COMMERCIAL RENEWAL REVIEW · POLICY TERM DECEMBER 1, 2026 TO DECEMBER 1, 2027

Cottonwood Bend Fabrication, Inc.

This is a review, not a bill.

What changed in your risk this year, what your coverage does for you, the choices in front of you, and what we recommend.



PREPARED BY
Harrow & Plains Insurance Partners
Omaha, Nebraska

PREPARED
November 3, 2026

NAMED INSURED
Cottonwood Bend Fabrication, Inc.

Sample renewal review. The agency, the client and every figure in this document are illustrative.

THE HEADLINE

+19.4%

of which 69.2% is growth.

$321,825 → $384,258
Total program premium, expiring to renewal as quoted

+$62,433
The full change, explained to the dollar in section 03

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A LETTER BEFORE THE NUMBERS

Before you look at the number

Your renewal premium as quoted is $384,258, up from $321,825. That is $62,433, or 19.4%, and we would rather you hear it from us first and in full.

Here is the short version of what follows. Most of the increase, about $43,200 of it, is your company getting bigger: more sales, more payroll, a new fiber laser and weld cell, one more truck, and a main plant that now costs more to rebuild than the old schedule said it did. About $14,800 is a single workers' comp claim from February 2025 moving through your experience mod, which is how the rating system is designed to work. The remaining $4,400 is rate, and it is a mix: up on property, liability and auto, down on workers' comp classes and cyber.

> *Per $100 of your revenue, your insurance went from 94 cents to one dollar.*

We tested that number against four other carriers in September and October. We will show you what came back. We will also show you three changes you could make to the program's structure, what each one saves or costs, and exactly what risk each one moves onto your balance sheet. Then we tell you what we would do in your seat, and why.

This is our tenth renewal together. We would like it to be a conversation about your business, not a price.

Your account team at Harrow & Plains

HOW TO READ THIS REVIEW

The coverage descriptions in this review are plain-language summaries meant to help you make decisions. Your policies' actual terms, conditions and exclusions govern any claim. The figures are illustrative, prepared for a sample account.

01 · THE YEAR IN REVIEW · YOUR BUSINESS THIS YEAR

A bigger shop than last December

It was a growth year, and growth is what insurance prices first.

- **Revenue rose from $34.1 million to a projected $38.4 million, up 12.6%.** Most of the gain is the stainless enclosure contract with your food-processing equipment customer, which started shipping in May.
- **Headcount went from 128 to 142** as you staffed a fuller second shift. Payroll rises from $7.8 million to a projected $8.9 million.
- **You added $1.55 million of equipment at the main plant:** the 12 kW fiber laser in April ($1,100,000) and the second robotic weld cell in August ($450,000).
- **The main plant was appraised this spring.** The building had been scheduled at $9.8 million since the 2019 appraisal. The 2026 appraisal puts its replacement cost at $11.6 million. More on why this matters in section 02.
- **The fleet grew to ten units** with a pickup for maintenance and parts runs, alongside the two box trucks, the Class 8 tractor and flatbed, and six other pickups and vans.
- **Your customer contracts tightened.** Both your agricultural equipment customer and your new food-equipment customer require a $5 million umbrella, additional insured status on a primary and noncontributory basis, and a waiver of subrogation. We reviewed both agreements and confirmed the endorsements on your policies match what the contracts ask for.
- **Your carrier's loss control visit in June made two recommendations:** light curtains on the two older press brakes, and housekeeping and grounding at the powder-coat booth in La Vista. The powder-coat work is done. One press brake is fitted; the second is scheduled for December.
- **You finished rolling out multi-factor authentication** on email and remote access in March. It shows up in your cyber renewal.

THE SHOP IN NUMBERS

$34.1M → $38.4M
Revenue, FY2025 to FY2026 projected · +12.6%

128 → 142
Employees, last year to now

$7.8M → $8.9M
Payroll, projected · +14.1%

$1.55M
New equipment at the main plant

9 → 10
Vehicles on the schedule

NAMED INSURED
Cottonwood Bend Fabrication, Inc.

OPERATION
Contract precision sheet metal and light structural fabrication to customers' prints: fiber laser cutting, CNC press brake forming, robotic and manual MIG/TIG welding, in-house powder coating.

WHAT YOU MAKE
Enclosures, brackets and welded frames for agricultural equipment makers; stainless enclosures and guards for food-processing equipment makers; HVAC components.

LOCATIONS
Omaha main plant, owned, 92,000 sq ft. La Vista finishing building, leased, 38,000 sq ft.

WITH US SINCE
December 2017

69.2% of the increase is your company getting bigger.

THE REST OF THIS REVIEW SHOWS THE ARITHMETIC, LINE BY LINE

01 · THE YEAR IN REVIEW · YOUR CLAIMS, HONESTLY

Clean property, a hard year on the road, and one claim that still counts

Property. No property claims in five years. That record is the foundation of Option A in section 05.

