

# INSPECTIONS

## A. REQUEST FOR INSPECTION

Any person having an insurable interest may request an inspection, in their own name, either through their licensed property insurance representative or by applying directly to the Plan.

The FAIR Plan does not routinely inspect every property submitted. Therefore, in order to assure an inspection, a memo specifically requesting a physical inspection of the property must be attached to the application when submitted to the Plan.

Inspection by the Plan will provide information regarding eligibility and insurability as well as the premiums to be charged.

NO CHARGE SHALL BE MADE FOR A FAIR PLAN INSPECTION.

## B. INSPECTION PROCEDURE

After receipt of a properly completed application, an inspector representing the Plan may make an outside (and inside) inspection of the property during normal working hours. The inspector **MUST BE ACCOMPANIED** by the applicant or by another responsible person as designated on the application. The requirement for inspection may be modified or waived by the Plan, if in its judgment, it is in possession of sufficiently current information. The inspector's report will enable the Plan to determine if the property meets eligibility and insurability requirements.

The FAIR Plan does not maintain a staff of inspectors. For the purpose of underwriting inspections, the Plan utilizes the service of independent inspection agencies. The sole function of the inspector is to make a physical inspection of the property and submit a written report of his findings to the Plan.

The inspector has no authority to make underwriting judgments or decisions on behalf of the Plan and for this reason is instructed to refrain from discussing any conditions existing in a property at the time of inspection.

## C. REINSPECTIONS

1. The Plan reserves the right to reinspect, at any time, any location for which a policy of insurance has been issued.
2. An applicant or insured, or a representative of either, may make a written request for reinspection specifying the reason(s) for the request.
3. When a location has been reinspected, a revised "Premium Notification" will be mailed to the applicant or his/her representative if a revision is warranted and there is no policy in force. If a policy is in force, and if conditions warrant, the Plan will re-underwrite the risk and notify the insured or his/her representative.

## D. INCOMPLETE INSPECTIONS (LOCKOUTS)

If the FAIR Plan has been unable to complete an initial inspection of a property, a "Lockout Notice", in letter format, will be mailed to the applicant or his/her representative, requesting that the Plan be advised how an inspection can be completed during normal business hours.

If there is no coverage in force and a reply is not received within ten days, the file will be closed. If no response to this notice is received within ten days, and there is a policy in force, "Notice of Cancellation" will be mailed. If a policy is in force and timely replies have been received, the FAIR Plan will only make two such attempts to inspect a property. Upon notification of a second lockout, the policy will be cancelled by notice.

Cancellation of a policy as a result of the Plan's inability to complete an inspection will not be rescinded unless a satisfactory inspection is received and approved prior to the effective date of cancellation. If the cancellation is not rescinded prior to the effective date of cancellation, a new application may be required and coverage may not be available until an inspection has been completed, eligibility and insurability determined by the Plan, and a "Premium Notification" has been issued.

#### **E. PREMIUM NOTIFICATION**

If no Plan policy is in effect, and the property is determined to be eligible and insurable for coverage, the Plan will determine appropriate premiums for coverage(s) requested and complete and mail to the applicant or his/her representative a "Premium Notification" stating the premium to be charged.

The premium(s) and the offer to provide insurance as set forth in the "Premium Notification" will remain in effect for ninety (90) days from the date issued.

The "Premium Notification" with a detachable "Policy Order Form" will contain a six digit File Number which should be used on all further correspondence regarding the same property.

If there is a policy in effect under the Immediate Coverage procedure, and it is determined after inspection that the property is eligible and insurable, an endorsement finalizing the provisional policy premium will be sent to the insured or his/her representative. If the premiums are different than the premiums on the binder policy, a "Premium Notification" will be sent to the insured or his/her representative.

