

OHIO FAIR PLAN ANNOUNCEMENT

PREMIUM PAYMENT PLAN-HOMEOWNERS COVERAGE

For some time, agents and FAIR Plan insureds have requested that a premium payment plan be available through the Ohio FAIR Plan (OFP). **For Replacement Certificates issued effective 11/1/00 and under our Homeowners Program, a Premium Payment Plan (PPP) will be available.** We have been fortunate to get input from several central Ohio agents who have given considerable time, energy, and expertise. They have been involved in our forms' development, in the implementation plan, and in the appropriate maintenance of this PPP.

Highlights

The PPP is available only for Policies issued under Homeowners Coverage Forms

The PPP is available only for Replacement Certificates-not New or Rewritten business

The PPP is not available if premiums are paid by a mortgage company through an escrow account

The PPP is a 2 installment plan

The PPP is available only if the full annual premium is \$200.00 or more

A 15 day "grace period" is available, but only for the 1st of the 2 installments

For policies issued under the Dwelling Fire, Commercial Fire, and Farm Fire Programs, the full annual premium must be paid-the PPP does not apply

Implementation And Detail Plan

On 9/23/00 OFP will issue Replacement Certificates for all policies (excluding Crime Policies) that are expiring on 11/1/00. [**Note** that instead of the present issuance of Replacement Certificates 50 days before inception, 40 days will be used]

For policies issued under the Homeowners (HO) Program:

- The invoice that accompanies the Replacement Certificate will show:
 1. The Premium "per the attached Replacement Certificate"-the full annual premium
 2. The 1st Installment Due and its due date
 3. The 2nd Installment Due and its due date (will be due 182 days after the Replacement Certificate's effective date)
 4. That there is a \$5.00 fee for **each** installment
- A 15-day grace period for payment of premium is provided for the 1st Installment
- If the 1st installment is not paid by the appropriate Due Date, notice of cancellation will be mailed indicating that the coverage has been cancelled,

but offering coverage reinstatement if premium is received by OFP by a specific date-(15 days after the cancellation effective date)

- The 2nd installment will be issued 152 days after the Replacement Certificate's effective date and will show:
 1. The Premium Due for the 2nd Installment
 2. The 2nd Installment due date

- 1. That if coverage cancels for non-payment of the 2nd installment, a new application will be required with full annual premium- OFP will not accept any late payments for this 2nd Installment

- Referenced "Due Dates" are for payment **in OFP's office** (not in your office or postmark date)