



Craftsman Book Company

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Creators of the First Construction Estimating Book On Disk

September 8, 2004

Tom Gallager
Treasure and Insurance Commissioner
200 East Gaines Street
Tallahassee, FL 32399

Via Email and Facsimile

Re: Craftsman Book Product Differences

Dear Commissioner Gallager:

I am writing in response to a letter received today from Hurricane Victims' Advocate Steve Kanstoroom.

I previously provided information to Mr. Kanstoroom regarding the difference between the costs associated with new construction and more costly repairs and renovations. I am aware he provided that and other information to the US Senate Committee on Banking, Housing and Urban Affairs in February 2004. Ultimately the Senate directed all non-policy limits of Isabel flood claims to be reviewed, in large part based upon the information he provided. This was the largest such review in FEMA's history.

Despite Mr. Kanstoroom's efforts, I understand from his call and subsequent email such new construction numbers are once again being used in lieu of more costly repair and renovation pricing, this time in Florida.

This is a problem for which, as the publisher and author of the data, I see no logical explanation.

While it is true such new construction pricing could be adjusted upward to be in line with repair and renovation costs, I see no reason for starting with an artificially low set of numbers.

Many adjusters use repair and renovation costs when estimating repairs costs. Still, the renovation numbers are a starting point from which knowledgeable professionals will use their skills in an effort to attempt to bring their estimate in line with the actual conditions.

I have watched from afar the problems this issue has caused for Hurricane Isabel victims. In the interest of saving countless Floridians from a similar fate, I urge you to immediately issue a statement which clarifies this important issue: in Florida, losses from Charlie and Frances will be adjusted using repair and renovation cost standards, not prices for new construction.

Sincerely,

Gary Moselle, Publisher
Craftsman Book Corporation

Cc Governor Jeb Bush
Attorney General Charlie Crist