



Prepare Now: Coverage Changes for Roofs and Vacant Buildings Require Proactive Planning

The Texas Council Risk Management Fund (TCRMF) has implemented important changes to its property coverage that will impact members with aging roofs and buildings approaching vacancy. These updates, driven by rising claim costs and reinsurance pressures, are designed to encourage proactive maintenance and risk mitigation. As the 2026–2027 Fund year approaches, members are strongly encouraged to evaluate their properties now to avoid coverage reductions and ensure compliance with new guidelines.

Roof Coverage Changes

Roofs have become a focal point for property claims, especially due to hail and wind damage. In response, the Fund has adopted stricter coverage provisions based on roof age and condition:

- **Actual Cash Value (ACV) Coverage:** Roofs identified as in “poor” condition or beyond their useful life will have coverage changed to ACV six months after the member is notified. This means depreciation will be deducted from any claim payouts while under this coverage.
- **Age Thresholds:**
 - Flat membrane roofs: ACV coverage begins at 25 years.
 - Composition shingle roofs: ACV coverage begins at 15 years.
- **Reinstatement of Replacement Cost (RC):** If a roof is repaired or replaced with hail-resistant materials, RC coverage will be reinstated.
- **Hail Resistance Recommendation:** It is recommended that roof replacements meet hail resistance standards set by Underwriters Laboratories (UL 2218) or FM (Formerly FM Global), for your respective locations.

These changes mean that roofs beyond their age threshold (useful life) will no longer be eligible for full replacement cost coverage unless replaced or upgraded. Members should assess the age and condition of their roofs now and plan for replacements where necessary to maintain full coverage.

Vacant Building Coverage Changes

Vacant buildings present unique risks, and a recent total loss prompted a reevaluation of the Fund’s vacant building policy. Effective September 1, 2024, the following changes apply:

- **ACV Coverage After 120 Days:** Buildings vacant for more than 120 days will be covered on an ACV basis instead of RC.
- **Excluded Perils:** After 120 days, coverage excludes vandalism, sprinkler leakage, glass damage, water damage, theft, and attempted theft—unless the member purchases a Vacant Building Endorsement.
- **Demolition Plans:** Buildings scheduled for demolition will be covered only on an ACV basis.

- Coverage Duration: Coverage is limited to any portion of the Fund year in which the building became vacant plus one full Fund year.
- Risk Control Compliance: If Risk Control recommendations are not completed within three months, the building can be excluded from coverage.

These updates are intended to reduce claim exposure and encourage timely decisions about the future use of vacant properties.

Plan Ahead for the 2026–2027 Renewal

With these changes in effect, members should begin evaluating their properties now—especially roofs nearing their useful life and buildings that may become vacant. Early action can help preserve full coverage, avoid depreciation penalties, and ensure compliance with Fund guidelines. Reach out to Risk Control or Underwriting for assistance in assessing your property portfolio and planning for renewal.