Property Insurance to Value

Why Accurate Property Values Matter

North Carolina Risk Management Conference | April 2026

Why Accurate Values Matter

- **Your property values are the foundation of your entire insurance program**
- **Too low** → coverage gaps that leave your agency exposed at claim time
- **Too high** → wasted budget dollars that could be deployed elsewhere
- **The right number** → accurate coverage, efficient spend, no surprises when it matters most
- **For public entities, the stakes are especially high** — you are protecting taxpayer assets

The Underinsurance Problem

- Most agencies don’t know they’re underinsured
- Values set years ago, never updated
- Tax assessed value ≠ replacement cost
- Construction costs up 30–50%+ since 2019
- Underinsurance is silent - shows at claim time

OSFM Guidelines for Reporting Property Values

"By statute, the State Property Fire Insurance Fund (the Fund) pays for losses to State property on a replacement cost basis. This means the Fund will pay the actual cost to replace damaged property, at the time of loss, with new property of like kind and quality and used for the same purpose, without adjustment for depreciation.

In order for an agency of state government to fully recover its loss on a replacement cost basis, it is necessary that the property be insured for its full replacement value. Accuracy in reporting values is important since the Fund cannot pay more than the amount reported. Also, should an agency report values greater than the replacement value, the agency may pay needless insurance premiums or cause the Fund to pay unnecessary premiums for reinsurance.

Since the methods of arriving at the appropriate replacement values for buildings and the contents of buildings differ, the guidelines will treat these types of property separately."

NC Office of State Fire Marshal: Guidelines for Reporting Property Values

Construction Cost Reality

- Replacement costs have risen dramatically since 2020
- Key drivers of rising replacement costs:
  - Materials (lumber, steel, concrete) up 30–80%; labor shortages driving contractor rates higher across the Southeast; longer project timelines and supply chain delays
  - A building that cost $5M to construct in 2015 may cost $7-8M to replace today
- Insurance is about replacement cost - not market value, assessed value, or original purchase price
- Most property schedules have not kept up - the gap is larger than most agencies realize

Challenges Public Entities Face

- **Keeping values current is genuinely difficult - the challenges are real!**
- **Large, diverse portfolios:** hundreds or thousands of locations across every age and construction type
- **Decentralized data:** property records spread across multiple agencies, systems, and spreadsheets
- **Formal appraisals are expensive and infrequent:** you can't appraise thousands of buildings every year
- **Budget pressure:** valuation work competes with other priorities and doesn't always win
- **The result:** schedules that are outdated, inconsistent, and difficult to defend at renewal or at claim

Getting to the Right Number

- Formal appraisals are the gold standard - engage a qualified replacement cost appraisal firm on a rotating cycle

- Annual trending between appraisals:
  - Apply construction cost indices each year to keep values from going stale between formal appraisals
  - Statement of Values hygiene: review annually for completeness, consistency, and outliers
  - Ask: When was this value set? Does it reflect current costs? Have there been additions or renovations?

- Good data in = better coverage decisions, more efficient spend, and stronger outcomes at renewal and at claim

AMWINS

Thank **you!**

OSFM Property Database

Modernizing Property Insurance for North Carolina State Agencies — a unified platform built for you, by the Office of State Fire Marshal and NCAIA.

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OFFICE OF STATE FIRE MARSHAL
NC DEPARTMENT OF INSURANCE

Where We Are Today

OSFM has successfully managed the **State Property Fire Insurance Fund** and the **Public School Insurance Fund** through dedicated systems. As these funds have grown and evolved, there's an opportunity to bring them together into a single, integrated platform that builds on the strengths of both.

Separate Systems

Policy issuance, rate making, and claims handling currently operate across multiple platforms. Consolidating these into one system will create a unified view of all operations.

Modernization Opportunity

Current infrastructure has served the funds well. Upgrading to a modern, integrated platform will enhance flexibility and enable new capabilities for the future.

Streamlined Workflows

Staff and agencies currently navigate multiple platforms for routine transactions. A single platform will simplify processes and reduce manual steps.

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Office of State Fire Marshal
NC Department of Insurance

Our Goal: One Unified System

A Single Source of Truth

The portal will unify insurance tasks like policy issuance, rate making, and claims handling into a single integrated platform for OSFM and its agencies.

No more switching between systems. No more duplicate data entry. Just one powerful, modern platform built for North Carolina state government.

