

ELIGIBILITY

A. ELIGIBLE APPLICANTS

Any individual, Partnership, Corporation, Association, Joint Venture, Holding Company, Fictitious Entity or Estate having an insurable interest in any real or personal property which has a fixed location in this state may apply for coverage in the FAIR Plan.

Any officer of a Corporation or Holding Company may apply for coverage in the FAIR Plan. The application must be signed by the officer and his/her title designated.

Principals of an Association, Joint Venture or Fictitious Entity may apply for coverage in the FAIR Plan. The application must be signed by the principal and his/her interest designated.

Mortgagees and Loss Payees may apply for coverage on behalf of a property owner, but the application must be in the name of the property owner and signed by the property owner.

Trustees of an estate may apply on behalf of the estate.

Tenants and others who have an insurable interest through contractual obligation may apply for coverage in the FAIR Plan, but the application must be in the name of the property owner and signed by the property owner.

B. INELIGIBLE APPLICANT

1. Any person who has been convicted of or has an outstanding indictment for the crime of arson or any crime involving a purpose to defraud an insurance company.
2. Any person who has an insurance claim history that presents special or unusual circumstances, or is so statistically aberrant as to reasonably suggest that additional claims are likely.
3. Such other characteristics as may be approved by the Insurance Commissioner.

C. ELIGIBLE PROPERTY

To be eligible for insurance in the Plan the property must meet the following minimum qualifications:

1. The property must be located in the State Of West Virginia.
2. The building or the tangible personal property must be at a fixed location.

NOTE: In the case of mobile homes, if they are not tied-down, underpinned or on a masonry foundation, the trailer wheels must be removed in order for the property to be considered "At A Fixed Location".

D. INELIGIBLE PROPERTY

The following properties are ineligible for insurance coverage in the Plan:

1. Motor Vehicles
2. Farms
 - a) Farm property is defined as all buildings and their contents whether occupied by the owner or by an employee or by a tenant, located on or used in connection with land devoted to any one or more of the following:

- 1) Cultivation of the soil;
- 2) Rearing or keeping live stock; or
- 3) Producing fruit, grain, vegetables, poultry, hay or other produce

for commercial or business purposes.

3. Coal mine property other than dwellings.
4. Buildings which are vacant or unoccupied for longer than thirty (30) days, unless boarded up and neither open nor accessible to unauthorized persons. Vacancy, whether under a Dwelling or Commercial policy, means containing no contents usual or incidental to the occupancy. Unoccupancy of a dwelling means the absence of use as a dwelling place by human beings. Unoccupancy of a commercial building means the building containing contents pertaining to the occupancy of the building while operations or other customary activities are suspended. Except:

- a) Vacant buildings, not boarded up, may be insured while rehabilitation or reconstruction work is actively in process.
- b) Unoccupied buildings not boarded up, may be insured while listed for sale with a real estate agent or after settlement waiting to be occupied for a period of not more than one year, except Commercial Buildings must be boarded after 3 months. Electric and Gas Utilities must remain on, and the building must be maintained as though occupied.
- c) Vacant or unoccupied buildings, not boarded up, may be insured while the insured is on active military service without a vacancy surcharge.
- d) Vacant or unoccupied buildings, not boarded up, may be insured when boarding is prohibited by local ordinance at the otherwise applicable surcharge.

NOTE: Documentation may be required for (a), (b), (c), or (d), above to apply.

- e) Seasonal and second homes may be insured without boarding. Such property is expected to be furnished and ready for use including a working refrigerator, stove, plumbing and furnace as well as window dressing and mowed lawn.
 - f) Partially vacant or unoccupied buildings, not boarded up, may be insured, if the first floor is occupied and only the upper floors are vacant or unoccupied but not accessible, no surcharge applies.
 - g) Unusual situations, subject to the approval of the Underwriting Manager.
5. Vacant or unoccupied buildings under the same ownership for longer than one (1) year. Except:
 - a) Those properties that are part of an estate in process of settlement.
 - b) Those properties currently under active renovation or such active renovations are to begin within thirty (30) days of the effective date of insurance coverage and copies of contract(s) and/or specifications are submitted with the application.
 - c) Those properties under agreement of sale to a contract purchaser providing:

Settlement is to take place not more than ninety (90) days from the effective date of insurance, and Section I on the application (applicant's name) states all parties in interest, and a fully completed "Supplementary Questionnaire", Form PDWV 25/ACORD 65 PA/DE/WV and a copy of the agreement of sale be submitted as a part of the application documents.

6. Property in extremely dilapidated condition or which has been substantially damaged by a peril of fire, extended coverage or vandalism and malicious mischief.

NOTE: Exceptions may be granted under 3, 4 and 5 above for Co-operative Community Home Improvement Grant Programs, provided full details of the program are submitted to the FAIR Plan Underwriting Manager for approval.

7. Buildings in danger of collapse or having unrepaired damage from mine subsidence.
8. Buildings on which the applied for amount of insurance exceeds insurable value or materially exceeds current market value.
9. Buildings which have characteristics of ownership, tenancy, occupancy or maintenance which violate public policy or which result in increased exposure to loss, including, but not limited to:
 - a) Owner or occupant incendiarism.
 - b) At least 65% of the rental units in the building are unoccupied, and the insured has not obtained prior approval from the FAIR Plan of a rehabilitation plan which necessitates a high degree of unoccupancy.
 - c) Fire damage exists and the insured has stated or such time has elapsed as clearly indicates that the damage will not be repaired.
 - d) Following a fire, permanent repairs following satisfactory adjustment of loss have not commenced within 60 days.
 - e) Property has been abandoned or there has been removal of undamaged salvageable items from the building and the applicant can give no reasonable explanation for such removal.
 - f) Utilities such as electric, gas, or water services have been discontinued and the applicant has failed to pay his/her account for such services within 60 days, or real estate taxes have not been paid for a one year period after the taxes have become delinquent.
 - g) Where, based on reliable information, good cause exists to believe that the building will be burned for the purpose of collecting the insurance on the property.
 - h) Conviction or unresolved indictment of an applicant or lienholder or any other person having a financial interest in the property for the crime of arson or a crime involving a purpose to defraud an insurance company.
 - i) Where the unfavorable claim history is due to conditions which are the responsibility of the applicant or property owner.
 - j) Property in low lying, flood prone areas that have experienced fires during periods of flooding.
 - k) Property, principally House Trailers, having electricity installed inside or extended outside building by other than a registered electrician.
 - l) Property whose heating source, including supplemental space heaters, has been installed by other than a contractor registered/licensed to make such installations.

NOTE: While immediate coverage will not be granted, consideration will be given to installations which inspection confirms, meet all appropriate installation standards (e.g. National Electric Code, American Gas Association Manufacturer's Installation specifications as approved by Underwriters Laboratories or the National Board of Fire Underwriters.)

- m) Such other characteristics as may be approved by the Insurance Commissioner.

E. WRITTEN NOTICE REQUIRED

The Association shall provide every applicant found to be ineligible under this section written notice stating the basis upon which the applicant is ineligible and notifying the applicant of his/her right to appeal, first to the Association's Appeal Committee and then to the West Virginia Insurance Commissioner.