

January, 2005

PENNSYLVANIA

BULLETIN TO: PRODUCERS

**THE PENNSYLVANIA FAIR PLAN ANNOUNCES A CHANGE IN IT'S
RENEWAL PREMIUM / EXPIRATION NOTICE PROCEDURE**

Starting January 1, 2005, the Renewal Premium/Expiration Notice will be changed to a computer generated format. Most importantly, most renewal quotes will contain the added feature of providing two quotes. The first will quote using the existing/expiring amounts of insurance. The second is an optional quote for a slightly higher building limit (currently 10% but subject to change).

LEARN MORE ABOUT IT

VISIT OUR WEBSITE: www.pafairplan.com

Get a Quote, Applications, Forms, Rules and Procedures (Our Manual), Request An Endorsement, Ask for an Inspection, Report a Claim, Order Supplies, Find out What's New

Conditional Terrorism Exclusion on Commercial Policies Effective 1/1/05 and thereafter.

As of yet, Congress has failed to pass an extension to the Terrorism Act which expires on 12/31/05. Since the existing Terrorism Endorsement only describes how insurance would be handed when the act is in force, an additional endorsement is needed for Commercial Policies to describe how a claim would be handled in the event the act is not extended and the policy period extends beyond 12/31/05.

(An additional endorsement is not needed for dwelling and crime policies which have commercial exposures, since there is no provision for excluding terrorism under those policies, and there is no provision for rating terrorism coverage under dwelling and crime policies).

IL 09 95 05 04 will be added to all Commercial Property Policies effective 1/1/05 and thereafter. Please note that Pennsylvania is a Standard Fire State so terrorism losses that result in a fire are not excluded. See Paragraph D on Page 3 of the form. **A copy of the**

form and the Policyholder Notice which will also be attached to the Commercial policies is on our Website.

Below are a listing of the manual pages and a brief description of the changes made:

**HIGHLIGHTS of Changes to the Pennsylvania FAIR Plan
General Rules Manual of Procedures**

<u>Section</u>	<u>Pages</u>	<u>Description</u>
Contents	(1) -(3)	Binder Card is now Acknowledgment Letter
II (Eligibility)	(3)	Item 7 added Significant Existing Damage to Ineligible Property
IV (Coverages)	(1)	Change due to FAIR Plan Basic Form
V (Max. Limits)	(1)-(2)	More Flexibility on Accepting Higher Limits
VI (Application)	(1)	Correction
VII (Immediate)	(1)-(2)	Submit to FAIR Plan for Unpublished Loss Costs
VIII (Inspection)	(2)-(3) (5)-(6)	Correction of Rate Notification Procedure Revision to NFPA address & Revised Chimney Condition description.
IX (Payment)	(2)	Prohibits Service Fees - Personal Lines
XII (Cancellation)	(1)	Clarification - all Cancellations Pro-rata
XIII (Expiring)	(1)-(2)	Added, an optional quotation at higher limits may be offered. Took out sample forms in this section, since they have changed and/or are also in the Sample Forms Section.
XVI (Claims)	(1)-(2)	Revised Claims Section

XIX (Crime)	(9)-(10)	Corrected Pages
XX (Forms)	(I)	Various Revisions
Appendix	2	Commercial Property Special Provisions
	4	PA FAIR Plan Basic Form
	5	PA Standard Fire Policy Endorsement
	10	Non-Renewal Notice
	11	Notice of Cancellation
	12	Notice of Declination
	18	Premium Quotation
	19	Renewal Premium Notice
	8CR	Crime Declarations Page
Index		Various revisions

If you have any questions regarding the content of this Bulletin, please contact:

Customer Service
(800) 462-4972

Select Option 1 (Customer Service/Underwriting)
on our telephone menu.

If you have any questions regarding the distribution or mailing of this Bulletin, please contact:

Office Services
(800) 462-4972

Select Selection Option 3 (Forms) on our Telephone Menu

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7. Buildings in danger of collapse or which have significant existing damage including but not limited to, mine subsidence, bulging and/or cracked foundation walls and sagging floors.
8. Buildings where Government Authority has issued an order to vacate, destroy or raze the property or where the building has been classified uninhabitable or structurally unsafe.
9. Buildings which have characteristics of ownership, tenancy, occupancy or maintenance which violate public policy or which result in increased exposure to loss, including:
 - (a) Owner or occupant incendiarism.
 - (b) At least 65% of the rental units in the building are unoccupied, and the insured has not obtained prior approval from the FAIR Plan of a rehabilitation plan which necessitates a high degree of unoccupancy.
 - (c) Fire damage exists and the insured has stated or such time has elapsed as clearly indicates that the damage will not be repaired.
 - (d) Following a fire, permanent repairs following satisfactory adjustment of loss have not commenced within 60 days.
 - (e) Property has been abandoned or there has been removal of undamaged salvageable items from the building and the applicant can give no reasonable explanation for such removal.
 - (f) Utilities such as electric, gas, or water services have been discontinued and the applicant has failed to pay his/her account for such services within 60 days.
 - (g) Real estate taxes have not been paid for a one year period after the taxes were first due.
 - (h) Property which has current violations of fire safety, health, building, or construction codes.
 - (i) Where the building has been subject to more than two (2) fires, each loss amounting to at least \$500 or one percent of the insurance in force, whichever is greater, in any 12-month period or more than three (3) such fires in any 24-month period, provided that the cause of such fires is due to conditions which are the responsibility of the applicant or building owner.
 - (j) Where, based on reliable information, good cause exists to believe that the building will be burned for the purpose of collecting the insurance on the property.
 - (k) Conviction or unresolved indictment of an applicant or lienholder or any other person having a financial interest in the property for the crime of arson or a crime involving a purpose to defraud an insurance company.
 - (l) Such other characteristics as may be approved by the Insurance Commissioner.

SECTION IV POLICY PROVISIONS

A. COVERAGE(S) PROVIDED

On **Habitational** property the Plan will issue a simplified language policy affording coverage against direct loss to real or tangible personal property at a fixed location in the Commonwealth of Pennsylvania caused by perils defined and limited by language similar to the Insurance Services Office Form DP-0001 basic form which includes perils of fire, extended coverage and Vandalism.

On **Commercial** property the Plan will issue a simplified language policy affording coverage against direct loss to real or tangible property at a fixed location in the Commonwealth of Pennsylvania caused by perils defined and limited in the Standard Commercial Property Policy of the Insurance Services Office. The perils include fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, riot or civil commotion, sinkhole collapse, volcanic action, vandalism and sprinkler leakage.

NOTE:

Vandalism and malicious mischief and sprinkler leakage coverage are not available on properties which are fully vacant or unoccupied, or on Builder's Risks.

Coverage against loss caused by other perils, or for time element or indirect loss is NOT provided by the Plan.

B. POLICY FORMS

Insurance Services Office forms, endorsements and clauses will be used on all FAIR Plan policies, except when in conflict with FAIR Plan Rules and Procedures as filed with the Insurance Commissioner.

C. DEDUCTIBLES

FAIR Plan dwelling policies are written subject to the I.S.O. Deductible Clauses, \$250 appearing in the form attached to the policy. Commercial policies are written subject to a \$500 deductible. A \$250 Deductible is available on commercial properties in accordance with Rule 33. Deductible, Division Five, of the ISO Commercial Lines Manual.

Higher deductibles are available on commercial properties in accordance with the Deductible Insurance Plan, Rule 81, Division Five, of the ISO Commercial Lines Manual. The FAIR Plan reserves the right to apply higher deductibles at the appropriate rate credits where conditions warrant.

SECTION V MAXIMUM LIMITS OF LIABILITY

The maximum amount of insurance available from the FAIR Plan for all insurable property at any one location, regardless of the number of policies or insureds, shall be one million seven hundred fifty thousand dollars (\$1,750,000). "Location" is defined on page 1, Section X.

The Plan reserves the right to limit the amount of liability extended on any risk and the responsibility for meeting the coinsurance requirement, if any, remains with the applicant or his/her representative. Refer to Section IV-D.

This total amount of insurance guidelines are as follows:

A. HABITATIONAL OCCUPANCY CLASSES

	MAXIMUM LIMITS OCCUPIED	VACANT/ * UNOCCUPIED
One, two, three or four-family dwelling buildings.		
1. The amount of insurance on new applications received for properties purchased within six (6) months of submission shall be further limited as follows:	\$200,000	\$133,000
(a) Applications for owner-occupied dwellings will be accepted for not more than 200% of their recent purchase price. Higher amounts will be considered after inspection and/or submission of documented evidence of additional monies expended or to be spent in renovation or rehabilitation.		
(b) Applications for tenant-occupied dwellings will be accepted for not more than 125% of their recent purchase price. Higher amounts will be considered after inspection and/or submission of documented evidence of additional monies expended or to be spent in renovation or rehabilitation.		
2. Household contents and personal property contained in any one private dwelling or apartment.	\$50,000	\$33,000

* See Section II, for Eligibility

B. ALL OTHER OCCUPANCY CLASSES

**MAXIMUM LIMITS
APPLICABLE TO EACH LOCATION
PROTECTED UNPROTECTED AND
SEMI-PROTECTED**

1. Buildings *		
Fire-Resistive Construction including Masonry Non-Combustible Construction	\$1,500,000	\$750,000
Ordinary Masonry Construction	\$1,000,000	\$500,000
Frame Construction	\$500,000	\$250,000

The amount of insurance on new applications received for properties purchased within six (6) months of submission shall be limited to 110% of purchased price plus the amount of contents coverage. Higher amounts will be considered after inspection and/or submission of documented proof of additional monies expended or to be spent in renovation or rehabilitation, or a professional insurance appraisal.

