



3100 BRECKINRIDGE BLVD., SUITE 700 DULUTH, GA 30096-4985
TEL: (770) 923-9898 FAX: CUSTOMER SERVICE (770) 923-9268
GOVERNMENT RELATIONS: (770) 923-9703 SALES: (770) 923-9981

October 17, 2005

Ms. Vicki Twogood, CPM
Senior Management Analyst
Department of Financial Services
200 East Gaines Street (LL 26 Capitol)
Tallahassee, Florida 32399-0308

Re: Florida Standard Personal Lines Advisory Committee – ISO Policy Forms & Endorsements

Dear Ms. Twogood:

Thank you for the opportunity to present an overview of the ISO Personal Property Forms and Endorsements at the October 4th, 2005 meeting of the Florida Standard Personal Lines Advisory Committee. We hope that our overview was helpful and we look forward to working with the Committee in the coming months.

In response to the inquiries of the Committee at the meeting regarding the usage of ISO's personal property programs in the industry, we offer the following supplemental information.

ISO has long had a strict non-adherence policy. That is, insurers that purchase any or all of ISO's materials are free to use it as filed, file modifications to it, or use something else entirely. Even insurers that grant ISO filing authorization (that is, they grant ISO permission to file on their behalf) frequently file changes or deviations from ISO materials. Companies do not inform ISO about the way they use ISO material, and ISO does not monitor company filings in that regard. The only definitive way to know exactly how ISO material is used in the marketplace is through a detailed review of the filings made with the Insurance Department. Therefore, we do not have definitive information regarding the use of ISO programs in the Florida marketplace.

Homeowners Program

171 insurer groups, comprising 849 individual companies purchase ISO's countrywide Homeowners program, representing approximately 52% of the countrywide Homeowners insurance marketplace. Of these, 75 groups comprising 286 individual companies purchase ISO's Florida-specific forms, representing approximately 46% of the Florida Homeowners insurance marketplace. Lastly, ISO makes Homeowners filings on behalf of 93 of these individual companies in Florida, representing approximately 29% of the Florida Homeowners insurance marketplace.

Dwelling Property Program

169 company groups comprising 809 individual insurers purchase ISO's countrywide Dwelling Property Program. Of these, 71 groups comprising 273 individual insurers purchase Florida-specific forms. Of these, ISO files on behalf of 127 individual companies in Florida. It is not possible to estimate a Dwelling market share for these companies.

We would also like to take this opportunity to respond to two other Committee inquiries that have arisen since the Committee's October 4th meeting:

- The Committee had inquired as to what ISO would consider the ten most utilized Homeowners policy endorsements when used in conjunction with an HO 3 policy. However, as noted previously, ISO policy forms and endorsements are designed to accommodate a multitude of types of risks. For this reason, the ISO Portfolio of policy forms and endorsements is designed with the ability to custom tailor a policy to the risk being underwritten. Of course, the required Florida-specific mandatory endorsements, such as the Florida Special Provisions endorsement (HO 01 09, and one of the Florida-specific calendar year hurricane deductible endorsements (HO 03 51, HO 03 52, HO 03 55 or HO 03 58)) would most likely be utilized, as well as possibly the Personal Property Replacement Cost Loss Settlement endorsement (HO 04 90). However, beyond that it is difficult for ISO to quantify what optional coverage endorsements are utilized most frequently, due to the varied types of risks being underwritten by both large and small insurers.
- We have attached the appropriate copyright license to enable the Committee to fulfill its charge under Florida law.

I hope this information is useful. As always, please feel free to contact me if you have any questions on this material.

Yours very truly,



Michael L. Vetter, CPCU
Regional Director
Government Relations
MVETTER@ISO.COM

Enclosure

Florida Standard Personal Lines Advisory Committee Letter License - January 2006

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