



Success Story: Helping North East Independent School District Reach Blue Skies.

In April 2016, North East ISD (NEISD) found itself in the path of one of the costliest hailstorms in Texas history, with baseball-sized hail causing damage to over 34 of the district's roofs. Alongside their A&E firm and in collaboration with their insurance carrier, NEISD immediately began assessing damages and developing comprehensive scopes of work for repair, undertaking a daunting project that lasted well over a year. Finally, in 2017, with an agreed upon scope of work, NEISD was able to competitively bid the repairs for the first two roofs, and

See How We Can Help

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approximately 21 months after the storm, NEISD was nearing completion of repairs for the first two roofs only (32 roofs remained to have permanent repairs made).

With the two-year mark approaching, all parties involved knew that the 24-month policy deadline for repair completion on all damaged roofs would not be met, thereby jeopardizing insurance recovery for the full replacement cost value (RCV).

With many more roof repairs to complete, the insurance carrier granted NEISD an 18-month time extension. Shortly following this extension, the insurance carrier presented a global settlement based on actual cash value (ACV), an amount at about 60% of the original RCV amount for the damaged roofs. Although NEISD was intrigued with the concept of an ACV settlement, they were not satisfied with the offer, and engaged DRS to assist with reviewing and preparing a package to justify a counter offer.

After review of all data including the insurance carrier's Xactimate estimates, DRS implemented a plan with cost, time, and available resources to demonstrate to the carrier that the remaining 32 roofs could be completed by the granted extended period. This strategy helped NEISD achieve an ACV settlement at an amount very similar to the initial RCV agreed amount. Part of this plan included a thorough understanding of the integration of NEISD's procurement cycle with the academic calendar and an evaluation of areas where time savings could be achieved. DRS guided NEISD to consider purchasing cooperative partners that represented over thirty different roofing vendors. Because these contracts had already been competitively bid and awarded, this would save valuable time for NEISD and would position them to accelerate the completion of the roof repairs within the timeline that would render an RCV settlement.

In summary, DRS estimators documented an additional \$3M in

added RCV scope and, in conjunction with an executable strategy to demonstrate repairs could be completed on an accelerated timeline that would have justified full RCV, DRS assisted NEISD in preparation of their counteroffer to the ACV settlement. The carrier agreed to the NEISD counteroffer, with no further negotiation, at an amount that was \$7M more than what the carrier had offered less than 2 months earlier and \$4M more than NEISD was targeting to receive.

DRS was instrumental in reframing this damaging hailstorm and arduous recovery process into a blue-sky settlement that made NEISD whole. DRS's ability to provide industry experts whose sole aim is to work toward the best result possible for the client, and the use of their years of building solid and respected relationships within the insurance industry, made all the difference between compromise and a fully realized cost settlement for NEISD.