



Brett Anderson  
BrettA@county.org

July 14, 2021

### ACTUAL CASH VALUE PAYMENT

VIA E-MAIL TO [kferguson@collincountytx.gov](mailto:kferguson@collincountytx.gov)  
Ms. Kimberly Ferguson  
Collin County HR Generalist/Risk  
& Risk Management Pool Coordinator  
2300 Bloomdale Rd Ste 4117  
McKinney, TX 75071-8517

RE     TAC RMP Claim #: PR20219710-1  
       Member:             Collin County  
       DOL:                 02/16/2021  
       Loss Location:       Multiple

Dear Ms. Ferguson:

This letter acknowledges our receipt of Collin County notice of freeze and resulting damages that occurred on or about 02/16/2021. We received notice of this claim on 03/08/2021.

We are sending you this letter because Collin County has designated you as its Pool Coordinator and has authorized you to receive communications regarding Claims. We interpret Collin County communication to the Texas Association of Counties Risk Management Pool ("Pool") as a request coverage under its Property Damage Coverage Document. If this is incorrect, please notify us as soon as possible.

This Claim was submitted under certificate PR0430202010011, ("Coverage Document"). The Coverage Document provides Property Coverage to Collin County for the period of

10/01/2020 through 10/01/2021. The Coverage Document provides blanket coverage of \$418,921,999 with a \$50,000 deductible per occurrence. The deductible applies to Damages and certain Claims Expenses, as the Coverage Document defines those terms.

Collin County submitted a claim for property damage from the winter storm due to frozen plumbing or other systems and resulting water damages. A damage appraiser from McLarens was initially retained to evaluate the damage. McLarens and construction consultant Grecco inspected the loss locations on 3/18/2021 and Grecco continued inspection on 3/19/2021. Please see the attached inspection report and estimate.

Please review the estimate provided. Please contact us with any differences or concerns prior to repairs commencing.

Under your Property Coverage Document, claim settlement begins with an initial payment for the actual cash value of your damage, or for the actual cash value of the lost or destroyed item(s), immediately prior to the loss or damage. Actual Cash Value as defined by the Property Coverage Document is the amount it would cost to repair or replace covered property, on the date of loss, with material of like kind and quality, computed by subtracting the depreciated value of the lost or damaged covered property from the actual replacement cost, using materials of like kind and quality, of the covered property at the time of loss.

Your initial payment is based on the actual cash value of your items. You may receive additional payment(s) once you repair and/or replace the damaged items and provide us with documentation (i.e., invoices or cancelled checks). Please mail, email or fax those documents to us when they are available. As stated in the Property Coverage Document, you will need to have repair or replacement completed on the same or another site within 2 years from the date of loss in order to make a claim on the recoverable depreciation.

Below is a breakdown of the payment that has been released under separate cover:

**BUILDING DAMAGES:**

Full cost of Repair or Replacement:	\$759,801.26
Less Recoverable Depreciation:	-\$175,441.90
Actual Cash Value:	\$584,359.36
Less Deductible:	-\$50,000.00
Less Prior Payments:	-\$100,000.00
<b>Total Payment:</b>	<b>\$434,359.36</b>

As outlined in the Property Coverage Document under **Section E Loss Adjustment and Settlement** subsection 3. Valuation K. 8 which states in part:

K. On all other property, the loss amount will not exceed the lesser of:

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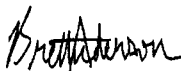
8) The Actual Cash Value if the property is:

- a. Useless to the Member: or
- b. Not repaired, replaced or rebuilt on the same or another site within two years from the date of loss.

The Member may elect not to repair or replace the Member's real or personal property lost, damaged or destroyed. The Member may elect loss settlement on the lesser of repair or replacement cost basis if the proceeds of the loss settlement are expended on other capital expenditures related to the Member's operations within two years from the date of loss. As a condition of collecting under this provision, expenditure must be unplanned as of the date of loss and be made at a Member Property under this Coverage Document.

If you have or receive further information that may warrant the Pool reevaluating the Claim for additional coverage, please immediately notify me at (512) 478-8753 or transmit a copy to me at BrettA@county.org or via fax at (512) 615-8942.

Sincerely,



Brett Anderson

Property Program Supervisor

Enclosures: McLarens Preliminary Report