Workers' compensation. Two things are true at once. Your current year has been reasonable in size: one lost-time back strain in July (open, $14,200) and four medical-only claims (two sheet-edge lacerations, an eye foreign body from grinding, a minor weld-cell burn) totaling $5,900. And the February 2025 press brake injury, where your operator lost eleven weeks after surgery on two fingers and came back to full duty, closed at $86,400. That claim is now inside your experience mod, and it is the main reason your mod moved from 0.88 to 0.97.

Auto. Three claims this year, against one in each of the prior years that had any. A box truck backed into a customer's dock door in January ($6,800, closed). A company pickup was in a low-speed rear-end collision on I-80 in April, and the other driver has made an injury claim; the carrier's reserve is $28,000 and the claim is open. A June hailstorm damaged a pickup's windshield and hood ($2,400). The reserve is the carrier's current estimate, not a prediction of how the claim will resolve.

General liability. One small claim in five years ($2,200 in 2023–24).

FIVE-YEAR LOSS SUMMARY — INCURRED DOLLARS · CLAIM COUNT IN PARENTHESES · VALUED OCTOBER 15, 2026

POLICY YEAR	PROPERTY	GENERAL LIABILITY	AUTO	WORKERS' COMP	TOTAL	YEAR TOTAL, TO SCALE
2021–22	$0 (0)	$0 (0)	$3,100 (1)	$4,800 (2)	**$7,900**	
2022–23	$0 (0)	$0 (0)	$0 (0)	$11,600 (3)	**$11,600**	
2023–24	$0 (0)	$2,200 (1)	$5,400 (1)	$3,900 (2)	**$11,500**	
2024–25	$0 (0)	$0 (0)	$4,700 (1)	**$93,100 (3)**	**$97,800**	
2025–26 current, to 10/15	$0 (0)	$0 (0)	**$37,200 (3)**	$20,100 (5)	**$57,300**	
Five-year total	**$0 (0)**	**$2,200 (1)**	**$50,400 (6)**	**$133,500 (15)**	**$186,100**	

Incurred is paid to date plus the carrier's reserve on open claims. Shaded: the 2024–25 year holds the February 2025 press brake injury ($86,400, closed); the current auto year holds the open I-80 injury claim ($28,000 reserve).

THE CLAIM YOU DIDN'T FILE

$38,000

Internal cost to rework and reship 1,800 welded frames, March 2026

In March your agricultural equipment customer rejected 1,800 welded frames for porosity, and you reworked and reshipped them at about $38,000. You called us that week, and we talked it through: the cost of fixing or replacing your own work is generally outside what general liability is built to address, which is why no claim was filed. We mention it because it is the most common surprise in a fabricator's program, and because it shaped one of the questions we would like to ask you in section 07.

02 · WHAT MOVED THE MARKET, AND WHAT MOVED YOU

Four forces, in plain words

Each force is tied to the line it moved. Property first, because it changed the most on paper and carries the one term we most want you to see.

FORCE 1 · PROPERTY

$9.8M → $11.6M

Main plant replacement cost: the 2019 schedule against the 2026 appraisal

THE TERM TO READ TWICE

Wind and hail deductible

$25,000

Expiring: flat, per occurrence

$116,000

Renewal, main plant: 1% of the building's $11.6M insured value

$50,000

Renewal, La Vista: the $50,000 minimum

Property: what it costs to rebuild your plant

Property insurance is priced on what it would cost to rebuild and re-equip, not on what the building would sell for. Your building was scheduled at $9.8 million, a number set by the 2019 appraisal and carried forward. Since then the cost of steel framing, roofing, electrical work and labor has climbed, and the 2026 appraisal puts the replacement cost at $11.6 million.

This matters for more than price. Your property policy is written on an agreed-value basis, which waives the coinsurance penalty that can reduce a loss payment when values are reported too low. The carrier will only agree to value when the values are current. Updating the schedule was the right call regardless of what it did to premium, because a policy written on the old number would have left $1.8 million of your building's rebuild cost outside the limit.

Add the new laser and weld cell, inventory for the food-equipment contract and a larger business income limit to match revenue, and your total insured value rose 17.9%, from $24.6 million to $29.0 million. The rate per $100 of value moved far less: from $0.250 to $0.258, up 3.2%.

The other property change is the wind and hail deductible. Nebraska sits in one of the most hail-active regions of the country, and carriers writing here have been moving from flat deductibles to percentage deductibles on owned buildings. Your renewal changes the wind and hail deductible from a flat $25,000 to 1% of the building's insured value, $50,000 minimum. At the main plant that is $116,000. We want this change to be impossible to miss. Option B in section 05 addresses it directly.

