2026 WEBINAR SERIES

Data-Driven Resilience: Property Valuation as a Strategic Risk Management Tool

Property Valuation as a Strategic Risk Management Tool

Mike Domin, President | Natalia Szubbocsev, Business Development

Insurance Valuation Group

INSURANCE VALUATION GROUP
IVG

Your Presenters



Mike Domin is the founder and President of Insurance Valuation Group (IVG), with 26 years of experience appraising buildings and contents to determine replacement values for insurance.

Before founding IVG, Mike was a Managing Director for a national appraisal firm, leading projects for counties, cities, park districts, universities, risk pools and school districts.

Certifications include CoreLogic Marshall & Swift Commercial Cost Approach, CCPIA Commercial Property Inspector and Wind Mitigation. He has spoken at Texas PRIMA, URMIA, National PRIMA and RIMS.

Michael Domin
President, IVG

Your Presenters



Natalia joined IVG in a Business Development leadership role, bringing her expertise in insurance valuation and property risk and her dedication to promoting accurate expert appraisals in the public and private sector risk manager space.

She began her insurance career as a broker and went on to oversee complex appraisal assignments globally, and is a speaker at RIMS and PRIMA on property data trends and appraisal practices.

Natalia Szubbocsev
Business Development, IVG

What We'll Cover

1. **Why replacement costs are shifting**
   Inflation, supply chains, codes and more frequent disasters
2. **Where outdated values leave you exposed**
   Underinsurance, capital planning gaps and slower recovery
3. **Keeping your SOV current**
   What it should answer, good data and common gaps
4. **Valuation as a strategic asset**
   Budgeting, reserves, emergency preparedness and shared data
5. **Inside an appraisal**
   Premise of value, scope, deliverables and timeline
6. **Annual trending**
   Building valuation into your risk management cycle

Why Appraisals Matter

Coverage that fits
A complete property listing and accurate values, so there are no surprises at the time of loss.

Better underwriting
Accurate COPE data improves catastrophe modeling, marketability to underwriters and fair allocation of premiums.

A record for the claim
Documented values, photos and building data support the proof of loss and the conversation with the adjuster.

What underwriters price from: COPE

C — **Construction**
ISO class, walls, roof type and age

O — **Occupancy**
City hall, fire station, county barn

P — **Protection**
Sprinklers, alarms, fire protection class

E — **Exposure**
Flood zone, wind and hail, nearby hazards

01

Why replacement costs are shifting

Inflation, supply chain volatility and shifting regulatory frameworks

What's Pushing Replacement Costs

Inflation

+46% BLS bid prices for new nonresidential buildings since Feb 2020

+5.4% in the last 12 months, after two flat years

Supply chain and tariffs

50% tariffs on steel and aluminum (June 2025) and copper products (Aug 2025)

+11.9% construction input prices, last 12 months

Labor

Tight skilled-trade shortages push up wages and stretch schedules

Longer rebuild timelines raise costs after a loss

Codes and regulation

Newer building, energy and accessibility codes apply to the rebuild

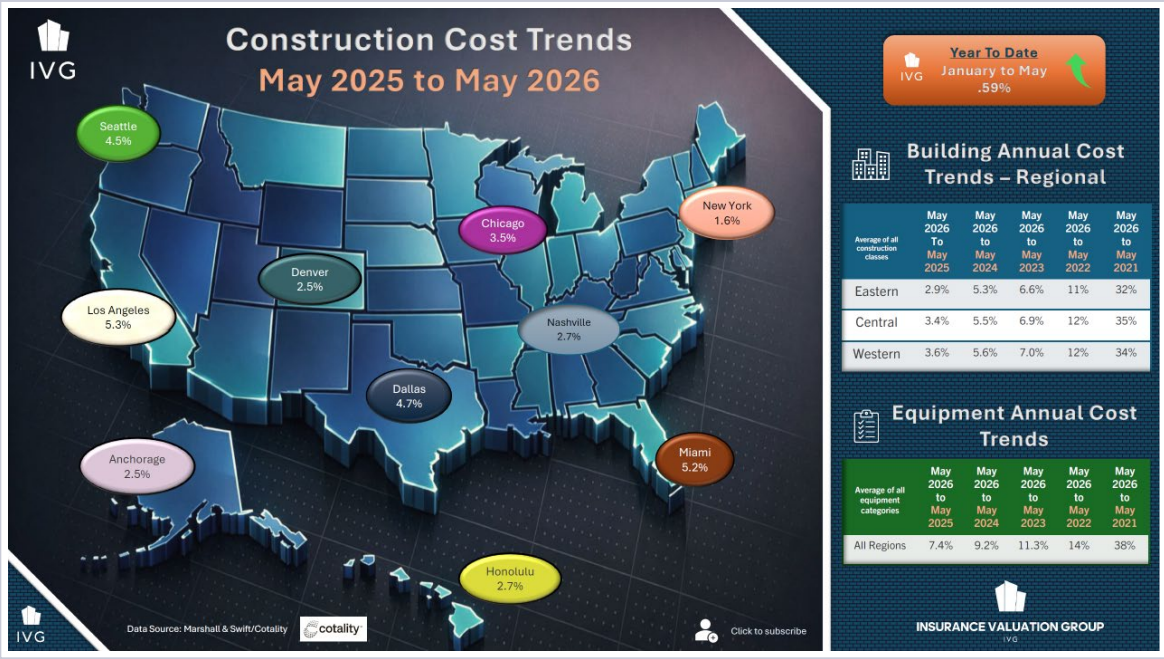
O&L code upgrades usually need Ordinance or Law coverage

