

Kentucky FAIR Plan Reinsurance Association
Homeowner Manual



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Homeowner Manual

<u>Form Number</u>	<u>Form Title</u>	<u>Version.</u>
HO 00 02	Homeowners 2 – Broad Form	05 11
HO 00 04	Homeowners 4 – Contents Broad Form	05 11
HO 00 06	Homeowners 6 – Unit-Owners Form	05 11
HO 00 08	Homeowners 8 – Modified Coverage Form	05 11
HO 04 16	Premises Alarm or Fire Protection System	10 00
HO 04 26	Limited Fungi, Wet or Dry Rot, or Bacteria Coverage	05 11
HO 04 41	Additional Insured Endorsement	10 00
HO 04 54	Earthquake	05 11
HO 04 81	ACV Loss Settlement	05 11
HO 23 84	Mine Subsidence Coverage Form	12 10
KFP 14 -1	Special Provisions - (HO 00 08)	05 12
KFP 14 -2	Special Provisions - (HO 00 02, HO 00 04, HO 00 06)	05 12
KYPACT	Privacy Notice	07 01
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A. General Information

The Kentucky FAIR Plan and Reinsurance Association (FAIR Plan) is composed of all insurance companies authorized to write property and casualty insurance in Kentucky. It is authorized by and operates pursuant to KRS Chapter 304 Subtitle 35 with the approval of the Executive Director of Insurance. It is designed to provide basic property insurance for worthy applicants who are unable to secure coverage in the voluntary market. Every resident producer licensed to write property insurance in Kentucky is authorized to submit applications to the FAIR Plan even though no contractual relationship exists with the producer. This manual provides the rules and rates for the producer. The actions of a producer under this and all other sections of this Plan are deemed to be the actions of the applicant and are not the actions of the Plan. Insofar as the producer is acting as an agent of any party in connection with actions under this or any other section of the Plan, the producer shall be deemed to be the agent of the applicant and not the agent of the FAIR Plan.

B. Underwriting Guidelines for Denial, Cancellation and Non-Renewal

Denial, cancellation, or non-renewal of any applicant/insured must be authorized by the Underwriting Department. The Underwriting Department shall have authority to deny, cancel, or non-renew any application or policy based on grounds in the reasonable discretion of the Underwriting Department, including, but not limited to, the existence of any one or more of the following conditions:

1. Anticipated owner or occupant incendiarism;
2. At least 65% of the rental units in the building are unoccupied, and the insured has not obtained prior approval from the Underwriting Department of a rehabilitation plan which necessitates a high degree of unoccupancy;
3. Property damage exists and more than 60 days have elapsed as to indicate that the damage will not be promptly repaired;
4. Following a loss, permanent repairs following satisfactory adjustment of loss have not commenced within 60 days;
5. Property has been apparently abandoned or there has been removal of undamaged salvageable items from the building and the insured can give no reasonable explanation for such removal;
6. Utilities such as electric, gas, or water services have been disconnected and, if for non-payment of service bills, the insured has failed to pay his account for such services within 60 days, or real estate taxes have not been paid for a two-year period after the taxes have become delinquent (real estate taxes shall not be deemed to be delinquent for this purpose even if they are due and constitute a lien, so long as a grace period remains under local law during which such taxes may be paid without penalty);

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7. Conviction or unresolved indictment of a named insured or loss payee, or any other person having a financial interest in the property, of the crime of arson or crime involving a purpose to defraud an insurance company;
8. Where the building or the named insured has been subject to two or more fires, each loss amounting to at least \$500 or one percent of the insurance in force, whichever is greater, in any 12-month period; or three (3) such fires in any 24-month period, at the discretion of the underwriter.
9. Material misrepresentation
10. Non-payment of additional initial or increased hazard premium; or
11. Failure of the insured or his/her agent to timely furnish when due additional primary or supplemental underwriting information requested by the facility.
12. Other conditions proposed by the Underwriting Department and adopted by resolution by the Underwriting Committee as established herein.
13. After a policy has been in effect for more than 60 days, there shall be no cancellation or refusal to renew the policy without a 30-day written notice to the insured, except that a written notice of not less than five days before the effective date of cancellation or non-renewal may be used if one or more of the specific conditions set out in Section B (1-12), above, is present.
14. Each notice of cancellation or non-renewal shall contain a statement of the reason therefor. It shall be sent to the insured at the last known address with copies sent to the mortgagee, if any, and the insured's Producer.
15. Any denial, cancellation, or non-renewal notice to the insured shall be accompanied by a statement that the insured has a right of appeal.
16. The Underwriting Department shall reinstate, without lapse in coverage or additional charge, any policy cancelled solely because of non-payment of additional initial or increased hazard premium, if and when full and complete payment of all premiums due are received before the termination date contained in the notice of denial, cancellation or non-renewal. Such reinstatement of coverage is conditioned upon any check tendered for premium payment being honored when presented for payment.
17. Non-payment of any renewal premium shall result in lapse of the policy as of the renewal date and only a notice of such lapse shall be sent to the insured within 15 days following the lapse in coverage.
18. No coverage will be effective if the financial institution dishonors the insured's premium remittance, which accompanies the application.

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C. General Rules

1. Applications:

All submissions must be on the FAIR Plan Homeowner application forms and fully completed. The application is located on our website at <http://www.kyfairplan.org>. The application must be signed by both producer and applicant and accompanied by photographs of the front and rear of the dwelling. The full installment premium (Rule 29) must be submitted with the application.

2. No Binding Authority and Deemer Provision

Coverage cannot be bound by the producer and will be bound by the FAIR Plan only when the application has been accepted by the Underwriting Department. The FAIR Plan has a Deemer Provision which states that eligible risks on original applications for approved lines and coverages written by the Plan are automatically deemed insured after 20 calendar days from the date the application and the required initial installment premium payment is received at the FAIR Plan for a period of 30 days if through no fault of the applicant coverage has not been provided or declined.

3. Commission

Producer compensation of five (5) percent will be paid for policies on which full payment has been received. No compensation is payable on the Kentucky Premium Surcharge. If a policy is cancelled prior to the expiration date, the unearned commission will be due to the FAIR Plan.

4. Renewals

The Underwriting Department may request documentation supporting eligibility with the Plan. Renewal billings will be mailed directly to the insured forty-five (45) days in advance of renewal date with a copy made available for the producer. The company must receive payment by renewal date or coverage will expire.

