

## FAIR Plan News

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### Delinquent Real Estate Taxes

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The Virginia Property Insurance Association will not provide coverage on a property if the real estate taxes on that property are delinquent for two or more years. All of our applications include a question about whether there are any delinquent real estate taxes. If the applicant indicates that taxes are delinquent, our underwriters will seek the details on the delinquent taxes, and decline the application if they

find that the taxes are delinquent for two or more years. The Association's eligibility guidelines and underwriting guidelines are contained in our Manual of Operations.

When a loss is reported, the Association's adjusters check the status of the real estate taxes on the insured property. If the adjuster finds that the taxes were delinquent for two or more years at the time the application was signed, the policy will be voided and the claim will be denied for material misrepresentation.

Although the Association does not ask many underwriting questions, we base our underwriting decisions on the responses your client provides. A false statement may void the contract and result in the denial of a claim for material misrepresentation. Please make sure your policyholders take the time to answer the questions on these applications carefully.

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### Maximum Dwelling Limits Increased to \$400,000

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The Association is increasing the amount of dwelling coverage we provide. The maximum dwelling limits will increase from \$350,000 to \$400,000 effective March 1, 2003. The maximum commercial limits will remain unchanged at \$1,000,000. The limits apply separately per the location, and represent the aggregate limit of the building and contents at any one location.

The Association has the ability to add more than one location to a policy, and the maximum limit and deductible apply separately to each location. The Association will not automatically increase the limits if a policy is already issued at the maximum dwelling limits. You must request an endorsement if your client wants to take advantage of the increased dwelling limits.

#### Visit [vpia.com](http://vpia.com) to

- View policyholder billing information
- View and print current declarations pages
- Pay premiums using credit cards
- Process endorsement requests
- Update agency information
- Download current rating software

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## Credit Card Payments

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Effective March 1<sup>st</sup>, policyholders will be able to go to the Association's website and use their credit card to pay their premium. Policyholders can input their policy information directly from our homepage at [www.vpia.com](http://www.vpia.com). The policyholder will be transferred to a secure site at Verisign<sup>®</sup> where they will enter their credit card information. The Verisign<sup>®</sup> site is fully encrypted to protect the

policyholder's financial information .

The policyholder must input a policy number along with customer information to ensure that funds are credited to the proper account. You can use this feature to avoid cancellations for non-payment of premium and to pay the initial premium on new business submissions.

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## Vacant Property

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FAIR Plans were created to help spur economic development in the inner cities. Since vacant properties impede economic development, the Virginia Property Insurance Association does not offer coverage for vacant properties unless they are undergoing active renovations. A list of excess and surplus lines brokers who provide markets for vacant property coverage is published in the general information section of the Association's web site.

The Association can provide coverage for a vacant property while it's being actively renovated. Effective March 1, 2003, we have eliminated the prior inspection requirement as long as the insured can

provide evidence of the renovation or rehabilitation. Acceptable documentation would include such things as a building permit, construction loan, or a signed contract for work. The Association will inspect the property once coverage is provided, and assess any additional applicable charges. The Association will perform periodic inspections to verify that construction or renovation is progressing at the insured property. Our new procedure will allow an applicant to secure coverage much sooner. In order to apply for renovation coverage, you must complete a basic application along with a vacancy questionnaire. All of our applications can be found on

the website.

The Association's dwelling and commercial contracts both contain vacancy provisions that restrict coverage if the property remains vacant for more than 30 days. Vandalism coverage ceases under both the dwelling and commercial policies once a property has been vacant for 30 days. All coverage ceases under the commercial policy once a property has been vacant for 60 days.

You can download a vacancy questionnaire from the producer section of our web site. Please call our underwriting department if you have questions about our procedures for vacant property.