



CHESTER J. CULVER
GOVERNOR

SUSAN E. VOSS
COMMISSIONER OF INSURANCE

PATTY JUDGE
LT. GOVERNOR

BULLETIN 09-03

To: Insurance Companies and Insurance Producers

From: Susan E. Voss, Insurance Commissioner

Re: Determining Actual Cash Value when a policy does not provide a definition

Date: March 5, 2009

This bulletin is intended to promote understanding of Actual Cash Value settlements in property policies that do not contain a definition of Actual Cash Value (ACV). If the governing property policy does not define ACV, Iowa law allows insurers to take into consideration items including, but not limited to:

1. the market value of the property at the time of the loss;
2. replacement cost at the time of the loss less depreciation; and
3. any other relevant evidence or information to determine ACV.

This Bulletin applies to all lines of insurance which offer coverage for loss or damage to personal or real property. The Division requests that insurers take reasonable steps to provide notice of valuation methods used in claims settlements concerning policies issued in the State of Iowa that do not define ACV for all policies issued on or after March 1, 2010. The notice required by this bulletin may be provided prior to or at delivery of any such policy.

A handwritten signature in cursive script that reads "Susan E. Voss".

Susan E. Voss
Iowa Insurance Division