5. New Business

New policies are mailed directly to the insured with a copy made available to the producer.

6. Claims Procedures

Claims may be submitted by mail/facsimile or via email from the website. The Loss Notice Form located on the Kentucky FAIR Plan website at <http://www.kyfairplan.org> may be completed and emailed from the website.

7. Minimum Written Premium and Minimum Retained Premium

A minimum written annual premium of \$200 plus Kentucky surcharge and installment fee if applicable shall be charged for each policy. A minimum retained premium of \$100 plus Kentucky surcharge and installment fee if applicable shall be deemed fully earned when any period of coverage is provided under the Deemer provision or by the issuance of a binder or policy. If the risk is rejected during the

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first 20 days following receipt of the application, the entire initial premium shall be returned.

8. **Limits of Liability and Coverage Relationships**

The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this manual. This manual contains the rules and classifications governing the writing of the Homeowners Policy. This manual does not add to or restrict coverage that is provided in the policy forms and endorsements and shall govern in all cases.

The limits of liability required under the Homeowners Policy are as follows:

HO – 2

Section I—Property Coverages

A. Dwelling	\$35,000 to \$200,000
B. Other Structures	10% of Coverage A
C. Personal Property	50% of Coverage A
D. Loss of Use	30% of Coverage A.

Section II—Liability Coverages

Coverage E – Personal Liability	\$100,000 Each Occurrence
Coverage F – Medical Payments	\$1,000 Each Person

HO – 4

Section I—Property Coverages

A. Dwelling	N/A
B. Other Structures	N/A
C. Personal Property	\$5,000 to \$25,000
D. Loss of Use	30% of Coverage C.

Section II—Liability Coverages

Coverage E – Personal Liability	\$100,000 Each Occurrence
Coverage F – Medical Payments	\$1,000 Each Person

HO – 6

Section I—Property Coverages

A. Dwelling	\$5,000 to \$200,000
B. Other Structures	N/A
C. Personal Property	\$5,000 to \$25,000
D. Loss of Use	50% of Coverage C

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Section II—Liability Coverages

Coverage E – Personal Liability	\$100,000 Each Occurrence
Coverage F – Medical Payments	\$1,000 Each Person

HO – 8

Section I—Property Coverages

A. Dwelling	\$25,000 to \$200,000
B. Other Structures	10% of Coverage A
C. Personal Property	40% of Coverage A
D. Loss of Use	10% of Coverage A

Section II—Liability Coverages

Coverage E – Personal Liability	\$100,000 Each Occurrence
Coverage F – Medical Payments	\$1,000 Each Person

The maximum coverage limits are included in Section 8, above, and are further limited below:

- Coverage may not exceed the valuation determined by the valuation procedure included in A, below; unless,
- Proof is submitted supporting one or more of the exceptions included under B, below; however,
- As part of the Plan’s charge to provide basic coverage, the amount of coverage written is subject to the discretion of the Underwriting Department after consideration of information provided with the application or from an outside inspection, other underwriting information and/or reporting sources.
 - A. Maximum coverage limits are determined using the following square footage limitations:
 - (a) Base cost per square foot valuation procedure:
 - i. Select the type of dwelling by the number of stories.
 - ii. Calculate ground floor area by measuring ground floor only. The dimensions of porches and garages should not be included in the ground floor calculations.
 - iii. Determine the predominate construction material, i.e., frame or masonry.
 - iv. Multiply ground floor square footage times the base construction cost shown below. The amount to be insured may not exceed this limitation except as noted in B, below.

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Counties	Number of Stories											
	1		1 1/2		2		2 1/2		Bi Lev		Tri Lev	
	Fr.	Mas.	Fr.	Mas.	Fr.	Mas.	Fr.	Mas.	Fr.	Mas.	Fr.	Mas.
Jefferson/ McCracken	70	74	85	90	107	111	152	157	100	109	97	105
Pike/Fayette	74	78	87	92	110	117	154	166	100	110	97	109
Daviess	78	85	92	98	117	123	166	174	110	117	109	114
Boone/Kenton/ Campbell	81	86	97	100	122	129	169	181	114	122	111	120
Remainder of State	61	66	73	78	90	97	129	134	86	92	83	87

- B. Exceptions to this rule will only be considered if the applicant submits proof of one or more of the following subject to prior approval by the Underwriting Department.
1. 80% of the fair market value less the land that is supported by a current independent appraisal secured at the applicant's expense during the last twelve (12) months; or depreciated value of improvements amount less land; or
 2. The amount of the current tax assessment less the value of the land; or
 3. Purchase price, if purchased within the past twelve (12) months, less the value of the land.

9. Description of Coverage and Coverage Limitations

The following is a general description of the coverages provided by the policy forms.

A. Perils (Please refer to form for exact terms and conditions)	HO-2 Broad Form	HO-4 Contents Broad Form	HO-6 Unit Owners Form	HO-8 Modified Coverage Form
Fire or Lightning	Yes	Yes	Yes	Yes
Windstorm or Hail	Yes	Yes	Yes	Yes
Explosion	Yes	Yes	Yes	Yes
Riot or Civil Commotion	Yes	Yes	Yes	Yes
Aircraft	Yes	Yes	Yes	Yes
Vehicles	Yes	Yes	Yes	Yes
Smoke	Yes	Yes	Yes	Yes
Vandalism or Malicious Mischief	Yes	Yes	Yes	Yes
Theft (See limitations below)	Yes	Yes	Yes	Yes

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Volcanic Eruption	Yes	Yes	Yes	Yes
Falling Objects	Yes	Yes	Yes	No
Weight of Ice and Snow	Yes	Yes	Yes	No
Accidental Discharge or Overflow of Water or Steam	Yes	Yes	Yes	No
Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging	Yes	Yes	Yes	No
Freezing	Yes	Yes	Yes	No
Sudden and Accidental Damage from Artificially Generated Electric Current	Yes	Yes	Yes	No
Limited Fungi, Wet or Dry Rot, or Bacteria	Yes	Yes	Yes	No

B. Loss Settlement Provisions and Coverage Limitations	HO-2	HO-4	HO-6	HO-8
Loss Settlement Provision	ACV	ACV	ACV	ACV
Theft Coverage Limitations	Coverage is limited to 10% of the contents limit subject to a maximum of \$5,000	Coverage is limited to 10% of the contents limit subject to a maximum of \$5,000	Coverage is limited to 10% of the contents limit subject to a maximum of \$5,000	Coverage is limited to \$1,000 on premises

C. Section II—Liability Coverage

Coverage E – Personal Liability

Covers payments on behalf of the insured of all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of the insured premises or personal activities. Refer to the policy for policy conditions, definitions and exclusions.