	PROTECTED	UNPROTECTED AND SEMI-PROTECTED
2. Contents *		
Fire-resistive Construction including Masonry Non-Combustible Construction	\$250,000	\$125,000
Ordinary Masonry Construction	\$200,000	\$100,000
Frame Construction	\$100,000	\$50,000

The above contents limits may be doubled when an entire location is fully occupied by a single commercial enterprise. The application of this provision, however; will not serve to increase the Plan's maximum limit of \$1,750,000 at any one location.

* Limits shown should be reduced by 1/3 when building is vacant or unoccupied.

SECTION VI
HOW TO APPLY
(Also, See SAMPLE FORMS Section)

A. APPLICATION FORM

An application may be filed on behalf of the applicant by a producer (licensed property insurance agent or broker). Also, an application may be filed directly by any person or legal entity having an insurable interest in the property.

A separate application must be completed for each location. Location is defined as any Building or Structure separately rated by the Insurance Services Office.

Application Form PFP-3/ACORD 64 PA must be used when applying for insurance coverage. The original and two copies must be submitted to the FAIR Plan. A copy should be retained by the producer or the applicant for his/her records. Facsimiles (Faxes) are not accepted.

An instruction page is included with each application to assist in its completion. The application must be completed in full and signed by the applicant whose signature must be witnessed. If the application is being submitted through a producer, it must be personally signed by a licensed property insurance agent or broker. Stamped facsimile or typed signatures are not acceptable.

Incomplete applications will not be processed and will be returned. Following all the instructions carefully and providing all of the required information and documents will minimize the possibility of the application being rejected.

Submission of an application to the FAIR Plan neither binds the Plan to provide insurance nor obligates the applicant to purchase insurance.

The statements in the application will be treated as representations and not warranties, and will form the basis for and be a part of the contract of insurance. It is important for applicants to understand that misrepresentations made on the application forms may render coverage null and void.

B. SUPPLEMENTARY QUESTIONNAIRE

"Supplementary Questionnaire", Form PDWV-25/ACORD 65 PA/DE/WV, Part A must be completed if the property is fully or partially vacant or unoccupied.

If Sections 11, 20, 22 or 23 on the Basic Property Insurance Application are answered "Yes", PDWV-25/ACORD 65 PA/DE/WV or a letter signed by the insured must be used to provide full explanations.

SECTION VII IMMEDIATE COVERAGE

A. PROVISIONAL POLICY

1. Upon receipt of a properly completed application accompanied by the appropriate provisional premium, and upon tentative determination that a risk is eligible for coverage in the Plan, a one year policy will be issued subject to confirmation of eligibility, insurability and promulgation of final rates. Vacant property, estates or those properties/titleholders involved in bankruptcy proceedings, as well as any other property wherein the FAIR Plan General Rules indicate that an inspection or additional underwriting information may be necessary prior to a decision on acceptance of coverage, are not eligible for immediate coverage.

Refer to Sections: II "Eligibility", III "Underwriting Standards",
V "Maximum Limits of Liability" and VI "How to Apply".

2. Application for immediate binding coverage may be made at any time prior to receipt of a Rate Notification from the Plan. If acceptable, coverage shall be effective the date received or any subsequent date requested. The provisional premium payment shall be determined from the following Provisional Rate/Premium Table:

PROVISIONAL RATE/PREMIUM TABLE ONE OR TWO FAMILY OWNER OCCUPIED DWELLINGS, TRAILERS OR MOBILE HOMES AND HOUSEHOLD CONTENTS IN USE

Submit the applicable premium for the coverage(s) and peril(s) desired as promulgated by using Insurance Services Office Dwelling Policy Program loss costs times a factor of 2.88.

Policy Writing Minimum Premium \$75.00

ALL OTHER DWELLINGS, TRAILERS OR MOBILE HOMES (1-4 FAMILIES)

Submit a provisional premium for the coverage(s) and peril(s) desired as promulgated by using Insurance Services Office Dwelling Policy Program loss costs times a factor of 2.88.

Policy Writing Minimum Premium \$75.00

ALL OTHER CLASS RATED RISKS

Submit a provisional premium by using Insurance Services Office Commercial Lines Manual loss costs times a factor of 2.16.

Policy Writing Minimum Premium \$100.00

SCHEDULE RATED RISKS

Submit a provisional premium based on rates promulgated by the ISO Commercial Risk Services, Inc. published loss cost times a factor of 2.16 OR submit to FAIR Plan.

Policy Writing Minimum Premium \$100.00

NOTE: Payment by an applicant must be by Certified Check, Bank Treasurer's Check, personal check, money order, or in currency if the latter is delivered personally to the FAIR Plan office. The total premium must accompany this request.

Immediate Coverage is not available for fully vacant or unoccupied properties or partial vacancies accessible from ground level. Those properties/titleholders involved in bankruptcy proceedings as well as any other property wherein the General Rules indicate that an inspection may be necessary prior to a decision on acceptance of coverage, are also not eligible for immediate coverage. All applications for this class must be submitted with a completed "Supplementary Questionnaire", Form PDWV-25, ACORD 65 PA/DE/WV and are subject to review and approval by the Plan before coverage is effective. If a policy is written, Vandalism and Malicious Mischief or Sprinkler Leakage coverage will not be provided.

When it is determined, after inspection, that the property is eligible and insurable, the final policy rates will be promulgated and the policy premium will be adjusted from the inception date of the policy. When it is determined, after inspection, that a property is uninsurable due to conditions, the Plan will issue a declination to the insured or his/her representative. The declination will specify the reason(s) for uninsurability and include a copy of the inspection report. 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 period of time of the condition(s) being corrected may result in policy cancellation.

B. EFFECTIVE DATE

Coverage will become effective Noon (Eastern Standard Time), on the day that the premium is received in the office of the Plan, unless a subsequent date is requested by the applicant or his/her representative. An application or premium shall be considered received only upon actual delivery on a normal business day and during the normal business hours of the FAIR Plan at the office of the Plan. An application or premium which arrives at the office of the Plan on Saturday, Sunday, holiday, and/or after the close of business shall not be considered received until the next normal business day thereafter.

C. ACKNOWLEDGMENT LETTER

When it is necessary to provide immediate evidence of insurance, an "Acknowledgment Letter" may be requested when the submitted "Application" or "Policy Order Form" has been approved. The acknowledgment Letter will include the file number, effective date and signature of an authorized 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 "Rate Notification" has been issued.

E. RATE 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 rates for coverage(s) requested and complete and mail to the applicant or his/her representative a "Rate Notification" stating the rates and premium to be charged.

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

The "Rate 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 rates will be sent to the insured or his/her representative. If the rates are different than on the binder policy, a "Rate Notification" will be **sent with the endorsement** 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 "Rate Notification" has been issued.

G. CONDITION CHARGES

When rates have been determined for a location, the "Rate 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 "Rate 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 rates. 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 rate 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 rate.

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

TABLE 2 SCHEDULE RATED PROPERTIES

**PERCENTAGE
INCREASE OVER
TARIFF RATE**

15%

A. COMBUSTIBLES

1. Excessive accumulation of combustibles. (7)-(8)

25%

B. LACK OF WATCHMAN OR ALARM SYSTEMS

15%

C. UNATTENDED OCCUPANCIES

2. Applicable to unattended laundromats or dry-cleaning establishments, coin operated car washing facilities, etc.

15%

D. OBSOLETE EQUIPMENT

1. Broken or improperly repaired equipment. Improperly functioning equipment due to age.

1.50

E. VACANCY AND UNOCCUPANCY

2. Buildings which are partially vacant or unoccupied.

3.00

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.

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, www.nfpa.org and may assist you in removing conditions for which charges are made.

REFERENCE

STANDARD

Number

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, Residence Type, Installation of
(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:

- | | |
|---------------------------------------|---|
| 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 eighteen (18) 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. | Chimney must not be in danger of collapse. |
| B-3 Non-standard cooking arrangements | Pilot lights must be operative on gas stoves. Use of hot plates must be eliminated. |
| 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. |

C. MINIMUM POLICY WRITING PREMIUM

Dwelling Policy \$75.00
Commercial Policy \$100.00

D. RETURN PREMIUMS

Should a return premium become due as the result of an endorsement or policy cancellation, the Plan will remit to the insured or his/her representative a check for the net return premium.

1. A check, net of commission, will be mailed to the producer who shall promptly remit to the insured his own check for the full gross return premium. Under no circumstances may any producer withhold from the insured any portion of the unearned commission.
2. Should any insured make demand upon the Plan for the gross return premium, or should the Plan be called upon to return the gross return premium to a premium finance company, mortgagee or loss payee on policies written through an insurance producer, such producer shall promptly refund to the Plan, on demand, any unearned commission.

E. WAIVER OF ADDITIONAL OR RETURN PREMIUMS

1. No additional premium shall be charged, and no return premium allowed, except on full term endorsements if rated from the I.S.O. Dwelling Program, when the amount of such additional or return premium is less than three dollars (\$3.00), except upon demand.
2. No additional premium shall be charged, and no return premium allowed, except on full term endorsements on other Class or Schedule Rated Risks, when the amount of such additional or return premium is less than fifteen dollars (\$15.00), except upon demand.

F. COMMISSIONS

The commission to licensed property insurance producers is 10% of the gross premium. Producers are requested to withhold commissions when making premium payments to the Plan. Should premium adjustments be made that result in return premiums to the insured, the Plan will issue a check, payable to the producer, for the return premium amount less the commission allowance. The producer is required to return the full gross return premium to the insured thereby remitting the unearned commission.