Sources: BLS Producer Price Indexes via AGC (through Sept 2026); Section 232 tariff proclamations (2025), some equipment rates adjusted June 2026; softwood lumber 10% from Oct 14, 2025.

Why Values Get Outdated

What drives the drift

- Costs up about 45% since 2020
- Labor shortages
- Supply chain issues
- No regular trending
- Changes to the properties
- An inaccurate starting point
- A mix of valuation bases



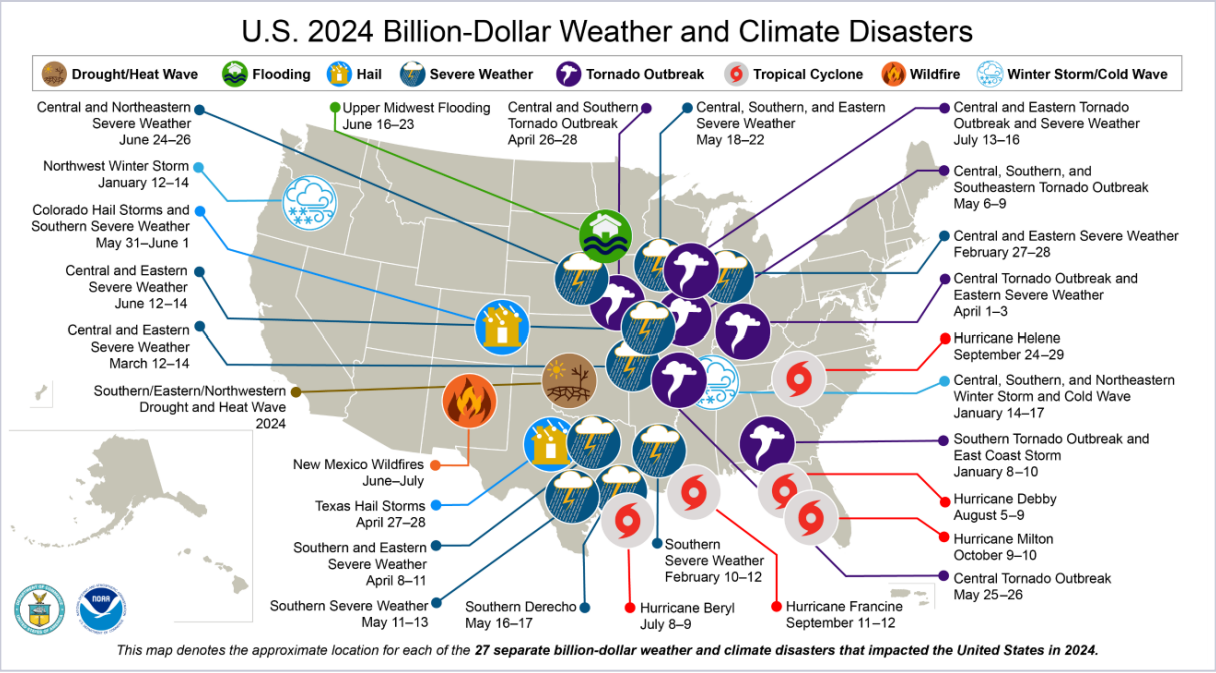
+4.7%
Dallas, May 2025 to May 2026

+35%
Central region, since May 2021

+38%
Equipment, since May 2021

Source: Marshall & Swift / Cotality cost trends, compiled by Insurance Valuation Group (May 2026). Regional figures are the average of all construction classes.

