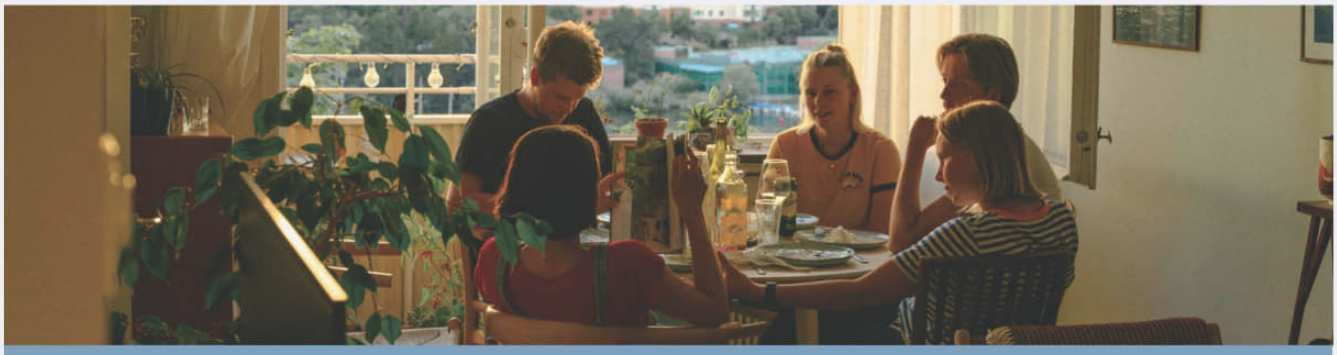
Habitat Specialty

habitatspecialty.io
info@habitatspecialty.io
970-852-0938

LIFE IS STRESSFUL ENOUGH.

INSURANCE SHOULDN'T BE.

We make it easy.



ACCIDENTS HAPPEN. WE'VE GOT YOUR BACK.

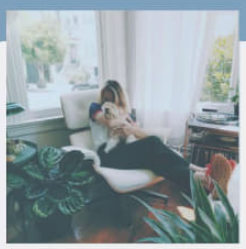
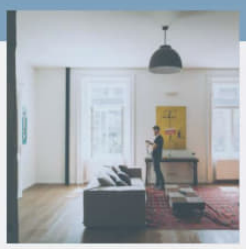
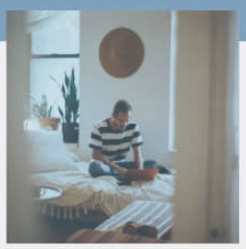
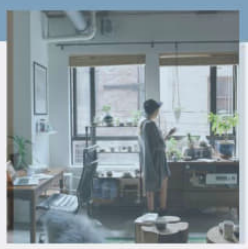
For Property Managers:

As a reminder, please do not discuss coverages with tenants.

Please refer your tenants to **info@habitatspecialty.io** to better assist them and answer any questions they may have regarding their coverage.

For Tenants:

- ☑ To file a claim, please visit **habitatspecialty.io/claims** to start the process, or scan the QR code to the right
- ☑ For inquiries about coverages, claims status and more, please email **info@habitatspecialty.io**
- ☑ If you would like to speak with someone directly on our team, please call **970-852-0938**
- ☑ Contents coverage up to $10,000*

*Coverages varies by location.

Property Damage FAQs

What is considered "Property Damage"?

For SCS's purposes, property damage, is damage or destruction of real property, (buildings, land, and other amenities owned by SCS, caused by negligence, willful destruction, the result of an accident or an act of nature. Destruction of property is a sub-type of property damage that involves damage to property that results from willful misconduct and is punishable as a crime and MAY result in restitution to SCS.

What is the first action that should be taken when a property is damaged or destroyed?

Notify your direct Supervisor, then the PM is to navigate to the SCS Safety Portal, Incident Reports, Property/Building Damage Report and click on the Property/Building Damage Report form to enter any / all the information you can. This form has a workflow attached and provides the SCS Safety & Compliance Manager and the Director of HR & Administration required details to determine whether to file a claim. If a claim is made, you will be notified via the form and email notifications.

What is SCS's current Commercial Insurance deductible (internal use only)?

$50,000 per incident. Deductible Definition: (in an insurance policy) a specified amount of money that the insured = SCS must pay before an insurance company will pay a claim. Regardless of how many or few buildings are affected, the event as a whole eats the one time $50,000 deductible.

What is SCS's current Tenant Captive Insurance deductible (internal use only)?

$0. However, this damage if submitted must be accidental and not intentional damage done by **ONLY** a named leased tenant. **No third parties/services hired by a tenant, guests, pets, automobile damage or people staying on the property illegally are covered.**

What is the difference between Commercial Insurance and Tenant Captive Insurance?

Differences: SCS purchases Commercial Insurance to protect SCS, its properties, business activities, assets, etc. This insurance has a deductible and is considered traditional property and liability insurance.

SCS started a Tenant Captive Insurance program in 2024 to stop the loss due to uninsured tenants (no renters coverage). Too many of our tenants did and do not have personal coverage, causing SCS to eat a ton of costs and making too many claims to our commercial insurance. Creation of this captive allows tenants no ability to opt out of the program by SCS charging a $12 Building Protection Fee to each new and renewing tenant as of May 1st, 2024. After one year, the entire portfolio and all tenants will be paying this fee. This captive is meant to ensure we have funds to cover all tenant damages up to $100,000.

They work in unison. We will use the Tenant Captive Insurance to help cover tenant damage deductibles and file with our commercial insurance to cover larger claims.