The Pennsylvania Insurance Department under the authority of the Producer Licensing Moderation Act, Act 147 effective June 4, 2003 prohibits licensed property insurance producers from making any additional charge or charging any fee for placing any personal lines (dwelling fire) coverage in the Plan and for charging any fee for aid in the completion of an application. Producer remuneration shall be limited to the commission allowance on the earned premium.

SECTION XII

A. CANCELLATION AT INSURED'S REQUEST

Cancellation will be effective the day such request is received by the Plan or on an earlier date with proper supporting documentation. Cancellations will be prorated.

The insured must return the original policy at the time cancellation is requested, complete a properly executed "Lost Policy Release" or submit a clearly worded request for cancellation signed by the insured. Request for cancellation by a licensed premium finance company for non-payment of premium will be honored provided a copy of the premium finance agreement is attached, or on file with the Plan (and the mortgagee is given proper notice.)

B. CANCELLATION INITIATED BY THE FAIR PLAN

1. The Plan shall give an insured no less than thirty (30) days prior written notice of any cancellation or non-renewal of coverage initiated by the Plan with respect to any eligible risk, except that a shorter notice of not less than five (5) days may be used if one of the following conditions exists:
 - (a) At least 65% of the rental units in the building are unoccupied and at least 25% of said unoccupied units are left unprotected against trespass. A rental unit will be deemed to be unprotected against trespass when an entrance door to such unit or an exterior door to a hall, stairway, or other common passage leading to such unit is missing, unlocked, not capable of being locked, or otherwise unsecured, or when a door or window in such unit which is accessible to entry has not been replaced or boarded up within 2 days after notification to replace or board up the door or window.
 - (b) Fire damage exists and the insured has stated or such time has elapsed as clearly indicates that the damage will not be repaired.
 - (c) Following a fire, permanent repairs following satisfactory adjustment of loss have not commenced within 60 days.
 - (d) Property has been abandoned and there has been removal of undamaged salvageable items.
 - (e) Utilities such as electric, gas, or water services have been discontinued and the applicant has failed to pay his/her account for such services within 60 days.
 - (f) Real estate taxes have not been paid for a one year period after the taxes were first due.
 - (g) Property which has current violations of fire safety, health, building, or construction codes.

**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- 13-13A showing final rates and the 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- 13-13A showing the PROVISIONAL rates and 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 Section XIII-B4, "Policy Order Form".

B. POLICY ORDER FORM

1. At the bottom of the "Renewal Premium Notice", Form, PDFP- 13-13A 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 Section XI-D, "Addition or Change of Lienholder".
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- 13-13A form showing "PROVISIONAL RATES AND PREMIUMS" are subject to the same provisions as any immediate coverage policy. Refer to Section VII-A, "Immediate Coverage".

C. RENEWAL PREMIUM NOTIFICATION POST CARD

1. When the "Renewal Premium Notice" is mailed to a producer, a "Renewal Premium Notification", Form PDWV-3B in the form of a post card is mailed to the insured advising him/her to contact their insurance representative to arrange for premium payment.

D. NON-RENEWAL NOTICE

1. 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 POST CARD

1. If, within ten (10) days following the expiration of a policy, a new policy continuing coverage has not been issued, a "Final Notice Post Card", Form PDWV-58 advising that the policy has expired will be mailed to the insured and his/her representative. This card will be mailed for every expired policy not renewed including those declined or non-renewed by the Plan.

F. MORTGAGEE NOTICE OF EXPIRATION POST CARD

1. At least 30 DAYS prior to expiration, on all policies quoted and containing a listed mortgagee, a Mortgagee Notice of Expiration Post Card, form PDWV-3A will be issued. This card 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).

**SECTION XVI
CLAIMS PROCEDURE**

All claims are to be reported to the FAIR Plan Claim Department in accordance with the procedures outlined below. The Plan's Claim Department will assign all claims for investigation. Agents/Brokers do not have assignment authority.

A. REPORTING

Claims must be promptly submitted to the FAIR Plan by the insured or his/her representative. Claims are to be reported utilizing ACORD Property Loss Notice Form # 1 and mailed or faxed to:

Claims Department
Pennsylvania FAIR Plan
530 Walnut St., Suite 1650
Philadelphia, PA 19106-3698
FAX: (215) 409-9100

Claims may also be reported via our website address at pafairplan.com

1. EMERGENCY/RUSH

In an emergency situation the claim should be reported by phone to assure immediate servicing. Emergency is defined as a severe loss which:

- (a) Renders the property uninhabitable or,
- (b) Places the property in imminent danger either of collapse or incurring further damage,
- (c) Places the property under an order of demolition by the civil authority.

Pennsylvania FAIR Plan
Claims Department
1 (800) 462-4972
FAX: 1 (215) 409-9100

B. ASSIGNMENT AUTHORITY

No agent or broker has authority to assign a claims representative on behalf of the FAIR Plan. The FAIR Plan will not be responsible for any claim settlement or service invoice resulting from assignment of the claim by any source other than the FAIR Plan. All claims are to be reported to the Plan as outlined above and assignments will be made by and at the discretion of the FAIR Plan Claims Department.

C. PAYMENT OF CLAIMS

Under normal circumstances, the claim payment is mailed directly to the insured's producer of record for transmittal to the insured. When the insured is represented by either a public adjuster or attorney, the claim payment is mailed to the party as authorized by the insured.

ADJUSTMENT PHILOSOPHY

FAIR Plan is committed to handling claims in accordance with Pennsylvania Law and industry accepted adjustment guidelines and practices

The Plan expects that its claim representatives conduct themselves in a courteous and professional manner at all times. Any complaint regarding the actions or conduct of a claim representative should be immediately brought to the attention of either the Plan's Claim Manager or General Manager.

b. SIGNIFICANT RESTRICTIONS

(1) Vacancy

No coverage applies while the property is vacant.

(2) Protective Device Requirements

No coverage applies if the protective device requirements are not met.

When Option 1 or Option 3 is selected on the Application, the following protective device requirements shall apply to all commercial properties in order for burglary coverage to be applicable:

- (a) Each exterior doorway or doorway leading to garage areas, public hallways, terraces, balconies, or other areas affording easy access to the Insured premises shall be protected by a door which if not a sliding door, shall be equipped with a dead-lock using either an interlocking vertical bolt and striker, or a minimum ½ inch throw dead bolt, or a minimum ½ inch throw self-locking dead latch.
- (b) All sliding doors, first floor, and basement windows, and windows opening onto stairways, fire escapes, porches, terraces, balconies, or other areas affording easy access to the premises, shall be equipped with a locking device of any kind.

BURGLARY COVERAGE WILL BE AUTOMATICALLY SUSPENDED AT THE INSURED LOCATION IF THE ABOVE PROTECTIVE DEVICE REQUIREMENTS ARE NOT MET.

(3) Burglar Alarm Requirements.

If the answer to question 8 of the Pennsylvania Commercial Crime Insurance application to having an operational burglar alarm on the premises is yes, the following applies:

The insurance will be automatically suspended at the insured location if the Insured fails to notify the Insurer immediately when the Insured:

- (a) Knows of any suspension or impairment in the burglar alarm.
- (b) Fails to maintain the burglar alarm in complete working order.

This does not replace the policy. Read the Policy. See Section XX, Sample Forms, Part B Crime Forms for a copy of the Pennsylvania Commercial Crime Form, CR-201-FP.

c. AMOUNT OF COVERAGE

The Commercial Crime Insurance Policy may be written in amounts not less than increments of \$1,000 and not in excess of \$15,000 for each insured premises. The maximum limit may not be increased (1) by insuring several departments of a single business at one insurable premises as separate premises, or (2) by establishing separate businesses for different portions of business operations having a common majority ownership which are located at one insurable premises.

Burglary losses of money or securities or of any item of jewelry with cash value in excess of \$50 will not be paid unless the items are forcibly extracted from a locked safe. There is also a limit of \$5,000 if the safe is not rated as Class E or better.

Outside robbery losses in excess of \$5,000 will not be paid unless the insured or his messenger is accompanied by a guard armed with a firearm. The person carrying the insured property and the armed guard cannot be the same person.

d. DEDUCTIBLE

Claims under the Commercial Insurance Policy are subject to a deductible which is based on the annual gross receipts of the Insured's business, or five percent of the gross amount of the loss, whichever is greater:

Gross Receipts	Deductible
Less than \$299,999	\$250
\$300,000 - \$499,999	\$350
\$500,000 or more	\$500

The deductible for non-profit or public property risks is \$250 or five percent of the gross amount of the loss, whichever is greater. Higher deductibles, percentage participation clauses and other underwriting devices may be used by the Insurer to meet special problems of insurability.

3. HOW TO APPLY - APPLICATION

The Pennsylvania Commercial Crime Insurance Application, Form CR-200-FP must be completed by the applicant.

A separate application must be completed for each location. See the explanation under b. Eligible Properties for Commercial coverage on Page 8 of this Section.

The application must be completed in full and signed by the applicant whose signature must be witnessed. It must also be personally signed by a licensed property insurance agent or broker, if submitted through an agent or broker (producer). Stamped or typed signatures are not acceptable.

Annual premiums are based on the class of business, the gross receipts for the business for the preceding year and the amount of coverage under the option selected.

