

OHIO FAIR PLAN UNDERWRITING ASSOCIATION

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PREMIUM PAYMENT PLAN FOR DWELLING FIRE POLICIES

For several years, the Ohio FAIR Plan (OFP) has offered a four-installment pay plan for Homeowners Replacement Certificates.

Since OFP has necessarily increased premiums for its Dwelling Fire Program, we now feel it is appropriate to expand the Premium Payment Plan (PPP) to our Dwelling Fire policies as well.

Highlights

- The PPP continues to be **available only for Replacement Certificates**-not New or Rewritten business.
- The PPP is still **not available if premiums are paid by a mortgage company** through an escrow account.
- The PPP is a **four-installment plan**.
- The PPP is **available only if the full annual premium is \$200.00 or more**.
- A **15-day reinstatement “grace period”** continues to be available.
- A **\$10.00 installment fee** will apply if an Insured chooses the PPP.
- The PPP only applies to **Homeowners and Dwelling Fire** policies.

Implementation and Detail Plan

- OFP will issue all Dwelling Fire Replacement Certificates with effective dates after 10/1/10 offering the 4-installment PPP.
- All Dwelling Fire Replacement Certificates issued with effective dates **before 10/1/10 will be issued with no PPP**.

- The invoice that accompanies the Replacement Certificate will show:
 - The payment options available as the **Full Annual Premium** and the **Four Installments PPP**
 - The full annual premium will be shown with the payment due date and **no installment fee.**
 - **Installment 1** will be shown with the **payment due date and an installment fee of \$10.00** (only the first installment has a fee).
 - The **reverse side** of the invoice will describe the PPP noting:
 - That the **full annual premium payment plan is the only plan available to mortgagees** (if insurance premiums are escrowed)
 - What the full annual premium payment amount is and when it is due in OFP's office
 - That the **PPP available to the insured is a four-installment payment plan**
 - That the PPP includes a **one-time installment fee of \$10.00** that **must be paid** with the first installment
 - How much is due under the PPP and the due date of the first installment
 - That the **PPP choice must be made and the first installment paid by the due date indicated or coverage will be cancelled and the PPP will no longer be available**
 - The **details (due dates and necessary payment amounts) of each installment under the four-installment payment plan**

The **2nd, 3rd, and 4th Installments will be billed by OFP via invoices** providing adequate time for the insureds to pay those additional installments to both keep their coverage from canceling and keep the PPP available to them.

IMPORTANT NOTE: Payments that are not received in OFP's office by the due date indicated on the invoice will cancel the pay plan in addition to the policy. There will be no exceptions to this!

We are hopeful that this expansion of the four-installment payment plan to Dwelling Fire policies will be helpful to OFP insureds.