

**Kentucky FAIR Plan Reinsurance Association**  
**Commercial Property and Farm Property Manual**



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# Kentucky FAIR Plan Reinsurance Association

## Commercial Property and Farm Property Manual

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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 Commissioner 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**

1. 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:
  - a. Anticipated 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 Underwriting Department of a rehabilitation plan which necessitates a high degree of unoccupancy
  - c. Property damage exists and more than 60 days have elapsed as to indicate that the damage will not be promptly repaired
  - d. Following a loss, permanent repairs following satisfactory adjustment of loss have not commenced within 60 days
  - e. 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
  - f. 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)
  - g. 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
  - h. 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
  - i. Material misrepresentation
  - j. Non-payment of additional initial or increased hazard premium

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- k. Failure of the insured or his/her agent to timely furnish when due additional primary or supplemental underwriting information requested by the facility
  - l. Other conditions proposed by the Underwriting Department and adopted by resolution by the Underwriting Committee as established herein
2. 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 B.1 above is present.
  3. Each notice of cancellation or non-renewal shall contain a statement of the reason therefore. 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.
  4. Any denial, cancellation, or non-renewal notice to the insured shall be accompanied by a statement that the insured has a right of appeal.
  5. 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.
  6. 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.
  7. No coverage will be effective if the financial institution dishonors the insured's premium remittance, which accompanies the application.

### **C. General Rules**

This manual provides rules and rates for the Kentucky FAIR Plan Commercial Property and Farm Property programs. The General Rules section applies to Commercial Property and Farm Property. Special rules and rates for Commercial Property and Farm Property are provided in separate sections in this manual.

#### **1. Applications**

All submissions to the FAIR Plan must be on approved FAIR Plan applications. A copy of the forms may be downloaded from 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 must be submitted with the application.

#### **2. Eligibility**

The risk must qualify in accordance with the underwriting guidelines included in this manual and be eligible for commercial property or farm property coverage. Risks qualifying under homeowners and dwelling fire are not eligible for commercial property coverage. Dwellings located on farming premises that are otherwise eligible under the rules of this manual may be written in the Farm Property program.

#### **3. 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

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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.

### 4. **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 for the FAIR Plan.

### 5. **Producer Compensation**

Compensation of five (5) percent shall be paid to the producer of record for policies written under the rules of this manual. No compensation is payable on the Kentucky surcharge. If a policy is cancelled prior to the expiration date, the unearned commissions will be due to the FAIR Plan.

### 6. **New Business**

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

### 7. **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 the renewal date with a copy made available to the producer. The FAIR Plan must receive payment by the renewal date or coverage will expire.

### 8. **Claim 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 submitted directly or emailed from the website.

### 9. **Minimum Written and Retained Premium**

A minimum written premium of \$100 plus the Kentucky surcharge and installment fee (if applicable) shall be charged for each policy. A minimum retained premium of \$100 plus the 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 first 20 days following receipt of the application, the entire initial premium shall be returned.

### 10. **Construction Definitions**

- A. **Frame** (Code 1): Buildings where the exterior walls are wood or other combustible materials including construction where combustible materials are combined with other materials such as brick veneer, stone veneer, wood, iron-clad, or stucco on wood.
- B. **Joisted Masonry** (Code 2): Buildings where the exterior walls are constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile, or similar materials where the floors and roof are combustible.
- C. **Non-Combustible** (Code 3): Buildings where the exterior walls and the floors and roof are constructed of, and supported by, metal, asbestos, gypsum, or other non-combustible materials.

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- D. **Masonry Non-Combustible** (Code 4): Buildings where the exterior walls are constructed of masonry materials as described in Code 2, with the floors and roof of metal or other non-combustible materials.
- E. **Modified Fire Resistive** (Code 5): Buildings where the exterior walls and the floors and roof are constructed of masonry or fire resistive material with a fire resistance rating of one hour or more but less than two hours.
- F. **Fire Resistive** (Code 6): Buildings where the exterior walls and the floors and roof are constructed of masonry or fire resistive materials having a fire resistance rating of not less than two hours.

### 11. Maximum Limits of Liability

#### A. Commercial Property

The following aggregate limits apply and include all real property and contents contained in contiguous buildings under common ownership. Individual buildings are further limited in accordance with the valuation procedure determined in Rule 11, paragraph D below.

- 1. Protection Class 1–9:               \$1,000,000
- 2. Protection Class 10:               \$250,000

#### B. Farm Property

The following maximum aggregate limits apply for all farm buildings, barns, outbuildings, equipment, dwellings and their household contents located on contiguous acreage under common ownership, lease or control. Individual buildings are further limited in accordance with the valuation procedure determined in Rule 11, paragraph D below.

- 1. \$250,000 aggregate
- 2. Building limits:
  - a. Farm Buildings are limited to \$150,000 per building.
  - b. Farm dwellings are limited to \$150,000 and residential personal property located therein is limited to 40% of the dwelling coverage.

- C. In the event the insurable value of such property exceeds the maximum limits of the Plan, the producer shall provide evidence, if requested, of any other insurance written on the same property.

#### D. Valuation Procedure

- 1. The maximum limits of liability for any commercial or farm building may not exceed the lesser of the following:
  - a. 80% of the actual cash value of the property less the value of the land
  - b. The amount of the current tax assessment less the value of the land
  - c. Purchase price, if purchased within the past twelve months, less the value of the land
  - d. The valuation that is determined by using the square footage limitations in paragraphs 2 and 3 below

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### 2. Commercial Procedure

- a. Determine the total square footage of the building.
- b. Multiply the square footage by the appropriate base cost in the table below.
- c. Resulting amount is the maximum amount of insurance.
- d. Exceptions to the above will only be considered if the applicant submits a recognized independent appraisal subject to the approval of the Underwriting Department. The applicant will incur all independent appraisal costs.

Occupancy	Frame	Joisted Masonry	Non-Combustible	Fire Resistive
Retail	\$39.00	\$44.00	\$43.00	\$53.00
Office	\$41.00	\$46.00	\$44.00	\$58.00
Wholesale	\$28.00	\$32.00	\$29.00	\$40.00
Service	\$33.00	\$37.00	\$35.00	\$41.00

### 3. Farm Procedure

- a. Dwellings
  - i. Select the type of dwelling by the number of stories.
  - ii. Calculate the ground floor square footage by measuring the ground floor only. Do not include the dimensions of porches and garages.
  - iii. Determine the predominant construction material, i.e., frame or masonry.
  - iv. Multiply the ground floor square footage by the base construction cost selected from the table below.

Counties	Number of Stories											
	1		1 1/2		2		2 1/2		Bi Level		Tri Level	
	F	M	F	M	F	M	F	M	F	M	F	M
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. Barns/Stables/Outbuildings and Silos

Barns, stables, outbuildings, and silos can be written based upon that structure's current estimated Actual Cash Value. Any documentation supporting the value of such structures should be submitted with the application or endorsement request. This may include detailed photographs, measurements, tax documentation, and current appraisals. The final value written is subject to underwriting approval and may be subject to inspection.