2024: Where the Big Losses Hit



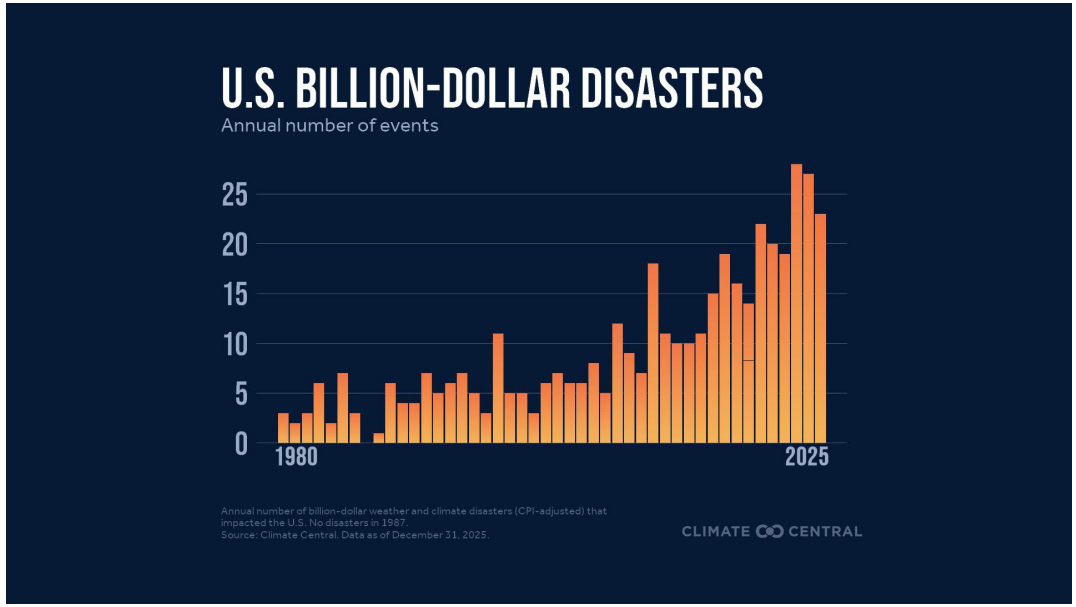
27 events by peril

17	Severe storms: hail, tornadoes, wind
5	Hurricanes
2	Winter storms
1	Flood
1	Drought and heat
1	Wildfire

In Texas: April hailstorms, the Houston derecho in May and Hurricane Beryl in July.

Source: NOAA National Centers for Environmental Information, U.S. 2024 Billion-Dollar Weather and Climate Disasters (the last year NOAA published).

Billion-Dollar Disasters



23	disasters in 2025, third-highest year on record
$115B	in damage, with 276 lives lost
21	of them severe storms, a record
10 days	average gap between events, vs. 82 days in the 1980s

Closer to home: hailstorms and flooding across Texas, March 25–28, 2025, caused about $1.2 billion in damage.

More frequent, costlier events put more pressure on underwriters and on the values they price from.

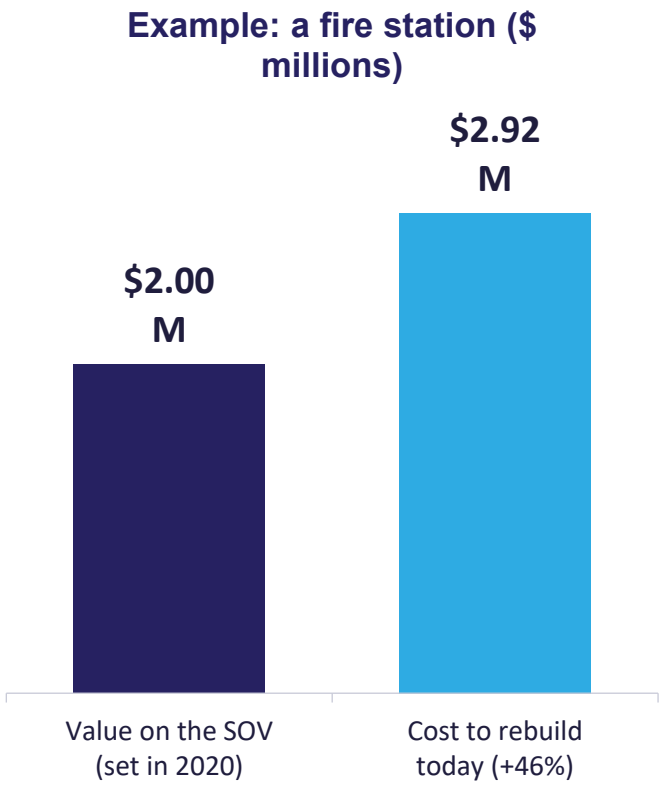
Source: Climate Central, U.S. Billion-Dollar Weather and Climate Disasters, 2025 in Review (Mar 2026), CPI-adjusted; chart used under CC BY 4.0. Climate Central took over the database NOAA retired in May 2025.