SECTION XX
SAMPLE FORMS

A. Sample Property Forms

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Basic Property Insurance Application	PDFP-3	1
Commercial Property Special Provisions	FP-400 PA	2
Definition of Actual Cash Value (Commercial Policies)	FP-0099	3
PA FAIR Plan Basic Form	DP-0001 FPPA	4
PA Standard Fire Policy Endorsement	SFP-1	5
Final Expiration Notice Postcard	PDWV-58	6
Inspection Report	PDWV-5	7
Mortgagee Notice of Cancellation Post Card	Computer Printed	8
Mortgagee Notice of Expiration Post Card	PDWV-3A	9
Non-Renewal Notice	Computer Printed	10
Notice of Cancellation	(Computer Printer) PDFP-73	11
Notice of Declination	Computer Printed	12
Pennsylvania Standard Commercial Property Insurance Policy	PFP-91	13
Pennsylvania Standard Dwelling Property Insurance Policy	PFP-1	14
Pennsylvania Dwelling Renewal Endorsement	PFP-1A	15
Primary Insurance Endorsement	PDFP-72	16
Property Loss Notice	ACORD-1	17
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Commercial Property

SPECIAL PROVISIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

B. EXCLUSIONS

- 1.a. Ordinance or Law is deleted and replaced by the following:
- 1.a. Ordinance or Law, meaning enforcement of any ordinance or law:
- requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris;
 - requirements of which result in a loss in value to property; or
 - requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion applies whether or not the property has been physically damaged.

E. CANCELLATION COMMON POLICY CONDITIONS

The following condition is added:

7. Non-Renewal. We will not fail to renew this policy except for specified reason(s) referred to in the Declination Notice mailed with the Notice of Non-Renewal. We may refuse to renew for the conditions(s) listed in the Declination Notice by mailing written notice at least 30 days prior to the expiration date of this policy, to the named insured named in the Declarations at the mailing address shown in the policy or at a forwarding address.

This provision does not apply if;

- we have indicated our willingness to renew and there has been no premium payment and completed renewal application received by the due date; or

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- b. the named insured has indicated or the insured's agent of record has indicated that the insured does not wish the policy to be renewed.

Delivery of such written notice by us to the insured named in the Declaration at the mailing address shown in the policy or at a forwarding address shall be equivalent to mailing.

F. OTHER COMMON POLICY CONDITIONS

3. Inspections and Surveys is deleted and replaced by the following:

3. Inspections and Surveys. We have the right but are not obligated to:

1. make inspections and surveys at any time;
2. give you reports on the condition(s) we find;
3. recommend changes.

Any inspections, surveys, reports or recommendations we make relate to the eligibility and the insurability of your property and to the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

4. are safe or healthful; or
5. comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar service which make insurance inspections, surveys, reports or recommendations.

5. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY is deleted and replaced by the following:

5. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

If you die, this Coverage will remain in effect as provided in 1. or 2. below, whichever is later;

1. For 180 days after your death regardless of the policy period shown in the Declarations,

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unless the insured property is sold prior to that date; or

2. Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

G. LOSS CONDITIONS

2. Appraisal is deleted and replaced by the following:

2. Appraisal. If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and disinterested umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of the agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. pay its own appraiser; and
- b. bear the other expense of the appraisal and umpire equally.

3. Your Duties In the Event of Loss or Damage is deleted and replaced by the following:

3. Your Duties In the Event of Loss or Damage. In case of a loss to covered property, you must see that the following are done;

- a. give prompt notice to us;
- b. (1) protect the property from further damage
(2) make reasonable and necessary repairs to protect the property; and
(3) keep an accurate record of repair expenses;

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- c. prepare an inventory of damaged property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- d. as often as we reasonably require:
- (1) show the damaged property;
 - (2) provide us with records and documents we request and permit us to make copies; and
 - (3) submit to examination under oath at a place and time designated by us, while not in the presence of any other named insured, and sign the same.
- e. submit to us, within 60 days after we request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
- (1) the time and cause of loss;
 - (2) interest of you and all others in the property involved and all encumbrances on the property;
 - (3) other insurance which may cover the loss;
 - (4) changes in title or occupancy of the property during the term of the policy;
 - (5) specifications of any damaged building and detailed estimates for repair of the damage;
 - (6) an actual cash value inventory of damaged property described in 3c.
- f. Upon issuance of either a final payment or a letter of denial, you have a 60 day period in which you must commence active repairs to the property.

H. ADDITIONAL CONDITIONS

2. Concealment, Misrepresentation or Fraud is deleted and replaced by the following:
2. Concealment, Misrepresentation of Fraud: The entire policy shall be void if, whether before or after a loss, any insured under this policy has:
- a. intentionally concealed or misrepresented any material fact or circumstance;
 - b. engaged in fraudulent conduct; or
 - c. made false statements;

Relating to this insurance.

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AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

In this policy, including the reference found in Form SFP-1, "Actual Cash Value" means the cost to repair or replace covered property with material of like kind and quality less deduction for physical deterioration, depreciation and obsolescence. Actual cash value applies to the valuation of covered property regardless of whether that property has sustained either partial or total loss or damage. The actual cash value of the damaged property may be significantly less than its replacement cost.

With respect to coverage provided under this policy, "fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

In this policy, including the reference found in form SFP-1, "Vacancy" means containing no contents usual or incidental to the occupancy as a dwelling and "Unoccupancy" means the absence of use as a dwelling place by human beings.

DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.

COVERAGES

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

A. COVERAGE A - Dwelling

1. We cover:
 - a. The dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
 - b. Materials and supplies located on or next to the Described Location used to

construct, alter or repair the dwelling or other structures on the Described Location; and

- c. If not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

2. We do not cover land, including land on which the dwelling is located.

B. COVERAGE B - Other Structures

1. We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures used in whole or in part for commercial, manufacturing or farming purposes. However, we do cover a structure that contains commercial, manufacturing or farming property solely owned by you or a tenant of the dwelling provided that such property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure;
 - d. Gravemarkers, including mausoleums.

C. COVERAGE C - Personal Property

1. Covered Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

2. Property Not Covered

We do not cover:

- a. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than

platinumware, securities, silver other than silverware, tickets, stamps, scrip, stored value cards and smart cards;

- b. Animals, birds or fish;
- c. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft. We do cover model or hobby aircraft not used or designed to carry people or cargo;
- d. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- e. Motor vehicles or all other motorized land conveyances.

(1) This includes:

- a. Their accessories, equipment and parts; or
- b. Any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles and all other motorized land conveyances, and its accessories. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any device or instrument described above.

The exclusion of property described in Paragraphs (a) and (b) above applies only while such property is in or upon the vehicle or conveyance.

(2) We do cover motor vehicles or other motorized land conveyances not required to be registered for use on public roads or property which are:

- a. Used solely to service the Described Location; or
 - b. Designed to assist the handicapped;
- f. Watercraft of all types, other than row boats and canoes;
 - g. Data, including data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment;

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- h. Credit cards or electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds; or
- i. Water or steam; or
- j. Gravemarkers, including mausoieums.

3. Property Removed To A Newly Acquired Principle Residence

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

D. COVERAGE D- Fair Rental Value

- 1. If a loss to property described in Coverage A B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

- 2. If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.
- 3. The periods of time referenced above are not limited by the expiration of this policy.
- 4. We do not cover loss or expense due to cancellation of a lease or agreement.

E. OTHER COVERAGES

1. Other Structures

You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

2. Debris Removal

We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property.

3. Improvements, Alterations and Additions

If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

4. World Wide Coverage

You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C while anywhere in the world. This coverage does not apply to property of guests or servants or to rowboats or canoes.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

5. Rental Value

You may use up to 20% of the Coverage A limit of liability for loss of fair rental value as described in Coverage D. We will pay only 1/12 of this 20% for each month the rented part of the Described Location is unfit for its normal use.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

6. Reasonable Repairs

- a. In the event that covered property is damaged by a Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage.
- b. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or

- (2) Relieve you of your duties, in case of a loss to covered property, as set forth in Condition D.2.

7. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 5 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

8. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

9. Fungi, Wet or Dry Rot, Or Bacteria

- a. We will pay up to a total of \$5,000 for:
 - (1) The total of all direct physical loss to covered property caused by fungi, wet or dry rot, or bacteria;
 - (2) The cost to remove fungi, wet or dry rot, or bacteria from covered property;
 - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the fungi, wet or dry rot, or bacteria; and
 - (4) The cost of testing of air or property to confirm the absence, presence or level of fungi, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is reason to believe that there is a presence of fungi, wet or dry rot, or bacteria.
- b. The coverage described in 9.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. \$5,000 is the most we will pay for the total of all loss or costs payable under this Other Coverage regardless of the number of claims

- made.
- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by fungi, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Other Coverage, except to the extent that fungi, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Other Coverage.

This coverage does not increase the limit of liability that applies to the damaged covered property.

PERILS INSURED AGAINST

We insure for direct physical loss to the property covered caused by a peril listed below unless the loss is excluded in the General Exclusions.

1A. Fire or Lightning

1B. Internal Explosion

- a. Internal Explosion means explosion occurring in the dwelling or other structure covered on the Described Location or in a structure containing personal property covered.
- b. Explosion does not mean;
- (1) Electric arcing;
 - (2) Breakage of water pipes; or
 - (3) Breakage or operation of pressure relief devices.

This peril does not include loss by explosion of steam boilers, or steam pipes, if owned or leased by you or operated under your control.

When a Premium for Extended Coverage is shown in the Declarations, Perils 2 through 8 are made part of Perils Insured Against.

2. Windstorm or Hail

This peril does not include loss:

- a. To the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening; or
- b. To the following property when outside of the building:
- (1) Awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers; or
 - (2) Canoes and rowboats.