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### 12. Description of Coverages

#### A. Commercial Property Policies

The Insurance Services Office (ISO) Standard Property Policy (CP 00 99) is used with amendatory endorsements. The following perils are included. *Please refer to the policy form for actual coverages and exclusions.*

1. The Standard Property Policy includes the following Group I covered causes of loss:
  - a. Fire
  - b. Lightning
  - c. Explosion
2. The following covered causes of loss are included if Group II coverages are selected and an “X” is indicated on the declarations page:
  - a. Windstorm or Hail
  - b. Smoke
  - c. Aircraft or Vehicles
  - d. Riot or Civil Commotion
  - e. Sinkhole Collapse
  - f. Volcanic Action
3. Sprinkler Leakage is included if requested and an “X” is indicated on the declarations page. A credit is given for exclusion.
4. Vandalism (VMM) is included if requested and an “X” is indicated on the declarations page. A credit is given for exclusion.

#### B. Farm Property Policies

The Insurance Services Office (ISO) Farm Property Coverage Forms (FP 00 12 and FP 00 14) and Causes of Loss Form – Farm Property (FP 10 60) are used with amendatory endorsements. The following perils are included. *Please refer to the policy forms for actual coverages and exclusions.*

When “Basic” is shown in the Declarations the following covered causes of loss are included:

- a. Fire
- b. Lightning
- c. Explosion
- d. Windstorm or Hail
- e. Smoke
- f. Aircraft or Vehicles
- g. Riot or Civil Commotion
- h. Vandalism
- i. Sinkhole Collapse

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j. Volcanic Action

### **13. Waiver of Premium**

When a policy is endorsed subsequent to the inception date, additional or return premium of \$3.99 or less may be waived. Requests for return by the insured will be honored.

### **14. 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 ACORD change notice or the policy change form located on the FAIR Plan website may be used to request changes.

### **15. Non-Sufficient Funds Service Charge**

Not used at this time.

### **16. Rewrite with Lapse in Coverage**

At the option of the FAIR Plan, policies that have lapsed for a period not exceeding 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 losses is provided to the Underwriting Department.

### **17. Transfer or Assignment**

No transfer of interest or assignment of policy shall be permitted.

### **18. Payment Plans and Deposit Premium**

The full installment premium must be submitted with the application. The FAIR Plan offers optional payment plans as follows:

- A. One payment option—No billing service fee shall apply. The full premium must be submitted with the application.
- B. Two-payment option—A \$6.00 billing service fee will be added to each direct bill payment. 50% of the annual premium must be submitted with the application.
- C. Four-payment option—A \$6.00 billing service fee will be added to each direct bill payment. 25% of the annual premium must be submitted with the application.
- D. Five-payment option—A \$6.00 billing service fee will be added to each direct bill payment. 20% of the annual premium must be submitted with the application.

### **19. 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.

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### 20. Optional Deductibles

The base deductible for Commercial Property and Farm Property policies is \$250. Higher optional deductibles are based on the total amount of insurance at each location as follows:

#### A. Commercial Property Optional Deductibles

Total Amt of Insurance at Each Location	Deductible	Code	Basic Group I	Basic Group II	Other Causes of Loss
More than \$250,001	\$500	05	.99	.98	.97
100,001–250,000			.99	.95	.94
50,001–100,000			.98	.93	.92
50,000 or less			.96	.89	.88
More than \$250,001	\$1,000	07	.98	.95	.92
100,001–250,000			.96	.87	.84
50,001–100,000			.95	.82	.79
50,000 or less			.90	.74	.72
More than \$500,001	\$2,500	08	.95	.88	.83
250,001–500,000			.94	.80	.75
100,001–250,000			.92	.72	.68
100,000 or Less			.88	.63	.59
More than \$1,000,001	\$5,000	09	.92	.84	.76
500,001–1,000,000			.91	.75	.68
250,001–500,000			.89	.69	.63
250,000 or Less			.85	.59	.53
More than \$5,000,001	\$10,000	10	.88	.83	.73
1,000,001–5,000,000			.86	.72	.63
500,001–1,000,000			.85	.64	.56
250,001–500,000			.83	.57	.50
250,000 or Less			.77	.46	.41
More than \$10,000,001	\$25,000	11	.81	.75	.63
5,000,001–10,000,000			.78	.71	.60
1,000,001–5,000,000			.76	.58	.48
500,001–1,000,000			.75	.49	.41
500,000 or Less			.65	.42	.35
More than \$10,000,001	\$50,000	12	.77	.71	.58
5,500,001–10,000,000			.76	.66	.54
3,500,001–5,500,000			.74	.57	.46
1,000,001–3,500,000			.72	.48	.39
1,000,000 or Less			.70	.39	.32
More than \$10,000,001	\$75,000	13	.74	.67	.53
5,500,001–10,000,000			.73	.62	.49
3,500,001–5,500,000			.71	.55	.44
1,000,001–3,500,000			.69	.42	.33
1,000,000 or Less			.67	.33	.26

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### B. Farm Property Optional Deductibles

<b>\$500</b>	.95
<b>\$1000</b>	.90
<b>\$2500</b>	.86
<b>\$5000</b>	.82
<b>\$10000</b>	.74
<b>\$25000</b>	.63

### 21. Coal Mine Subsidence Coverage

- A. Coverage for loss caused by Coal Mine Subsidence must be provided on real property risks in “qualified locations”. If coverage is not desired, the application must be marked as such and will constitute a waiver of coverage.
- B. 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 IL 09 25 will be attached. The maximum limit of liability reinsured by the Kentucky Coal Mine Subsidence Fund is \$500,000. See note (2) below regarding maximum limits. The coverage includes \$50,000 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 \$500,000 for the structure.

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

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Mine Subsidence Premiums		
Amount of Coverage	Dwelling	Non-Dwelling
Up to \$50,000	\$16	\$21
\$50,001 to \$60,000	\$19	\$24
\$60,001 to \$70,000	\$21	\$26
\$70,001 to \$80,000	\$23	\$28
\$80,001 to \$90,000	\$26	\$31
\$90,001 to \$100,000	\$27	\$32
\$100,001 to \$110,000	\$29	\$34
\$110,001 to \$120,000	\$31	\$36
\$120,001 to \$130,000	\$32	\$37
\$130,001 to \$140,000	\$34	\$39
\$140,001 to \$150,000	\$35	\$40
\$150,001 to \$160,000	\$36	\$41
\$160,001 to \$170,000	\$37	\$42
\$170,001 to \$180,000	\$38	\$43
\$180,001 to \$190,000	\$39	\$44
\$190,001 to \$200,000	\$40	\$45
\$200,001 to \$210,000	\$41	\$46
\$210,001 to \$120,000	\$42	\$47
\$220,001 to \$130,000	\$42	\$47
\$230,001 to \$140,000	\$43	\$48
\$240,001 to \$150,000	\$43	\$48
\$250,001 to \$160,000	\$44	\$49
\$260,001 to \$170,000	\$44	\$49
\$270,001 to \$180,000	\$45	\$50
\$280,001 to \$190,000	\$45	\$50
\$290,001 to \$300,000	\$46	\$51
\$300,001 to \$310,000	\$46	\$51
\$310,001 to \$320,000	\$46	\$51
\$320,001 to \$330,000	\$47	\$52
\$330,001 to \$340,000	\$47	\$52
\$340,001 to \$350,000	\$47	\$52
\$350,001 to \$360,000	\$48	\$53
\$360,001 to \$370,000	\$48	\$53
\$370,001 to \$380,000	\$48	\$53
\$380,001 to \$390,000	\$48	\$53
\$390,001 to \$400,000	\$48	\$53
\$400,001 to \$410,000	\$49	\$54
\$410,001 to \$420,000	\$49	\$54
\$420,001 to \$430,000	\$49	\$54
\$430,001 to \$440,000	\$49	\$54
\$440,001 to \$450,000	\$49	\$54
\$460,001 to \$470,000	\$49	\$54
\$470,001 to \$480,000	\$49	\$54