02

Where outdated values leave you exposed

Underinsurance, capital planning gaps and slower recovery after a loss

What That Means for One Building



A $2.0M value that was never trended is now about $0.9M short.

Where that gap can show up at claim time:

Policy limit
The building's scheduled value can become the ceiling on what's paid.

Coinsurance (if your policy has it)
At 90% coinsurance the requirement is $2.63M. Carrying $2.0M is 76% of that, so a $500K partial loss pays about $380K before the deductible.

Margin clause
Recovery at a location can be capped at a set percentage of the value you reported for it.

Under-Insured: Mason County

On the night of February 4, 2021, an arsonist gutted the 1910 Mason County Courthouse, leaving only its stone walls. A state-funded restoration had already been approved for it.

$39,786	~$12M	$20M+
Original cost to build, 1909–10	Early estimate, days after the fire	Final reconstruction cost

How it was paid for

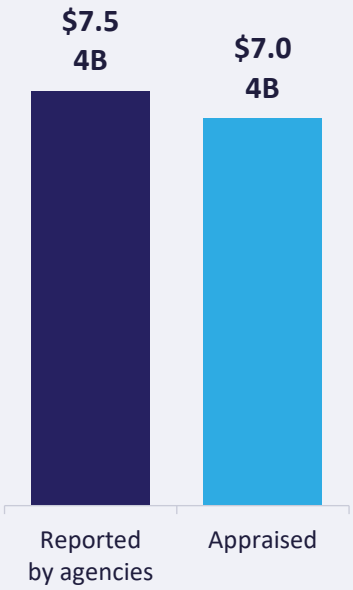
- **$12.7M** Insurance
- **$6.0M** Special appropriation from the Legislature
- **$4.1M** Texas Historical Commission grant
- **$5M+** Donations from the community

Insurance covered a little over half. The rest came from the state and the people of Mason County.

Sources: Texas Historical Commission, Courthouse Cornerstones (2023); Texas Standard (Feb 2021); KVUE (July 2024); Mason County Courthouse history.

The Other Direction: Over-Insured

State of Idaho (2025)



$503M

overstated (about 7%) on buildings that were appraised

Independent appraisal found demolished buildings turned up on the schedule.

St. Charles Parish Schools, LA (2026)

After a Statement of Values audit:

+$104M in insured values, now more defensible to carriers

–31% property rate, about $300K saved at renewal

The district credited the statement of values audit with getting better terms and making its values more defensible to carriers. Management is quoted: “That SOV work proved to be very favorable in our property insurance renewal.”

Sources: Idaho Risk Management Advisory Council minutes (Feb 12, 2025) and Feb 2025 legislative testimony; St. Charles Parish School Board meeting coverage (Apr 2026).

03

Keeping your SOV current

What a good statement of values answers, what good data looks like, and the gaps we find most often

What Your SOV Should Answer

What is it?	Building name, use and occupancy
Where is it?	Street address and GPS
How is it built?	Square footage, stories, year built, construction class, systems
What makes it unique?	Historic features, generators, specialty equipment
Why that value?	Documented cost method and appraisal date

Your SOV is what underwriters price from, and it's what the adjuster starts from after a loss. If each building can answer these five questions, you're in good shape.

What Good SOV Data Looks Like

Identification

- Asset / building number
- Building name
- Street address, city, ZIP
- GPS coordinates
- Occupancy / use

Building characteristics

- Gross square footage
- Number of stories
- Average story height
- Year built
- Major renovation year(s)
- Basement (Y/N)

Construction & protection

- ISO construction class
- Exterior walls, frame
- Roof type, cover, age
- Sprinklers, fire and smoke alarms
- Fire protection class

Valuation

- Building value
- Contents value
- Site improvements
- Valuation basis (RC / ACV)
- Appraisal or trend date

Common Gaps We Find

Values not updated in years

Costs are up about 46% since early 2020.

Square footage estimated

Square footage drives the value, so it's worth measuring.

Construction class unclear

ISO class affects rating and catastrophe modeling.

New buildings not added

The new annex or fire station isn't on the schedule yet.

