



## Maximizing Resilience and ROI Through FM Plan Review

As many TWARMF members continue to grow and expand, new construction has become a necessary response to increasing demands for services, staffing, and capacity. While these projects are essential, one critical aspect often receives less attention than it deserves: the **resiliency of the building itself**.



Texas is no stranger to natural hazards—flooding, hurricanes, hail, and freezing temperatures can all cause significant damage to facilities. For organizations responsible for public infrastructure and services, the consequences of such damage go beyond repair costs—they can disrupt operations, impact service delivery, and strain budgets.

### A Strategic Resource: FM Plan Review

To help mitigate these risks, TWARMF members have access to a powerful, yet underutilized, resource: **FM Plan Review**. FM (formerly FM Global), the Fund's excess property coverage carrier, is a global leader in commercial property insurance and risk prevention. Their Plan Review service is available at no cost to Fund members and offers expert analysis of pre-construction building plans to identify potential property risk exposures.



This review includes overlays of:

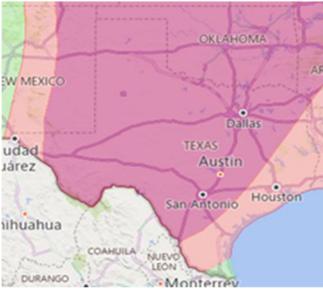
- Wind speed zones (especially along the Texas coast)
- Hail size ratings
- Temperature extremes
- 100- and 500-year floodplain data

FM typically reviews:

- Structural and roofing plans
- Fire protection systems
- Site layouts
- Electrical and mechanical systems
- Natural hazard mitigation strategies

The turnaround time is approximately two weeks, and the resulting report includes detailed recommendations to improve building resilience.

## Real-World Impact: A Case Study



One TWARMF member submitted plans for a new office building with a roof rated for severe hail (SH,  $\geq 1.75"$  and  $< 2"$ ). FM Plan Review identified that the building site was actually in a very severe hail (VSH,  $\geq 2"$ ) zone. Thanks to this early insight, the member upgraded to a VSH-rated roof for a minimal cost increase. Had this been discovered post-construction, the cost to retrofit would have been significantly higher—not to mention the potential for future claims.

## Beyond Natural Hazards

FM Plan Review also addresses risks related to:

- Pumps and motors (fire risks from diesel, gas, or hydraulic fluid)
- Motor control centers (MCCs) with potential for electrical fires



Recommendations may include automatic shut-off valves, a shut-down process, or enhanced smoke detection systems to reduce fire risk and improve monitoring.

## Why Risk Leaders Should Pay Attention

Members who regularly use FM Plan Review cite several strategic benefits:

- **Loss Prevention:** Expert guidance on fire protection, structural integrity, and hazard mitigation.
- **Code and Standard Compliance:** Reviews often exceed local codes, ensuring long-term compliance.
- **Risk Identification:** Early detection of design flaws or material vulnerabilities.
- **Insurance Advantages:** Potential for improved policy terms and reduced contributions.
- **Cost Efficiency:** Upfront investments in resilience can lead to long-term savings and fewer operational disruptions.

Importantly, while FM's recommendations are not mandatory for coverage, ignoring them may leave buildings vulnerable to damage and costly claims.

## A Call to Action for Executive Leadership

The property reinsurance market has been volatile in recent years, yet TWARMF has managed to maintain relatively stable renewal rates. This is largely due to:

- Accurate building valuations through HCA appraisals
- Proactive risk mitigation by members
- Completion of FM and Risk Control recommendations

However, **Plan Review remains inconsistently used** across the Fund. For CFOs and GMs, this represents a missed opportunity. By integrating FM Plan Review into every new construction project, members can significantly reduce long-term risk exposure, protect capital investments, and contribute to the overall financial health of the Fund.

**Conclusion: Resilience is a Strategic Investment**

In today's risk landscape, resilience is not just a safety concern—it's a strategic imperative. FM Plan Review offers a no-cost, high-value opportunity to strengthen your organization's infrastructure before the first brick is laid. For risk managers, CFOs, and GMs/CEOs alike, leveraging this service is a smart move toward safeguarding assets, reducing claims, and ensuring continuity of operations.

*For assistance or to learn more, contact your Risk Control Consultant or reach out to Jeremy Wade at [jeremy.wade@sedgwick.com](mailto:jeremy.wade@sedgwick.com).*