3. Explosion.

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This peril does not include loss by explosion of steam boilers or steam pipes, if owned or leased by you or operated under your control.

Explosion does not mean;

- a. Electric arcing;
- b. Breakage of water pipes; or
- c. Breakage or operation of pressure relief devices.

This peril replaces Peril 1B.

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

This peril does not include loss caused by:

- a. A vehicle owned or operated by you or a resident of the Described Location; or
- b. Any vehicle to fences, driveways and walks.

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This peril does not include loss caused by smoke from fireplaces or from agricultural smudging or industrial operations.

8. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

When a Premium for Vandalism or Malicious Mischief is shown in the Declarations, the following is made part of Perils Insured Against.

9. Vandalism Or Malicious Mischief

This peril does not include loss:

- a. To glass or safety glazing material constituting a part of the building other than glass building blocks;
- b. By pilferage, theft, burglary or larceny, but we will be liable for damage to the building covered caused by burglars; or
- c. To property on the Described Location, and any ensuing loss caused by an intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60

consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

GENERAL EXCLUSIONS

A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Exclusion A.1. applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

3. Water Damage

Water Damage means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water or spray from any of these, whether or not driven by wind;

- b. Water or water-borne material which backs up through sewers or drains or which over-flows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire or explosion resulting from water damage is covered.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss from a Peril Insured Against on the Described Location, we will pay for the loss caused by that Peril Insured Against.

5. Neglect

Neglect means your neglect to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel;
- c. Destruction or seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

7. Nuclear Hazard

This Exclusion 7. pertains to Nuclear Hazard to the extent set forth in the Nuclear Hazard Clause of the Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act you or any person or organization named as an additional insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, neither you nor any

such person or organization is entitled to coverage, even those who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage A, B or C by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

10. Fungi, Wet or Dry Rot, Or Bacteria

Fungi, Wet or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity of fungi, wet or dry rot, or bacteria.

This exclusion does not apply:

- (1) When fungi, wet or dry rot, or bacteria results from fire or lightning; or
- (2) To the extent coverage is provided for in Other Coverages, Fungi, Wet or Dry Rot, Or Bacteria with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from fungi, wet or dry rot, or bacteria is covered.

- B. We do not cover loss to lawns, plants, shrubs or trees outside of buildings.

CONDITIONS

A. Policy Period

This policy applies only to loss or costs which occur during the policy period.

B. Insurable Interest And Limit of Liability

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

1. For an amount greater than the interest of a person insured under this policy at the time of loss; or
2. For more than the applicable limit of liability.

B. Concealment Or Fraud

We provide coverage to no persons insured under this policy if, whether before or after a

loss, one or more persons insured under this policy have:

- (a) Intentionally concealed or misrepresented any material fact or circumstance;
- (b) Engaged in fraudulent conduct; or
- (c) Made false statements; relating to this insurance.

C. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you or your representative:

1. Give prompt notice to us.
2. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
3. Cooperate with us in the investigation of a claim;
4. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
5. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath at a place and time designated by us, while not in the presence of any other named insured, and sign the same;
6. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. Your interest and that of all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the policy;
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The actual cash value inventory of damaged personal property described in Paragraph D.4;
 - g. Receipts or records that support the fair rental value loss.
7. Upon issuance of either a final payment or a

letter of denial, you have a 60 day period in which you must commence active repairs to the property.

E. Loss Settlement

Covered property losses are settled at Actual Cash Value at time of loss.

F. Loss to a Pair or Set

In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

G. Glass Replacement

Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

H. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent, impartial and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each Party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

I. Other Insurance And Service Agreement

If property covered by this policy is also covered by:

1. Other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property; or

2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

J. Subrogation

You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

K. Suit Against Us

No action can be brought against us unless there has been full compliance with all the terms under this policy and the action is started within one year after the date of loss.

L. Our Option

We may repair or replace any part of the damaged property with material or property of like kind and quality if we give you written notice of our intention to do so within 15 working days after we receive your signed, sworn proof of loss.

M. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

N. Abandonment Of Property

We need not accept any property abandoned by you.

O. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- A. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- B. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- C. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Paragraphs H. Appraisal, K. Suit Against Us and M. Loss Payment also apply to the mortgagee.

3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or non-renewal takes effect.

4. If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

P. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

Q. Cancellation

- 1. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.
- 2. We may cancel this policy by notifying you in writing at least thirty days before the date of cancellation takes effect. This cancellation may be delivered to you, or mailed to you at

your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice.

3. If you are an owner-occupant of the dwelling insured or the policy covers only household furniture in private living quarters, we may cancel this policy for only the reasons stated in this condition.

- a. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying the insured named in the Declarations at least 30 days before the date cancellation takes effect.
- b. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel only for one or more of the following reasons by notifying the insured named in the Declarations at least 30 days prior to the proposed cancellation date:

- (1) this policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by us;
- (2) there has been a substantial change or increase in hazard in the risk assumed by us subsequent to the date the policy was issued;
- (3) there is a substantial increase in hazard insured against by reason of willful or negligent acts or omissions by the insured;
- (4) the insured has failed to pay the premium by the due date, and/or complete a renewal application;
- (5) for any other reason approved by the Pennsylvania Insurance Commissioner.

This provision shall not apply if the named insured has demonstrated by some overt action to us that the insured wishes the policy to be cancelled.

This cancellation notice may be delivered to or mailed to the insured named in the Declarations at the mailing address shown in the policy or at a forwarding address.

Proof of mailing will be sufficient proof of notice.

Delivery of such written notice by us to the insured named in the Declarations at the mailing address shown in the policy or at a forwarding address shall be equivalent to mailing.

4. When this policy is cancelled, the premium

from the date of cancellation to the expiration date will be refunded. When the policy is cancelled, the return premium will be pro rata.

5. We will refund the return premium within a reasonable time after the date cancellation takes effect.

R. Non-Renewal

We will not refuse to renew this policy except for one of the reasons referred to in the Cancellation Provision of this endorsement. We may refuse to renew for one the listed reasons by mailing to the insured named in the Declarations at the mailing address shown in the policy or at a forwarding address, written notice at least 30 days prior to the expiration date of this policy. Delivery of such written notice by us to the insured named in the Declarations at the mailing address shown in the policy or at a forwarding address shall be equivalent to mailing.

This provision does not apply if:

1. We have indicated our willingness to renew and the insured has failed to pay the premium by the due date; or
2. The named insured has indicated to us or our agent that the insured does not wish the policy to be renewed.

S. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadening and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this policy; or
2. An amendatory endorsement.

T. Waiver Or Change of Policy Provision

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

U. Assignment

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Assignment of this policy will not be valid unless we give our written consent.

V. Death

Insurance under this policy will continue as provided in paragraph 1. or 2. whichever is later:

- A. For 180 days after your death regardless of the policy period shown in the Declarations, unless your property covered under the policy at the time of your death, is sold prior to that date; or
- B. Until the end of the policy period shown in the Declarations, unless your property, covered under the policy at the time of your death, is sold prior to that date.

Coverage during the period of time after your death is subject to all the provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

W. Nuclear Hazard Clause

1. "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

X. Recovered Property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

Y. Volcanic Eruption Period

One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

Z. Loss Payable Clause

If the Declaration show a loss payee for certain listed insured personal property, that person is considered an insured in this policy with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

2. To consultation services required to be performed under written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice or gross negligence.

AA. Inspection and Surveys

We have the right but are not obligated to:

- a. Make inspections at any time;
- b. Give you reports on the conditions we find;
- c. Recommend changes.

Any inspections, surveys, reports or recommendations we make, relate only to the eligibility and the insurability of your property and to the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar service which make insurance inspections, surveys, reports or recommendations.

PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. The services may include the following or related services incident to the application for, issuance, renewal, or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its employees or service contractors;

STANDARD FIRE POLICY ENDORSEMENT

The provisions of the Standard Fire Policy are stated below. State law still requires that they be attached to all policies. If any conditions of this form are construed to be more liberal than any other policy conditions relating to the perils of fire, lightning or removal, the conditions of this form will apply.

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED HERETO, AND OF THE PREMIUM SPECIFIED in the Declarations or in endorsements made a part hereof, this Company, for the term of years specified in the Declarations from inception date shown in the Declarations At Noon (Standard Time) to expiration date shown in the Declarations At Noon (Standard Time) at location of property involved, to an amount not exceeding the limit of liability specified in the Declarations, does insure the Insured named in the Declarations and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described in the Declarations while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto as provided in this policy.

