



ATTORNEYS AT LAW

September 30, 2011

Via Electronic Mail

Mr. Michael C. Milnes, Deputy Director
Property and Casualty Product Review
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399

Re: Proposed Amendments to Form OIR-B1-1802

Dear Mr. Milnes:

Thank you for the opportunity to submit comments regarding the proposed changes to the Uniform Mitigation Verification Inspection Form (OIR-B1-1802). We appreciate the on-going efforts of the Office of Insurance Regulation towards the adoption of this form. While there were many important topics discussed at the September 20 rule hearing, we believe that one of the most important is the time period over which the form is valid.

As you are aware, the form that is currently in use states that "This verification form is valid for up to five year". In comparison, the proposed form changes this statement to read, "This verification form is valid for five years" (emphasis added). We believe that this proposed change will have a negative impact on both consumers and insurers and should be left as it reads today. For example, wind mitigation techniques are improving on an ongoing basis and it is easily foreseeable that homeowners may frequently upgrade their homes in order to qualify for new credit. By stating that this form is valid for five years, a homeowner would have to wait until after the expiration of this five year period to account for their new mitigation features.

In addition, it is very important that insurers be permitted to inspect homes in order to verify if that structure qualifies for the credit it has been provided, or in order to verify whether material changes have occurred that might provide new credit. The philosophical concept behind wind mitigation credits is that a hardened home reduces the likelihood of damage which means that less premium is needed by the insurer to account for the risk associated with that particular home. It is essential that insurers be permitted to verify the accuracy of wind mitigation verification forms in order to avoid having insurers who have collected insufficient premium. Furthermore, if a re-inspection is conducted at the cost of the insurer, it seems entirely reasonable to permit a verification of what has, or has not, been done to the home.

If it is the intention of the Office to change the language regarding verification in an effort to ensure that the report is presumed correct, as Consumer Advocate Westcott recommended, then the industry requests the addition of language that makes clear that insurers continue to have the ability to verify the form. As evidenced by the results of the re-inspections that were

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performed on behalf of Citizens, insurers should be able to ensure that proper credits are being provided. Consumer Advocate Westcott's proposed language read as follows:

"This verification form is presumed valid for five (5) years unless a material change or mischaracterization has been made".

The problem with this proposal is that an inspection may be required to determine whether a material change of mischaracterization has occurred. Instead, we recommend the following:

"This verification form is presumed valid for five (5) years; however, this presumption does not prohibit insurer inspections at their own cost."

This language creates a presumption of validity but recognizes the essential need for insurer's to verify the content of these forms at their own cost.

For the reasons stated above, we believe that the verification form should continue to include language stating its validity for up to five years which permits a flexible and sensible process, or if a change is required, that the recommended language that permits insurer inspections be included.

If you have any questions, please do not hesitate to contact me at the number listed below.

Sincerely,



Matthew A. Nowels

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