

## SECTION XIII

### EXPIRING COVERAGE

All FAIR Plan policies are reviewed well in advance of expiration to determine their eligibility for renewal. Listed below are descriptions of various documents which the FAIR Plan uses to advise the insured or his/her representative of pending policy expiration.

#### A. OFFER(S) TO RENEW

1. The Plan will review its latest policy information on file and, if it is in possession of sufficient underwriting information, may issue a Renewal Premium Notice, Form PDFP-13 showing final premium required, to effect a new one year policy. Refer to B, "Policy Order Form", below. An optional quotation at higher limits may be offered.
2. The Plan will review its latest policy information on file and, if additional information or a new inspection is required, may issue a "Renewal Premium Notice", Form PDFP -13 showing the PROVISIONAL premium required to effect a new one year policy. The following will also be computer printed on the form: "THIS OFFER INCLUDING THE PREMIUM, IS PROVISIONAL AND SUBJECT TO A REINSPECTION." Refer to B-4, "Policy Order Form", below.

#### B. POLICY ORDER FORM

1. At the bottom of the "Renewal Premium Notice", Form, PDFP-13 is a detachable "Policy Order Form" identified by the wording "DETACH THIS PORTION AND RETURN WITH PAYMENT..."
2. Changes in producer, lienholder, mailing address, policy amounts and description of property must be included with proper documentation, on the bottom of the "Policy Order Form" or on a separate addendum. Refer to the "Request for Endorsement" Section, Item D.
3. Increases or decreases in policy amounts are subject to review and acceptance by the Plan.
  - (a) If acceptable, and the correct revised premium has been submitted, a policy will be issued reflecting the new limit(s) of liability.
  - (b) If unacceptable, but there is sufficient remittance to process for the quoted amount(s) of coverage, a policy will be issued in the amount of the expiring policy and any overpayment refunded. Notice of rejection of increase or decrease in coverage will be mailed to the insured or his/her representative within three working days of receipt of the "Policy Order Form".
  - (c) Incomplete "Policy Order Forms" or those accompanied by insufficient remittance will be rejected and returned and no coverage shall be provided.
4. Policies obtained from a "Policy Order Form" attached to a PDFP-13 form showing "PROVISIONAL RATES AND PREMIUMS" are subject to the same provisions as any immediate coverage policy. Refer to the "Immediate Coverage" section.

#### C. RENEWAL PREMIUM NOTIFICATION

When the "Renewal Premium Notice" is mailed to a producer, a "Renewal Premium Notification" is mailed to the insured advising him/her to contact their insurance representative to arrange for premium payment.

**D. DECLINATION - NON-RENEWAL NOTICE**

In some instances the FAIR Plan will be unable to offer continuing coverage on certain expiring policies. Lack of underwriting compliance, ineligibility or inability to complete an inspection as well as policies originally written for a non-renewable one year term may cause a Declination Notice to be mailed to the insured or his/her representative. The Declination will state the condition(s) which make(s) the property ineligible or uninsurable, and will be accompanied by a copy of the inspection report.

The Non-Renewal Notice will refer to the Declination Notice. Written verification that the conditions have been corrected, confirmed by an inspection, if necessary, will normally result in the renewal being offered.

**E. FINAL NOTICE OF EXPIRATION**

If, within ten (10) days following the expiration of a policy, a new policy continuing coverage has not been issued, a "Final Notice of Expiration" advising that the policy has expired will be mailed to the insured and his/her representative. This will be mailed for every expired policy not renewed including those declined or non-renewed by the Plan.

**F. MORTGAGEE RENEWAL NOTIFICATION**

At least 30 DAYS prior to expiration, on all policies quoted and containing a listed mortgagee, a "Mortgagee Renewal Notification" will be issued. This is not a bill or invoice, but instead a notice to the mortgagee of the Plan's willingness to renew the policy (see subsections A and B for renewal instructions).