Risk Coverage Hub • Field Summary

Renewal Room Quick Card — Where Contractors Have Room & Where They Don't

Current version — Nov 1, 2026. Update history: https://riskcoveragehub.com/where-contractors-have-room-at-renewal/

Field Standard (John Hubbard, CRIS — USI Insurance Services): Property capacity is opening up while casualty remains tight. Do not celebrate a property savings if giving it right back on commercial auto or excess. Work renewals year-round, prioritizing loss-control evidence over transaction timing to shape how carriers price risk.

1. Line-by-Line Market Room Matrix (Property vs. Casualty Split)

CONTRACTOR LEVERAGE MAP

Line of Coverage	Market Room	Underwriting Leverage Factors	Action Required to Win Credits
Commercial Property	ROOM AVAILABLE	More capacity entering market; well-performing accounts have opportunity to improve pricing or terms.	Leverage competition to improve terms, review deductibles, or redeploy premium into casualty lines.
Workers' Compensation	ROOM AVAILABLE (Qualified Accounts)	Competitive for contractors with good loss experience and a verified, structured safety culture.	Provide evidence of robust hiring, supervisor training, structured supervision, and lower X-mods.
Commercial Auto	VERY LITTLE ROOM (Hard Conversation)	Tight capacity; large fleets, difficult loss history, or severity exposures eliminate negotiating room.	Must integrate all credit avenues: active telematics, robust fleet safety policies, and driver training.
Umbrella & Excess	TIGHT / RESTRICTIVE (Hard Conversation)	Casualty market severely scrutinizes underlying fleet size, loss history, and significant severity risks.	Treat program as one portfolio; redeploy property savings to strengthen underlying limits and structure.

2. The Portfolio Rebalancing Rule

STRATEGIC DEPLOYMENT

"I don't want a contractor celebrating a property decrease if we're giving that money right back on auto or excess."

• **Look at the program as one portfolio:** The goal is never to win just one line; it is to build a resilient overall program.
• **Four Reinvestment Channels for Property Savings:**
1. *Deductibles:* Absorb calculated retentions where loss history is clean.
2. *Limits:* Secure higher aggregate capacity before contracts require it.
3. *Umbrella Structure:* Bridge coverage gaps created by casualty hardening.
4. *Loss-Control Investments:* Fund telematics, supervisor drills, and safety hardware.

3. The 5 Costly Mod-Mistake Drivers

AUDIT & CLASS PITFALLS

Expensive mod mistakes are often surprisingly basic and rarely announce themselves as obvious errors:

- **1. Wrong Classifications:** Field employees assigned to incorrect, higher-rate codes.
- **2. Payroll Reporting Errors:** Improperly reported payroll allocations across divisions.
- **3. Inaccurate Ownership Info:** Entity or ownership changes misreported to bureau.
- **4. Stale or Developing Claims:** Claims remaining open or developing worse than expected.
- **5. Mod Input Errors:** Incorrect claims data or payroll feeding bureau calculation.

→ Surfaces as an unexpectedly high Mod, audit surprise, or unexplainable comp premium.

4. Diagnostic Checklist: What to Check When It "Looks Fine"

CLAIMS & SCOPE AUDIT

A. Start with the Losses (Underlying Story):
• Identify what is driving frequency vs. severity across open files.
• Audit claim development direction: are reserves creeping upward?
• Verify reporting speed: how fast are incidents reported from the field?
• Detect repeat loss patterns: is the exact same type of loss recurring?

B. Program Structure vs. Business Evolution:
• Payroll growth and new employee classifications added.
• Fleet growth and expanded operating radius.
• Changes in operational scope and larger commercial project sizes.
• New contractual risk transfer and indemnification requirements.

Risk Coverage Hub • Field Summary

Renewal Room Quick Card — WCIRB Rules, Mod Math & The 90-Day Standard

Current version — Nov 1, 2026. Update history: https://riskcoveragehub.com/where-contractors-have-room-at-renewal/

5. WCIRB (CA) Dual-Wage Hourly Threshold (Effective Sept 1, 2026)

REGULATORY MANDATE

Effective September 1, 2026: The Workers' Compensation Insurance Rating Bureau of California (WCIRB) raised the dual-wage hourly threshold for eligible construction classifications.

- **The Dual-Wage Rule:** Construction classifications offer lower rates for employees earning at or above designated hourly thresholds.
- **Two Non-Negotiable Requirements:** (1) Contractors must pay the higher hourly wage rates, AND (2) Maintain proper, contemporaneous time records to continue receiving dual-wage premium credits.
- **Audit Consequence:** Failure to maintain compliant time records or meet the raised Sept 1, 2026 threshold automatically reassigns all payroll to the high-wage classification code, triggering severe audit penalties.

6. Mod Math: Frequency vs. Severity

MOD TRAJECTORY RULE

Three small frequency claims that total $60,000 are more impactful on the MOD than one large severity claim that totals $60,000.

- **Why Bureau Formulations Punish Frequency:** Rating formulas treat frequency as proof of systemic safety and supervision failure, whereas isolated severity is capped.
- **Underwriting Takeaway:** Eliminating small recurring claims through supervisor training and quick reporting protects the Mod far more than hoping for good luck on big claims.
- **Pre-Filing Rule:** Broker must close and compress claims before unit stat filing so renewal Mod has a downward trajectory.

7. The Stolen-Revenue Protection Rule

FINANCIAL IMPACT

Stolen Revenue = [3-Year Elevated Comp Premium] ÷ [Operating Margin %]

- **The Margin Multiplier:** Your elevated premium from work comp claims divided by organization margin equals the revenue that is stolen to pay down the premium increase.
- **Example:** A $50,000 annual comp hike ($150,000 over 3 years) at an 8% operating margin steals **$1,875,000 in top-line revenue**.
- **Opportunity Cost:** This is revenue that could have been directed at fuel, equipment, employee retention, and payroll.

8. 90 Days vs. 9 Days Pre-Renewal Execution Timeline

RENEWAL PLAYBOOK

"Nine days before renewal you're negotiating a transaction. Ninety days before renewal you still have time to influence how the market views the risk."

Timeline Milestone	Core Operational Mandates	Strategic Underwriting Impact
Year-Round Strategy (Days 365 to 90)	Manage claims, safety culture, fleet performance, contractual risk transfer, and ex-mod throughout the year. Track leading & lagging indicators.	By renewal, you don't invent a good story; you have 12 months of verifiable evidence. Broker uplevels program across policy year.
Pre-Unit Stat Filing (Target Window)	Broker actively conducts claims compression: audit open reserves, push for claim closure, and review mod calculation inputs.	Locks in a downward renewal Mod trajectory before bureau publishes official modification factor.
90 Days Out (The Evidence Gate)	Assemble submission package: current loss info, payroll and revenue projections, fleet data, and large-loss explanations.	Provide tangible proof that policies result in employee training, supervision, field discipline, and behavior change.
Handling Bad Claims (Transparency Rule)	Do not hide from a bad claim. Provide a clear narrative explaining what happened and, more importantly, what changed afterward.	Rebuilds underwriter confidence; turns a past loss into proof of active corrective discipline and operational maturity.