Coverage F – Medical Payments to Others

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of the insured's premises or personal activities. Refer to the policy conditions, definitions and exclusions.

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10. Eligibility

- A. A Homeowners Policy may be issued:
- (1) to the owner-occupant (s) of a dwelling which is used exclusively for private residential purposes and contains not more than 2 boarders or roomers per family; or
 - (2) to the purchaser-occupant (s) who has entered into a long-term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered by naming them on the policy as an **Additional Interest**. Contract of Sale documentation is required.
 - (3) to the occupant of the dwelling under a life estate arrangement. The owner's interest in the building and premises liability may be covered by naming them as an additional interest.
 - (4) subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling.
 - (5) certain occupancies incidental to the dwelling are permitted provided the premises is occupied principally for dwelling purposes and there is no other business conducted on the premises.
 - (6) A Homeowners Policy shall not be issued covering any property to which farm rules, rates or forms apply under the rules of the FAIR Plan. In no event shall a policy be issued to cover any property situated on a premises used for farming purposes.
 - (7) A Homeowners Policy shall not be issued to cover any mobile home, trailer home, or house trailer.
 - (8) Applications for HO-2 coverage including more than one paid theft claim during the last three years will be written on an HO-8 form. Applications for HO-4 and 6 with more than one paid theft claim will be declined. The Underwriters discretion will be utilized for extenuating circumstances.
 - (9) A contents inventory is required to support all HO-4 and HO-6 applications. An itemized inventory is not required and can be broken into categories, i.e., women's clothing, shoes, etc.
 - (10) Interior photographs required with HO-4 and HO-6 submissions.

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11. Age and Construction Requirements

If the dwelling is over 40 years old at the time the application is submitted to the FAIR Plan the wiring must have been updated to meet current standards. There are no other age limitations.

12. Mandatory Coverage

It is mandatory that insurance be written for all the coverages provided under both Sections I and II of the Homeowners Policy.

13. Deductibles

All Homeowners Policies are subject to a \$500 base deductible applicable to loss from Section I perils covered under the policy on an occurrence basis.

Optional deductibles are available in amounts of: \$250, \$1,000 and \$2,500. See Rule 36 for optional deductibles.

14. Secondary Residence Premises

Homeowners Coverage on a secondary residence premises shall be provided under a separate policy. The rules of this manual apply except the Section II Coverage is not mandatory for the secondary residence policy when the FAIR Plan insures the initial and secondary residence and the policy number of the initial residence is indicated on the policy covering the secondary residence.

15. Change Endorsements

Requested policy endorsements and changes must be submitted to the FAIR Plan for approval. The producer does not have binding authority to increase or bind the FAIR Plan on any additional coverage or amount of insurance until received and approved at the FAIR Plan. The change notice or the policy change form located on the FAIR Plan website may be used to request changes.

16. Other Insurance

In the event the insurable value of the property exceeds the maximum limits of coverage available in the FAIR Plan, the producer may secure other insurance on the property. The producer shall provide evidence, if requested, of any other insurance written on the same property.

17. Changes, Cancellation or Reduction of Coverage

Requested policy changes or endorsements must be submitted to the FAIR Plan for approval. The producer does not have binding authority to increase or bind the Plan on any additional coverage or amount of insurance until the request is received and approved by the Underwriting Department.

If insurance is increased, decreased or cancelled, the additional or return premium shall be computed on a pro-rata basis.

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18. **Manual Premium Revision**

The effective date of such revision shall be as announced. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision. When an existing Homeowners Policy is endorsed to take advantage of a reduction in premium, the adjustment shall be made on a pro-rata basis. Unless otherwise provided at the time the premium revision becomes effective, the premium revision does not affect in-force policy forms, endorsements or premiums until the policy is renewed.

19. **Transfer or Assignment**

The Transfer or Assignment of Policy to a new owner will require a new application and is subject to prior approval of the Underwriting Department.

20. **Restriction on Individual Policies**

Manuscript endorsements or individual policy exclusions are not permitted.

21. **Seasonal Dwelling Definition**

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one-year period.

22. **Single Building Definition**

All buildings or sections of a building which communicate through unprotected openings shall be considered as a single building. Buildings which are separated by space shall be considered separate buildings. Buildings or sections of buildings, which are separated by an 8-inch masonry party wall which pierces or rises to the underside of the roof and which pierces or extends to the inner side of the exterior wall shall be considered separate buildings. Communication between buildings through independent walls or through masonry party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

23. **Rewrite with Lapse in Coverage**

At the option of the FAIR Plan, policies that have lapsed for a period not exceeding thirty (30) days for non-payment of an installment or renewal premium may be rewritten with a lapse in coverage if the premium is paid and a statement of no loss is provided.

24. **Non-Sufficient Funds Service Charge**

Not used at this time.

25. **Adjusted Base Premium Computation**

The **Adjusted Base Premium** is developed as follows:

- a. Select the rating territory from Rule 33.
- b. Select the **Policy Form**, i.e., HO-2, HO-4, HO-6, or HO-8.

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- c. Select a **Key Rate** from the Key Rate Table (Consider the Territory, Protection Class and Construction) from Rule 42.
- d. Select a **Key Factor** based on the desired amount of building coverage from Rule 42. (See the Interpolation Example below for coverage amounts not included in the key factor table.)
- e. Select a **Deductible Factor** from Rule 36.
- f. Select the **Protective Device Discount**, if applicable from Rule 39.
- g. Multiply the **Key Rate** times, **(X)** the **Key Factor** times, **(X)** the **Deductible Factor** times **(X)** the **Protective Device Discount**. (Round to the nearest whole dollar at each step).

****Interpolation Example***

When the desired limit of liability is less than the limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:

\$115,000 desired limit; the nearest limits are \$110,000 and \$120,000.

