

**PROFESSIONAL TEAM REPORT  
COMMERCIAL RESIDENTIAL STANDARDS  
JULY 2002**

The Professional Team has been asked to provide the Commission with its latest recommendations relative to commercial residential standards following a polling of interested parties. Prior research has determined the following:

- 1) There is no universally accepted industry definition of commercial residential.
- 2) Current available insurance data relative to commercial lines of insurance (including commercial residential) is extremely sparse.
- 3) In order to review loss costs produced for condominium and apartment dwellers, some additional information is needed relative to the height of the structure due to the effect of elevation on wind speeds and pressures.
- 4) There are a far greater number of possible construction types in commercial construction than in single family dwelling structures.

Subsequent research has determined that there is not a great need for commercial residential standards, and that the creation of such standards might cause problems with the current market for these coverages.

Given the significant difficulties involved with the collection of the data necessary to produce and to verify commercial residential standards, and given the low levels of need for such standards, the Professional Team recommends that the Commission postpone any decisions relative to the creation of commercial residential standards until such time as the necessary criteria is more readily available. The Professional Team also recommends that the Commission request the Department of Insurance notify the Commission if their needs relative to the creation of commercial residential standards change.