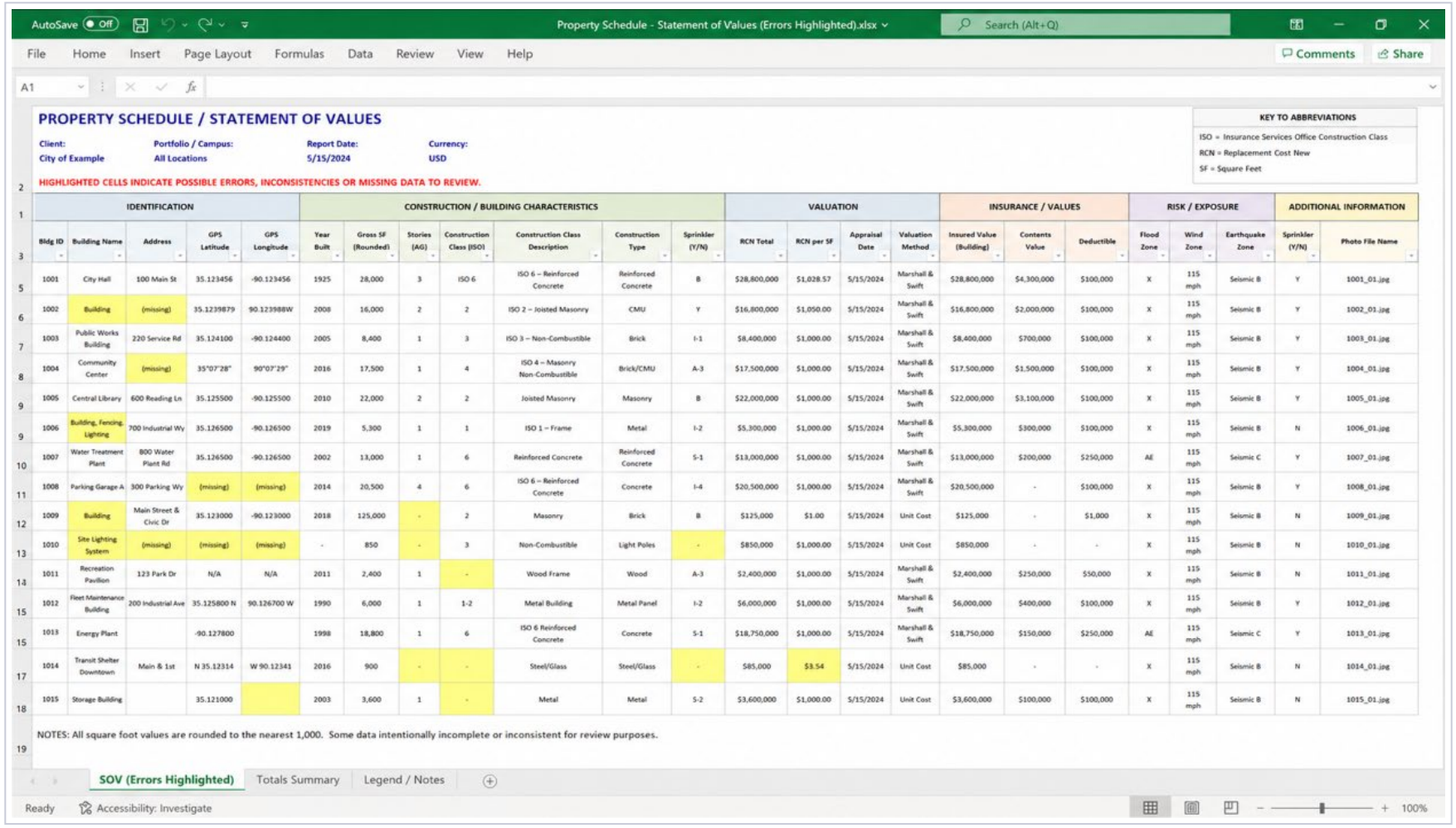
Contents never revisited

Equipment, IT and furniture values from years ago.

Buildings that are gone

Sold or demolished property still listed, and still carrying premium.

2026 WEBINAR SERIES



AutoSave Off — Property Schedule - Statement of Values (Errors Highlighted).xlsx — Search (Alt+Q)

File Home Insert Page Layout Formulas Data Review View Help — Comments — Share

A1

PROPERTY SCHEDULE / STATEMENT OF VALUES

Client:	Portfolio / Campus:	Report Date:	Currency:
City of Example	All Locations	5/15/2024	USD

HIGHLIGHTED CELLS INDICATE POSSIBLE ERRORS, INCONSISTENCIES OR MISSING DATA TO REVIEW.