Figure the difference between the two Key Factors and divide by 10. This provides a factor per \$1,000.

Multiply the factor per \$1,000 times 5, and add to the Key Factor for \$110,000.

26. Premium Prior to Surcharge

The **Premium Prior to Surcharge** is developed by adding or subtracting the following, if appropriate, to the **Adjusted Base Premium**. (Round each to nearest dollar)

- (a) **Condition Charges:** (See Rule 32, if applicable) Multiply the Adjusted Base Premium by the condition charge % to arrive at the condition charge premium. Add to Adjusted Base Premium.
- (b) **Earthquake:** (See Rule 37, if applicable) Determine the earthquake zone, construction, deductible and value range to obtain the earthquake premium and add to the Adjusted Base Premium.
- (c) **Mine Subsidence:** (See Rule 38, if applicable) Premium is based on the amount of coverage. Maximum total insured value is \$300,000. Add the Mine Subsidence premium to the Adjusted Base Premium.
- (d) **Woodstove Surcharge:** (See Rule 31). Add the surcharge to the Adjusted Base Premium.

27. Total Annual Premium

The **Total Annual Premium** is determined by adding the following, if applicable, to the **Premium Prior to Surcharge**:

Kentucky Premium Surcharge: Multiply the **Premium Prior to Surcharge** times the Kentucky Premium Surcharge. (Do not round.)

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28. **Waiver of Premium**

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.99 or less may be waived; however, the waived premium will be returned if requested by the policyholder.

29. **Whole Dollar Premium Rule**

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

30. **Policy Period and Installment Plan**

a. Policy Period:

All policies are written for a period of one year and may be extended for successive policy periods by renewal certificate based upon the premiums, forms and endorsements then in effect.

b. Minimum Deposit:

If the installment plan results in the payment less than \$100, the initial minimum deposit will be \$100 (+) plus Kentucky Surcharge.

c. Installment Plans:

1. **One payment option**—No billing service fee shall apply. The annual premium must be submitted with the application.
2. **Two-payment option**—A \$4.00 billing service fee will be added to each direct bill payment. 50% of the premium must be billed with the application.
3. **Four-payment option**—A \$4.00 billing service fee will be added to each direct bill payment. 25% of the annual premium must be submitted with the application.
4. **Five-payment option**—A \$4.00 billing service fee will be added to each direct bill payment. 20% of the annual premium must be submitted with the application.
5. **Mortgagee Bill**—Full annual premium is required with the application or 25% down payment submitted by the insured.

31. **Wood burning or Coal Stove Surcharge**

Dwellings with fireplace inserts, wood-burning or coal stoves or freestanding fireplaces used as heating sources are acceptable if properly installed and maintained. A **Wood Stove Questionnaire** must be submitted with the application along with photos. A **\$100.00 annual surcharge**, which is added to the adjusted base premium, will be assessed to offset the additional exposure.

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32. Condition Charges

Condition charges may be assessed by the FAIR Plan in accordance with this rule. Depending on the severity of the deficiency, dwellings with one or more of the following deficiencies may be conditionally rejected until the deficiencies are corrected or if minor, accepted with condition charge(s) added.

1. Heating Deficiencies:

- a. Fireplace insert not directly connected to flue liner.
- b. Floor protective covering under solid fuel stove does not extend 8 inches on all sides and 18 inches at loading door.
- c. Floor protection under solid fuel stove inadequate.
- d. Wall pass through does not have 18-inch clearance from combustibles or does not have 12 inches of masonry surrounding the thimble.
- e. Chimney does not have a flue liner.
- f. Stove is closer than 28 inches to combustible (36 inches required) to wall or fixture.
- g. Circulating stove is closer than 22 inches (36 inches required) to wall or fixture.
- h. Homemade stoves such as those constructed from an oil drum (barrel) unless equipment is firebrick lined and is inspected and approved by Fire Marshal.
- i. Heat savers or heat reclaimers.
- j. Hanging masonry chimneys without flue liner.
- k. Stovepipe runs in excess of 12 feet unless supported every 4 feet with metal strap and each joint is secured with 3 sheet metal screws.
- l. Solid stoves that have been altered or converted.
- m. Ductwork from solid fuel stove or solid fuel furnace that is attached directly to floor joists.
- n. Stovepipe that is not 84 gauge and does not have 3 screws in each part.
- o. Stovepipes with holes, rusted, with loose joints, unsupported when longer than 4 feet, or with inadequate clearance from all combustibles.
- p. Fuel oil storage inside the premises or on premises or on porches, or in attached sheds, except storage for central heating system in basement in an approved UL storage tank.
- q. Central heating system not equipped with an emergency shutdown switch, oil line leaking or not protected from physical damage and not equipped with thermal shut-off valve, electrical controls not equipped with shut-off switch, or the system does not meet local jurisdiction requirements.

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- r. Brick chimney without liners or cracked liners not built from ground up, with missing bricks, loose mortar, cracks and creosote leaking.
2. Electrical System Deficiencies
- a. Extensive use of extension cords, warm or overheated fuse boxes and less than 4 circuits.
 - b. Extension cords having broken or loose connections, bare or frayed wires and long cords (over 8 feet). Also, cords fastened to combustible surfaces or through partitions and walls.
 - c. Frequent over fusing of existing circuits by using fuses larger than 15 amps in lighting and general use circuits.
 - d. Missing cover plates on junction boxes, unsupported non-metallic cable, loose electric fixtures and exposed wiring splices.
3. Housekeeping
- a. Accumulations of combustible trash and waste in halls, under stairs, in attics and basements.
 - b. Premises cluttered with little or no pride of ownership evidence.
4. Physical Condition
- a. Broken windows, leaking water pipes, broken or missing stairs, porches, railings, partitions, ceilings or floors.
 - b. Existing unrepaired damage to dwelling.
 - c. There is an outstanding order to vacate, an outstanding demolition order, or the building has been declared unsafe in accordance with applicable law.
 - d. Removed or blocked portions of the building which are needed for safe evacuations, i.e., stairways and access to fire escapes.
 - e. Buildings which are in danger of collapse due to structural conditions or that are in such a state of disrepair as to be considered dilapidated.
 - f. No gutters.
5. Roof
- a. Roof is leaking or poor conditions.
 - b. Shingles are missing or excessively worn.
 - c. Roof of mixed construction, i.e., shingle and rolled roofing mixed.
 - d. Roof constructed of rolled roofing.

