

ISO HomeValue™

Property Replacement Valuation System



Case Study

Universal Insurance Company of North America Improves Insurance-to-Value by Utilizing ISO HomeValue for Property Inspections

Like insurers everywhere, Universal Insurance Company of North America (UICNA), a preferred writer with approximately 130,000 policies in the state of Florida, is concerned with the issue of insurance-to-value. Professional home inspections are an essential part of UICNA's insurance-to-value campaign and the company requires inspections for the vast majority of properties it considers for coverage.

Most of the more than 1,000 inspections per month requested by UICNA are of the exterior of the property: assessing its size, condition and upkeep, roof condition, and liability hazards. Photos of the exterior are included in each report. If a property is deemed "high value" by UICNA's pre-determined criteria, a full inspection—interior and exterior—of the property is required and photographs of all features and finishes are required.

Because of the high volume of inspections and the quantity of data gathered on each property, UICNA required an integrated solution for estimating replacement costs that would provide a single point of access for its underwriters, agents and inspectors to enable them to streamline their underwriting process.

Automated Capture of Inspection Data

UICNA employs Texas-based Reliable Reports, Inc. (Reliable), one of the largest and fastest-growing Property and Casualty inspection firms in the United States, for the majority of its inspections. UICNA provides Reliable with direct access to ISO HomeValue™, a highly flexible web-based residential replacement cost estimator.

ISO HomeValue was designed from the ground up with the flexibility to be tailored to fit any company's internal workflow. It can be easily integrated with a company's underwriting and policy management systems, agent web portals, third-party inspection systems, and more.

After an inspection, Reliable's inspectors enter all relevant data about the property into their proprietary inspection reporting system. Details relevant to replacement cost are then transmitted in XML via a Web service directly into ISO HomeValue, which quickly generates and returns a replacement cost estimate. The automated process enables Reliable to submit their inspection reports to UICNA electronically with the ISO HomeValue replacement cost estimate included in the data package.

Once an inspection report has been submitted, the underwriters at UICNA have immediate access to the property-specific information submitted by Reliable and the replacement cost estimate. At this point in the process, the information can also be made available to the independent agent representing the homeowner. This ensures that each participant—agent, underwriter, inspector—are all on the same page, able to utilize the most up-to-date information.



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*David Valenzano,
Vice President, UICNA*



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*Ken Garfat,
Director of Quality Assurance and Product Development, Reliable Reports, Inc.*

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Accelerating the Underwriting Process While Minimizing Data Errors

"ISO HomeValue has enabled us to significantly improve our underwriting processes and attain a level of continuity that is not often achieved in today's insurance market," said David Valenzano, vice president of UICNA. "As a result, we've seen significant improvements in our insurance-to-value, which has had far reaching impacts on many facets of our business."

Because there is no re-keying of information, UICNA's implementation also saves time and minimizes error. In addition, inspectors have the ability to perform quality assurance reviews on all of the information at any time before it gets sent to the underwriter.

"ISO HomeValue has dramatically enhanced our business processes working with UICNA and other insurers," said Ken Garfat, director of quality assurance and product development at Reliable. "With inspectors throughout most of the country, the straightforward web-based integration of ISO HomeValue into our existing system puts our detailed reports and replacement cost estimates in front of the underwriters' eyes faster than ever."

Providing Inspectors Access to ISO HomeValue Improves the Bottom-line

ISO HomeValue is an economical alternative for insurers that conduct property inspections. For a company with a relatively high inspection volume like UICNA, this translates to significant savings.

"We appreciate the fact that, ISO HomeValue access is provided to Reliable as part of our license," said Universal's Valenzano. "With other property valuation tools, inspection companies are charged for each valuation conducted. This charge is then typically billed back to the insurer as part of the total cost of the inspection. Providing inspection companies with access to ISO HomeValue helps us achieve significant savings in pass-through charges."

Not only does UICNA save money on individual inspection fees, but the valuations based on data entered into ISO HomeValue by Reliable has contributed significantly to UICNA's profits. As part of a 2005 year-end analysis of their insurance-to-value campaign, UICNA discovered that the ratio of endorsement revenues far exceeded the cost of inspections.

According to Universal's Valenzano, "ISO HomeValue has added additional value to the inspection process and the combined result is an increase in revenue far beyond the associated cost of the inspections."



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