What This Means for You

One-Stop Shop

All your insurance needs — in a single portal, accessible anytime.

Streamlined Renewals

Faster, simpler policy renewals with fewer steps and less paperwork.

Secure Login Access

View your Statement of Values, request changes, and submit claims — all with your own credentials.

Instant Premium Quotes

Easily quote premiums for new buildings without waiting on manual processes.

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Project Roadmap

1. **Fall 2025**
   Needs analysis and system mapping
2. **December 2025**
   Contract secured with BTCore
3. **January 2026**
   Development begins
4. **Fall 2026**
   System testing and validation
5. **January 2027**
   OSFM team rollout
6. **Spring 2027**
   Customer portal launch

From discovery to delivery — our timeline for bringing this platform to life.

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A Closer Look: The Customer Portal

Here is a preview of the platform experience your agency will use starting Spring 2027.

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NCAIA Portal | OSFM Portal

North Carolina Association of Insurance Agents

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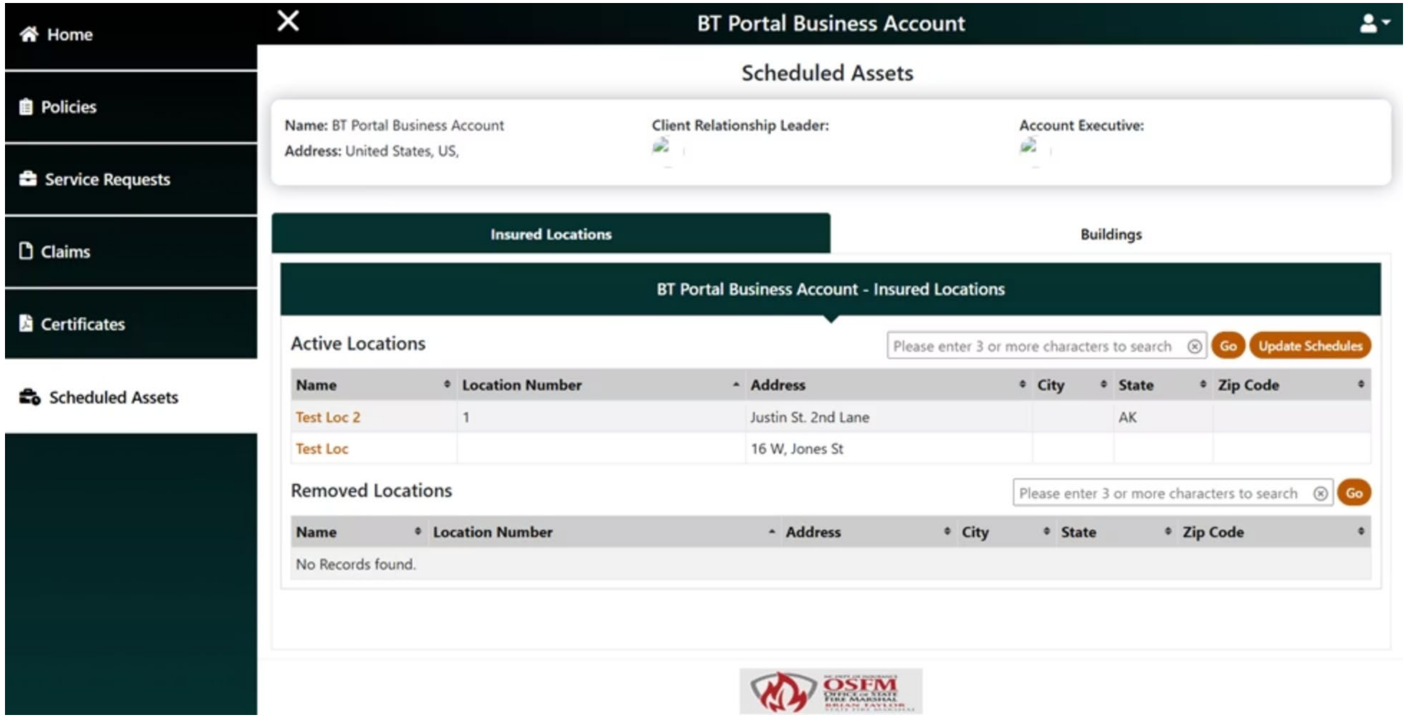
Office of State Fire Marshal
NC Department of Insurance

Your Customer Portal

The interface is designed with agency users in mind — clean navigation, clear data views, and intuitive workflows for renewals, claims, and valuation updates.



