

Why and how do you contact an ISO office or a state rating bureau?

The ISO office or State Rating Bureau is a valuable source of information and advice on fire and allied lines coverage insurance rates or loss costs. The ISO and state rating bureaus are private organizations supported by insurance companies who write insurance within the state and who subscribe to the services. They are not governmental organizations.

Generally, these offices should be contacted on one of two bases:

- 1) The "good-will" call.
- 2) To discuss a specific situation.

The good-will call has a number of purposes – to acquaint you with the ISO or rating bureau operation as it affects your business- to determine which department and which individual or individuals deal with various types of situations such as, unsprinklered rates or loss costs, sprinklered rates or loss costs, allied lines coverage rates or loss costs, rates or loss costs in various areas of the state, etc. –to determine how the office handles certain factors inherent in metal building rates such as, fireproofing of columns, flame spread rating of insulation materials, masonry walls in otherwise metal buildings, etc., to acquaint the personnel with some of the details of metal building construction. It is always easier to discuss a specific situation at a later date with someone you have met previously and with whom you have built a feeling of mutual respect.

Rating office calls should not be made to challenge rating or loss costing methods or to indicate any feelings of antagonism due to real or imagined discriminatory rating treatments with regard to metal buildings. These matters will be handled by the MBMA Committee on Fire Protection and Related Insurance Matters. Local offices do not establish basic rate or loss cost making policy. These policies are established by regional or national offices.

Specific projects will frequently indicate a need for contact with the insurance services office. It may be desirable to know what the approximate rates or loss costs will be on a building before it is erected (or in some cases contracted for). Questions may arise as to the comparative rates or loss costs between metal buildings and other classes of construction. Also, it is very worthwhile to discuss possible methods of reducing insurance rates or loss costs on a proposed building with them as a service to the metal building customer.

In these cases, where specific jobs or locations are involved, it is necessary that certain formalities be followed. It may be that the owner will want his insurance agent or broker to be a part of the discussion, or he may wish to be present himself. Here, the rating office can discuss specific rates or loss costs as either the agent or broker will have an "agent or broker of record" letter filed with the office or the owner himself will be present. Where you do not have these conditions and go into the ISO office or Rating Bureau unaccompanied, you should have such a letter signed by the owner and identifying the particular property involved. Such a letter will allow them to also discuss your customer's specific situation with you. Otherwise, you will normally receive only general information. Format for such letters is generally:

"Insurance Services Office or Rating Bureau

Re:

S. E. Jones
2664 Main Street
Jonesville, U.S.A.

Please recognize XYZ Metal Company as my representative in matters pertaining to insurance rates or loss costs at the above location.

Yours truly,
J. Q. Owner"

These letters may be canceled or superseded by the owner at any time, and a letter using the above format will not cancel previous letters.

You should be prepared to answer their rating office's questions relative to the specific building details - construction, occupancy and specific location. A set of building plans including a plot plan showing any adjoining buildings would be helpful in assuring a close estimate of insurance rates or loss costs. An Insurance Information Check Sheet (available from members of the Metal Building Manufacturers Association), properly filled in, is an excellent tool. This is almost essential when comparing rates or loss costs on two different buildings.

Be sure to ask the ISO office or Rating Bureau office for all ideas they may have as to rate or loss cost reduction possibilities (e. g., fireproofing columns, masonry walls, sprinklers, cutting off hazardous processes, etc.).

Keep in mind that they can give you specific answers only to the extent that you provide specific data. Rates or loss costs quoted are normally approximate, based on the information presented. The final rate or loss cost is dependent on their inspection after the building has been erected and occupied and is based on the actual physical conditions found at the time of that inspection.

ISO offices and state insurance rating bureaus can be a valuable ally and source of information.

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Additional Information:

Metal Building Manufacturers Association, Inc.
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