

SECTION IV POLICY PROVISIONS

A. COVERAGE(S) PROVIDED

On **Habitational** property the Plan will issue a simplified language policy affording coverage against direct loss to real or tangible personal property at a fixed location in the State of West Virginia caused by perils defined and limited by language similar to the Insurance Services Office Form DP-00 01 basic form which includes the perils of fire and extended coverage, except Volcanic eruption. Vandalism coverage is not provided.

On **Commercial** property the Plan will issue a simplified language policy affording coverage against direct loss to real or tangible property at a fixed location in West Virginia caused by perils defined and limited in the Standard Commercial Property Policy of the Insurance Services Office. The perils include fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, riot or civil commotion, sinkhole collapse, volcanic action, vandalism and sprinkler leakage.

NOTE:

Vandalism and malicious mischief and sprinkler leakage coverage are not available on properties which are fully vacant or unoccupied, or on Builder's Risks. See Eligibility Section.

Coverage against loss caused by other perils, or for time element or indirect loss is NOT provided by the Plan.

Coal mine subsidence insurance will be provided up to a maximum of \$200,000 or the amount of fire insurance whichever is less. Coverage is mandatory where the property is located in other than Berkley, Cabell, Calhoun, Hampshire, Hardy, Jackson, Jefferson, Monroe, Morgan, Pendleton Pleasants, Ritchie, Roane, Wirt or Wood Counties and the applicant has not signed the waiver statement.

B. POLICY FORMS

Insurance Services Office forms, endorsements and clauses will be used on all FAIR Plan policies, except when in conflict with FAIR Plan Rules and Procedures as filed with the Insurance Commissioner.

C. DEDUCTIBLES

FAIR Plan dwelling and commercial policies are written subject to the selected amount. The FAIR Plan reserves the right to apply higher deductibles at the appropriate rate credits where conditions warrant.

D. COINSURANCE

Where there is a coinsurance rate available the insurance must be written subject to the coinsurance clause. However, where conditions warrant, various percentages of coinsurance may be used as provided in the following Coinsurance Rate Differential Table:

COINSURANCE RATE DIFFERENTIAL TABLE

<u>Coinsurance Percentage to Be Applied</u>	<u>Multiple of Published 80% Coinsurance Rate</u>
100%	.90
90%	.95
80%	1.00
70%	1.14
60%	1.31
50%	1.55
40%	1.85
30%	2.25
20%	2.86
10%	4.35
5%	5.60

NOTE:

The Plan will not be responsible for the correctness of any values submitted by the applicant. However, the Plan reserves the right to request the substantiation of values.

E. POLICY TERM

All policies written by the Plan are for a term of one year.

F. OTHER INSURANCE

The FAIR Plan is not intended to replace normal markets. Plan policies, however, may be issued as additional insurance to existing standard market policies, and in such cases, should be as concurrent with such other policies as is possible.

If other contributory insurance is in force at the time of a loss caused by a peril insured under the Plan policy, the Plan will participate in the payment for such loss in accordance with the terms of the Apportionment Clause in the form attached to the Plan policy.

G. EXCESS INSURANCE

The FAIR Plan does not issue EXCESS OF LOSS POLICIES.

H. LOSS SETTLEMENT

Policies are issued by the FAIR Plan on an Actual Cash Value Basis and not subject to Chapter 33 Article 17 Section 9 of The Insurance Code, commonly referred to as The Valued Policy Law.