



**FAIR PLAN INTRODUCTION**

The Kansas FAIR Plan is an insurance industry funded association established for the purpose of making basic property insurance available to responsible applicants who have been refused coverage by three voluntary market companies. Policies are issued on an annual basis by our Servicing Insurer, Columbia National Insurance Company.

**ELIGIBILITY REQUIREMENTS**

All applications are subject to prior underwriting approval.

**Dwelling Property** – Dwelling properties used for residential purposes up to 4 units, owner occupied, tenant occupied and mobile homes at a fixed location. Vacant, unoccupied or idle property will be considered on an individual basis.

**Commercial Property** – Apartment buildings with 5 or more units and mercantile, service risks and manufacturing with no more than 20 production employees.

**INELIGIBLE PROPERTY**

- Vacant, Unoccupied or Idle Property (considered on an individual basis)
- Manufacturing Risks with over 20 production employees
- Farm Properties
- Automobile Risks
- Other risks excluded by the Governing Committee with the approval of the Commissioner.

**UNDERWRITING STANDARDS**

- Properties must meet reasonable underwriting standards.
- All properties are inspected to confirm that underwriting standards are met. The lack of a satisfactory inspection can lead to coverage being excluded, declined or cancelled.

**LIMITS AVAILABLE**

- **Dwelling** - \$ 400,000
- **Commercial** - \$1,000,000

The maximum limit of property coverage written in one fire division is its insurable market value, actual cash value or the limits above, whichever is less. Limits apply jointly to real and personal property.

**DETERMINING APPROPRIATE AMOUNT OF COVERAGE**

Actual cash value is defined as replacement cost less depreciation. ACV calculations must be submitted by the agent or the following guidelines will be used to determine the amount of coverage:

Multiply the total ground floor square footage of the dwelling by:  
\$70 for 1 story  
\$75 for 1 ½ story  
\$80 for 2 story

An additional \$5 per square foot is allowed for brick construction.

Refer to FAIR Plan Depreciation Guide in our Manual of Rules and Procedures or on our website.

FAIR Plan considers a recent purchase price to be the current market value unless we receive evidence of increased value, such as, contracts, a list of improvements, real estate appraisal, etc.

Mobile home values are established using N.A.D.A. Manufactured Housing Appraisal Guide or market value, whichever is lower.

**HABITATIONAL COVERAGES AND FORMS**

FAIR Plan uses the basic property form DP 00 01. Refer to forms for specific coverages and exclusions.

Building and Contents coverage is available.

**Perils available:**

**Fire** – Fire or Lightning and Internal Explosion

**Extended Coverage** – Windstorm or Hail, Explosion, Riot or Civil Commotion, Aircraft, Vehicles, Smoke and Volcanic Eruption

**Vandalism or Malicious Mischief**

Up to 10% of the Coverage A limit can extend for outbuildings, however this does reduce the Coverage A limit. A separate amount of coverage for outbuildings may be written if requested.

FAIR Plan reserves the right to limit perils offered due to underwriting reasons.

**OPTIONAL HABITATIONAL COVERAGES**

FAIR Plan offers the following optional coverages to the dwelling fire policy:

**Theft Coverage** - Available for 1 or 2 family owner occupied dwellings and mobile homes (not seasonal and not with roomers or boarders), renter’s contents coverage in any number of dwellings. Refer to our Manual of Rules and Procedures for other eligibility requirements.

Limits are written in even thousands with a minimum of \$1,000 and a maximum of \$10,000.

**Personal Liability Coverage** - Available for 1 or 2 family owner occupied dwellings and mobile homes (not seasonal) and renter’s contents in any number of dwellings. Refer to our Manual of Rules and Procedures for other eligibility requirements.

Limits: Coverage L - \$100,000 each occurrence

\$200,000 aggregate per policy period

Coverage M - \$ 1,000 medical payments per person

FAIR Plan uses modified ISO forms for optional coverages offered. Special limits and exclusions apply. We strongly recommend that agents review FAIR Plan forms and the Manual of Rules Procedures before explaining coverages available to your insured.

**COMMERCIAL COVERAGES AND FORMS**

FAIR Plan uses the basic property form CP 00 10 with Cause of Loss - Basic Form CP 10 10. Refer to forms for specific coverages and exclusions.

Building and contents coverage is available.

**Perils available: Group I** - Fire, Lightning, Explosion, Vandalism, and Sprinkler Leakage

**Group II** - Windstorm or Hail, Smoke, Aircraft or Vehicles, Riot or Civil Commotion, Sinkhole Collapse and Volcanic Action

Optional perils to exclude: Vandalism, Sprinkler Leakage and Windstorm or Hail

FAIR Plan offers 80% coinsurance or nil coinsurance rates. Actual cash value figures must be submitted if 80% coinsurance rates are requested.

