



FAIR Plan News

August 2005

Revised Eligibility Guidelines

The Virginia Property Insurance Association offers enhanced dwelling and liability coverages that include replacement cost coverage for dwelling and contents, additional living expense, theft coverage and liability insurance.

Effective June 1, 2005, the eligibility requirements regarding prior insurance and business pursuits have been relaxed, making it easier for your clients to qualify for the improved coverages.

Business Pursuits

Applicants who conduct business pursuits from or have permitted incidental occupancies at a described location will now be able to request the liability endorsement to cover their personal exposures. In the past, the Association would not provide liability coverage if business was conducted from the described premise or if there was a permitted incidental occupancy at the described location.

Business Exclusions Still Apply

Although applicants are now eligible to apply for the liability coverage to cover their personal exposures, the standard business exclusions still apply. Activities related to the business of an insured will not be covered by the personal liability endorsement.

The policy defines business, whether full or part time, as a trade, profession or an occupation. This includes farming and the rental of property to

others. The policy specifically defines services regularly provided by an insured for the care of others for which an insured is compensated as a business pursuit and excludes coverage under the liability endorsement.

Prior Insurance

An applicant must have prior insurance in order to qualify for enhanced property coverages. The Association will now take into account policies that expired up to 30 days prior to the date of the application in determining eligibility for the Broad Form coverages.

Over Eight Thousand Applications Submitted On-Line

Thank you for using the Internet to submit your applications to the Association. Since this option was introduced late last year, agents have submitted over 8,000 applications via the web. Today, almost two thirds of our applications come in via the web, which has greatly increased the accuracy and speed of the policy issuance process. Agents no longer have

to worry about incomplete applications. We have continued to enhance this service based on feedback from agency staff.

We are continuing to develop new tools to help you service the clients you have placed with the Association. The billing screen now shows if we have received the continuation application from the

policyholder. You can report claims on-line and get an immediate confirmation on your screen once the claim is received by our computer system. By the end of the year, you will be able to make mortgage changes on-line. Please let us know if there are any additional features you would like to see added to the system.

Policyholders who maintain uninterrupted coverage with the Association for one year, and meet all other eligibility guidelines, can request that their policy be renewed on the Broad Form when the policy expires.

List of Policyholders

You can visit our website to view a list of your customers currently insured by the Association. Agents use this information for marketing and cross selling. They also use the list to make sure their diary systems are up to date for each of their expirations.

You simply need to press the "Policy List"

button at the bottom of the producer data screen. That will generate an Adobe file list you can view or import into your computer system.

We encourage you to update your producer data while you are on the system. Make sure we have the current e-mail address and contact information for your agency.

Quick Tip

Dwelling Minimum Premium = \$250
Commercial Minimum Premium = \$500

Hurricane Underwriting Restrictions

Following Hurricane Isabel, the Association modified its hurricane underwriting restrictions. The *Association* may stop accepting applications for new coverage which includes windstorm coverage and delay requests for increased coverage on existing policies which include windstorm coverage when the national weather service reports the location of a hurricane, tropical storm or tropical depression within the longitudes of 65° west and 81° west and within the latitudes

of 21° north and 38° north. If the Association ceases accepting applications, it will resume accepting applications within 24 hours after the hurricane, tropical storm or tropical depression leaves this designated region.

You are encouraged to report losses using the link on our web page at vpia.com. You will receive immediate confirmation of the claim report and will avoid any potential phone delays following another hurricane.

Ways to Avoid Policy Cancellations

Many of the phone calls received at the Association are related to a cancellation that a policyholder has received in the mail. There are some things you can do to help prevent a policy from being cancelled.

Escrow Bill

Generally, the mortgage companies are very good at making sure premiums are paid prior to the due date. Please review the billing screen for each of your policyholders and make sure that you have requested us to send a bill to the mortgage company and that you have included a loan number for the covered property. If the mortgage company does not send the payment in time, policyholders can pay their premiums using their credit cards. Once we receive payment from the mortgage company, we will refund the payment to the insured.

Continuation Applications

In addition to the premium payment, The Association requires a continuation application each year. The application is mailed to the policyholder along with the continuation certificate. Policyholders can download a blank application from our web site if they lose the application sent with their policy.

Premium Finance Companies

The Association will not reinstate a policy once it has been cancelled at the request of a premium finance company. Please ask the finance company to fax a request to reinstate if payment is made before the cancellation date.

Virginia Property Insurance Association

Virginia's FAIR Plan

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