KEY TO ABBREVIATIONS

ISO = Insurance Services Office Construction Class
RCN = Replacement Cost New
SF = Square Feet

IDENTIFICATION					CONSTRUCTION / BUILDING CHARACTERISTICS							VALUATION				INSURANCE / VALUES			RISK / EXPOSURE			ADDITIONAL INFORMATION	
Bldg ID	Building Name	Address	GPS Latitude	GPS Longitude	Year Built	Gross SF (Rounded)	Stories (AG)	Construction Class (ISO)	Construction Class Description	Construction Type	Sprinkler (Y/N)	RCN Total	RCN per SF	Appraisal Date	Valuation Method	Insured Value (Building)	Contents Value	Deductible	Flood Zone	Wind Zone	Earthquake Zone	Sprinkler (Y/N)	Photo File Name
1001	City Hall	100 Main St	35.123456	-90.123456	1925	28,000	3	ISO 6	ISO 6 – Reinforced Concrete	Reinforced Concrete	B	$28,800,000	$1,028.57	5/15/2024	Marshall & Swift	$28,800,000	$4,300,000	$100,000	X	115 mph	Seismic B	Y	1001_01.jpg
1002	Building	(missing)	35.1239879	90.123988W	2008	16,000	2	2	ISO 2 – Joisted Masonry	CMU	Y	$16,800,000	$1,050.00	5/15/2024	Marshall & Swift	$16,800,000	$2,000,000	$100,000	X	115 mph	Seismic B	Y	1002_01.jpg
1003	Public Works Building	220 Service Rd	35.124100	-90.124400	2005	8,400	1	3	ISO 3 – Non-Combustible	Brick	I-1	$8,400,000	$1,000.00	5/15/2024	Marshall & Swift	$8,400,000	$700,000	$100,000	X	115 mph	Seismic B	Y	1003_01.jpg
1004	Community Center	(missing)	35°07'28"	90°07'29"	2016	17,500	1	4	ISO 4 – Masonry Non-Combustible	Brick/CMU	A-3	$17,500,000	$1,000.00	5/15/2024	Marshall & Swift	$17,500,000	$1,500,000	$100,000	X	115 mph	Seismic B	Y	1004_01.jpg
1005	Central Library	600 Reading Ln	35.125500	-90.125500	2010	22,000	2	2	Joisted Masonry	Masonry	B	$22,000,000	$1,000.00	5/15/2024	Marshall & Swift	$22,000,000	$3,100,000	$100,000	X	115 mph	Seismic B	Y	1005_01.jpg
1006	Building, Fencing, Lighting	700 Industrial Wy	35.126500	-90.126500	2019	5,300	1	1	ISO 1 – Frame	Metal	I-2	$5,300,000	$1,000.00	5/15/2024	Marshall & Swift	$5,300,000	$300,000	$100,000	X	115 mph	Seismic B	N	1006_01.jpg
1007	Water Treatment Plant	800 Water Plant Rd	35.126500	-90.126500	2002	13,000	1	6	Reinforced Concrete	Reinforced Concrete	S-1	$13,000,000	$1,000.00	5/15/2024	Marshall & Swift	$13,000,000	$200,000	$250,000	AE	115 mph	Seismic C	Y	1007_01.jpg
1008	Parking Garage A	300 Parking Wy	(missing)	(missing)	2014	20,500	4	6	ISO 6 – Reinforced Concrete	Concrete	I-4	$20,500,000	$1,000.00	5/15/2024	Marshall & Swift	$20,500,000	-	$100,000	X	115 mph	Seismic B	Y	1008_01.jpg
1009	Building	Main Street & Civic Dr	35.123000	-90.123000	2018	125,000	-	2	Masonry	Brick	B	$125,000	$1.00	5/15/2024	Unit Cost	$125,000	-	$1,000	X	115 mph	Seismic B	N	1009_01.jpg
1010	Site Lighting System	(missing)	(missing)	(missing)	-	850	-	3	Non-Combustible	Light Poles	-	$850,000	$1,000.00	5/15/2024	Unit Cost	$850,000	-	-	X	115 mph	Seismic B	N	1010_01.jpg
1011	Recreation Pavilion	123 Park Dr	N/A	N/A	2011	2,400	1	-	Wood Frame	Wood	A-3	$2,400,000	$1,000.00	5/15/2024	Marshall & Swift	$2,400,000	$250,000	$50,000	X	115 mph	Seismic B	N	1011_01.jpg
1012	Fleet Maintenance Building	200 Industrial Ave	35.125800 N	90.126700 W	1990	6,000	1	1-2	Metal Building	Metal Panel	I-2	$6,000,000	$1,000.00	5/15/2024	Marshall & Swift	$6,000,000	$400,000	$100,000	X	115 mph	Seismic B	Y	1012_01.jpg
1013	Energy Plant		-90.127800		1998	18,800	1	6	ISO 6 Reinforced Concrete	Concrete	S-1	$18,750,000	$1,000.00	5/15/2024	Marshall & Swift	$18,750,000	$150,000	$250,000	AE	115 mph	Seismic C	Y	1013_01.jpg
1014	Transit Shelter Downtown	Main & 1st	N 35.12314	W 90.12341	2016	900	-	-	Steel/Glass	Steel/Glass	-	$85,000	$3.54	5/15/2024	Unit Cost	$85,000	-	-	X	115 mph	Seismic B	N	1014_01.jpg
1015	Storage Building		35.121000		2003	3,600	1	-	Metal	Metal	S-2	$3,600,000	$1,000.00	5/15/2024	Unit Cost	$3,600,000	$100,000	$100,000	X	115 mph	Seismic B	N	1015_01.jpg