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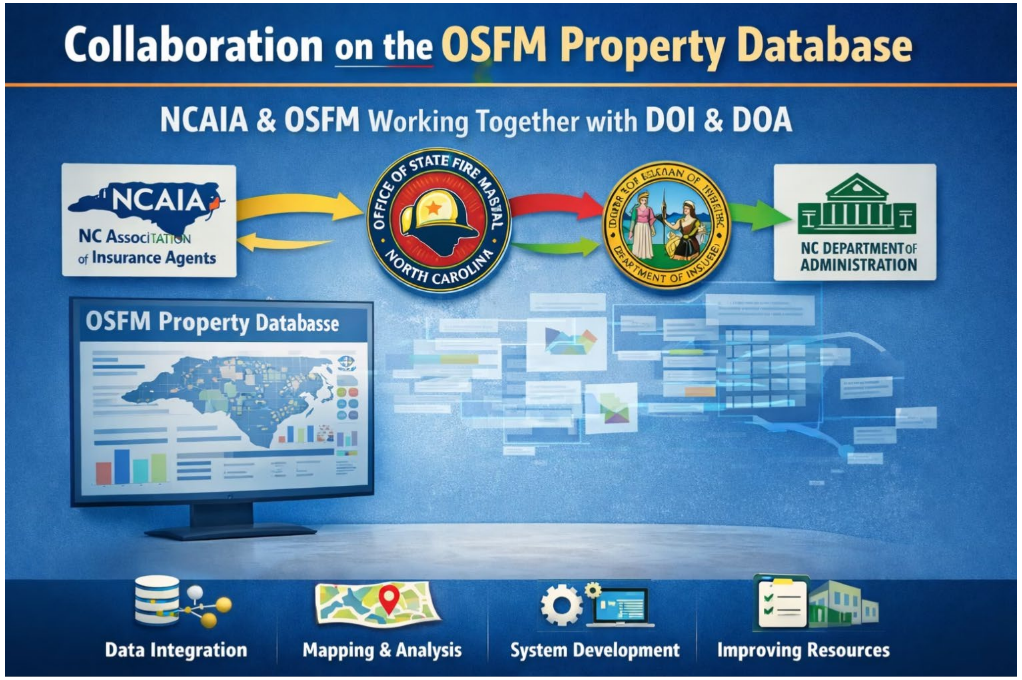
Stakeholders Who Made This Possible



Built Through Collaboration

This project required deep coordination across state government. NC AIA provided systems and procurement oversight, while OSFM and DOI contributed their subject matter expertise on insurance fund administration and regulatory compliance. Through an elaborate needs analysis in Fall 2025, our team met with key partners to understand system dependencies, regulatory requirements, and agency workflows.

That groundwork — done right — is what made it possible to secure the BTCore contract and begin development on schedule.

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What to Expect at Launch

01

Receive Your Login Credentials

Each agency will receive secure login access to the OSFM Customer portal with individualized user roles.

02

Review Your Statement of Values

Log in to view, verify, and update your insured property inventory in real time.

03

Submit Requests & Claims Online

Initiate policy changes and file claims directly through the portal — no phone calls or paper forms required.

04

Quote New Buildings Instantly

Use the built-in quoting tool to get premium estimates for new construction or acquisitions on demand.

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Why This Matters

2

Legacy Systems Replaced

State Property Fire Insurance Fund and Public School Insurance Fund — consolidated into one.

3+

State Agencies Aligned

DOA, OSFM, and DOI coordinated to build a compliant, integrated solution from the ground up.

1

Unified Platform

One system. One login. One place for all your insurance needs.

Bottom line: BTCore eliminates the friction of legacy systems and gives state agencies the modern, efficient insurance experience they deserve — saving time, reducing errors, and improving service.

What Comes Next

We are on track and on schedule. Here is your call to action:

→ Watch for outreach in early 2027

OSFM will contact agencies ahead of the Spring 2027 portal rollout with onboarding instructions and login credentials.

→ Identify your agency's point of contact

Designate someone who will manage your agency's Customer Portal and coordinate internally during the transition.

→ Reach out with questions

Contact **Latarsha Silver** (Deputy Chief Risk Management, OSFM) or **Drew Nicholson** (Director of Property Risk, NCAIA) any questions in the meantime.