- | | |
|--|---|
| <p>1 Concealment,
2 fraud.
3
4 terial fact or circumstance concerning this insurance or the
5 subject thereof, or the interest of the insured therein, or in case
6 of any fraud or false swearing by the insured relating thereto.</p> <p>7 Uninsurable
8 and
9 excepted property.</p> <p>10
11 Perils not
12 included.
13
14 enemy attack by armed forces, including action taken by mili-
15 tary, naval or air forces in resisting an actual or an immediately
16 impending enemy attack; (b) invasion; (c) insurrection; (d)
17 rebellion; (e) revolution; (f) civil war; (g) usurped power; (h)
18 order of any civil authority except acts of destruction at the time
19 of and for the purpose of preventing the spread of fire, provided
20 that such fire did not originate from any of the perils excluded
21 by this policy; (i) neglect of the insured to use all reasonable
22 means to save and preserve the property at and after a loss, or
23 when the property is endangered by fire in neighboring prem-
24 ises; (j) nor shall this Company be liable for loss by theft.</p> <p>25 Other insurance.
26
27 dorsement attached hereto.</p> <p>28 Conditions suspending or restricting insurance. Unless other-
29 wise provided in writing added hereto this Company shall not
30 be liable for loss occurring
31 (a) while the hazard is increased by any means within the con-
32 trol or knowledge of the insured; or
33 (b) while a described building, whether intended for occupancy
34 by owner or tenant, is vacant or unoccupied beyond a period of</p> | <p>35 sixty consecutive days; or
36 (c) as a result of explosion or riot, unless fire ensue, and in
37 that event for loss by fire only.</p> <p>38 Other perils
39 or subjects.
40
41 added hereto.</p> <p>42 Added provisions.
43
44 be made by this Company in case of loss, and any other pro-
45 vision or agreement not inconsistent with the provisions of this
46 policy, may be provided for in writing added hereto, but no pro-
47 vision may be waived except such as by the terms of this policy
48 is subject to change.</p> <p>49 Waiver
50 provisions.
51
52 added hereto. No provision, stipulation or forfeiture shall be
53 held to be waived by any requirement or proceeding on the part
54 of this Company relating to appraisal or to any examination
55 provided for herein.</p> <p>56 Cancellation
57 of policy.
58
59 render of this policy, refund the excess of paid premium above
60 the customary short rates for the expired time. This pol-
61 icy may be cancelled at any time by this Company by giving
62 to the insured a five days' written notice of cancellation with
63 or without tender of the excess of paid premium above the pro
64 rata premium for the expired time, which excess, if not ten-
65 dered, shall be refunded on demand. Notice of cancellation shall
66 state that excess premium (if not tendered) will be re-
67 funded on demand.</p> |
|--|---|

Appendix 5

68 **Mortgagee**
69 **interests and**
70 **obligations.**

71
72

73 cellation.

74 If the insured fails to render proof of loss such mortgagee, upon
75 notice, shall render proof of loss in the form herein specified
76 within sixty (60) days thereafter and shall be subject to the pro-
77 visions hereof relating to appraisal and time of payment and of
78 bringing suit. If this Company shall claim that no liability ex-
79 isted as to the mortgagor or owner, it shall, to the extent of pay-
80 ment of loss to the mortgagee, be subrogated to all the mort-
81 gagee's rights of recovery, but without impairing mortgagee's
82 right to sue; or it may pay off the mortgage debt and require
83 an assignment thereof and of the mortgage. Other provisions
84 relating to the interests and obligations of such mortgagee may
85 be added hereto by agreement in writing.

86 **Pro rata liability.** This Company shall not be liable for a greater
87 proportion of any loss than the amount
88 hereby insured shall bear to the whole insurance covering the
89 property against the peril involved, whether collectible or not.

90 **Requirements in** The insured shall give immediate written
91 **case loss occurs.** notice to this Company of any loss, protect
92 the property from further damage, forthwith
93 separate the damaged and undamaged personal property, put
94 it in the best possible order, furnish a complete inventory of
95 the destroyed, damaged and undamaged property, showing in
96 detail quantities, costs, actual cash value and amount of loss
97 claimed; **and within sixty days after the loss, unless such time**
98 **is extended in writing by this Company, the insured shall render**
99 **to this Company a proof of loss,** signed and sworn to by the
100 insured, stating the knowledge and belief of the insured as to
101 the following: the time and origin of the loss, the interest of the
102 insured and of all others in the property, the actual cash value of
103 each item thereof and the amount of loss thereto, all encum-
104 brances thereon, all other contracts of insurance, whether valid
105 or not, covering any of said property, any changes in the title,
106 use, occupation, location, possession or exposures of said prop-
107 erty since the issuing of this policy, by whom and for what
108 purpose any building herein described and the several parts
109 thereof were occupied at the time of loss and whether or not it
110 then stood on leased ground, and shall furnish a copy of all the
111 descriptions and schedules in all policies and, if required, verified
112 plans and specifications of any building, fixtures or machinery
113 destroyed or damaged. The insured, as often as may be reason-
114 ably required, shall exhibit to any person designated by this
115 Company all that remains of any property herein described, and
116 submit to examinations under oath by any person named by this

If loss hereunder is made payable, in whole
or in part, to a designated mortgagee not
named herein as the insured, such interest in
this policy may be cancelled by giving to such
mortgagee a ten days' written notice of can-

117 Company, and subscribe the same; and, as often as may be
118 reasonably required, shall produce for examination all books of
119 accounts, bills, invoices and other vouchers, or certified copies
120 thereof if originals be lost, at such reasonable time and place as
121 may be designated by this Company or its representative, and
122 shall permit extracts and copies thereof to be made.

123 **Appraisal.** In case the insured and this Company shall
124 fail to agree as to the actual cash value or
125 the amount of loss, then, on the written demand of either, each
126 shall select a competent and disinterested appraiser and notify
127 the other of the appraiser selected within twenty days of such
128 demand. The appraisers shall first select a competent and dis-
129 interested umpire; and failing for fifteen days to agree upon
130 such umpire, then, on request of the insured or this Company,
131 such umpire shall be selected by a judge of a court of record in
132 the state in which the property covered is located. The ap-
133 praisers shall then appraise the loss, stating separately actual
134 cash value and loss to each item; and, failing to agree, shall
135 submit their differences, only, to the umpire. An award in writ-
136 ing, so itemized, of any two when filed with this Company shall
137 determine the amount of actual cash value and loss. Each
138 appraiser shall be paid by the party selecting him and the ex-
139 penses of appraisal and umpire shall be paid by the parties
140 equally.

141 **Company's** It shall be optional with this Company to
142 **options.** take all, or any part, of the property at the
143 agreed or appraised value, and also to re-
144 pair, rebuild or replace the property destroyed or damaged with
145 other of like kind and quality within a reasonable time, on giv-
146 ing notice of its intention so to do within thirty days after the
147 receipt of the proof of loss herein required.

148 **Abandonment.** There can be no abandonment to this Com-
149 pany of any property.

150 **When loss** The amount of loss for which this Company
151 **payable.** may be liable shall be payable sixty days
152 after proof of loss, as herein provided, is
153 received by this Company and ascertainment of the loss is made
154 either by agreement between the insured and this Company ex-
155 pressed in writing or by the filing with this Company of an
156 award as herein provided.

157 **Suit.** No suit or action on this policy for the recov-
158 ery of any claim shall be sustainable in any
159 court of law or equity unless all the requirements of this policy
160 shall have been complied with, and unless commenced within
161 twelve months next after inception of the loss.

162 **Subrogation.** This Company may require from the insured
163 an assignment of all right of recovery against
164 any party for loss to the extent that payment therefor is made
165 by this Company.

DATE:



**INSURANCE PLACEMENT FACILITY
OF PENNSYLVANIA**
530 Walnut Street, Suite 1650
Philadelphia, PA 19106-3698
(215) 629-8800 (800) 462-4972
Fax (215) 409-9100

RE:

**NOTICE OF NON-RENEWAL OF INSURANCE
PENNSYLVANIA LAW REQUIRES THAT
YOU BE GIVEN A COPY OF THIS NOTICE**

READ IT CAREFULLY !

Your fire insurance policy, policy number PFP- N665920-03-0 will not be renewed by the Insurance Placement Facility of Pennsylvania (FAIR Plan).

This non-renewal MEANS THAT THIS POLICY WILL NO LONGER BE IN FORCE ON: NOVEMBER 15, 2004 noon standard time.

YOU HAVE, THEREFORE, AT LEAST 30 DAYS TO OBTAIN NEW COVERAGE IF YOU DESIRE TO DO SO.

THE REASON FOR THIS NON-RENEWAL IS: DOES NOT MEET UNDERWRITING REQUIREMENTS. SEE ENCLOSED DECLINATION NOTICE FORM FOR DETAILS.

(AUTHORIZED SIGNATURE)

YOU HAVE THE RIGHT TO REQUEST THE PENNSYLVANIA INSURANCE COMMISSIONER TO REVIEW THIS ACTION TAKEN BY THE PENNSYLVANIA FAIR PLAN. TO DO THIS, SIGN AND SEND A COPY OF THIS FORM WITHIN 30 DAYS TO THE PENNSYLVANIA INSURANCE COMMISSIONER AT ONE OF THESE OFFICES:

PA. INSURANCE COMMISSIONER-REVIEWS
1400 SPRING GARDEN STREET
PHILADELPHIA, PA 19130
TEL.: (215) 560-2630

PA. INSURANCE COMMISSIONER-REVIEWS
300 LIBERTY AVENUE
304 STATE OFFICE BLDG.
PITTSBURGH, PA 15222
TEL.: (412) 565-5020

PA. INSURANCE COMMISSIONER-REVIEWS
1321 STRAWBERRY SQUARE
HARRISBURG, PA 17120
TEL.: (717) 787-2317

I REQUEST THE PENNSYLVANIA INSURANCE COMMISSIONER REVIEW THE NON-RENEWAL OF THIS POLICY.

Appendix 10

(SIGNATURE OF INSURED)



INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA
 530 WALNUT STREET, SUITE 1650, PHILADELPHIA PA 19106-3698
 (215) 629-8800 1-800-462-4972 FAX - 215-409-9100
 www.pafairplan.com

POLICY NO.

NOTICE OF CANCELLATION

DATE OF NOTICE

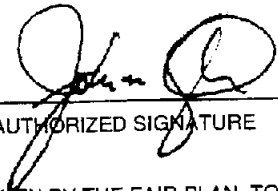
NAMED INSURED / MAILING ADDRESS

PRODUCER

LOCATION:

YOU ARE HEREBY NOTIFIED THAT THE ABOVE MENTIONED POLICY IS BEING CANCELLED BECAUSE:

THIS CANCELLATION NOTICE MEANS THAT COVERAGE AFFORDED BY THIS POLICY WILL NO LONGER BE IN FORCE AFTER 12:01 A.M.