NOTES: All square foot values are rounded to the nearest 1,000. Some data intentionally incomplete or inconsistent for review purposes.

SOV (Errors Highlighted) | Totals Summary | Legend / Notes

Ready — Accessibility: Investigate — 100%

04

Valuation as a strategic asset

Budgeting, reserve adequacy, emergency preparedness and shared data

Values as a Strategic Asset

Budgeting

- Forecast premiums from an accurate total insured value
- Right-size deductibles and retentions
- Feed realistic replacement costs into the capital plan

Reserve adequacy

- Size reserves to the real exposure, not just the deductible
- Example: a $40K deductible reserve doesn't cover a $920K shortfall
- Support pool contributions and retention decisions

Emergency preparedness

- Photos, square footage and COPE data on file before the event
- Faster proof of loss and FEMA documentation
- Know which critical facilities to restore first

A routine compliance task becomes an input to budget, reserve and response decisions.

Same Building, Different Numbers

Value	Used by	What it means	Example: fire station
Insurance replacement cost	Risk / insurance	Cost to rebuild like kind and quality today, excluding land	**$2.9M**
Book value (GASB 34)	Finance	Historical cost less accumulated depreciation	**$0.9M**
Capital plan / lifecycle cost	Facilities	Projected cost to renovate or replace on a future date, with upgrades, soft costs and escalation	**$4.1M in 2035**
Market or appraisal district value	Tax / real estate	What it would sell for; often exempt or not meaningful for public buildings	**Not meaningful**
Damage estimate	Emergency mgmt.	Cost to repair eligible damage after a specific event	**Event-specific**

Each number is right for its purpose. Problems start when one is used for another.

Example values are illustrative. Book value per GASB Statement 34 (historical cost less depreciation); insurance values per the policy's valuation basis.

05

Inside an appraisal

Premise of value, scope, deliverables and timeline

Premise of Value

Replacement cost new

The cost to replace a property all at once, as of a specific date, in like size, kind and quality at current prices for labor, materials, overhead, profit and fees. The industry standard for insurance placement.

Actual cash value

Replacement cost new less physical depreciation.

Historic reproduction cost

The cost to reproduce a replica of the property as exact replica in labor and materials. Often the right question for a historic courthouse. Demolition and debris removal are included only when requested.

What's Included in an Appraisal

On-site inspection

- Measure square footage and perimeter
- Photos of each building
- Construction, occupancy and protection (COPE)
- Confirm addresses and GPS

Building valuation

- Replacement cost new, by component
- ACV or reproduction cost when needed
- ISO construction class
- Marshall & Swift cost data with local multipliers

Contents and site

- Furniture, equipment and IT
- Fencing, lighting, paving
- Pavilions, canopies and other structures
- Major building systems and specialty features

What you get back

- Report with methodology and appraisal date
- SOV-ready Excel file
- Building photos and data
- Online access through IVHub

Two ways to do it: Physical appraisal (boots on the ground) · Desktop updates in between

Reporting

PDF and Excel versions

Typically provide reports in both versions for easy distribution and efficient data transfer.

USPAP compliant

Appraisal report adheres to USPAP (Uniform Standards of Professional Appraisal Practice) guidelines, ensuring that it meets the highest standards of integrity, impartiality, and professionalism in the industry. This compliance signifies that the appraisal is based on thorough research, accurate data, and unbiased analysis, providing clients with a reliable assessment for insurance purposes.