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\$480,001 to \$490,000	\$50	\$55
\$490,001 to \$500,000	\$50	\$55

- (1) A non-dwelling structure is defined, for rating purposes, as a building that is not used principally for residential purposes or houses more than four family units and is not a farm building.
- (2) \$500,000 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 11 of this manual. The coverage includes \$50,000 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 \$500,000 for the structure.
- (3) Farm Dwellings and Outbuildings – If:
  - (a) Dwellings and farm outbuildings are insured:
    - i. Rate dwelling using the premiums for Dwelling Structures.
    - ii. Rate each insured farm outbuilding valued \$50,001 and above using the premiums for Dwelling Structures. Rate each farm outbuilding valued \$50,000 less using the following premiums:

Up to \$10,000	\$4.00
\$10,001 to 20,000	\$7.00
\$20,001 to 30,000	\$11.00
\$30,001 to 40,000	\$14.00
\$40,001 to 50,000	\$16.00
  - (b) Only farm outbuildings are insured (no insured dwellings):
    - i. Rate the highest valued farm outbuilding using the premiums for Dwelling Structures.
    - ii. Rate each remaining farm outbuilding using the premiums shown in (3)(a)ii.
- (4) Mobile Homes

Mobile homes and attachments are ineligible for mine subsidence coverage.

### **D. Commercial Property Rules**

The following rules and rates apply to risks written on the Commercial Property policy. These are in addition to the General Rules included in the manual. The following rules, rates, and multipliers are applied in accordance with the Premium Computation Rule. Rates are included in the rate section of this manual.

#### **22. Commercial Property Policy Multiplier**

Since coverage is provided on the ISO Standard Property Policy, the Standard Policy Multiplier applies to Group I and Group II rates. Please refer to the Premium Computation Rule.

#### **23. Commercial Property Condition Charges**

##### **A. Condition Charge Indicators**

Indication(s) of one or more of the following conditions will result in a Conditions Charge being added to the policy. Please refer to the Premium Computation Rule.

1. Unsafe heating system—indicators include the following:
  - a. Chimney in deteriorating condition or stove pipes that pass through a sidewall or window

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- b. Wood/coal stove of poor quality or in poor condition or with inadequate clearance, (less than 3 feet) from a combustible wall or surface
  - c. Fuel oil or other flammable liquids/gasses stored improperly
  - d. Apparent unsafe heating equipment
2. Unsafe electrical system—indicators include the following:
- a. Loose or hanging wires
  - b. Missing cover plates
  - c. Exposed wiring
  - d. Apparent overloading of circuits
3. Unsafe cooking facilities—indicators include the following:
- Commercial cooking facilities not equipped with a metal hood and direct exhaust system or such system not free of grease or with inadequate clearance
4. Unsafe physical condition or housekeeping—indicators include the following:
- a. Combustible trash and rubbish not removed
  - b. Highly combustible stock or other highly combustible materials not kept in closed containers
5. Exposure to substandard property—indicators include the following:
- a. Adjacent property is vacant and in poor condition and a fire therein would likely spread to insured property
  - b. Exposure to property that increases the likelihood of loss to insured property
6. Conversion property—insured property has been converted to a use that was not originally intended when constructed.

#### B. Condition Charges

The following charges, if applicable, are added to the building and contents Group I Rates. Please refer to the Premium Computation Rule.

Substandard Condition	Frame, Joisted Masonry or Non-Combustible	Fire Resistive
Heating and Cooking	.55	.13
Electrical Wiring	.27	.07
Conversion	.55	.13
Physical Condition and Housekeeping	.55	.13
Exposure to Other Substandard Property	.27	.07

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### 24. Coinsurance—Commercial Property

Most risks written with the Plan will not qualify for coinsurance. Rates however are based on 80% coinsurance. Policies written at other than 80% coinsurance are subject to the following factors. Please refer to the Premium Computation Rule.

#### A. Coinsurance Greater than 80%

Coinsurance %	Group I & II Credits
90%	.95
100%	.90



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### B. Coinsurance Less than 80%

Basic Group I Coverage Includes	Modification to Group I Rate
Fire Only	Rate is less than .60, add .30; rate is .60 or greater, multiply by 1.5
Fire and vandalism	Rate is less than .60, add .33; rate is .60 or greater, multiply by 1.5
Fire and Sprinkler Leakage	Rate is less than 1.40, add .70; rate is 1.40 or greater, multiply by 1.5
Fire, Sprinkler Leakage and Vandalism	Rate is less than 1.46, add .73; rate is 1.46 or greater, multiply by 1.5

Basic Group II Rate	3.0
---------------------	-----

### 25. Vacant Buildings—Commercial Property

Vacant buildings are those buildings that are not occupied, do not contain contents or equipment, and are not being used for the intended purpose. Such buildings create an increased hazard and are subject to the following rate surcharge. See Premium Computation Rule.

#### A. Rate Group I

1. \$1.40 without vandalism
2. \$2.40 with vandalism and 80% coinsurance
3. \$3.40 with vandalism and less than 80% coinsurance

#### B. Rate Group II

\$1.40

### 26. Protection Class Multipliers—Commercial Property

Select the appropriate Protection Class and apply in accordance with the Premium Computation Rule.

Protection Class	Multiplier *		Protection Class	Multiplier *	
	Frame, Joisted Masonry, Non-Combustible	Fire Resistive		Frame, Joisted Masonry, Non-Combustible	Fire Resistive
1	.88	.90	6	1.06	1.05
2	.92	.94	7	1.18	1.14
3	.96	.97	8	1.30	1.24
4	.98	.98	8B & 9	1.42	1.34
5	1.00	1.00	10	1.72	1.58

\* For CSP class codes 1751, 1752 and non-combustible yard property class codes 1400, 1650, and 1700, use a protection class multiplier of 1.000 for all protection classes.

### 27. Territory Multipliers—Commercial Property

Select the territorial multiplier based on the location of the risk and apply in accordance with the Premium Computation Rule.

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City of Louisville	.685
Lexington–Fayette	.750
Remainder of State	1.000

### 28. Limit of Insurance Multipliers—Commercial Property

Select the appropriate limit of insurance multiplier and apply in accordance with the Premium Computation Rule.

If the selected multiplier is not listed, refer to the interpolation procedure following the tables.