AUTHORIZED SIGNATURE

APPEAL PROCEDURE

YOU HAVE THE RIGHT TO REQUEST THE INSURANCE COMMISSIONER TO REVIEW THIS ACTION TAKEN BY THE FAIR PLAN. TO DO THIS, SIGN AND SEND A COPY OF THIS FORM WITHIN 30 DAYS TO THE 'PA INSURANCE COMMISSIONER - REVIEWS' AT ONE OF THESE OFFICES.

1400 Spring Garden St.
 Philadelphia PA 19130
 (215) 560-2630

304 State Office Bldg.
 Pittsburgh PA 15222
 (412)565-5020

1321 Strawberry Square
 Harrisburg PA 17120
 (717) 787-2317

I hereby request the Pennsylvania Insurance Commissioner review the cancellation of this insurance policy.

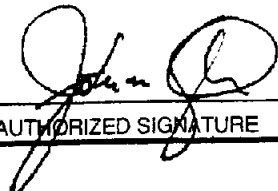
 Signature of Insured
 (on behalf of all insureds)

TO MORTGAGEE:

You are hereby given notice that the above mentioned policy issued to the named insured and listing you as mortgagee (or trustee) is cancelled effective _____ 12:01 A.M.

MORTGAGEE

2ND MORTGAGEE



AUTHORIZED SIGNATURE



Insurance Placement Facilities of Pennsylvania and Delaware
530 Walnut Street, Suite 1650, Philadelphia PA 19106-3698
(215) 629-8800 1-800-462-4972 FAX (215) 409-9100

File No.

NOTICE OF DECLINATION

Date of Notice

Applicants name :

Location of Property:

THE FAIR PLAN IS UNABLE TO PROVIDE CONTINUED COVERAGE UNDER POLICY NO. _____
WHICH EXPIRES ON _____ FOR THE FOLLOWING REASON/S:

- 1-FULLY VACANT RISK NOT PROPERLY BOARDED.
- 2-FORM PDWV 25 MUST BE SUBMITTED FOR REVIEW AND APPROVAL.
- 3-THIS IS A NOTICE OF NON-RENEWAL.

IF YOU WISH TO REAPPLY FOR COVERAGE, SUBMIT COMPLETED PDFP25, SUPPLEMENTARY QUESTIONNAIRE. COVERAGE WILL NOT BE AVAILABLE UNTIL ELIGIBILITY AND INSURABILITY IS DETERMINED BY THE PLAN AND A RATE NOTIFICATION HAS BEEN ISSUED.

IMPORTANT:

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT THE ABOVE ADDRESS OR CALL US AT 800-462-4972.

Appendix 12

APPEAL PROCEDURE

An applicant or insured may appeal for reconsideration if insurance is denied or cancelled by the FAIR Plan within "30" days after any ruling by submitting the appeal in writing and setting forth the basis for such appeal. If such appeal is denied by the FAIR Plan, it may be further appealed to the Insurance Commissioner within "30" days.

EXPLANATION OF CONDITIONS AND CHARGES

1. CONDITIONS (a) The reverse side of this form lists the conditions for which coverage is being declined. The attached inspection report may list other conditions which have been reported as applying to this property, and these conditions may be charged for if not corrected. (b) Many of these conditions are of a type which can be approved or eliminated. (c) Every condition in the FAIR Plan schedule is explained in general terms below, but only those conditions which are shown on the inspection report and listed by letter and number apply to the described property. (d) The numbers in parenthesis () found after the explanation of a condition are references to a list of available standards found at the bottom of this page. These standards contain detailed information and instructions which will guide in the correction of listed conditions.

2. CHARGES (a) All charges are in addition to the applicable base fire rate for the property. In the case of Class Rated properties, the charges are expressed in dollars and cents per hundred dollars of coverage. Except for vacancy and unoccupancy, the charges for specifically rated properties are expressed in percentages of the promulgated base fire rate. NOTE: Any applicant or policyholder, or his/her representative (if any), may request an additional copy of the inspection report.

DWELLINGS NOT OVER 4 FAMILIES

PA	DE	PA	DE
.20	.20	.25	.25
.20	.20	.25	.25
.20	.20	.25	.25
.20	.20	.20	.20
.20	.20	.20	.20
.20	.20	.20	.20
.15	.15	.25	.25
.15	.15	.25	.25
		.50	.50
		.50	.50
		.35	.35
.20	.20	.25	.25
.15	.15	.15	.15
.30	.30	.60	.60
.20	.20	.20	.20
1.00	1.00	1.50	1.00
2.00	2.00	3.00	2.00
.25	.25	.50	.50

TABLE 1 CLASS RATED PROPERTIES

A. HEATING

4. Space heating should be of approved type. (5)
5. Oil burner equipment not as required. (1)-(5)
6. Rubber hose of unapproved connections should be replaced. (2)
7. Masonry chimney improperly constructed. (5)
8. Breeching, smokepipes and flues should be installed under standard specifications. (4)-(5)
9. Gas vents to be installed under standard specifications. (2)-(5)

B. COOKING

3. Hot plates should be eliminated; other cooking arrangements should be made standard. (2)-(3)
4. Grease accumulation on walls, floors, cooking appliances should be removed.
5. Lack of/or non-standard hood, where required. (6)
6. Automatic protection should be installed.
7. Range hood should be properly vented as to standard specification. (6)

C. ELECTRICAL

3. Loose wiring, exposed wiring, broken outlets or improper use of extension cords should be eliminated. (3)
4. Overfusing should be corrected. (3)

D. OTHER HAZARDOUS CONDITIONS

6. Accumulation of rubbish, storage of flammable liquids and/or material, lack of exterior or interior maintenance, combustible ash containers. (7)-(8)

E. OCCUPANCY

4. Overcrowded conditions for the living space available.

F. VACANCY AND UNOCCUPANCY

2. Buildings which are partially vacant or unoccupied.
3. Buildings which are fully vacant or unoccupied.
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.

PERCENTAGE INCREASE OVER TARIFF RATE

PA	DE
15%	15%
25%	25%
15%	15%
15%	15%
1.50	1.00
3.00	2.00
.50	.50

TABLE 2 SCHEDULE RATED PROPERTIES

A. COMBUSTIBLES

1. Excessive accumulation of combustibles. (7)

B. ABSENCE OF WATCHMAN OR ALARM SYSTEM (WHERE REQUIRED)

C. UNATTENDED OCCUPANCIES

2. Applicable to unattended laundromats or dry-cleaning establishments & coin operated car washing facilities, etc.

D. OBSOLETE EQUIPMENT

1. Broken or improperly repaired equipment. Improperly functioning equipment due to age.

E. VACANCY AND UNOCCUPANCY

2. Buildings which are partially vacant or unoccupied.
3. Buildings which are fully vacant or unoccupied.
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 shall apply.

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, www.nfpa.org and may assist you in removing conditions for which charges are made.

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 & Fire Protection for Cooking Equipment
(7)	230	Fire Protection of Storage
(8)	30	Flammable and Combustible Liquids Code

FILE NUMBER

DATE



INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA
530 WALNUT STREET, SUITE 1650, PHILADELPHIA PA 19106-3698
(215) 629-8800 1-800-462-4972 FAX (215) 409-9100 WWW.PAFAIRPLAN.COM

PREMIUM QUOTATION

APPLICANT AND LOCATION

TO: [] [] [] []

Condition Charges * Building Contents Contents Contents

* The above conditions charge(s), if any, will be eliminated if the conditions are corrected. To initiate a reinspection please inform the Plan, in writing, what corrective measures have been taken. See the reverse side of this form, TABLE 1 for further explanation of condition charges (if any)

POLICY EFFECTIVE DATE IS THE DATE PROPER REMITTANCE IS RECEIVED BY THE PLAN AT NOON (EST) IN PENNSYLVANIA; 12:01 A.M. (EST) THE NEXT DAY IN DELAWARE; OR A SUBSEQUENT DATE. EARLIER DATES NOT ACCEPTED.

Item No.	Amount of Insurance	% Co-Ins.	Subject of Insurance	1 Year Premium FIRE	1 Year Premium ECE	1 Year Premium V&MM
1	25,000	NIL	DWELLING	\$136.00	\$44.50	\$5.75
			Base Premium	\$136.00	\$45.00	\$6.00
			Condition Charge Premium			
			Total Premium	\$136.00	\$45.00	\$6.00
					Gross Policy Premium	\$187.00

FILE NUMBER A-294252

THIS QUOTE IS GOOD FOR 90 DAYS.

DATE 2/03/2003

NO COVERAGE IS CURRENTLY IN FORCE. ONLY UPON RECEIPT OF INDICATED PREMIUM IN THE OFFICE OF THE FAIR PLAN WILL THE ABOVE INSURANCE BE PROVIDED.

Make Checks Payable to: PA FAIR PLAN

Amt Enclosed [] Amount Due \$187.00

EXPLANATION OF CONDITIONS AND CHARGES

1. CONDITIONS (a) The reverse side of this form lists the conditions for which coverage is being declined. The attached inspection report may list other conditions which have been reported as applying to this property, and these conditions may be charged for if not corrected. (b) Many of these conditions are of a type which can be approved or eliminated. (c) Every condition in the FAIR Plan schedule is explained in general terms below, but only those conditions which are shown on the inspection report and listed by letter and number apply to the described property. (d) The numbers in parenthesis () found after the explanation of a condition are references to a list of available standards found at the bottom of this page. These standards contain detail information and instructions which will guide in the correction of listed conditions.