STATEMENT OF VALUES — EXPIRING AGAINST RENEWAL

ITEM	EXPIRING	RENEWAL	CHANGE	WHY
Location 1 building Omaha, owned	$9,800,000	**$11,600,000**	+$1,800,000 (+18.4%)	2026 replacement-cost appraisal; last formal appraisal was 2019
Location 1 business personal property machinery, tooling, inventory	$7,400,000	**$8,950,000**	+$1,550,000 (+20.9%)	New 12 kW fiber laser ($1,100,000) and second robotic weld cell ($450,000)
Location 2 business personal property and tenant improvements La Vista, leased	$1,900,000	**$2,050,000**	+$150,000 (+7.9%)	Powder-coat inventory and finished goods staged for the new food-equipment contract
Business income and extra expense	$5,500,000	**$6,400,000**	+$900,000 (+16.4%)	Revenue growth
Total insured value	**$24,600,000**	**$29,000,000**	**+$4,400,000 (+17.9%)**	Rate per $100 of value: $0.250 to $0.258 (+3.2%)

FORCE 2 · GENERAL LIABILITY

$1.25 → $1.32

Rate per $1,000 of sales, up 5.6%

General liability: what injuries cost in court

Your general liability is rated on sales, so $4.3 million of new revenue alone adds about $5,400 at last year's rate. The rate itself rose 5.6%, from $1.25 to $1.32 per $1,000 of sales.

The reason is severity, and it is not about your record. Your parts go into machinery: frames on agricultural equipment, guards and enclosures on food-processing lines. When someone is hurt by a machine, every company whose part is in it can be named in the lawsuit. Across the country, the size of injury verdicts and settlements has grown faster than general inflation for years, a trend the industry calls social inflation: larger jury awards, longer litigation, more attorney involvement in claims that once settled quietly. Carriers price products liability for that environment, and a shop that adds a food-equipment customer adds products in a second industry.

FORCE 3 · WORKERS' COMPENSATION

Mod 0.88 → 0.97

Experience modification, expiring to renewal. Workers' comp is 41.5% of the renewal premium.

WHICH YEARS COUNT

~~2021–22 · rolled off~~
2022–23 · in the window
2023–24 · in the window
2024–25 · rolled in
2025–26 · enters at the December 2027 renewal

Workers' compensation: your mod, against a softer class rate

Workers' comp is the largest line in your program, 41.5% of the renewal, so it deserves the most careful explanation.

Your premium starts with payroll multiplied by a rate for your work classification. The main class, 3066 sheet metal products manufacturing, carries most of your payroll. Payroll grew 14.1%, which on its own would have added about $19,400.

Then two things moved in opposite directions. The rate for your classes came down: 3066 fell 5.0%, from $2.40 to $2.28 per $100 of payroll, worth about $7,650 in your favor. And your experience modification rose from 0.88 to 0.97.

The experience mod compares your actual claims to what is expected for a company your size in your classes, over three completed policy years. It leaves out the most recent year, so the claims are fully known before they count. For this renewal the window covers 2022–23, 2023–24 and 2024–25. A quiet year, 2021–22, rolled off. The year with the February 2025 press brake injury rolled in. That shift is worth about $14,800 this year.

Two facts about the mod are worth carrying into next year. First, the formula weighs how often claims happen more heavily than how large any single claim is. Several small claims can move a mod as much as one serious one. Second, the 2024–25 year will stay in your mod for this renewal and the next two. Your current year's five claims will enter the window at the December 2027 renewal. What you do about frequency now shows up in your mod for the three years after that.

THE WORKERS' COMP WALK — EXPIRING TO RENEWAL, STEP BY STEP

$133,000	+$19,374	−$7,654	+$14,801	−$21	$159,500
Expiring premium	Payroll, +14.1%	Class rates down	Mod, 0.88 to 0.97	Discount and charges	Renewal premium

Ochre steps add to the premium; green steps take away. The full rating detail follows on the next page.

WORKERS' COMPENSATION RATING DETAIL

HOW THE $159,500 IS BUILT

CLASS (NCCI CODE)	PAYROLL EXPIRING	RATE PER $100	PAYROLL RENEWAL	RATE PER $100	MANUAL EXPIRING	MANUAL RENEWAL
3066 Sheet metal products manufacturing, shop	$6,650,000	$2.40	$7,620,000	$2.28	$159,600	$173,736
8810 Clerical office	$820,000	$0.14	$890,000	$0.13	$1,148	$1,157
8742 Outside sales	$330,000	$0.32	$390,000	$0.30	$1,056	$1,170
Total	**$7,800,000**		**$8,900,000**		**$161,804**	**$176,063**
Experience modification					× 0.88	**× 0.97**
Modified premium					$142,388	$170,781
Premium discount, expense constant and state charges (net)					–$9,388	–$11,281
Workers' comp premium					**$133,000**	**$159,500**

FORCE 4 · COMMERCIAL AUTO

$4,322 → $4,745

Premium per vehicle, nine units to ten

Commercial auto: more vehicles, more claims, costlier repairs

Auto is priced per vehicle, and you added one: about $4,300 of this line's increase. The rest, about $4,200, is rate on the fleet.