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6. Condition Charge Percentages

<u>Item</u>	<u>Surcharge</u>
Heating	10%
Electrical System	10%
Roof	5%
Physical Condition	5%
Housekeeping	5%

The maximum Conditions Charge is **25%**. (See Premium Computation Rule)

33. Territory Definitions

City of Louisville 30

County	Terr	County	Terr	County	Terr
Adair	38	Grant	36	Mason	37
Allen	38	Graves	38	Meade	38
Anderson	36	Grayson	38	Menifee	37
Ballard	38	Green	38	Mercer	36
Barren	38	Greenup	37	Metcalf	38
Bath	37	Hancock	38	Monroe	38
Bell	37	Hardin	38	Montgomery	36
Boone	36	Harlan	37	Morgan	37
Bourbon	36	Harrison	36	Muhlenberg	38
Boyd	37	Hart	38	Nelson	36
Boyle	36	Henderson	35	Nicholas	36
Bracken	36	Henry	36	Ohio	38
Breathitt	37	Hickman	38	Oldham	36
Breckinridge	38	Hopkins	38	Owen	36
Bullitt	36	Jackson	36	Owsley	37
Butler	38	Jefferson	31	Pendleton	36
Caldwell	38	Jessamine	36	Perry	37
Calloway	38	Johnson	37	Pike	37
Campbell	34	Kenton	33	Powell	36
Carlisle	38	Knott	37	Pulaski	38
Carroll	36	Knox	37	Robertson	36
Carter	37	Larue	38	Rockcastle	36
Casey	36	Laurel	37	Rowan	37
Christian	38	Lawrence	37	Russell	38
Clark	36	Lee	37	Scott	36
Clay	37	Leslie	37	Shelby	36
Clinton	38	Letcher	37	Simpson	38
Crittenden	38	Lewis	37	Spencer	36
Cumberland	38	Lincoln	36	Taylor	38
Daviess	35	Livingston	38	Todd	38
Edmonson	38	Logan	38	Trigg	38

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County	Terr	County	Terr	County	Terr
Elliott	37	Lyon	38	Trimble	36
Estill	36	McCracken	38	Union	38
Fayette	32	McCreary	38	Warren	38
Fleming	37	McLean	38	Washington	36
Floyd	37	Madison	36	Wayne	38
Franklin	36	Magoffin	37	Webster	38
Fulton	38	Marion	36	Whitley	37
Gallatin	36	Marshall	38	Wolfe	37
Garrard	36	Martin	37	Woodford	36

34. Fire Protection

The protection classes assigned by Insurance Services Office apply.

1. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (e.g., 8, 7, 6 etc.)
2. In a classified area where two or more classifications are shown (e.g., 6/9), the classification is determined as follows:

Distance to fire station	Class
a. 5 road miles or less with hydrant distance within 1,000 feet	*
b. 5 road miles or less with hydrant distance beyond 1,000 feet	9
c. over 5 road miles	10
1. fire protection class (e.g., 6/9 -use Class 6)	

Protection Classes and Codes			
Prot. Class	Code	Prot. Class	Code
1	01	6	06
2	02	7	07
3	03	8 & 8B	08
4	04	9	09
5	05	10	10

35. Construction Definitions

- A. **Frame**—exterior wall of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.
- B. **Masonry Veneer**—exterior walls of combustible construction veneered with brick or stone. (Rate as Masonry)
- C. **Masonry**—exterior walls constructed of masonry material such as adobe, brick, concrete, gypsum, block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (disregarding floors resting directly on the ground).

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D. Superior Construction.

1. Non-Combustible—exterior walls and floors and roof constructed of, and supported by metal, asbestos gypsum, or other non-combustible materials.
2. Masonry non-combustible—exterior walls constructed of masonry materials (as described in C above) and floors and roof of metal or other non-combustible materials.
3. **Fire resistive**—exterior walls and floors and roof constructed of masonry or other fire resistive materials.

Note: Mixed (masonry/frame)—a combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area otherwise class and code as masonry.

36. Deductibles

All policies are subject to a deductible that applies to loss from all Section I Perils, except earthquake. A separate deductible applies to earthquake coverage. A \$2,500 deductible is required for dwellings with fire losses or multiple claims.

A. Base Deductible \$500

B. Optional Deductibles: (The factor selected below is used in determining the adjusted base premium. See Rule 25)

Deductible: \$250 \$1,000 \$2,500

Factor: 1.10 .87 .68

37. Earthquake

Use Endorsement: **HO 04 54**

The base deductible is **5%** of the limit of liability for each coverage and is subject to the **\$250 minimum**. This deductible applies separately to loss under the various Section I Property Coverages. Optional deductible percentages are included below.

A. Zone Definitions:

Zone 2 Ballard, Calloway, Caldwell, Carlisle, Christian, Crittenden, Daviess, Fulton, Graves, Henderson, Hickman, Hopkins, Livingston, Lyon, McCracken, McLean, Marshall, Trigg, Union, and Webster.

Zone 3 Allen, Barren, Butler, Breckinridge, Edmonson, Grayson, Hancock, Hardin, Hart, Larue, Logan, Meade, Muhlenberg, Ohio, Simpson, Todd, Warren.

Zone 4 Balance of the state.

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B. Earthquake Base Premiums (Rates for 5% Deductible):

Frame

VALUE RANGE	ZONE 2	ZONE 3	ZONE 4
0-\$60,000	\$42.00	\$34.00	\$28.00
\$60,001-\$100,000	\$69.00	\$55.00	\$42.00
\$100,001-AND UP	\$89.00	\$76.00	\$62.00

Masonry *

VALUE RANGE	ZONE 2	ZONE 3	ZONE 4
0-\$60,000	\$69.00	\$55.00	\$42.00
\$60,001-\$100,000	\$103.00	\$83.00	\$62.00
\$100,001-AND UP	\$124.00	\$103.00	\$89.00

C. Optional Earthquake Deductibles:

Multiply the earthquake base premium determined in B. above by the appropriate factor from the following table.

Deductible Percentage	Frame	Masonry
10%	.90	.95
15%	.80	.85
20%	.65	.70
25%	.50	.60

The earthquake premium is fully earned when written. The minimum annual premium is **\$25.00**.

