

## OHIO FAIR PLAN UNDERWRITING ASSOCIATION

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**December 8, 2000**

**To: All Licensed P & C Agents with OFP Business**  
**From: Ohio FAIR Plan Underwriting Association**  
**Subject: Changes to OFP Underwriting Guidelines and Applications for OFP insurance**

The Ohio FAIR Plan has recently made changes to its [Underwriting Guidelines](#). Since you or your agency presently has coverage through the Ohio FAIR Plan for at least one of your clients, we want to make you aware of these changes. Enclosed is a copy of the new Underwriting Guidelines indicating revisions to several pages effective 10/00.

**Note that all of the changes to our Underwriting Guidelines are positive for the FAIR Plan applicant/insured.** These changes are:

1. Page BI-changes have been made to acknowledge the removal of ACV (actual cash value) and MV (market value) as maximum coverage amounts. (Note that, in some cases, ACV will continue to be of significance if the coverage being sought and/or given is under an Actual Cash Value contract.)
2. Page BI-1-changes have been made to indicate the Appeals process through the Ohio FAIR Plan. This is not a change in business or procedure, but is now included within the Guidelines to evidence the existence of the process.
3. Page HO-1-changes have been made to denote that the \$15,000 minimum coverage is not a FAIR Plan minimum, but one necessitated by ISO's rating rules. Additionally, we are specifying the underwriting criteria regarding vicious animals including pit bulls and pit bull mixes. This underwriting criteria has long existed, but previously was not specifically defined within the Underwriting Guidelines.
4. Page HO-2-changes have been made to denote that the \$25,000 minimum coverage is not a FAIR Plan minimum, but one necessitated by ISO's rating rules. Additionally, we are highlighting the need for coverage carried to be at least 50% of the replacement cost to assure compliance with the coverage form and the HO 0456. Again, the issue of pit bull and pit bull mixes is dealt with regarding the HO 00 02 coverage form.
5. Page HO-3-changes have been made to:
  - a. remove references to market value relationship to replacement cost
  - b. remove references to heating system requirements
  - c. remove references to any age requirements
  - d. remove requirements relative to market value and actual cash value
  - e. remove the \$50,000 minimum requirement for the HO 00 03 coverage form
  - f. insert the \$25,000 minimum requirement for the HO 00 03 coverage form as per ISO's rating requirements
  - g. remove the 100% market value requirement
  - h. highlight the vicious animal and pit bull and pit bull mix underwriting

criteria

1. Pages DF-1, CF-1, and F-1-changes have been made to remove Market Value as a determinant of maximum insurable value. Page DF-2 highlights the vicious animal, pit bull, and pit bull mix underwriting criteria with regard to the available liability coverage under the DL 24 01 coverage form associated with owner-occupied property covered under the DP 00 01 coverage form.

Additionally, any underwriting criteria which contained potentially "subjective" language has been removed (e.g., reasonable housekeeping).

Also enclosed, is a **reproducible copy** of the new Application and various supplements for coverage through the Ohio FAIR Plan. With the new application is a 2 page Application Instructions for your convenience in knowing how to use the new application. **Please destroy all previous applications in your office and immediately begin using the new Application.** We will no longer be supplying applications to agents. You will need to reproduce the appropriate "parts" of the application for your use in submitting business to the Ohio FAIR Plan. Also, in the very near future, you will be able to download and print applications and the various supplements from our Website: [www.ohiofairplan.com](http://www.ohiofairplan.com).

If you have any concerns or questions about the new underwriting criteria or the application, please call our Policy Services Department at 1-800-282-1772 or 1-614-839-6446.

Finally, you need to be aware of how we intend to "re-underwrite" existing FAIR Plan policies with the new Underwriting Guidelines. The insured must initiate this re-underwriting. Enclosed you will find a sample of a letter which will be mailed **to all insured under our Homeowners Program**. The letter will also be mailed **to insureds who have coverage under our Dwelling Fire Program if the insured property is a 1 or 2 family dwelling, and is owner-occupied, and is not a mobile home, and is not insured under our Rehabilitation Program**. The letter will be printed 90 days prior to the expiration date of the FAIR Plan policy. It will be mailed to the insured and the insured's agent and will be accompanied by the Request for Enhanced Coverage form. Please review the letter noting that it encourages insureds to respond to allow us sufficient time to generate an upgraded Replacement Certificate whenever possible. Again, if you have any questions concerning this practice, call our Policy Services Representatives.

We feel the changes being made at the FAIR Plan are exciting and very positive for those needing the Ohio FAIR Plan. Please assist us by

1. familiarizing yourself (and others in your agency) with these changes,
2. destroying any old OFP Applications in your office,
3. beginning the use of the new OFP Application and appropriate supplements,
4. encouraging your insureds having OFP policies to make use of the Request for Enhanced Coverage form.

Positive changes are impactful only if they are put to use. As the agent of FAIR Plan insureds, be prepared to provide assistance to the insureds and applicants to benefit from these changes.

**\*Effective 9/02/2002 the Suite number changed from Suite 340 to Suite 250. The remainder of the address is the same.**