Two things drive that rate. Across the industry, auto liability claims have become more expensive to settle, especially when there is an injury claim and an attorney involved, and physical damage repairs cost more because modern vehicles are full of sensors and cameras that turn a bumper replacement into a calibration job. And your own fleet had three claims this year, including an open injury claim. Underwriters read a box truck backing into a dock door as a pattern to watch, because backing incidents tend to repeat without a change in practice.

TWO LINES THAT HELD

+$350 · –$150

Management liability and cyber

Management liability rose $350 (3.0%), entirely from the larger headcount, which is what employment practices liability is rated on.

Cyber came down $150 (2.3%). Your multi-factor authentication rollout is the kind of control cyber underwriters look for first, and it shows.

TERMS IN PLAIN WORDS

THE VOCABULARY OF THIS REVIEW

Aggregate
The most a policy will pay for all covered claims in one policy year, as opposed to the limit per occurrence.

Agreed value
A property provision in which the carrier accepts your reported values for the term and waives the coinsurance penalty that can reduce a payment when values are reported too low.

Deductible / retention
The part of a covered loss you pay before the policy's money begins.

Experience modification (mod)
A factor comparing your workers' comp claims over three completed years to what is expected for a company your size and type. Below 1.00 is a credit; above 1.00 is a surcharge.

Incurred
What a claim has cost so far plus what the carrier has set aside for an open claim (the reserve).

Products-completed operations
Liability for injury or damage caused by your product after it has left your control.

Replacement cost
What it would cost to rebuild or replace with like kind and quality today, without deducting for age.

Social inflation
The rise in liability claim costs beyond general inflation, driven by larger jury awards, longer litigation and more attorney involvement.

Sublimit
A smaller limit inside a policy for a specific kind of loss.

03 · WHAT THE PREMIUM DID, LINE BY LINE

Expiring against renewal, and why each line moved

$321,825 to $384,258. Here is every dollar of the $62,433, by line and by cause.

TABLE 6.1 · PREMIUM BY LINE — EXPIRING 2025–26 AGAINST RENEWAL AS QUOTED 2026–27

LINE	EXPIRING	TO SCALE	RENEWAL	CHANGE	%	WHAT DROVE IT
Workers' compensation 41.5% of renewal	$133,000		**$159,500**	**+$26,500**	+19.9%	Payroll up 14.1% and the mod from 0.88 to 0.97, partly offset by class rates down 5%.
Property 19.5% of renewal	$61,500		**$74,820**	**+$13,320**	+21.7%	Insured values up 17.9% after the building appraisal and new equipment; rate up 3.2%.
General liability 13.2% of renewal	$42,625		**$50,688**	**+$8,063**	+18.9%	Sales up 12.6%; rate up 5.6% on products liability severity.
Commercial auto 12.3% of renewal	$38,900		**$47,450**	**+$8,550**	+22.0%	A tenth vehicle; fleet rate up on industry severity and this year's three claims.
Umbrella ($10M) 8.7% of renewal	$27,600		**$33,400**	**+$5,800**	+21.0%	Larger exposures underneath it and higher umbrella rates, led by auto severity.
Management liability 3.2% of renewal	$11,800		**$12,150**	**+$350**	+3.0%	Headcount from 128 to 142.
Cyber 1.6% of renewal	$6,400		**$6,250**	**–$150**	–2.3%	Rate credit after multi-factor authentication.
Total program 100.0%	$321,825		**$384,258**	**+$62,433**	**+19.4%**	

Expiring Renewal as quoted Lines ordered by size of renewal premium. Bars share one scale.

PREMIUM PER $100 OF REVENUE

$0.94 → $1.00

Expiring: $0.94. Renewal: $1.00. Your business grew faster than most of your premium did; workers' comp is the line that outran it.

FIGURE 6.2 · THREE CAUSES OF THE INCREASE

SHARE OF THE $62,433



$43,221 · Your business grew
More insured value, more sales, more payroll, one more vehicle, more employees.

$14,801 · Claims history
The workers' comp experience mod moving from 0.88 to 0.97.

$4,411 · Rate
What the market charges per unit of exposure.

Growth $43,221 · Claims history $14,801 · Rate $4,411. Illustrative figures.