* If Masonry Veneer is excluded, rate as Frame.

38. Coal Mine Subsidence Coverage

Coverage for loss caused by Coal Mine Subsidence must be provided on real property risks in “qualified locations”, unless waived by the insured. The following counties are eligible to become “**qualified locations**”. Coverage for Coal Mine Subsidence shall **not** be provided in eligible locations, which have not “qualified”. Qualification refers to certification by the fiscal courts that the availability of Mine Subsidence Insurance has been approved in a particular eligible county. The following applies to Coverages A & B. When Coal Mine Subsidence Coverage is written for all structures insured under the policy, Endorsement form HO 23 84 will be attached. The maximum limit of liability reinsured by the Kentucky Coal Mine Subsidence Fund is \$300,000. See note (2) below regarding maximum limits. The coverage includes \$25,000 additional living expense coverage for the owner of a residence who has been temporarily displaced as a result of mine subsidence. The amount is in addition to the \$300,000 for the structure.

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Qualified Locations*			
Bath	Estill	Lee*	Perry*
Bell*	Floyd*	Leslie*	Pike
Boyd*	Grayson	Letcher*	Powell
Breathitt*	Greenup*	McCreary*	Pulaski
Butler*	Hancock*	McLean*	Rockcastle
Caldwell	Harlan*	Madison	Rowan
Carter*	Henderson*	Magoffin	Union*
Christian*	Hopkins*	Martin*	Warren
Clay*	Jackson*	Menifee	Wayne
Clinton	Johnson*	Montgomery	Webster*
Crittenden	Knott*	Morgan*	Whitley*
Daviess*	Knox*	Muhlenberg*	Wolfe*
Edmonson*	Laurel*	Ohio*	
Elliott*	Lawrence*	Owsley*	

Mine Subsidence Rates		
Amount of Coverage	Dwelling Rates	Non-Dwelling
Up to \$50,000	\$10.00	\$15.00
\$50,001 to \$60,000	\$12.00	\$17.00
\$60,001 to \$70,000	\$14.00	\$19.00
\$70,001 to \$80,000	\$16.00	\$21.00
\$80,001 to \$90,000	\$18.00	\$23.00
\$90,001 to \$100,000	\$20.00	\$25.00
Amounts exceeding \$100,000	\$2.00 per \$10,000	\$2.00 per \$10,000

- (1) A non-dwelling structure is defined for rating purposes as a building that is not principally used for residential purposes or houses more than four family units.
- (2) **\$300,000** is the maximum total insured value, per structure, reinsured by the Kentucky Coal Mine Subsidence Fund; however, the maximum coverage available is limited in accordance with Rule 8 of this manual. The coverage includes **\$25,000** additional living expense coverage for the owner of a residence who has been temporarily displaced as a result of mine subsidence. The amount is in addition to the **\$300,000** for the structure.

39. Protective Devices

Approved and properly maintained installations of automatic sprinklers in the dwelling may be recognized for a reduced premium that is computed by multiplying the Adjusted Base Premium by the factor from the following table: The factor selected below is used in determining the premium prior to surcharge. (See Rule 26).

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Type of Installation	Factor
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.87
Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector.	.92

Use Premises Alarm or Fire Protection System Endorsement **HO 04 16**.

40. Limited Fungi, Wet or Dry Rot, or Bacteria Coverage

The Limited Fungi, Wet or Dry Rot, or Bacteria Endorsement is attached to **HO 02, HO 04, and HO 06**.

Section 1: \$5,000 coverage is provided for loss to covered real or personal property owned by an insured that is damaged by fungi, wet or dry rot, or bacteria on the described location. The coverage may not be increased. Refer to the endorsement for coverage specifics.

Section II: \$5,000 coverage is provided on an aggregate basis to pay for damages because of bodily injury or property damage involving the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungi, wet or dry rot, or bacteria. The amount of coverage may not be increased. Refer to the endorsement form for coverage specifics.

The coverage amounts may not be increased.

41. HO 00 06 Coverage A Dwelling Basic and Increased Limits

A. Basic Limits

The policy automatically provides a basic Coverage A limit of \$5,000 on a named perils basis.

B. Increased Limits

The basic limit may be increased. The premium is developed based on the additional limit of insurance. For each \$1,000 of insurance, multiply the HO 00 06 Key Rate by each additional \$1,000 factor of .026.

KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION
POLICY FORM HO-2
RULE 42. KEY RATES AND KEY FACTORS

KEY RATE X KEY FACTOR = BASE PREMIUM

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
30	1	761	901	
	2	770	911	
	3	780	920	
	4	790	930	
	5	798	940	
	6	808	949	
	7	817	1,033	
	8	940	1,315	
	8B	1,278	1,710	
	9	1,502	1,973	
10	1,597	2,348		

Cov. A Amount	Key Factors
35,000	0.833
36,000	0.836
38,000	0.843
40,000	0.851
42,000	0.862
44,000	0.873
46,000	0.884
48,000	0.898
50,000	0.910
55,000	0.953
60,000	1.000
65,000	1.057
70,000	1.118
75,000	1.138
80,000	1.150
85,000	1.169
90,000	1.186
95,000	1.210
100,000	1.233
110,000	1.289
120,000	1.354
130,000	1.427
140,000	1.507
150,000	1.594
160,000	1.688
170,000	1.785
180,000	1.888
190,000	1.994
200,000	2.102

