

## **ANNOUNCING NEW FAIR PLAN SUPPLEMENTAL APPLICATION, January, 2004**

### **FORM FP-16, ALTERNATIVE PROCEDURES TO EXPIDITE UNDERWRITING OF DWELLING AND CERTAIN COMMERCIAL PROPERTIES**

The North Carolina Joint Underwriting Association is pleased to announce the implementation of the FAIR Plan Supplemental Application, FP-16. Applicable to all residential (DP1 and DP2) and light to moderate hazard commercial properties.

This new FAIR Plan supplemental application is similar to the Beach Plan Supplemental Application, BP-16 that are being used. The intent of this new form is to allow both the producer and association the ability to properly assess new properties so that the underwriting decisions that are made are accurate.

Benefits of the new [FP-16 Supplemental Application](#) are:

1. With the details of the FP-16 form and a picture the need for an inspection may be waived. Inspections normally require that the consumer or a representative take time from their daily schedules to accompany an inspection vendor while a survey is being completed. Expectations are that inspections will only be needed on applicants reflecting problems or questions after the submitted FP-16 and pictures have been reviewed. This will be a time and expense savings to the consumer and producer.
2. Currently in the FAIR Plan policies are not issued until after an inspection has been received and coverage approval given by the Association. With the FP-16 and picture being submitted policies can be reviewed for immediate approval and policy issuance. The release of the actual policy allows everyone to have full access to policy information including all applicable conditions, exclusions, forms and endorsements by means of the actual insurance contract.
3. The information on the FP-16 form will allow the Association to complete a more accurate manual evaluation of the property to be covered.
4. Producers will have the opportunity to assess the risk thus being able to better explain coverage availability and our requirements to the consumer.

The FAIR Plan already requires additional information and pictures on properties requiring the DP2, Broad Perils Form with Replacement Cost Coverage. Many producers also already provide pictures with all of their submissions. We believe implementation of the FP-16 supplemental application should have minimal impact to producers. Due to the specific nature of the questions the FP-16 is required when submitting both Association and ACORD applications.

This new requirement is to take effect immediately. Beginning the second quarter of 2004 policies received without the FP-16 Form and pictures may have coverage effective date delays due to the omissions.

Contact your underwriter if you have any questions.