Web-based or Software Reporting

Reporting to use after an appraisal to maintain your property schedule. This can be a live database that allows the user to add, delete or edit data so the information stays current.

Project Timeline

1. **Authorization**
   Start date
   Once we are authorized, we schedule a planning and kickoff call to discuss the onsite inspection and appraisal process. We request drawings (PDF or electronic), site contacts and recent project costs (AIA documents).

2. **Site inspection**
   Varies by site count
   A walk-through of every building in the property schedule, coordinated with each site.

3. **Valuation**
   2-3 weeks
   Office pricing and valuation after data collection is complete.

4. **Report processing**
   1-2 weeks
   We create the PDF and Excel reports and upload your results to web-based software to maintain your property schedule.

5. **Final reports**
   Delivered electronically
   Final PDF and Excel reports, with your values loaded for ongoing updates.

Delivery - 8 Weeks from Fieldwork

06

Annual trending

Building valuation into your risk management cycle, grounded in authoritative cost indices

The Annual Valuation Review

1 Reconcile
180 days

Adds, disposals and renovations from finance and facilities

2 Trend
150 days

Apply an authoritative cost index by occupancy and region

3 Test
120 days

Check cost per square foot outliers and critical facilities

4 Coordinate
90 days

Share the register; keep value types separate

5 Submit
60 days

Send the SOV with valuation date and method

6 Document
After renewal

Log what changed; schedule rotating physical appraisals

Days before renewal. Physical appraisals on a 3–5 year rotation, highest values and critical facilities first; index trending in between.

Authoritative Cost Indices

Index	Publisher	What it measures	Best use
Marshall & Swift	Cotality (formerly CoreLogic)	Replacement cost by occupancy, construction class and location	**Annual trending of insured values**
RSMeans	Gordian	Construction costs, with city cost indexes	**Localizing estimates and capital planning**
ENR Building Cost Index	Engineering News-Record	Materials and skilled-labor costs, 20-city average	**Broad trend check**
PPI: new nonresidential building construction	U.S. Bureau of Labor Statistics	Contractors' selling prices for new buildings	**Free, independent benchmark**
Turner Building Cost Index	Turner Construction	Nonresidential selling prices from Turner projects	**Cross-check**

Pick one primary index, use it every year, and record which index and which dates. Consistency is what makes the number defensible.

Example of a public agency using indices: the Texas Higher Education Coordinating Board adjusts project costs with the ENR Building Cost Index and RSMeans location factors.

Trending a Value

$2,000,000

Value at last appraisal
(May 2021)

→

× 1.35

Marshall & Swift, Central region,
May 2021 to May 2026

=

$2,700,000

Trended value
(May 2026)

Formula: trended value = last appraised value × (index today ÷ index at appraisal date)

What trending won't catch

Additions, renovations, demolitions or data errors. Trending keeps a good baseline current; it can't fix a bad one. That's what the periodic physical appraisal is for.

Source: Marshall & Swift / Cotality cost trends, Central region (average of all construction classes), compiled by Insurance Valuation Group.

Cost per Square Foot Benchmarks

Building type	ICC national avg. (building only)	Recent Texas public projects	Texas examples (2022–2026)
City hall / county administration	$213 – $287	**$611 – $707**	La Porte, Mansfield, Pflugerville, Richardson, Royse City, Celina
Fire / EMS station	$213 – $287	**$627 – $860**	Terrell, Mesquite, Garland, Baytown, College Station, Justin, Celina
Courthouse / justice center	$213 – $309	**$405 – $759**	Kaufman Co. (2022), San Patricio Co., Waller Co. (2025)
Library	$188 – $252	**$509 – $638**	Fort Worth, Weslaco
Community / senior center	$188 – $252	**about $308**	Matagorda Co. (Sargent)
Maintenance shop / barn	$88 – $138	**$100 – $224**	City of Tool; McGregor and Whitesboro ISD ag barns

Quick check: divide each building's insured value by its square footage and see where it lands.

ICC Building Valuation Data (Feb 2026): national average, excludes land and site work. Texas projects: estimated construction cost ÷ square feet from TDLR TABS (2024–2026) and a Van Zandt County comparison (2025); may include site work and soft costs. A sanity check, not a valuation.

Key Takeaways

1. Replacement costs are shifting: inflation, tariffs, labor and codes have moved the baseline since 2020.
2. Outdated values create more than underinsurance: they distort capital plans and slow recovery.
3. Current values feed budgeting, reserves and emergency preparedness. Keep value types separate, tied to one building list.
4. Build an annual review around one authoritative index, with physical appraisals on a rotation.

Questions?

Thank You!

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