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
35	1	916	1,086	
	2	928	1,097	
	3	938	1,108	
	4	950	1,120	
	5	961	1,130	
	6	972	1,142	
	7	984	1,244	
	8	1,130	1,583	
	8B	1,538	2,058	
	9	1,810	2,375	
10	1,922	2,827		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
31	1	792	938	
	2	802	949	
	3	811	959	
	4	822	968	
	5	832	978	
	6	841	988	
	7	851	1,076	
	8	978	1,369	
	8B	1,330	1,780	
	9	1,565	2,054	
10	1,663	2,446		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
36	1	1,019	1,207	
	2	1,032	1,220	
	3	1,044	1,232	
	4	1,057	1,246	
	5	1,069	1,258	
	6	1,082	1,271	
	7	1,094	1,384	
	8	1,258	1,762	
	8B	1,711	2,290	
	9	2,012	2,641	
10	2,138	3,145		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
32	1	637	755	
	2	646	763	
	3	653	770	
	4	661	779	
	5	668	787	
	6	677	794	
	7	684	865	
	8	787	1,102	
	8B	1,070	1,432	
	9	1,259	1,652	
10	1,337	1,967		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
37	1	1,735	2,057	
	2	1,757	2,077	
	3	1,778	2,099	
	4	1,799	2,120	
	5	1,820	2,142	
	6	1,842	2,164	
	7	1,864	2,356	
	8	2,142	2,999	
	8B	2,914	3,899	
	9	3,427	4,498	
10	3,641	5,354		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
33	1	498	590	
	2	504	596	
	3	510	602	
	4	517	610	
	5	523	616	
	6	529	622	
	7	535	677	
	8	616	862	
	8B	836	1,120	
	9	984	1,292	
10	1,045	1,538		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
34	1	498	590	
	2	504	596	
	3	510	602	
	4	517	610	
	5	523	616	
	6	529	622	
	7	535	677	
	8	616	862	
	8B	836	1,120	
	9	984	1,292	
10	1,045	1,538		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
38	1	1,208	1,432	
	2	1,223	1,447	
	3	1,238	1,462	
	4	1,253	1,476	
	5	1,267	1,492	
	6	1,283	1,506	
	7	1,297	1,640	
	8	1,492	2,088	
	8B	2,028	2,714	
	9	2,387	3,132	
10	2,536	3,728		

KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION
POLICY FORM HO-4
RULE 42. KEY RATES AND KEY FACTORS

KEY RATE X KEY FACTOR = BASE PREMIUM

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
30	1	118	132	
	2	120	133	
	3	121	135	
	4	122	136	
	5	124	137	
	6	125	139	
	7	126	165	
	8	128	179	
	8B	158	203	
	9	179	220	
10	206	268		

Cov. C Amount	Key Factors
5,000	0.310
6,000	0.356
7,000	0.402
8,000	0.448
9,000	0.494
10,000	0.540
11,000	0.584
12,000	0.628
13,000	0.672
14,000	0.716
15,000	0.760
16,000	0.808
17,000	0.856
18,000	0.904
19,000	0.952
20,000	1.000
21,000	1.038
22,000	1.076
23,000	1.114
24,000	1.152
25,000	1.190

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
35	1	93	104	
	2	94	105	
	3	95	106	
	4	96	107	
	5	98	108	
	6	99	109	
	7	100	130	
	8	101	141	
	8B	125	160	
	9	141	173	
10	163	211		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
31	1	109	122	
	2	111	123	
	3	112	125	
	4	113	126	
	5	114	127	
	6	116	128	
	7	117	153	
	8	118	165	
	8B	146	188	
	9	165	204	
10	191	248		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
36	1	92	103	
	2	94	104	
	3	95	105	
	4	96	106	
	5	97	107	
	6	98	109	
	7	99	129	
	8	100	140	
	8B	124	159	
	9	140	172	
10	161	210		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
32	1	70	78	
	2	71	79	
	3	72	80	
	4	73	81	
	5	74	82	
	6	74	83	
	7	75	98	
	8	76	106	
	8B	94	121	
	9	106	131	
10	123	159		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
37	1	107	120	
	2	108	121	
	3	110	122	
	4	111	123	
	5	112	125	
	6	113	126	
	7	115	150	
	8	116	162	
	8B	143	184	
	9	162	199	
10	187	243		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
33	1	67	75	
	2	68	75	
	3	68	76	
	4	69	77	
	5	70	78	
	6	71	78	
	7	71	93	
	8	72	101	
	8B	89	115	
	9	101	124	
10	117	152		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
34	1	62	69	
	2	62	70	
	3	63	70	
	4	64	71	
	5	65	72	
	6	65	73	
	7	66	86	
	8	67	93	
	8B	83	106	
	9	93	115	
10	108	140		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
38	1	124	139	
	2	126	140	
	3	127	142	
	4	129	143	
	5	130	145	
	6	132	146	
	7	133	174	
	8	135	188	
	8B	166	214	
	9	188	231	
10	217	282		

KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION
POLICY FORM HO-6
RULE 42. KEY RATES AND KEY FACTORS

KEY RATE X KEY FACTOR = BASE PREMIUM

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
30	1	104	116	
	2	105	117	
	3	107	119	
	4	108	120	
	5	109	121	
	6	110	122	
	7	111	145	
	8	113	157	
	8B	139	179	
	9	157	194	
10	182	236		

Cov. C Amount	Key Factors
5,000	0.460
6,000	0.492
7,000	0.524
8,000	0.556
9,000	0.588
10,000	0.620
11,000	0.662
12,000	0.704
13,000	0.746
14,000	0.788
15,000	0.830
16,000	0.864
17,000	0.898
18,000	0.932
19,000	0.966
20,000	1.000
21,000	1.034
22,000	1.068
23,000	1.102
24,000	1.136
25,000	1.170

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
35	1	97	109	
	2	98	110	
	3	99	111	
	4	101	112	
	5	102	113	
	6	103	114	
	7	104	136	
	8	105	147	
	8B	130	167	
	9	147	181	
10	170	220		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
31	1	141	158	
	2	143	159	
	3	144	161	
	4	146	162	
	5	148	164	
	6	149	166	
	7	151	197	
	8	153	213	
	8B	189	243	
	9	213	263	
10	246	320		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
36	1	102	114	
	2	103	115	
	3	104	116	
	4	106	118	
	5	107	119	
	6	108	120	
	7	109	142	
	8	110	154	
	8B	137	176	
	9	154	190	
10	178	231		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
32	1	81	90	
	2	82	91	
	3	83	92	
	4	84	93	
	5	85	94	
	6	86	95	
	7	87	113	
	8	87	122	
	8B	108	139	
	9	122	150	
10	141	183		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
37	1	118	131	
	2	119	133	
	3	120	134	
	4	122	136	
	5	123	137	
	6	125	138	
	7	126	164	
	8	127	178	
	8B	157	203	
	9	178	219	
10	205	267		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
33	1	95	106	
	2	96	107	
	3	97	108	
	4	98	109	
	5	99	110	
	6	100	111	
	7	101	132	
	8	102	143	
	8B	127	163	
	9	143	176	
10	165	215		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
34	1	91	101	
	2	92	102	
	3	93	103	
	4	94	104	
	5	95	105	
	6	96	107	
	7	97	127	
	8	98	137	
	8B	121	156	
	9	137	169	
10	158	206		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
38	1	85	95	
	2	86	96	
	3	87	97	
	4	88	98	
	5	89	99	
	6	90	100	
	7	91	118	
	8	92	128	
	8B	113	146	
	9	128	158	
10	148	192		

KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION
POLICY FORM HO-8
RULE 42. KEY RATES AND KEY FACTORS

KEY RATE X KEY FACTOR = BASE PREMIUM

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
30	1	634	751	
	2	642	759	
	3	650	767	
	4	658	775	
	5	665	783	
	6	673	791	
	7	681	861	
	8	783	1,096	
	8B	1,065	1,425	
	9	1,252	1,644	
10	1,331	1,957		

Cov. A Amount	Key Factors
25,000	0.810
26,000	0.811
28,000	0.815
30,000	0.818
32,000	0.824
34,000	0.830
36,000	0.836
38,000	0.843
40,000	0.851
42,000	0.862
44,000	0.873
46,000	0.884
48,000	0.898
50,000	0.910
55,000	0.953
60,000	1.000
65,000	1.057
70,000	1.118
75,000	1.138
80,000	1.150
85,000	1.169
90,000	1.186
95,000	1.210
100,000	1.233
110,000	1.289
120,000	1.354
130,000	1.427
140,000	1.507
150,000	1.594
160,000	1.688
170,000	1.785
180,000	1.888
190,000	1.994
200,000	2.102

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
35	1	763	905	
	2	773	914	
	3	782	923	
	4	792	933	
	5	801	942	
	6	810	952	
	7	820	1,037	
	8	942	1,319	
	8B	1,282	1,715	
	9	1,508	1,979	
10	1,602	2,356		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
31	1	660	782	
	2	668	791	
	3	676	799	
	4	685	807	
	5	693	815	
	6	701	823	
	7	709	897	
	8	815	1,141	
	8B	1,108	1,483	
	9	1,304	1,712	
10	1,386	2,038		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
36	1	849	1,006	
	2	860	1,017	
	3	870	1,027	
	4	881	1,038	
	5	891	1,048	
	6	902	1,059	
	7	912	1,153	
	8	1,048	1,468	
	8B	1,426	1,908	
	9	1,677	2,201	
10	1,782	2,621		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
32	1	531	629	
	2	538	636	
	3	544	642	
	4	551	649	
	5	557	656	
	6	564	662	
	7	570	721	
	8	656	918	
	8B	892	1,193	
	9	1,049	1,377	
10	1,114	1,639		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
37	1	1,446	1,714	
	2	1,464	1,731	
	3	1,482	1,749	
	4	1,499	1,767	
	5	1,517	1,785	
	6	1,535	1,803	
	7	1,553	1,963	
	8	1,785	2,499	
	8B	2,428	3,249	
	9	2,856	3,748	
10	3,034	4,462		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
33	1	415	492	
	2	420	497	
	3	425	502	
	4	431	508	
	5	436	513	
	6	441	518	
	7	446	564	
	8	513	718	
	8B	697	933	
	9	820	1,077	
10	871	1,282		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
34	1	415	492	
	2	420	497	
	3	425	502	
	4	431	508	
	5	436	513	
	6	441	518	
	7	446	564	
	8	513	718	
	8B	697	933	
	9	820	1,077	
10	871	1,282		

Territory	Protection		Key Rates	
	Class	Masonry	Frame	
38	1	1,007	1,193	
	2	1,019	1,206	
	3	1,032	1,218	
	4	1,044	1,230	
	5	1,056	1,243	
	6	1,069	1,255	
	7	1,081	1,367	
	8	1,243	1,740	
	8B	1,690	2,262	
	9	1,989	2,610	
10	2,113	3,107		

Homeowners Rating Worksheet											
Name of Insured				Policy Number							
Rating Territory		Construction				Protection Class					
Key Rate	X	Key Factor	(=)	Base Premium (Note 1)	X	Ded. Factor	X	Prot. Dev. Disc	(=)	Adjusted Base Prem. a (Note 1)	
	X		(=)		X		X		(=)		
		Condition Charge Premium (from below) (Note 1)							b		
		Earthquake Premium (Note 3)							c		
		Mine Subsidence Premium (Note 3)							d		
		Woodstove Surcharge (Note 2)							e		
		Premium Prior to Surcharge (a+b+c+d+e) (Note1)							f		
		KY Premium Surcharge (1.8% x f)							g		
		Total Annual Premium (f+g)							i		

Condition Charges (Times Adjusted Base Premium)			Notes:	
Heating	10%		1. Round to nearest \$1.00	
Electrical	10%		2. Woodstove Surcharge: \$100.00 Flat Charge	
Roof	5%		3. Mine Subsidence and Earthquake are Flat Premiums.	
Physical Condition	5%			
Housekeeping	5%			
Total Condition Charges: 25% Max				

Homeowner Rating Steps:

Adjusted Base Premium:

1. Select the key rate for the territory, protection class and construction.
2. Multiply the key rate by the key factor and round to the nearest \$1.00.
3. Higher Deductible (if applicable): Base Premium x ded. factor and round to the nearest \$1.00.
4. Protective Device (if applicable): Base Premium x prot. dev. factor and round to the nearest \$1.00.

Premium Prior to Surcharge: (added to the Adjusted Base Premium)

1. Condition Charges: (maximum surcharge limit is 25%): Multiply the Adjusted Base Premium by the condition charge % to arrive at the condition charge premium.
2. Earthquake: Determine the earthquake zone, construction, value range and earthquake deductible to obtain the earthquake premium.
3. Mine Subsidence (if applicable): Premium is based on the amount of coverage. Maximum total insured value is \$300,000. (See Rule 8 for maximum coverage limits.) \$25,000 additional living expense is also included in addition to the coverage for the structure.
4. Woodstove Surcharge: \$100.00 flat charge.

Kentucky Premium Surcharge: Premium Prior to Surcharge x 1.8%. (Do not round.)

Total Annual Premium: Premium Prior to Surcharge + Kentucky Premium Surcharge = Total Annual Premium.