Limit of Insurance	Building - Basic Group I		Building - Basic Group II
	Frame, Joisted Masonry and Non-Combustible	Masonry Non-Combustible and Fire Resistive	
\$50,000 or less	1.172	1.258	1.513
75,000	1.172	1.258	1.363
100,000	1.172	1.258	1.266
125,000	1.128	1.190	1.195
150,000	1.093	1.137	1.140
175,000	1.064	1.094	1.096
200,000	1.039	1.058	1.059
225,000	1.018	1.027	1.027
250,000	1.000	1.000	1.000
275,000	0.984	0.976	0.976
300,000	0.969	0.955	0.954
325,000	0.956	0.936	0.935
350,000	0.943	0.919	0.917
375,000	0.932	0.903	0.901
400,000	0.922	0.889	0.886
425,000	0.912	0.875	0.872
450,000	0.903	0.863	0.860
475,000	0.895	0.851	0.848
500,000	0.887	0.841	0.837
550,000	0.872	0.821	0.816
600,000	0.859	0.803	0.798
650,000	0.847	0.787	0.782
700,000	0.837	0.773	0.767
750,000	0.827	0.759	0.754
800,000	0.817	0.747	0.741
850,000	0.809	0.736	0.730
900,000	0.801	0.725	0.719
950,000	0.793	0.716	0.709
1,000,000	0.786	0.706	0.700

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Limit of Insurance	Contents - Basic Group I		Contents - Basic Group II
	Frame, Joisted Masonry and Non-Combustible	Masonry Non-Combustible and Fire Resistive	
\$10,000 or less	1.285	1.327	1.487
20,000	1.154	1.175	1.254
30,000	1.083	1.094	1.134
40,000	1.035	1.040	1.057
50,000	1.000	1.000	1.000
60,000	0.972	0.968	0.956
70,000	0.949	0.943	0.920
80,000	0.929	0.921	0.891
90,000	0.912	0.902	0.865
100,000	0.898	0.885	0.843
125,000	0.867	0.851	0.798
150,000	0.842	0.824	0.763
175,000	0.822	0.802	0.734
200,000	0.806	0.783	0.710
225,000	0.791	0.767	0.690
250,000	0.778	0.753	0.672
275,000	0.766	0.741	0.657
300,000	0.756	0.730	0.643
325,000	0.747	0.719	0.630
350,000	0.738	0.710	0.619
375,000	0.730	0.701	0.608
400,000	0.723	0.694	0.599
425,000	0.716	0.686	0.590
450,000	0.710	0.679	0.582
475,000	0.704	0.673	0.574
500,000	0.698	0.667	0.567
550,000	0.688	0.656	0.554
600,000	0.679	0.646	0.542
650,000	0.670	0.637	0.531
700,000	0.663	0.628	0.522
750,000	0.655	0.621	0.513
800,000	0.649	0.614	0.505
850,000	0.643	0.607	0.497
900,000	0.637	0.601	0.490
950,000	0.632	0.596	0.484
1,000,000	0.627	0.590	0.478

### Interpolation Procedure

For limits of insurance not displayed in the tables above, use the multipliers for the nearest limits above and below the selected limit of insurance. Refer to the following example. Do not round until the final step of the interpolation procedure.

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The multipliers in this example are for illustrative purposes only.

- a. If the selected building limit of insurance is \$315,000, the nearest limits for which multipliers are shown are limits of \$300,000 and \$325,000.
- b. For \$300,000, the multiplier is .969 and for \$325,000, the multiplier is .956.
- c. Calculate the difference between the two multipliers.

$$.969 - .956 = .013$$

- d. Calculate the difference between the selected limit of insurance (\$315,000) and the lower limit (\$300,000), in thousands.

$$315 - 300 = 15$$

- e. Calculate the difference between the higher and lower limits of insurance, in thousands.

$$325 - 300 = 25$$

- f. Multiply the result of paragraph c by the result of paragraph d and divide by the result of paragraph e.

$$.013 \times 15 \div 25 = .0078$$

- g. Subtract the result of paragraph f from the multiplier for the lower limit. Round the multiplier to three decimal places. The result is the limit of insurance multiplier for a limit of \$315,000.

$$.969 - .0078 = .9612 \text{ (rounded to .961)}$$

#### **29. Class Rates and Specific Rates**

Commercial Property rates are based on the building occupancy and are either Class Rated or Specifically Rated as defined below.

##### **A. Class Rates**

Commercial buildings where the occupancy classification is included in the CSP Class Codes displayed on the Commercial Property Group I Rate Pages are eligible for class rating. Class rates are included in this manual.

##### **B. Specifically Rated Risks**

Commercial buildings where the occupancy is not included in the CSP Class Codes Table require specific rating. Loss Costs are provided by ISO Commercial Risk Services, Inc. and are based on a rating survey and the application of rating schedules. Loss Costs are modified by the multipliers included below as outlined in the Premium Computation Rule. Please refer risks not included in the CSP Class Codes displayed on the Commercial Property Group I Rate Pages to the Underwriting Department for determination of loss costs.

1. The following multipliers convert ISO Loss Costs to final rates for Specifically Rated Risks:

- i. Loss Cost Multiplier: 1.351

- ii. FAIR Plan Surcharge: 3.001

2. Sprinkler Leakage Exclusion: If the building does not have an operating sprinkler system, a credit of 0.001 applies. Please refer to the Premium Computation Rule.

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### 30. Basic Group I Contents Rate Groups

For buildings with CSP Class Codes 0322, 0323, 0581, 0582, 0707, and 0702, contents rates appear in three groupings: A, B, and C. The appropriate group is determined from the CSP Class Code in the Classification table applicable to the tenant being rated as described in the following table

Symbol	CSP Class Codes
A	0074 through 0323, 0511, 0701, 0702, 0745, 0746, 0747, 0851, 0852, 0900, 0921, 0923, 0931, 1000, 1052, 1070
B	0520, 0541, 0562, 0564, 0570, 0580, 0832, 0940, 1051, 1211 through 1752
C	All other

### 31. Commercial Property Premium Computation

#### A. Class Rated Risks

##### 1. Building Group I and Group II Premium Calculation

##### i. Building Group I

1. Select the CSP Code from the Commercial Property CSP Codes displayed on the Commercial Property Group I Rate Pages.
2. Determine the Construction of the building (Rule 10).
3. Select the Building Group I rate from the Commercial Property Group I Rate Pages.
4. Select the Protection Class Multiplier (Rule 26).
5. Select the Territorial Multiplier (Rule 27).
6. Select the Limit of Insurance Multiplier (Rule 28) based on the amount of Building Coverage.
7. If Vandalism and Malicious Mischief (VMM) is to be excluded, determine the credit from the Commercial Property Group II Rate Page.
8. The Standard Policy Multiplier applies (Rule 22).
9. If other than 80% Coinsurance is desired, select the Coinsurance factor (Rule 24).
10. If an Optional Deductible greater than \$250 is desired, select the Deductible factor (Rule 20).
11. Refer to Rule 24 to determine if Condition Charges apply.
12. If the building is Vacant, a Vacancy Charge will apply (Rule 25).
13. Select the amount of Building Coverage and determine acceptability (Rule 11). If the amount of requested coverage is acceptable, proceed; otherwise contact the Underwriting Department.
14. The Building Group I rate is calculated as follows:
  - a. Multiply the Building Group I rate by the Protection Class Multiplier, the Territorial Multiplier, and the Limit of Insurance Multiplier.
  - b. Modify the result by the VMM Credit, if applicable.
  - c. Multiply the result by the Standard Policy Multiplier and by the Coinsurance factor, if applicable.