TABLE 6.3 · WHAT DROVE EACH LINE

THE THREE CAUSES, BUILT LINE BY LINE

LINE	GROWTH	CLAIMS HISTORY	RATE	LINE TOTAL
Property	+$11,000 values +17.9% at last year's rate	·	+$2,320 rate +3.2%	**+$13,320**
General liability	+$5,375 sales +$4.3M at last year's $1.25 per $1,000	·	+$2,688 rate $1.25 to $1.32 per $1,000 of sales	**+$8,063**
Commercial auto	+$4,322 tenth vehicle at last year's average per unit	·	+$4,228 fleet rate, including this year's three claims	**+$8,550**
Workers' compensation	+$19,374 payroll +14.1%	**+$14,801** **mod 0.88 to 0.97**	−$7,675 class rates down 5.0% to 7.1%, net of discount and charges	**+$26,500**
Umbrella	+$2,800 larger sales, payroll and fleet underneath	·	+$3,000 umbrella rate	**+$5,800**
Management liability	+$350 headcount 128 to 142	·	·	**+$350**
Cyber	·	·	−$150 rate, after multi-factor authentication rollout	**−$150**
Total	**+$43,221**	**+$14,801**	+$4,411	**+$62,433**

WHAT THE MARKET SAID

We asked four other carriers to quote in September and October.

None of the alternatives offered the same protection for less. Staying with your current carrier is our recommendation on the merits.

- **Carrier B** declined: it does not write sheet metal fabrication workers' comp in Nebraska.
- **Carrier D** declined to quote auto with a Class 8 tractor on the schedule, and did not quote the rest of the package without it.
- **Carrier C** quoted property, general liability, auto and umbrella at $202,100, about $4,300 below your current carrier on the same lines ($206,358). Its quote carried a 2% wind and hail deductible, which would be $232,000 at your main plant, twice the renewal's $116,000.
- **Carrier E** quoted cyber alone at $6,100, $150 below renewal, with a $50,000 social engineering sublimit against your current $100,000.

04 · WHAT EACH COVERAGE DOES FOR YOU

What each policy is built for, and what it is not

Seven policies, each read the same way: your limits, what the policy is built for, what it is not built for, and where it meets your shop.

4.1 Property, including business income and equipment breakdown

YOUR LIMITS
$29,000,000 total insured value; replacement cost; agreed value; business income and extra expense $6,400,000 for up to 12 months.

BUILT FOR

- Physical loss to your building, machinery, tooling and inventory from causes the policy covers, such as fire, wind, hail and theft.
- Lost income and extra costs while you rebuild after a covered loss, after a 72-hour waiting period, so payroll and fixed costs have somewhere to come from while the plant is down.
- Sudden mechanical or electrical breakdown of equipment such as the press brakes, the laser's power supply or the compressors (equipment breakdown).

NOT BUILT FOR

- Flood and earth movement. Neither is included in your current form; we can quote them.
- Wear and tear, rust, gradual deterioration and routine maintenance.
- Values above the scheduled limits. That is why the appraisal mattered.
- Customers' material in your care, unless the policy schedules it. If customers send you material to process, tell us the typical value on hand and we will review how it is written.

IN YOUR SHOP *If the 12 kW laser were damaged in a covered event, the policy is built to address repair or replacement and the income lost while it is down, subject to the deductible and the waiting period.*

4.2 General liability

YOUR LIMITS
$1,000,000 each occurrence; $2,000,000 general aggregate; $2,000,000 products-completed operations aggregate.

BUILT FOR

- Claims that your products or your premises caused bodily injury or property damage to someone else, including claims made long after the part left your dock (products-completed operations).
- The cost of defending those claims, which in products cases can be most of the expense.
- Additional insured protection your customer contracts require, as written in the endorsements we confirmed.

NOT BUILT FOR

- Repairing, replacing or reworking your own product. The March weldment rejection is the example.
- Product recall costs.
- Injury to your own employees (workers' comp and employers liability address those).
- Contractual promises beyond what the policy's contractual liability provisions accept.

IN YOUR SHOP *If a guard you fabricated were alleged to have failed on a customer's food-processing line and a worker there were hurt, this is the policy built for that lawsuit. The umbrella sits above it.*

4.3 Commercial auto

YOUR LIMITS
$1,000,000 combined single limit; uninsured/underinsured motorists $1,000,000; physical damage deductible $1,000 ($2,500 on the tractor).

BUILT FOR

- Your liability for injury and damage to others arising from your ten scheduled vehicles.
- Damage to your own vehicles from collision and from causes like hail and theft.
- Your company's liability when employees use rented vehicles or their own cars on company business (hired and non-owned auto).

NOT BUILT FOR

- Damage to an employee's own car when they drive it for work. Their personal auto policy addresses that.
- Cargo you are hauling. Whether finished weldments in transit on the flatbed are protected depends on your property policy's transit provisions, not the auto policy. Tell us the value of a typical load so we can confirm the limit fits it.
- Drivers you have not told us about. We need every regular driver on the schedule for motor vehicle record review.