TABLE 1 - CLASS RATED PROPERTIES

A. HEATING

- 4. Space heating should be of approved type. (5)
- 5. Oil burner equipment not as required.(1)-(5)
- 6. Rubber hose of unapproved connections should be replaced. (2)
- 7. Masonry chimney improperly constructed. (5)
- 8. Breeching, smokepipes and flues should be installed under standard specifications. (4)-(5)
- 9. Gas vents to be installed under standard specifications. (2)-(5)

B. COOKING

- 3. Hot plates should be eliminated; other cooking arrangements should be made standard. (2)-(3)
- 4. Grease accumulation on walls, floors, cooking appliances should be removed.
- 5. Lack of/or non-standard hood, where required. (6)
- 6. Automatic protection should be installed.
- 7. Range hood should be properly vented as to standard specification. (6)

C. ELECTRICAL

- 3. Loose wiring, exposed wiring, broken outlets or improper use of extension cords should be eliminated. (3)
- 4. Overfusing should be corrected. (3)

D. OTHER HAZARDOUS CONDITIONS

- 6. Accumulation of rubbish, storage of flammable liquids and/or material, lack of exterior or interior maintenance, combustible ash containers. (7)-(8)

E. OCCUPANCY

- 4. Overcrowded conditions for the living space available.

F. VACANCY AND UNOCCUPANCY

- 2. Buildings which are partially vacant or unoccupied.
- 3. Buildings which are fully vacant or unoccupied.
- 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.

TABLE 2 - SCHEDULE RATED PROPERTIES

E. VACANCY AND UNOCCUPANCY

- 2. Buildings which are partially vacant or unoccupied.
- 3. Buildings which are fully vacant or unoccupied.
- 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 shall apply.

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, www.nfpa.org and may assist you in removing conditions for which charges are made.

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



INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA
 530 WALNUT ST, SUITE 1650
 PHILADELPHIA, PA 19106-3698
 215-629-8800 1-800-462-4972
 FAX 215-409-9100 www.palairplan.com

RUN DATE
 POLICY NUMBER
 EXPIRATION DATE

**THIS FORM IS NOTICE OF PREMIUM DUE
 AND IS NOT CONSIDERED EVIDENCE OF COVERAGE**

APPLICANT AND LOCATION

TO:

This notice is to inform you that the above policy will expire as of 12:01 P.M. on

Our offer to renew this policy is subject to full payment of premium by the expiration date and notification from you of any changes in conditions from that which you previously reported. In order to avoid a lapse in coverage, full payment must be received in the office of the FAIR PLAN before Payment received at your agent's office is not considered "received" by the FAIR PLAN.

This offer for renewal coverage is based upon the condition that the property is still

Condition Charges *	Building	Contents	Contents	Contents
* The above condition charges, if any, will be eliminated if the conditions are corrected. To initiate a re-inspection please inform the Plan, in writing, what corrective measures have been taken. See the reverse side of this form, TABLE for further explanation of condition charges (if any).				

**NO GRACE PERIOD IS PROVIDED
 FAILURE TO REPORT ANY CHANGES MAY VOID OR SUSPEND COVERAGE**

Item No.	Amount of Insurance	% Co-ins.	Subject of Insurance	1 Year Premium	1 Year Premium	1 Year Premium
Base Premium Condition Charge Premium Total Premium				Gross Policy Premium		

*** NOTICE ***
 You may increase the building amount of insurance to \$

If increased, the new Gross Policy Premium will be



530 WALNUT ST, SUITE 1650
 PHILADELPHIA, PA 19106-3698
 215-629-8800 1-800-462-4972
 FAX 215-409-9100

Detach this portion and return it with your payment

Run Date
 Policy Number

Name

Location of property to be insured

The premium due for the current amount of insurance is \$ _____

The premium due for the increased amount of insurance is \$ _____

Payment must be received in the office of the FAIR PLAN by

Amount Enclosed _____

Make Checks Payable to: FAIR PLAN

If coverage is desired report any changes in the space provided on the back of this form and mail, along with full payment.

QTEOPA
 PDPF 13 124

(office use only) -

Appendix 19

PRODUCER TAX ID#

CONDITIONS (a) The reverse side of this rate notification reports the rates which apply to the described property if written in the FAIR PLAN. Also on the reverse side are any conditions listed by letter and number which the inspector has reported as applying to the described property, and which resulted in a charge. (b) Many of those conditions are of a type which can be improved or eliminated. (c) Every condition in the schedule is explained in general terms below, but only those which are listed on the reverse side by letter and number apply to the described property. (d) The numbers in parenthesis () found after the explanation of a condition are references to a list of available standards found at the bottom of this page. These standards contain detailed information and instructions that will guide in the correction of indicated conditions.

TABLE 1 - CLASS RATED PROPERTIES

A. HEATING

4. Space heating should be of approved type. (5)
5. Oil burner equipment not as required. (1)-(5)
6. Rubber hose or unapproved connections should be replaced. (2)
7. Masonry chimney improperly constructed. (5)
8. Breeching, smokepipes and flues should be installed under standard specifications. (4)-(5)
9. Gas vents to be installed under standard specifications. (2)-(5)

B. COOKING

3. Hot plates should be eliminated; other cooking arrangements should be made standard. (2)-(3)
4. Grease accumulation on walls, floors, cooking appliances should be removed.
5. Lack of or non-standard hood, where required. (6)
6. Automatic protection should be installed. (6)
7. Range hood should be properly vented as to standard specification. (6)

C. ELECTRICAL

3. Loose wiring, exposed wiring, broken outlets or improper use of extension cords should be eliminated. (3)
4. Overfusing should be corrected. (3)

D. OTHER HAZARDOUS CONDITIONS

6. Accumulation of rubbish, storage of flammable liquids and/or material, lack of exterior or interior maintenance, combustible ash containers. (7)-(8)

E. OCCUPANCY

4. Overcrowded conditions for the living space available.

F. VACANCY AND UNOCCUPANCY

2. Buildings which are partially vacant or unoccupied.
3. Buildings which are fully vacant or unoccupied.
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.

TABLE 2 - SCHEDULE RATED PROPERTIES

E. VACANCY AND UNOCCUPANCY

2. Buildings which are partially vacant or unoccupied.
3. Buildings which are fully vacant or unoccupied.
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 shall apply.

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

IMPORTANT: The FAIR Plan does not charge a service or inspection fee. A policy, if issued, is in consideration of the application for insurance, any changes reported, and the payment of premiums. If the reverse side of this notification is marked "PROVISIONAL", your payment is subject to change as a result of an inspection and/or the determination of proper rates.

The Broker/Producer of record named on this form is not an agent of either the Pennsylvania or Delaware FAIR Plans. He or she has no authority to bind the FAIR Plans in any manner. The collection, payment or acceptance of money by him or her does not constitute payment of the FAIR Plan and does not mean coverage is in force.

Coverage effective date is the date the proper premium is received in the office of the Plan at noon (Eastern Standard Time) in Pennsylvania, 12:01 A.M. (Eastern Standard Time) the next day in Delaware, or on the date of expiration, whichever is later. Premium shall be considered received only upon actual delivery on a normal business day and during normal business hours of the FAIR Plan at the office of the Plan. Premium which arrives at the office of the FAIR Plan on Saturday, holidays and/or after the close of business, shall not be considered received until the next normal business day thereafter.

Please indicate in the space below any changes.



CRIME INSURANCE POLICY

INSURANCE COMPANIES MEMBERS OF

THE INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA

A LIST OF THE COMPANIES AND THEIR PERCENTAGE PARTICIPATION IS ON FILE AT THE INSURANCE DEPARTMENT IN HARRISBURG AND A COPY MAY BE OBTAINED AT THE FACILITY OFFICE

<input type="checkbox"/> NAMED INSURED MAILING ADDRESS	<input type="checkbox"/> DECLARATIONS	<input type="checkbox"/> PREMISES INSURED IS:
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POLICY NO. PFP

<u>RENEWAL DATE (Mo. Day Yr.)</u>	<u>EXPIRATION (Mo. day Yr.)</u>	<u>TERM</u>
12:01 A.M. STANDARD TIME	12:01 A.M. STANDARD TIME	1 YEAR

We will provide insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy. If we offer to renew this policy, the premium must be paid in advance of the above expiration date or else this policy will expire. Upon receipt of the renewal premium we will issue a renewal policy. This insurance applies to the described location, coverage for which a limit of liability is shown and perils insured against for which a premium is stated.

AMOUNT OF INSURANCE \$

ANNUAL PREMIUM \$

OCCUPANCY:

IMPORTANT NOTE

This policy was issued on the basis of the information provided on the attached application. No coverage will be provided if, at the time of loss, inspection finds the premises not in compliance with the Protective Device Warranty in the Policy Conditions and the attached Protective Device Warranty Endorsement, Form:

DEDUCTIBLE \$ IN CASE OF LOSS UNDER THIS POLICY, WE COVER ONLY THAT PART OF THE LOSS OVER THE DEDUCTIBLE STATED.

FORMS APPLICABLE:

PRODUCER

TO REPORT ANY CLAIMS, CALL: 800-462-4972

CORRESPONDENCE SHOULD BE SENT TO:
YOUR PRODUCER
OR

INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA
SUITE 1650
530 WALNUT STREET
PHILADELPHIA, PA. 19106-3698

CR102FP/CC202FP ED 10/97

DATE

AUTHORIZED REPRESENTATIVE