#### **F. DECLINATIONS**

If, after inspection, the Plan determines that a property is ineligible and/or uninsurable, a written Notice of Declination will be mailed to the applicant 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. If there is a policy in effect under the Immediate Coverage procedure, the Plan may, at its discretion, allow a period of time for the correction of the condition(s). Failure to notify the Plan in writing within the stated period of time of the condition(s) being corrected may result in policy cancellation.

Cancellation of a policy for failure to meet underwriting standards may not be rescinded unless a satisfactory inspection is received and approved prior to the effective date of cancellation. If the cancellation is not rescinded prior to the effective date of cancellation, a new application may be required and coverage may not be available until an inspection has been completed, eligibility and insurability determined by the Plan, and "Premium Notification" has been issued.

#### **G. PREMIUM CONDITION CHARGES**

When premiums have been determined for a location, the "Premium Notification" may include charges for any substandard physical condition(s) existing in the property at the time of inspection. These conditions will be listed on the face and defined on the reverse side of the "Premium Notification".

Correction of any or all of these conditions by improvement of or physical change in the property may, upon reinspection, result in the removal of the applicable charge(s), and revision of the Plan

premiums. However, requests for reinspection will not extend the time limit for payment of a bill for additional premium.

Following is a list of the conditions for which charges may be made, together with a list of pamphlets available from the National Fire Protection Association containing standards which may assist in correcting the conditions.

The numbers in parenthesis found after the explanation of a condition are references to a list of available standards found at the end of this list. These standards contain detailed information and instructions that will guide in the correction of indicated conditions.

All charges are in addition to the applicable base premium for the property. In the case of class rated properties the charges are expressed in dollars and cents per hundred dollars of insurance coverage. Except for vacancy, the charges for schedule rated properties are expressed as a percentage of the base premium.

NOTE: Any applicant or his/her representative may request a copy of the inspector's report.

**TABLE 1 CLASS RATED PROPERTIES**

**DWELLINGS  
NOT OVER  
4 FAMILIES**

**OTHER THAN  
DWELLINGS**

		<b>A.</b>	<b>HEATING</b>
.20	.25	4.	Space heating should be of approved type. (5)
.20	.25	5.	Oil burner equipment not as required. (1)-(5)
.20	.25	6.	Rubber hose or unapproved connections should be replaced. (2)
.20	.20	7.	Masonry chimney improperly constructed. (5)
.20	.20	8.	Breeching, smokepipes and flues should be installed under standard specifications. (4)-(5)
.20	.20	9.	Gas vents to be installed under standard specification. (2)-(5)
		<b>B.</b>	<b>COOKING</b>
.15	.25	3.	Hot plates should be eliminated; other cooking arrangements should be made standard. (2)-(3)
.15	.25	4.	Grease accumulation on walls, floors, cooking appliances should be removed.
	.50	5.	Lack of/or non-standard hood, where required. (6)
	.50	6.	Automatic protection should be installed. (6)
	.35	7.	Range hood should be properly vented as to standard specifications. (6)
		<b>C.</b>	<b>ELECTRICAL</b>
.20	.25	3.	loose wiring, exposed wiring, broken outlets or improper use of extension cords should be eliminated. (3)
.15	.15	4.	Overfusing should be corrected. (3)
		<b>D.</b>	<b>OTHER HAZARDOUS CONDITIONS</b>
.30	.60	6.	Accumulation of rubbish, storage of flammable liquids and/or material, lack of exterior or interior maintenance, combustible ash containers. (7)-(8)-(9)
		<b>E.</b>	<b>OCCUPANCY</b>
.20	.20	4.	Overcrowded conditions for the living space available.
		<b>F.</b>	<b>VACANCY AND UNOCCUPANCY</b>
1.00	1.00	2.	Buildings which are partially vacant or unoccupied.
2.00	2.00	3.	Buildings which are fully vacant or unoccupied.
.25	.50	4.	When a partially or fully vacant or unoccupied building is in the course of renovation, or when renovation is to commence within thirty days, these condition charges shall apply.

