



Randy Wipf, CIC
Vice President – Underwriting/Agent Services

MEMORANDUM

DATE: Nov 10, 2008
TO: All Agents
RE: Residential Dwelling Replacement Cost – TWIA MSB Program

Currently, TWIA allows agents to use any valid replacement cost estimator to establish the replacement cost of residential structures. **Effective January 1, 2009, TWIA will require that agents only use the Marshall Swift/Boeckh (MSB) replacement cost calculator available on the TWIA website.**

For **new business**, all applications must include an MSB (RCT-Express) replacement cost (RC) valuation for each residential dwelling insured. TWIA will return all residential dwelling policy applications unbound if not accompanied by an MSB (RCT-Express) residential RC valuation.

For **renewals**, requests for residential renewal policies with residential dwellings reaching their fifth year of TWIA coverage or at subsequent five-year intervals, i.e., ten, 15, 20, 25....must have an MSB (RCT-Express) RC valuation. The TWIA renewal notice will prompt agents by providing instructions to include an RC valuation for those items meeting the five-year re-underwriting criteria. If the renewal notices do not include a request for an RC valuation, agents do not need to include them with renewal applications.

We are attaching instructions about the use of the TWIA MSB residential dwelling replacement cost valuation. Please give copies of these instructions to all persons in your agency that will provide replacement cost calculations.

If anyone has questions or comments, please call your underwriter.

Attachment

T.W.I.A. (MSB) Residential Dwelling Replacement Cost Valuation Use Instructions

A MSB access link is available on the T.W.I.A. web site, www.twia.org in the following two places:

1) The T.W.I.A. Home Page menu (located on the left side of the screen) has “Residential Replacement Cost Calculator” as one of the menu choices. Clicking on this menu item opens the MSB (RCT-Express) dwelling replacement cost valuation program.

or

2) When completing “item” information in the dwelling coverage section of E-Quote, clicking on the underlined link titled, “Replacement Cost” opens the MSB (RCT-Express) dwelling replacement cost valuation program.

- Next, you must log in, using your TWIA MSB user name and password. A simple step by step process of entering the following fields of information on the screens presented yields the replacement cost:
 - a. zip code
 - b. number of families
 - c. year built
 - d. style
 - e. number of stories
 - f. total living area
 - g. foundation type
- Other characteristics, listed by heading, have pre-set defaults. Each default factor can be changed by clicking on the category heading and making the change desired. After completion, the program is capable of several types of reports, however, the **standard** (1 page) report is the only item required for inclusion with the T.W.I.A. application, by printing the estimate and including it with the submission to T.W.I.A.
- To store the estimate for future access, click on “Finish/Close” on the bottom right hand corner of the program screen, and choose “Save Valuation”. The valuation is saved for 3 months, unless you assign a policy number on the first page of the program, by clicking on the “Assign Policy Number” button, then filling in the field with a number of your own choosing. By assigning a policy number the valuation is saved in the MSB system indefinitely.

NOTE: The dwelling’s actual cash value (ACV) will also be displayed when using the E-quote program after filling in the replacement cost field using the result of the valuation performed. The amount of insurance selected for the subject dwelling must comply with the minimums required by T.W.I.A. for either ACV or RC.

New User Login Instructions:

If you are not currently registered to use either T.W.I.A. MSB site, you can do so by clicking on “contact” at the T.W.I.A. web site Home page, www.twia.org, then clicking on “**Contact agent registrar**”. On the email screen that appears, simply ask for an ID and password to access the replacement cost calculators. The same login user name and password is used for both the residential and commercial calculators. Your MSB ID and password will be emailed back to you within several business days. (See attached “use instructions” for more details).