4.4 Workers' compensation and employers liability

YOUR LIMITS
Nebraska statutory benefits; employers liability $1,000,000 / $1,000,000 / $1,000,000.

BUILT FOR

- Medical care and lost-wage benefits Nebraska law requires for employees injured on the job.
- Lawsuits arising from employee injuries that fall outside the workers' comp system (employers liability).

NOT BUILT FOR

- Independent contractors and temporary workers supplied by a staffing agency, whose coverage depends on their own arrangements and your agreement with the agency. If you use temps on second shift, we would like to read that agreement.
- Fines for safety violations.

4.5 Umbrella

YOUR LIMITS
$10,000,000 each occurrence and aggregate.

BUILT FOR

- Additional limit above your general liability, auto and employers liability once their limits are used up.
- Meeting the $5,000,000 umbrella requirements in your customer contracts, with room above them.

NOT BUILT FOR

- Anything the policies beneath it exclude, in most cases. An umbrella extends limits; it does not broaden what the underlying policies cover.
- Management liability or cyber claims. Those have their own limits.

4.6 Management liability directors and officers, employment practices, fiduciary

YOUR LIMITS
$1,000,000 each; employment practices retention $25,000.

BUILT FOR

- Claims against the company and its leadership alleging mismanagement (directors and officers).
- Claims by employees or applicants alleging discrimination, harassment or wrongful termination (employment practices). With 142 people and active hiring, this is the part of the policy most likely to be used.
- Claims alleging mistakes in running your 401(k) plan (fiduciary).

NOT BUILT FOR

- Unpaid wage and overtime disputes, which are generally excluded or limited to defense costs.
- Intentional or fraudulent acts.

4.7 Cyber

YOUR LIMITS

$1,000,000 aggregate; social engineering sublimit $100,000; retention $10,000.

BUILT FOR

- Response costs after a breach or ransomware event: forensics, legal advice, notification.
- Lost income while your systems are down, after an 8-hour waiting period.
- Funds lost to fraudulent payment instructions, up to the $100,000 sublimit.

NOT BUILT FOR

- Losses above the sublimit. A spoofed invoice from a steel supplier could easily exceed $100,000; your accounts payable call-back procedure matters more than the limit.
- Upgrading your systems after an event beyond restoring them.

YOUR PROGRAM AS RENEWED — LIMITS AND DEDUCTIBLES, AS QUOTED

LINE	LIMITS	DEDUCTIBLE / RETENTION	CHANGE AT RENEWAL
Property	Total insured value $29,000,000. Replacement cost. Agreed value (coinsurance waived for the term). Business income and extra expense $6,400,000, 12 months	All other perils $10,000 per occurrence. Wind and hail 1% of the building's insured value per location, $50,000 minimum (main plant $116,000; La Vista $50,000). Equipment breakdown $10,000. Business income: 72-hour waiting period	Values updated. Wind/hail deductible changes from a flat $25,000 to 1% / $50,000 minimum
General liability	$1,000,000 each occurrence; $2,000,000 general aggregate; $2,000,000 products-completed operations aggregate; $1,000,000 personal and advertising injury; $300,000 damage to premises rented to you; $10,000 medical expense; employee benefits liability $1,000,000	None	No change in limits
Commercial auto	$1,000,000 combined single limit; uninsured/underinsured motorists $1,000,000; medical payments $5,000; hired and non-owned auto liability included	Comprehensive and collision $1,000 (Class 8 tractor $2,500)	Fleet grows from 9 to 10 units
Workers' comp and employers liability	Nebraska statutory benefits. Employers liability $1,000,000 each accident / $1,000,000 disease each employee / $1,000,000 disease policy limit	None (guaranteed-cost policy)	Experience mod 0.88 to 0.97
Umbrella	$10,000,000 each occurrence and aggregate, over general liability, auto and employers liability	$10,000 self-insured retention (applies only where the umbrella covers something the underlying policies do not)	No change in limits
Management liability	Directors and officers $1,000,000; employment practices $1,000,000; fiduciary $1,000,000 (separate limits)	D&O $10,000; employment practices $25,000; fiduciary $0	No change
Cyber	$1,000,000 aggregate; social engineering / funds-transfer fraud sublimit $100,000	$10,000 retention; 8-hour waiting period on business interruption	No change

05 · YOUR OPTIONS

Three changes to the structure, and what each one costs you

Every option below moves money and risk in opposite directions. A lower premium means you carry more of the loss; a lower deductible means you pay more each year. None of these is free. Each is priced against the renewal as quoted, $384,258.