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- d. If an Optional Deductible is selected, multiply the result by the Deductible factor.
    - e. Add Condition Charges, if applicable and multiply the result by the Vacancy Charge, if applicable.
    - f. The result becomes the Final Building Group I rate.
  15. Multiply the rate determined above by the amount of Building Coverage/per \$100 to arrive at the Building Group I Premium. Round to the nearest dollar.
- ii. Building Group II
  1. Select the Building Group II rate from the Commercial Property Group II Rate Page.
  2. Select the Limit of Insurance Multiplier (Rule 28) based on the amount of Building Coverage.
  3. The Standard Policy Multiplier applies (Rule 22).
  4. If other than 80% Coinsurance is desired, select the Coinsurance factor (Rule 24).
  5. If an Optional Deductible greater than \$250 is desired, select the Deductible factor (Rule 20).
  6. If the building is Vacant, a Vacancy Charge will apply (Rule 25).
  7. Select the amount of Building Coverage and determine acceptability from Rule 11. If the amount of requested coverage is acceptable, proceed; otherwise contact the Underwriting Department.
  8. The Building Group II rate is calculated as follows:
    - a. Multiply the Building Group II rate by the Standard Policy Multiplier, the Coinsurance factor, if applicable, and the Limit of Insurance Multiplier.
    - b. If an Optional Deductible is selected, multiply the result by the Deductible factor.
    - c. Multiply the result by the Vacancy Charge, if applicable.
    - d. The result becomes the Final Building Group II rate.
  9. Multiply the rate determined above by the amount of Building Coverage/per \$100 to arrive at the Building Group II Premium. Round to the nearest dollar.
2. Contents Group I and II Premium Calculation
  - i. Contents Group I
    1. Select the CSP Code from the Commercial Property CSP Codes displayed on the Commercial Property Group I Rate Pages.
    2. Determine the Construction of the building (Rule 10).
    3. Select the Contents Group I rate from the Commercial Property Group I Rate Pages.
    4. Select the Protection Class Multiplier (Rule 26).
    5. Select the Territorial Multiplier (Rule 27).
    6. Select the Limit of Insurance Multiplier (Rule 28) based on the amount of Contents Coverage.
    7. If Vandalism and Malicious Mischief (VMM) is not desired, determine the VMM credit from the Commercial Property Group II Rate Page.

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8. The Standard Policy Multiplier applies (Rule 22).
  9. If other than 80% Coinsurance is desired, select the Coinsurance factor (Rule 24).
  10. If an Optional Deductible greater than \$250 is desired, select the Deductible factor (Rule 20).
  11. Refer to Rule 23 to determine if Condition Charges apply.
  12. Select the amount of Contents Coverage and determine acceptability from Rule 11. If the amount of requested coverage is acceptable, proceed; otherwise contact the Underwriting Department.
  13. The Contents Group I rate is calculated as follows:
    - a. Multiply the Contents Group I rate by the Protection Class Multiplier, the Territorial Multiplier, and the Limit of Insurance Multiplier.
    - b. Modify the result by the VMM Credit, if applicable.
    - c. Multiply the result by the Standard Policy Multiplier and by the Coinsurance factor, if applicable.
    - d. If an Optional Deductible is selected, multiply the result by the Deductible factor.
    - e. Add Condition Charges, if applicable.
    - f. The result becomes the Final Contents Group I rate.
  14. Multiply the rate determined above by the amount of Contents Coverage/per \$100 to arrive at the Contents Group I Premium. Round to the nearest dollar.
- ii. Contents Group II
1. Select the Contents Group II rate from the Commercial Property Group II Rate Page.
  2. Select the Limit of Insurance Multiplier (Rule 28) based on the amount of Contents Coverage.
  3. The Standard Policy Multiplier applies (Rule 22).
  4. If other than 80% Coinsurance is desired, select the Coinsurance factor from Rule 24.
  5. If an Optional Deductible greater than \$250 is desired, select the Deductible factor (Rule 20).
  6. Select the amount of Contents Coverage and determine acceptability from Rule 11. If the amount of requested coverage is acceptable, proceed; otherwise contact the Underwriting Department.
  7. The Contents Group II rate is calculated as follows:
    - a. Multiply the Contents Group II rate by the Standard Policy Multiplier, the Coinsurance factor, if applicable, and the Limit of Insurance Multiplier.
    - b. If an Optional Deductible is selected, multiply the result by the Deductible factor.
    - c. The result becomes the Final Contents Group II rate.
  8. Multiply the rate determined above by the amount of Contents Coverage/per \$100 to arrive at the Contents Group II Premium. Round to the nearest dollar.



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### 3. Base Premium Calculation

The Base Premium is calculated by adding the premiums for Building Group I to Building Group II, Contents Group I, and Contents Group II.

### 4. Adjusted Base Premium

The Adjusted Base Premium is calculated as follows:

- i. Determine if Mine Subsidence Premium is applicable (Rule 21).
- ii. Add the Mine Subsidence Premium, if applicable, to the Base Premium and this becomes the Adjusted Base Premium.

### 5. Annual Premium

- i. Determine if the Kentucky Premium Surcharge is applicable.
- ii. Calculate the surcharge by multiplying the Adjusted Base Premium by the Kentucky Premium Surcharge percentage.
- iii. Add the resulting surcharge to the Adjusted Base Premium and this becomes the Annual Premium.

## B. Specifically Rated Risks

### 1. Building Group I and Group II Premium Calculation

#### i. Building Group I

1. If the building occupancy is not included in the CSP Codes displayed on the Commercial Property Group I Rate Pages, contact the Underwriting Department for the Building Group I Loss Cost.
2. The building Group I Loss Cost is multiplied by the FAIR Plan Surcharge (Rule 29).
3. The result is multiplied by the Loss Cost Multiplier (Rule 29).
4. If Vandalism and Malicious Mischief (VMM) is to be excluded, determine the VMM credit displayed on the Commercial Property Group II Rate Page.
5. If the building does not have an operating sprinkler system, a Sprinkler Exclusion credit applies (Rule 29).
6. The Standard Policy Multiplier applies (Rule 22).
7. If other than 80% Coinsurance is desired, select the Coinsurance modifier from Rule 24.
8. If an Optional Deductible greater than \$250 is desired, select the Deductible factor (Rule 20).
9. Refer to Rule 23 to determine if Condition Charges apply.
10. If the building is Vacant, a Vacancy Charge will apply (Rule 25).
11. Select the amount of Building Coverage and determine acceptability from Rule 11. If the amount of requested coverage is acceptable, proceed; otherwise contact the Underwriting Department.
12. The Building Group I rate is calculated as follows:
  - a. Multiply the building Group I Loss Cost by the FAIR Plan Surcharge and the Loss Cost Multiplier.