Remember! The more claims we make in general, the more our insurance premiums go up. The goal is to prevent as much damage to SCS properties/assets as much as possible.

What does this deductible mean during the claims process?

If a claim is over $50,000 in damages, we MAY submit to our commercial insurance. All claims and damage is assessed on a claim-by-claim basis. If the claim is under $50,000, we will NOT submit to our commercial insurance. This means that SCS eats the cost of these damages and its repairs. If the damage is accidental and done by the tenant, it MAY still be submitted to the Tenant Captive Insurance for payment. This is not guaranteed. Intentional damage from a tenant is not covered by SCS's Tenant Captive Insurance.

What types of things are covered by SCS's Tenant Captive Insurance?

Tenant - **(Accident)** Caused Losses Resulting From:

- Fire
- Smoke
- Explosion
- Water Damage
- Backup or overflow of sewer, drain or sump
- Sprinkler leakage
- Freezing of plumbing, heating, or air conditioning
- Discharge or overflow from appliances
- Weight of tenant contents
- Riot or civil commotion
- Collapse of the building (if caused by something above)

***Tenant displacement due to damage is not covered by this coverage.

Why isn't tenant displacement covered by SCS's Tenant Captive Insurance?

The Tenant Captive Insurance is in place to protect losses to SCS's assets caused by tenants. The tenant would need their own personal property insurance policy to cover THEIR displacement or personal property losses due to THEIR accidental (and/or intentional) actions. This would be considered loss of use on their personal property coverage, ultimately allowing for displacement loss coverage.

If we suspect a tenant is at fault but do not have proof that it was a named tenant, are we still making a claim with our Tenant Captive?

No, All claims have to be clearly identified to ONLY named leased tenants. Third party damage, guests, pets, hired services by the tenant are not covered --- PERIOD.

Who is responsible for coordinating repairs or ordering replacements?

Maintenance and Leasing for all leased properties. Construction for all properties under construction. If an employee of a department caused damage, they are responsible with the partnership of their supervisor to ensure repairs are completed.

Do you need to fill out a Property/Building Damage Report (Form) or any other Damage Forms (Equipment, Vehicle, etc.) even if it won't make the $50,000 deductible?

Yes, these forms are imperative for tracking all damage costs at SCS. No matter how small, a form should be filled out. The SCS Safety & Compliance Manager and the Director of HR & Administration will facilitate insurance claims. This form provides us required details to file a claim. If a claim is made, you will be notified via the form and email notifications. **Do not stop the repair/replacement process regardless of the impact to insurance and the claims process.**

SCS Safety & Compliance Manager and the Director of HR & Administration will NOT order repairs or replacements. This responsibility falls on the overseeing departments. SCS Safety & Compliance Manager and the Director of HR & Administration will ensure communications and coordination with insurance will happen on behalf of SCS. SCS Safety & Compliance Manager and the Director of HR & Administration will make sure claims get filed and paid accordingly. During the claims process an additional assigned contact may be named to facilitate additional details (i.e Area Manager, Area Maintenance Lead, Maintenance Manager, Grounds Manager, etc.) to assist in onsite adjuster visits and give initials response details about the incident and repairs ordered.

How do we recover costs from uncovered damages such as vehicle damage or pet damage?

Any damage caused by pets will be added to the tenant ledger by the PM. Any damage caused by tenant's or the tenant's guest's automobiles will be added to the ledger and it is up to the tenant to work with their automobile insurance to recover their out-of-pocket costs. **Note: Pet damage and automobile damage is NOT covered by the tenant captive.**

Building Protection Fee Information to Tenants

S.C. SWIDERSKI

BUILDING PROTECTION FEE

As a benefit to our residents, we are not requiring you to buy insurance and will instead charge a $12 Building Protection Fee in addition to rent to help defray the cost of damage you and other tenants may cause to our property. This Building Protection Fee does not provide you with any type of insurance, including personal property or personal liability protection which is covered in a renter's insurance policy. Even though you are not required to do so under the terms of your lease, you should consider whether you want to purchase renter's insurance on your own to insure your personal property and to protect yourself from liability to third parties (including us).

What is the Building Protection Program?

The Building Protection Program will replace the requirement for residents to provide proof of liability coverage.

Why are you introducing this program?

We know that accidents happen sometimes. A grease fire--water overflow from your tub—a grilling accident--anything can happen that could cause damage to the building or the property. This program allows us to protect our building from these kinds of accidents.

But I already have Liability Coverage through my Insurance Provider.

Every resident will be enrolled in the Building Protection Program as a requirement of their lease. If you already have building liability coverage through your Renter's Insurance, you may remove it from your policy as the Building Protection Program will satisfy that lease requirement.

It is your option to continue purchasing renter's insurance to protect your personal property and any third-party liability exposure. **Personal property will not be included in the Building Protection Program. Damage caused by pets or vehicles is also not included in the Building Protection Program.**

When do I pay this?

The Building Protection Program will be paid with your monthly rent. For all other residents, the Building Protection Plan will be effective at time of renewal.

Does this program cover the personal contents of my apartment home?

No, the Building Protection Program only protects the building and does not provide any protection for your personal furnishings, clothing, belongings, or emergency living expenses. We encourage all residents to have Renters Insurance to specifically cover those personal belongings and personal liability for injuries, etc.

If I unintentionally cause any damage, what do I do?

Any damage should be reported to the Property Management team, and we'll take it from there. We ask that you report incidents quickly so they can be resolved and repaired right away.