

Felten Professional Adjustment



Florida Commission on Hurricane Loss  
Projection Methodology Presentation

October 29, 2009

Felten Professional Adjustment



1. Introduction to FPAT
2. Focus on Commercial/Residential Inspections
3. Commercial/Residential Construction Features
4. Domino Effect of One Incorrect Commercial Mitigation Affidavit
5. Existing Work Force
6. Recommendations

# Introduction to



- Insurance adjusting and underwriting service company
- Insurance Services provided include:
  - Commercial Insurance Valuations/Appraisals
  - Commercial/Residential Windstorm Mitigation Reports
  - NFIP Commercial Insurance Valuations/Appraisals
  - NFIP V-Zone Mitigation Reports
- We have over 1,000 commercial/residential clients resulting in mitigation data for over 100,000 residential units (personal lines)

# Focus on Commercial/Residential Inspections

- We believe the committees focus on single family housing is only “the tip of the iceberg”
  - One incorrect single family mitigation affidavit results in one incorrectly rated policy
  - One incorrect commercial/residential mitigation form results in a significant number of incorrectly rated policies
- According to the DBPR there are in excess of 25,000 Condominium Associations active in Florida
- Our database indicates the average condominium association has in excess of 100 members
- 100 Members X 25,000 Assn’s = 2,500,000 individual housing units

# Commercial/Residential Construction

- A good portion of commercial/residential structures are built differently than single family residential homes
- Inspectors must have commercial experience

# Commercial/Residential Construction

- Bar Joist Roof Construction
- What is the roof deck attachment?
- What is the roof-wall connection?
- Lightweight Concrete poured in a form supported by metal bar joists
- Commonly mistaken for reinforced concrete roof slab by inspectors without commercial experience



# Commercial/Residential Construction

- HVAC Equipment Located on roof
- Must be installed to code in order for roof covering to qualify for discounts





# Commercial/Residential Construction

- Glass exterior walls (curtain walls)
- Multiple Stories
- Opening Protection is more complicated



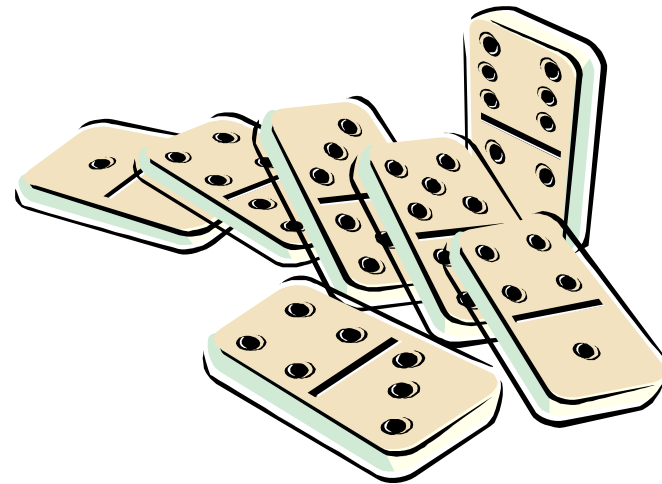


# Example

- Condominium Association located in St. Petersburg, FL
- Inspector completed OIR-1802 Mitigation affidavit for Three Identical 3-Story, 96-Unit Condominium Buildings
- The inspector certified the roof construction was a reinforced concrete slab
- Our company was hired to complete an insurance valuation/appraisal and a updated mitigation affidavit
- After a physical inspection and review of blue prints we determined the roof construction was in fact lightweight concrete supported by bar joists

# The “Domino Effect”

- In the case of the example condominium in St. Petersburg: three incorrect OIR-1802 forms resulted in 288 incorrect individual personal lines mitigation affidavits.
- This equates to thousands upon thousands of dollars in lost premiums for a variety of Insurance Companies



# Existing Work Force Commercial Insurance Adjusters

- Readily available work force of individuals licensed by the Department of Financial Services
- Subscribe to a code of ethics
- Mandated CE Credits by the Department
- They must work for a company, they cannot work alone

# Existing Work Force Commercial Insurance Adjusters

- The wheel has already been invented
- The work force has already been trained and is ready to go to work

# Recommendations For Commercial/Residential Inspections

1. Create new Windstorm Mitigation Form that relates to Commercial Building Features
2. Mitigation Format must include pictures and written explanations of the features
3. Inspectors must have commercial experience
4. Utilize Commercial Insurance Adjusters

# Contacts

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