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- b. Modify the result by the VMM Credit, if applicable and the Sprinkler Leakage Exclusion, if applicable.
      - c. Multiply the result by the Standard Policy Multiplier and by the Coinsurance factor, if applicable.
      - d. If an Optional Deductible is selected, multiply the result by the Deductible factor.
      - e. Add Condition Charges, if applicable and multiply the result by the Vacancy Charge, if applicable.
      - f. The result becomes the Final Building Group I rate.
    13. Multiply the rate determined above by the amount of Building Coverage/per \$100 to arrive at the Building Group I Premium. Round to the nearest dollar.
  - ii. Building Group II
    1. Contact the Underwriting Department for the Building Group II Loss Cost.
    2. The building Group II Loss Cost is multiplied by the FAIR Plan Surcharge (Rule 29).
    3. The result is multiplied by the Loss Cost Multiplier (Rule 29).
    4. The Standard Policy Multiplier applies (Rule 22).
    5. If other than 80% Coinsurance is desired, select the Coinsurance factor (Rule 24).
    6. If an Optional Deductible greater than \$250 is desired, select the Deductible factor (Rule 20).
    7. If the building is Vacant, a Vacancy Charge will apply (Rule 25).
    8. Select the amount of Building Coverage and determine acceptability from Rule 11. If the amount of requested coverage is acceptable, proceed; otherwise contact the Underwriting Department.
    9. The Building Group II rate is calculated as follows:
      - a. Multiply the Building Group II Loss Cost by the FAIR Plan Surcharge, the Loss Cost Multiplier, the Standard Policy Multiplier, and the Coinsurance factor, if applicable.
      - b. If an Optional Deductible is selected, multiply the result by the Deductible factor.
      - c. Multiply the result by the Vacancy Charge, if applicable.
      - d. The result becomes the Final Building Group II rate.
    10. Multiply the rate determined above by the amount of Building Coverage/per \$100 to arrive at the Building Group II Premium. Round to the nearest dollar.
2. Contents Group I and II Premium Calculation
  - i. Contents Group I
    1. If the building occupancy is not included in the CSP Code table, contact the Underwriting Department for the Contents Group I Loss Cost.
    2. The Group I Loss Cost is multiplied by the FAIR Plan Surcharge (Rule 29).
    3. The result is multiplied by the Loss Cost Multiplier (Rule 29).

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4. If Vandalism and Malicious Mischief (VMM) is excluded, determine the VMM credit displayed on the Commercial Property Group II Rate Page.
  5. If the building does not have an operating sprinkler system, the Sprinkler Exclusion credit applies (Rule 30).
  6. The Standard Policy Multiplier applies (Rule 22).
  7. If other than 80% Coinsurance is desired, select the Coinsurance factor (Rule 24).
  8. If an Optional Deductible greater than \$250 is desired, select the Deductible factor (Rule 20).
  9. Refer to Rule 23 to determine if Condition Charges apply.
  10. Select the amount of Building Coverage and determine acceptability from Rule 11. If the amount of requested coverage is acceptable, proceed; otherwise contact the Underwriting Department.
  11. The Contents Group I rate is calculated as follows:
    - a. Multiply the Group I Loss Cost by the FAIR Plan Surcharge and the Loss Cost Multiplier.
    - b. Multiply the result by the VMM Credit, if applicable and the Sprinkler Leakage Exclusion, if applicable.
    - c. Multiply the result by the Standard Policy Multiplier and by the Coinsurance factor, if applicable.
    - d. If an Optional Deductible is selected, multiply the result by the Deductible factor.
    - e. Add Condition Charges, if applicable.
    - f. The result becomes the Final Group I rate.
  12. Multiply the rate determined above by the amount of Contents Coverage/per \$100 to arrive at the Contents Group I Premium. Round to the nearest dollar.
- ii. Contents Group II
1. Contact the Underwriting Department for the Contents Group II Loss Cost.
  2. The Group II Loss Cost is multiplied by the FAIR Plan Surcharge (Rule 29).
  3. The result is multiplied by the Loss Cost Multiplier (Rule 29).
  4. The Standard Policy Multiplier applies (Rule 22).
  5. If other than 80% Coinsurance is desired, select the Coinsurance factor (Rule 24).
  6. If an Optional Deductible greater than \$250 is desired, select the Deductible factor (Rule 20).
  7. Select the amount of Contents Coverage and determine acceptability from Rule 11. If the amount of requested coverage is acceptable, proceed; otherwise contact the Underwriting Department.
  8. The Contents Group II rate is calculated as follows:
    - a. Multiply the Contents Group II rate by the Kentucky FAIR Plan Surcharge, the Loss Cost Multiplier, the Standard Policy Multiplier, and the Coinsurance factor, if applicable.
    - b. If an Optional Deductible is selected, multiply the result by the Deductible factor.

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- c. The result becomes the Final Contents Group II rate.
9. Multiply the rate determined above by the amount of Contents Coverage/per \$100 to arrive at the Contents Group II Premium. Round to the nearest dollar.
3. Base Premium Calculation

The Base Premium is calculated by adding the premiums for Building Group I to Building Group II, Contents Group I, and Contents Group II.
4. Adjusted Base Premium

The Adjusted Base Premium is calculated as follows:

  - i. Determine if Mine Subsidence Premium is applicable (Rule 21).
  - ii. Add the Mine Subsidence Premium to the Base Premium and this becomes the Adjusted Base Premium.
5. Annual Premium
  - i. Determine if the Kentucky Premium Surcharge is applicable.
  - ii. Calculate the surcharge by multiplying the Adjusted Base Premium by the Kentucky Premium Surcharge percentage.
  - iii. Add the resulting surcharge to the Adjusted Base Premium and this becomes the Annual Premium.

### **32. Commercial Property Rates**

Commercial Property Group I Class Rates:

Pages R-1–R-10

Commercial Property Group II Rates and VMM Exclusion Credits:

Page R-11

### **E. Farm Property Rules**

### **33. Eligibility and Definitions—Farm Property**

Farm buildings and dwellings located on a farm and meeting the following definitions are eligible for the Farm Property program.

- A. **Dwelling** means a farm building designed and used for family residential purposes and permitted incidental occupancies.
- B. **Barn or Stable** means any building used to house farm equipment or livestock.
- C. **Outbuilding** means any building not otherwise classified used in agricultural operations. Examples are garages, implement sheds, grain storage structures, poultry houses, offices, hog sheds, and milkhouses.
- D. **Silo** means a structure used for storage of silage of all types.

