

**PROGRAM DIVISION  
BULLETIN**

2005-03

January 18, 2005

**IMPORTANT REMINDER REGARDING  
INSURANCE-TO-VALUE CALCULATIONS**

Our underwriting guidelines require that Marshall & Swift/Boeckh Insurance-To-Value calculations be performed for each building of \$750,000 or greater in value, and every three years thereafter. Any building(s) for which ITV has been confirmed, but prior to the re-run date, should have values updated annually for inflation.

This bulletin provides factors which must be used for such updates. These factors are based upon quarterly national cost trends for commercial construction cost components during the past four quarters.

**FACTORS:**

- Any ITV calculated during calendar year 2004: update factor 1.07
- Any ITV calculated prior to calendar year 2004 will require a larger trend factor to adjust for improvements in ITV calculations achieved with the roll out of the MS/B BVS system in 2004, as well as the additional time of inflation. The update factor to be used for these calculations is 1.20

We thank you for your cooperation. If you have any questions, please contact your Program Manager.

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