TABLE 8.1 · OPTIONS COMPARED

EACH OPTION PRICED ALONE AGAINST THE RENEWAL AS QUOTED

	PART OF OUR RECOMMENDATION **Option A** Raise the all-other-perils property deductible from $10,000 to $50,000	PART OF OUR RECOMMENDATION **Option B** Buy back the wind and hail deductible to a flat $50,000 per occurrence	CONSIDERED, NOT RECOMMENDED **Option C** Reduce the umbrella from $10,000,000 to $5,000,000
ANNUAL PREMIUM EFFECT	**–$5,980**	**+$7,450**	**–$12,900**
RISK SHIFTED TO YOU	**Up to $40,000 more per covered property loss other than wind and hail**	**Takes back $66,000 of retained risk at the main plant on a wind or hail loss ($116,000 down to $50,000)**	**The layer of a liability judgment between $6,000,000 and $11,000,000**
WHO IT'S RIGHT FOR	**A company with a clean property record and $50,000 it can spend on a loss without straining operations**	**A company that owns a large building in hail country with a roof past its first decade**	**A company whose worst plausible liability event sits well below $6 million**
BREAK-EVEN	The saving is consumed by one such loss about every 6.7 years ($40,000 / $5,980)	The extra premium is returned by one covered wind or hail loss at the main plant about every 8.9 years ($66,000 / $7,450)	No break-even; the risk is low-frequency, high-severity
LINE PREMIUM AFTER	Property $68,840	Property $82,270	Umbrella $20,500
PROGRAM TOTAL IF TAKEN ALONE	**$378,278**	**$391,708**	**$371,358**

OPTION A

Raise the property deductible to $50,000

SAVES

$5,980 a year (property $74,820 to $68,840).

WHAT YOU TAKE ON

Up to $40,000 more of each covered property loss other than wind and hail: a fire in the powder-coat booth, a burst sprinkler line, a forklift through a wall, a theft.

THE MATH

The saving is consumed by one such loss roughly every 6.7 years. You have had none in five.

RIGHT FOR

A company with a clean property record and the cash to absorb a $50,000 loss without straining operations. At your size and history, that is you. It is the wrong choice for a business that would have to borrow to meet the deductible.

OPTION B

Buy back the wind and hail deductible to a flat $50,000

COSTS

$7,450 a year more (property $74,820 to $82,270).

WHAT IT DOES

At the main plant, it brings the wind and hail deductible down from $116,000 to $50,000, taking $66,000 of a hail loss back off your balance sheet. At La Vista the deductible stays at $50,000, so the gain is all at the main plant.

THE MATH

The extra premium is returned by one covered wind or hail loss at the main plant roughly every 8.9 years.

RIGHT FOR

A company that owns a large building in hail country and would feel a six-figure deductible. Your 92,000 square foot roof is twelve years old. A hailstorm big enough to damage it is the single most likely large property loss you face, and the 1% deductible puts the first $116,000 of it on you.

OPTION C

Reduce the umbrella to $5,000,000

SAVES

$12,900 a year (umbrella $33,400 to $20,500).

WHAT YOU TAKE ON

The layer of any liability judgment between $6 million and $11 million (your $1 million primary policy plus a $5 million umbrella, against the $1 million plus $10 million you carry now).

THE MATH

There is no break-even to compute. This is risk that rarely happens and, when it does, is large enough to matter to the company's survival.

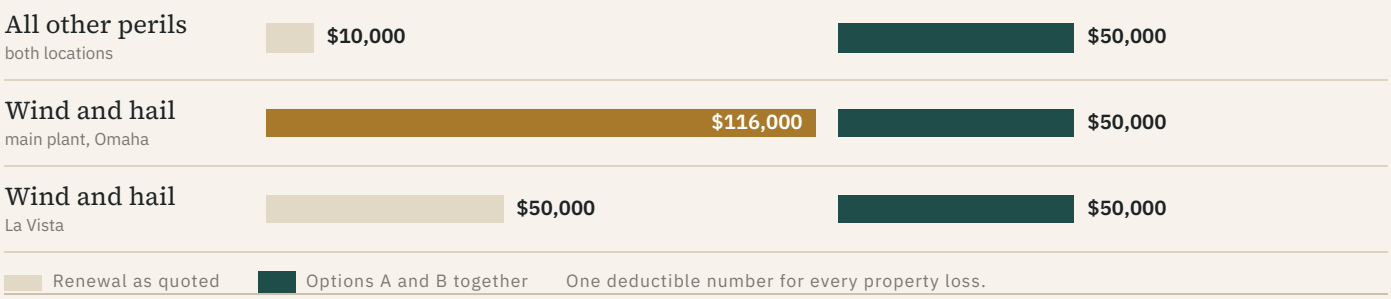
RIGHT FOR

A business whose worst plausible liability event is well under $6 million: an office operation, a distributor of low-hazard goods. Your contracts would still be met, since both customers require $5 million. But your parts go into machinery that can seriously injure people, in two industries now. A single catastrophic injury case involving a machine your part is on could exceed $6 million. We considered this option seriously and do not recommend it.

