



Randy Wipf, CIC
Vice President – Underwriting / Agent Services

MEMORANDUM

DATE: December 7, 2007
TO: ALL AGENTS
RE: **ALL COMMERCIAL STRUCTURES need
Marshall & Swift/Boeckh (MSB) Replacement Cost Calculator**

Please read and route to interested personnel in your agency!

NEW BUSINESS: All applications for coverage effective on or after Feb. 1, 2008, requesting coverage on newly insured commercial building structures, must include a MSB (BVS-Express) Replacement Cost (RC) calculation for each building structure. T.W.I.A. will be returning all commercial policy applications UNBOUND if not accompanied by a MSB (BVS-Express) Commercial RC valuation for each building structure to be covered by a TWIA policy.

RENEWALS: Requests for commercial renewal policies with building structures reaching their 5th year of TWIA coverage, or are at subsequent 5-year intervals, i.e. 10, 15, 20, 25... must have a MSB (BVS-Express) RC valuation. The T.W.I.A. renewal notice will prompt the agent to include a RC valuation for those items meeting the 5th year re-underwriting criteria, so agents do not need to include a RC valuation on renewal applications unless one is asked for.

NOTE: T.W.I.A. follows the same process for “residential” renewals on structures needing a new valuation, using MSB RCT-Express.

For all agents already using the T.W.I.A. MSB (RCT-Express) **Residential** RC calculator, there is no additional signup for service required, to use the T.W.I.A. MSB (BVS-Express) **Commercial** calculator. **The MSB Commercial RC calculator can be accessed by:**

- clicking on “Commercial Replacement Cost Calculator” from the menu found on the T.W.I.A. Home Page at www.twia.org and using the same login username and password existing users have on file at TWIA for the residential MSB calculator.

NOTICE: There are two separate menu choices on the TWIA web site Home Page; one for “Residential” MSB RC calculator and one for the “Commercial” MSB RC calculator, so users must choose the correct calculator to complete a valuation, depending on the type of structure, i.e. dwelling calculations are done on the residential calculator and commercial structures on the commercial calculator.

NOTE: Clicking on “Replacement Cost” from inside the TWIA residential E-quote program, when completing “item” information is an alternative way to access the Residential calculator.

T.W.I.A. is in the process of adding a third access point from the TWIA Commercial E-Quote program, when completing “item” information for a commercial item, similar to the residential access point described above.

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).

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T.W.I.A. Commercial Building Structure Replacement Cost Calculator Use Instructions

An access link is available on the T.W.I.A. web site, www.twia.org, as follows:

The T.W.I.A. Home Page menu (located on the left side of the screen) has two separate menu choices “Commercial Replacement Cost Calculator” and “Residential Replacement Cost Calculator”, so users must choose the correct calculator to complete a valuation, depending on the type of structure, i.e. dwelling calculations are done on the residential calculator and commercial structures on the commercial calculator.

- After logging in* to the Commercial RC Calculator, a simple step by step process of entering the following fields of information yields the replacement cost calculation for commercial construction when taking the MSB BVS commercial path:
 - a. zip code
 - b. occupancy code
 - c. story height
 - d. number of stories
 - e. gross floor area
 - f. construction 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, then choose the appropriate options, and click on “Close 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: If the amount of Insurance desired is less than 80% of replacement cost (RC), the structure’s actual cash value (ACV) must be determined. Accomplish this by clicking on “ + optional construction data” from the construction screen (next to the number of stories). Under the ‘Depreciation’ heading, click on the radio button entitled, ‘Calculate based on condition and age’, then from the drop down box chose the correct, 1) Building Condition, and insert the 2) Effective Age in the field next to that heading. Click ‘OK’ at the bottom of the page. The Standard Report (1 page) will display both the Replacement Cost (RC) and Actual Cash Value (ACV). NOTE: Unless rules to waive the coinsurance are met, T.W.I.A. does not permit coverage less than 80% of ACV, and the RC endorsement, Form 164, requires coverage within 80% of the RC estimate.

***Log in:**

All agencies registered with T.W.I.A. E-Quote as of February 3, 2005 have received an email notification of their MSB Replacement cost sign-in user ID and password. When using the replacement cost program through T.W.I.A., the MSB ID and password must be used to access the program calculators. For all other agencies going forward, the procedure will require signing up on the T.W.I.A. web site for E-Quote, then requesting a separate user ID and password by clicking on “contact” at the T.W.I.A. web site Home Page, 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. Your MSB ID and password will be emailed back to you within several business days.