### **34. Construction Classifications—Farm Property**

#### **A. Dwelling (Type 1)**

1. Has superior characteristics with excellent quality interior & exterior construction
2. Must show evidence of proper maintenance, good housekeeping and roof in excellent repair
3. Must have a modern heating system (not space heaters or stoves)

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4. Must have a continuous enclosed foundation
5. Must have modern plumbing system
6. Must have modern electrical system
7. Must have gutters

### **B. Dwelling (Type II)**

1. Must have standard characteristics with good quality interior & exterior construction
2. A modern heating system as outlined in Type I or gas or oil fired space heaters or stoves which are thermostatically controlled
3. Other requirements: same as 1, 5, 6, and 7 of Type I, above

### **C. Dwelling (Type III)**

All dwellings that are not eligible for Type I or Type II

### **D. Barns, Stables, & Outbuildings (Type I)**

1. Must have superior characteristics and be in excellent repair
2. No floor above the lowest ground level and not exceeding the height of 26 feet from the lowest ground level to peak
3. Foundation under all exterior walls must be continuous and of masonry or concrete construction
4. Floor throughout must be non-combustible
5. Fully enclosed with no open sheds attached
6. Contains no hay or straw

### **E. Barns, Stables, & Outbuildings (Type II)**

1. Have better than average characteristics and maintenance.
2. Foundation under all exterior walls must be continuous and of masonry or concrete construction. Buildings framed on poles of minimum six inch diameter at ground line, set a minimum of four feet below level, may be considered as satisfying this requirement when the poles have been pressure treated with wood preservative.
3. Building must be fully enclosed.
4. Hay or straw storage is permitted.

### **F. Barns, Stables, or Outbuildings (Type III)**

All buildings not eligible for Type I or Type II classifications, and buildings occupied or constructed for crop drying, grain grinding, seed grain cleaning, drying alfalfa, or hay chopping

### **G. Silos (Type I)**

All steel reinforced concrete construction with integral roof, foundation, and wall with unloading from the bottom

### **H. Silos (Type II)**

Masonry, including tile, hollow concrete block, solid concrete stave, brick or steel or reinforced concrete not qualifying for Type I

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### I. Silos (Type III)

Frame including ironclad

### 35. Vacant Farm Buildings and Dwellings—Farm Property

Vacant farm buildings are those buildings that are not occupied, do not contain contents or equipment, and are not being used for the intended purpose. Vacant farm dwellings are not occupied and do not contain household personal property. Such buildings or dwellings create an increased hazard and are subject to the following rate surcharge. See Premium Computation Rule.

Vacancy surcharge: 1.13

### 36. Lightning Rod Credit—Farm Property

Farm Dwellings equipped with UL approved Lightning Rod(s) receive the following credit that is applied in accordance with the Premium Computation Rule.

Lightning Rod Credit: \$0.639 per \$1,000 of insurance

### 37. Tobacco Barns with Firing of Tobacco—Farm Property

Barns that are equipped with equipment that creates heat for the purpose of “fire curing” of tobacco create an additional hazard and are surcharged in accordance with this rule. Please refer to the Premium Computation Rule.

Tobacco Fire Curing Surcharge: \$27.74 per \$1,000 of insurance

### 38. Protection Classification Codes—Farm Property

The Protection Class listings in the ISO Public Protection Classification manual apply.

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

In a classified area where two or more classifications are shown (example 6/9), the classification is determined as follows:

Distance to Fire Station	Class
5 road miles or less with hydrant within 1,000 feet	6
5 road miles or less with hydrant beyond 1,000 feet	9
Over 5 road miles	10

### 39. Farm Property Premium Computation

**Farm Dwelling, Household Personal Property, Farm Structures, and Mobile Homes**

A. Determine the Type (Rule 34).

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- B. Determine the Construction of the building (Rule 10).
- C. Determine the Protection Class of the building (Rule 38).
- D. Select the Farm Rate from the Farm Property rate pages. (FR-1–FR-2)
- E. If the Lightning Rod Credit is applicable (Rule 36), deduct the Lightning Rod Credit from the Farm rate.
- F. Select the Amount of Insurance and determine acceptability from Rule 11. If the amount of requested insurance is acceptable, proceed; otherwise contact the Underwriting Department.
- G. If an Optional Deductible is desired, select the Deductible Factor (Rule 20).
- H. Determine if the Vacancy surcharge is applicable (Rule 35).
- I. Determine if the Firing of Tobacco surcharge is applicable (Rule 37).
- J. The Farm Premium is calculated as follows.
  - 1. Multiply the Farm Rate (less Lightning Rod Credit, if applicable) by the Amount of Insurance per \$1,000 and round to the nearest dollar. The result is the Base Premium.
  - 2. If an Optional Deductible is selected, multiply the Base Premium by the Deductible Factor and round to the nearest dollar. The result is the Adjusted Base Premium.
  - 3. If the Vacancy surcharge is applicable, multiply the Adjusted Base Premium by the Vacancy Surcharge Factor.
  - 4. The result is the Farm Premium.
- K. If the Mine Subsidence Premium is applicable (Rule 21), add the Mine Subsidence Premium to the Farm Premium.
- L. Annual Premium
  - 1. Determine if the Kentucky Premium Surcharge is applicable.
  - 2. Calculate the surcharge by multiplying the Farm Premium (including the Mine Subsidence Premium, if applicable) by the Kentucky Premium Surcharge percentage.
  - 3. Add the resulting surcharge to the Farm Premium and this becomes the Annual Premium.

#### **40. Farm Property Rates**

Farm Dwelling, Household Personal Property, Farm Structures, and  
Mobile Homes Rates

Pages FR-1–FR-2

KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 01 - APARTMENTS**

CSP Class Codes and Description						
0311	Apartments without Mercantile Occupancies - Up to 10 Units					
0312	Apartments without Mercantile Occupancies - 11 to 30 Units					
0313	Apartments without Mercantile Occupancies - Over 30 Units					
0321	Apartments with Mercantile Occupancies - Up to 10 Units					
0322	Apartments with Mercantile Occupancies - 11 to 30 Units					
0323	Apartments with Mercantile Occupancies - Over 30 Units					
0331	Residential Condominiums without Mercantile Occupancies - Up to 10 Units					
0332	Residential Condominiums without Mercantile Occupancies - 11 to 30 Units					
0333	Residential Condominiums without Mercantile Occupancies - Over 30 Units					
0341	Residential Condominiums with Mercantile Occupancies - Up to 10 Units					
0342	Residential Condominiums with Mercantile Occupancies - 11 to 30 Units					
0343	Residential Condominiums with Mercantile Occupancies - Over 30 Units					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0311	Building (1)	1.026	0.928	0.826	0.668	0.619
0311	Contents (2)	1.164	1.046	0.985	0.875	0.818
0312	Building (1)	1.026	0.928	0.826	0.668	0.619
0312	Contents (2)	1.164	1.046	0.985	0.875	0.818
0313	Building (1)	1.026	0.928	0.826	0.668	0.619
0313	Contents (2)	1.164	1.046	0.985	0.875	0.818
0321	Building (1)	1.587	1.425	1.258	1.026	0.944
0321 A	Contents (2)	2.357	2.117	2.003	1.767	1.649
0321 B&C	Contents (2)	2.764	2.479	2.349	2.068	1.933
0322	Building (1)	1.587	1.425	1.258	1.026	0.944
0322 A	Contents (2)	2.357	2.117	2.003	1.767	1.649
0322 B&C	Contents (2)	2.764	2.479	2.349	2.068	1.933
0323	Building (1)	1.587	1.425	1.258	1.026	0.944
0323 A	Contents (2)	2.357	2.117	2.003	1.767	1.649
0323 B&C	Contents (2)	2.764	2.479	2.349	2.068	1.933
0331	Building (1)	0.578	0.521	0.460	0.370	0.350
0331	Contents (2)	0.505	0.452	0.431	0.383	0.350
0332	Building (1)	0.578	0.521	0.460	0.370	0.350
0332	Contents (2)	0.505	0.452	0.431	0.383	0.350
0333	Building (1)	0.578	0.521	0.460	0.370	0.350
0333	Contents (2)	0.505	0.452	0.431	0.383	0.350
0341	Building (1)	0.895	0.802	0.729	0.586	0.537
0341 A	Contents (2)	1.018	0.924	0.859	0.761	0.716
0341 B&C	Contents (2)	1.189	1.066	1.018	0.895	0.830
0342	Building (1)	0.895	0.802	0.729	0.586	0.537
0342 A	Contents (2)	1.018	0.924	0.859	0.761	0.716
0342 B&C	Contents (2)	1.189	1.066	1.018	0.895	0.830
0343	Building (1)	0.895	0.802	0.729	0.586	0.537
0343 A	Contents (2)	1.018	0.924	0.859	0.761	0.716
0343 B&C	Contents (2)	1.189	1.066	1.018	0.895	0.830

