

**PROGRAM DIVISION
BULLETIN**

2006-05

January 11, 2006

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

Our underwriting guidelines require that Marshall & Swift/Boeckh Insurance-To-Value calculations be performed for each building with value of \$750,000 or greater, 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 for any ITV calculated, or updated, during calendar year 2005:

- update factor for the United States 1.07
- update factor for Canada 1.05

When you create a Marshall & Swift/Boeckh valuation, the system allows you to save all detail entered. You can then retrieve that data at any time, and if no changes to the structure have occurred, an update can be performed without additional data entry. It is recommended that for larger structures, or structures with unique building characteristics, a valuation be re-run annually to assure an appropriate valuation update is utilized during the underwriting process.

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

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