

### SECTION XIII EXPIRING COVERAGE

All FAIR Plan policies are reviewed well in advance of expiration to determine their eligibility for renewal. Listed below are descriptions of various documents which the FAIR Plan uses to advise the insured and the agent of record of pending policy expiration.

#### **A. OFFER(S) TO RENEW**

1. The Plan will review its latest policy information on file and, if it is in possession of sufficient underwriting information, may issue a Notice of Premium Due, showing final premium required, to effect a new one year policy. Refer to Section B, Notice of Premium Due, below. An optional quotation at higher limits may be offered.

#### **B. NOTICE OF PREMIUM DUE**

1. At the bottom of the Notice of Premium Due" is a detachable section identified by the wording "Detach this portion and return it with payment."
2. Changes in producer, lienholder, mailing address, policy amounts and description of property must be included with proper documentation, on the reverse side of the "Notice of Premium Due" or on a separate addendum. Refer to "Request for Endorsement Section, item D.
3. Increases or decreases in policy amounts are subject to review and acceptance by the Plan.
  - a) If acceptable, and the correct revised premium has been submitted, a policy will be issued reflecting the new limit(s) of liability.
  - b) If unacceptable, but there is sufficient remittance to process for the quoted amount(s) of coverage, a policy will be issued in the amount of the expiring policy and any overpayment refunded. Notice of rejection of increase or decrease in coverage will be mailed to the insured and the agent of record within three working days of receipt of the "Notice of Premium Due".
  - c) Incomplete "Notice of Premium Due" forms or those accompanied by insufficient remittance will be rejected and returned and no coverage shall be provided.

**C. RENEWAL PREMIUM NOTIFICATION**

The "Notice of Premium Due" is mailed to the insured, a producer, or a mortgagee as the designated payor. All other parties received a copy advising where the bill was sent.

**D. NON-RENEWAL NOTICE**

In some instances the FAIR Plan will be unable to offer continuing coverage on certain expiring policies. Lack of underwriting compliance, ineligibility or inability to complete an inspection as well as policies originally written for a non-renewable one year term may cause a Nonrenewal Notice to be mailed.

**E. FINAL NOTICE**

If, within ten (10) days following the expiration of a policy, a new policy continuing coverage has not been issued, a "Final Notice", advising that the policy has expired will be mailed to the insured and the agent of record and mortgagee.

**F. MORTGAGEE NOTICE OF EXPIRATION**

A listed mortgagee, if not the payor, will receive a copy of the Notice of Premium Due sent to the insured or producer advising the mortgagee of the Plan's willingness to renew the policy.

**G. REINSTATEMENT OF EXPIRED POLICY**

If, within 30 days following the expiration of a policy, the insured or his/her representation, requests reinstatement of the policy, the policy will be reinstated without a lapse if the policy meets all Underwriting requirements and payment and a no loss letter is received indicating there have been no losses during the time and up until the policy is reinstated.