Keep the small losses you rarely have; insure more of the large one you're most exposed to.

YOUR PROPERTY DEDUCTIBLES, TWO WAYS

AS QUOTED AGAINST OPTIONS A AND B TOGETHER



06 · OUR RECOMMENDATION

What we would do in your seat

Renew with your current carrier, take Options A and B together, and keep the $10 million umbrella.

RENEWAL AS QUOTED		OPTION A		OPTION B		RECOMMENDED PROGRAM
$384,258	−	$5,980 property deductible to $50,000	+	$7,450 wind/hail to flat $50,000	=	$385,728

+$1,470 versus renewal as quoted	**+$63,903 (+19.9%)** versus expiring	**$76,290** property premium under the recommendation	**$1.00** premium per $100 of revenue

THE REASONING

This recommendation costs $1,470 more than doing nothing. We are recommending it anyway, and here is why.

Options A and B together make one trade: you keep the small, predictable property losses you have shown for five years you rarely have, and you insure more of the large one you are most exposed to. Your property deductible becomes $50,000 for every cause of loss at both locations, one number your controller can plan around, instead of $10,000 for most losses and $116,000 for the one that is most likely to be big.

We would keep the $10 million umbrella because the $12,900 Option C saves is real money, and the risk it moves to you is the kind that does not show up for years and then shows up all at once. Your products go into equipment that people stand next to. That is the case for limits.

We would stay with your current carrier because the market check found nothing that offers the same protection for less. The one lower package quote doubled your hail deductible, and the one lower cyber quote halved your social engineering protection.

This is our professional judgment, and the decision is yours. If your cash position makes a $50,000 property deductible uncomfortable, take Option B alone and keep the $10,000 deductible; the program would be $391,708.

THE PART OF NEXT YEAR'S PREMIUM YOU CONTROL

The largest driver you can influence is workers' comp frequency. The February 2025 claim will sit in your mod for two more renewals; the five claims from this year enter it at the December 2027 renewal. What happens on the floor in 2027 sets the mod for 2029.

01 **Finish the second press brake light curtain** in December, as scheduled. Both your largest claim and your carrier's top loss-control recommendation point at the same machine.

02 **Write a transitional-duty program.** When an injured employee can return to modified work sooner, lost-time claims tend to shorten. We can bring you a template and walk your supervisors through it.

03 **Target the four medical-only claims.** Cut-resistant sleeves for sheet handling and face shields at the grinding stations address three of the four.

04 **Put a backing rule on the box trucks:** a spotter at customer docks and rear cameras on both units. Backing incidents repeat until the practice changes.

05 **Send us driver records for every regular driver** before renewal, including the new hires on the parts-run pickup.

None of these changes this renewal's price. All of them shape the next three.

07 · THE DECISION AND THE CONVERSATION

What we need from you, and what we would like to talk about

THE DECISION, BY NOVEMBER 20	PROGRAM PREMIUM
☐ Renew as quoted	**$384,258**
☐ **Our recommendation (Options A + B)**	**$385,728**
☐ Option B only keep $10,000 property deductible	**$391,708**
☐ Option A only	**$378,278**

DECISION NEEDED BY

November 20, 2026

Your current policies expire at 12:01 a.m. on December 1, 2026. We need your decision by November 20 to bind on time.

THE CONVERSATION WE WOULD LIKE TO HAVE

45 MINUTES WITH YOU AND YOUR CONTROLLER, BEFORE NOVEMBER 20

01 **Can the business carry a $50,000 property deductible comfortably?** If yes, the recommendation stands. If not, Option B alone.

02 **When is the main plant roof due for replacement?** A newer roof changes the hail conversation at the next renewal.

03 **What does 2027 look like?** New customers, more headcount, another machine or a third building all change the program. Tell us now and we can price them in rather than discover them at audit.

04 **Do you use temporary workers from a staffing agency?** We would like to read the agreement.

05 **Are your customer contracts moving toward recall or warranty requirements?** After March, it is worth asking whether your food-equipment customer will ask for product recall coverage. It is available as a separate policy, and we can price it if the answer is yes.

Thank you for ten years. We look forward to the conversation.

Your account team at Harrow & Plains Insurance Partners

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Harrow & Plains

INSURANCE PARTNERS · OMAHA, NEBRASKA

A review, not a bill.

Commercial Renewal Review
Cottonwood Bend Fabrication, Inc.
Policy term December 1, 2026 to December 1, 2027

(402) 555-0148 · commercial@harrowandplains.example

Sample renewal review. Harrow & Plains Insurance Partners, Cottonwood Bend Fabrication, Inc., the carriers referenced and all figures are illustrative and do not describe any real business, policy or rate filing.