FAIR Plan reserves the right to limit perils offered due to underwriting reasons.

### **NEW APPLICATION PROCEDURE**

Complete in full: Dwelling Application Form KF-1d, or Commercial Application Form KF-1c

Applications may be completed and printed online on our website by clicking on "Online Applications". To print a copy of the application "Forms and Documents". Applications may also be reproduced in your office.

Under no circumstances will the processing of an application begin until all necessary information is received in our office. **All applications submitted, with or without binding money, which are not completed in full will be returned to the agent.**

Every effort should be made to place business in the voluntary market. Applicants must have been refused coverage by three voluntary market companies before applying to the FAIR Plan.

### **BINDING COVERAGE**

If all of the following are received and all eligibility requirements are met, coverage will be effective the day the application is received or a future date if requested.

- Fully completed and signed application
- Minimum of 50% of applicable premium
- Actual cash value calculations

Coverage may be bound the date the above is mailed if sent certified mail, registered mail, overnight or priority mail with delivery confirmation.

### **PAYMENT PLAN**

The following payment plan is available. A \$5 service charge for each installment will apply.

- 1<sup>st</sup> installment – 50% of annual premium - due at inception
- 2<sup>nd</sup> installment – 25% of annual premium - due 90 days from inception
- 3<sup>rd</sup> installment – 25% of annual premium - due 200 days from inception

The payment plan will automatically apply if the full premium is not submitted.

### **BILL TO MORTGAGE COMPANY**

Policies may be set up to bill the mortgage company in lieu of the insured if requested.

No coverage will be in force until the premium has been received in the FAIR Plan office.

### **RATING AND CONDITION CHARGES**

Premiums will be calculated using FAIR Plan rates. For a provisional quote, go to our website and click on "Rates".

Premiums initially quoted are considered provisional. Final premiums may include condition charges for substandard conditions noted from the inspection of the property.

### **ENDORSEMENT REQUESTS**

Policy change requests must be in writing and may be sent online at our website by clicking on "To Endorse", or by email, fax or mail.

All requests are subject to FAIR Plan guidelines and, if acceptable, will be effective the day after the request is received.

### **CANCELLATION REQUESTS**

A Cancellation Request/Policy Release Form or a written request signed by the named insured is required to cancel a policy. For a copy of the Cancellation Request/Policy Release Form go to our website and click on "Forms and Documents".

The effective date of cancellation is limited to no more than 30 days prior to the receipt of the request unless we are provided with proof of sale or proof of coverage through the standard market.

Cancellations are figured on a pro-rata basis with a \$35 minimum premium retained.

### **AGENT INFORMATION**

Any agent licensed in the State of Kansas to write property and casualty insurance may submit an application.

No agent may sign any form as an authorized representative of the FAIR Plan. **Agents do not have binding authority.**

Agents are responsible for explaining all forms and coverages to their insureds. Insureds should not be referred to the FAIR Plan office.

Agents may obtain applications, forms and documents and the Manual of Rules and Procedures on our website by clicking on "Forms and Documents". All forms may be reproduced as needed.

### **AGENT FAIR PLAN NUMBER**

Once an agent submits an application to the FAIR Plan, an agent number will be assigned. This number will be displayed on all future policies and commission statements.

Agents should record this number on all future applications submitted.

### **AGENT'S COMMISSION**

Agents will receive a 10% commission from the FAIR Plan.

Commissions will be paid after the inspection of the property has been completed and a final policy is issued. Agent commission statements will be mailed at the end of each month.

### **MANUAL OF RULES AND PROCEDURES**

For detailed information on FAIR Plan rules and procedures, go to our website and click on "Forms and Documents" to view or print our Manual.

### **CLAIMS REPORTING AND INQUIRY**

Claims are processed through our Servicing Insurer:

Columbia National Insurance Company

Submit claims online at our website by clicking on "Report A Loss" or by email at [fairplanclaims@colinsgrp.com](mailto:fairplanclaims@colinsgrp.com) or fax at (785) 825-0338.

For claim inquiries, call (800) 998-8902 or in Salina (785) 825-5531.

### **CONTACTING THE FAIR PLAN**

Applications, payments, inquiries and all other correspondence, except claims, should be directed to:

Kansas FAIR Plan  
1115 SW Wanamaker Rd, Topeka, KS 66604-3808  
(800) 777-1513 or in Topeka (785) 271-2300  
Fax: (785) 271-2341, Email: [kfp@colinsgrp.com](mailto:kfp@colinsgrp.com)

#### **Disclaimer:**

The information contained in the Producer Summary is a general overview of the FAIR Plan Manual of Rules and Procedures and is not intended to replace the detailed contents of our Manual. The insured's legal rights are determined by the insurance policy and Kansas Insurance Laws and Regulations, not by the contents of this Summary. The contents of the Producer Summary are subject to change without notice.