

# OHIO FAIR PLAN UNDERWRITING ASSOCIATION

## BULLETIN #14 – June 28, 2012

### Homeowners Premium Payment Plan

For several years the Ohio FAIR Plan (OFP) has offered a four-installment Premium Payment Plan (PPP) for most replacement policies, but not new business.

Because premiums have increased over time, OFP has decided to begin offering a PPP for new Homeowners policies. Effective 6/28/12, Homeowners policies issued with a balance due of \$200 or more will be offered a PPP.

#### Highlights

- The PPP is still not available if premiums are paid by a mortgage company.
- The PPP is only available for **Homeowners New Business, Homeowners Replacement Certificates, and Dwelling Fire Replacement Certificates.**
- The PPP is a **four-installment plan.**
- The PPP is **available only if the outstanding premium is \$200.00 or more.**
- A **\$10.00 installment fee** will apply if an Insured chooses the PPP.

#### Implementation and Details

Beginning 6/28/12, new Homeowners policies will be offered the four-installment PPP. A schedule of payment dates and amounts will accompany the invoice and declarations page.

If the insured chooses the payment plan, the \$10 installment fee will be due with the first payment.

The binder deposit premium is credited towards the installment invoices. The remaining installment invoices will each be 25% of the annual premium (**not** the outstanding premium).

The first invoice will be covered by the binder deposit premium.

The second invoice (for 25% of the annual premium and any additional premium left from the first invoice that was not covered by the binder deposit premium) will be due on day 91 of the policy.

The third invoice (for 25% of the annual premium) will be due on day 182.

The fourth and final invoice (for 25% of the annual premium) will be due on day 273.

Endorsements that result in a change in premium will not affect invoices that have already been issued – only future invoices.

OFP believes this change will have positive implications for both the agent and customer. As always, if you have any questions, please contact OFP at 614-839-6446 or 800-282-1772.