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| .25 | .50 | 5. When an unoccupied building is actively listed for sale with a real estate agent or after settlement waiting to be occupied for a period of not more than one year, with utilities on and the building maintained as though occupied. The building must have furnishings, such as stove, refrigerator, perhaps some furniture and the lawn mowed. Boarding is not required and V&MM coverage may be provided.     |
| .10 | .30 | 6. Seasonal buildings or second home which are unoccupied but not vacant. Unoccupied means containing contents usual to occupancy of the building such as furniture, refrigerator, stove and window dressings. The lawn should be mowed and window dressings should be as if occupied. V & MM Coverage may be provided. For dwellings V & MM Seasonal rates apply when V & MM is provided IN LIEU of this surcharge. |

**TABLE 2 SCHEDULE RATED PROPERTIES**

**PERCENTAGE INCREASE OVER TARIFF RATE**

15%	<b>A. COMBUSTIBLES</b> 1. Excessive accumulation of combustibles. (7)-(8)
25%	<b>B. LACK OF WATCHMAN OR ALARM SYSTEMS</b>
15%	<b>C. UNATTENDED OCCUPANCIES</b> 2. Applicable to unattended laundromats or dry-cleaning establishments, coin operated car washing facilities, etc.
15%	<b>D. OBSOLETE EQUIPMENT</b> 1. Broken or improperly repaired equipment. Improperly functioning equipment due to age.
1.00	<b>E. VACANCY AND UNOCCUPANCY</b> 2. Buildings which are partially vacant or unoccupied.
2.00	3. Buildings which are fully vacant or unoccupied.
.50	4. When a partially or fully vacant or unoccupied building is in the course of renovation, or when renovation is to commence within thirty days, this condition charge shall apply.
.50	5. When actively listed for sale with a real estate agent or after settlement waiting to be occupied for a period of not more than one year. Utilities must remain on and the building must be maintained as though occupied.
.30	6. Seasonal Business Mercantile Properties.

The below listed pamphlets containing standards are available at a charge from the National Fire Protection Association, 1 Batterymarch Park, Quincy, Massachusetts 02269-9101, 1-800-344-3555, and may assist you in removing conditions for which charges are made. Fax Number 1-800-593-NFPA (6372). Internet: <http://catalog.nfpa.org>

Reference Number	Standard Number	TITLE
(1)	31	Oil Burning Equipment, Installation of
(2)	54	National Fuel Gas Code
(3)	70	National Electrical Code
(4)	90B	Warm Air Heat and Air Conditioning Systems
(5)	211	Chimneys, Fireplaces, Vents & Solid Fuel-Burning Appliances
(6)	96	Ventilation Control and Fire Protection for Cooking Equipment
(7)	230	Fire Protection of Storage
(8)	30	Flammable and Combustible Liquids Code

## H. **CONDITION CORRECTIONS**

The Underwriting Department of the Plan is available to provide further information on the method of correcting any conditions for which a charge is made.

Some of the more common conditions for which a charge may be made are:

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| A-4 | Unapproved space heater.                        | Electric or gas space heaters must be Underwriters Laboratory or American Gas Association listed. Solid fuel (wood or coal) space heaters must be at least thirty-six (36) inches from any combustible surface. |
| A-5 | Non-standard oil burner                         | Fill and vent pipe must be at least twenty-four (24) inches from any opening. Fuel lines must not be exposed to damage.   |
| A-7 | Non-standard chimney.                           | Unsupported, hanging or corbelled chimneys must be supported from the ground up.  |
| B-3 | Non-standard cooking plates must be eliminated. | Pilot lights must be operative on gas stoves. Use arrangements of hot   |
| C-4 | Overfusing.                                     | Fuses of no higher than 15 amperes must be used unless wiring is adequate to support use of higher amperage.  |
| D-6 | Other hazardous conditions.                     | This charge may be applied due to paint neglect, loose wall paper, cracked plaster or other indications of poor building maintenance or housekeeping.   |