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 02 - OTHER HABITATIONAL**

CSP Class Codes and Description						
0074	Boarding and Lodging Houses, Rooming Houses, Fraternities and Sororities, Dormitories - Up to 10 Units					
0075	Boarding and Lodging Houses, Rooming Houses, Fraternities and Sororities, Dormitories - 11 to 30 Units					
0076	Boarding and Lodging Houses, Rooming Houses, Fraternities and Sororities, Dormitories - Over 30 Units					
0077	Convents, Monasteries and Rectories, Orphan Homes, Nurses' Homes, Sisters' Homes - Up to 10 Units					
0078	Convents, Monasteries and Rectories, Orphan Homes, Nurses' Homes, Sisters' Homes - 11 to 30 Units					
0079	Convents, Monasteries and Rectories, Orphan Homes, Nurses' Homes, Sisters' Homes - Over 30 Units					
0196	Dwellings Written in Conjunction with Commercial Risks from the Commercial Lines Manual - 1 Family					
0197	Dwellings Written in Conjunction with Commercial Risks from the Commercial Lines Manual - 2 Family					
0198	Dwellings Written in Conjunction with Commercial Risks from the Comm. Lines Manual - 3 and 4 Family					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0074	Building (1)	0.639	0.586	0.517	0.419	0.383
0074	Contents (2)	0.643	0.586	0.554	0.480	0.452
0075	Building (1)	0.639	0.586	0.517	0.419	0.383
0075	Contents (2)	0.643	0.586	0.554	0.480	0.452
0076	Building (1)	0.639	0.586	0.517	0.419	0.383
0076	Contents (2)	0.643	0.586	0.554	0.480	0.452
0077	Building (1)	0.590	0.533	0.468	0.379	0.350
0077	Contents (2)	0.611	0.554	0.525	0.460	0.427
0078	Building (1)	0.590	0.533	0.468	0.379	0.350
0078	Contents (2)	0.611	0.554	0.525	0.460	0.427
0079	Building (1)	0.590	0.533	0.468	0.379	0.350
0079	Contents (2)	0.611	0.554	0.525	0.460	0.427
0196	Building (1)	0.399	0.358	0.322	0.256	0.240
0196	Contents (2)	0.444	0.399	0.374	0.342	0.313
0197	Building (1)	0.399	0.358	0.322	0.256	0.240
0197	Contents (2)	0.444	0.399	0.374	0.342	0.313
0198	Building (1)	0.399	0.358	0.322	0.256	0.240
0198	Contents (2)	0.444	0.399	0.374	0.342	0.313

**RATING GROUP 03 - RESTAURANTS & BARS**

CSP Class Codes and Description						
0541	Bars and Taverns					
0545	Restaurants with Limited Cooking					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0541	Building (1)	2.288	2.060	1.828	1.482	1.380
0541	Contents (2)	2.446	2.198	2.080	1.828	1.710
0545	Building (1)	2.695	2.430	2.153	1.750	1.624
0545	Contents (2)	3.049	2.735	2.593	2.288	2.121

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 04 - OTHER MERCANTILES**

CSP Class Codes and Description						
0511	Risks Having Low Susceptibility Personal Property, NOC					
0512	Tire, Battery and Accessory Dealers Without Tire Recapping and Vulcanizing					
0520	Wearing Apparel, Textiles, Shoes					
0531	Alcoholic Beverages other than Bars					
0532	Food Products including Retail Bakeries (no baking and no cooking on premises; sales only); Beverages other than Alcoholic					
0533	Retail Bakeries - Baking on Premises (No delivery to other outlets)					
0534	Food Products with Limited Cooking, Excluding Bakeries					
0550	Motor Vehicle (Auto, Aircraft, Marine) Sales, No Repair					
0561	Boat and Marine Supply Dealers					
0562	Drugs					
0563	Electrical Goods, Hardware and Machinery					
0564	Furniture and Home Furnishings other than Appliances					
0565	Jewelry					
0566	Sporting Goods					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0511	Building (1)	1.034	0.932	0.834	0.663	0.623
0511	Contents (2)	1.237	1.115	1.042	0.916	0.871
0512	Building (1)	0.993	0.879	0.782	0.643	0.586
0512	Contents (2)	1.099	0.993	0.932	0.822	0.769
0520	Building (1)	1.229	1.115	0.993	0.802	0.733
0520	Contents (2)	1.600	1.449	1.364	1.209	1.119
0531	Building (1)	1.042	0.944	0.834	0.676	0.623
0531	Contents (2)	1.303	1.172	1.099	0.973	0.912
0532	Building (1)	1.596	1.437	1.278	1.034	0.965
0532	Contents (2)	1.600	1.449	1.364	1.209	1.119
0533	Building (1)	1.254	1.119	1.009	0.818	0.757
0533	Contents (2)	1.298	1.156	1.091	0.969	0.900
0534	Building (1)	1.750	1.571	1.404	1.136	1.058
0534	Contents (2)	1.351	1.209	1.148	1.009	0.952
0550	Building (1)	0.944	0.847	0.757	0.615	0.566
0550	Contents (2)	1.335	1.209	1.132	1.001	0.932
0561	Building (1)	1.001	0.895	0.790	0.643	0.602
0561	Contents (2)	1.335	1.209	1.132	1.001	0.932
0562	Building (1)	1.119	1.009	0.908	0.733	0.676
0562	Contents (2)	1.478	1.335	1.258	1.115	1.034
0563	Building (1)	1.119	1.009	0.895	0.725	0.663
0563	Contents (2)	1.099	0.993	0.932	0.822	0.769
0564	Building (1)	1.551	1.388	1.229	1.009	0.916
0564	Contents (2)	1.933	1.750	1.649	1.461	1.355
0565	Building (1)	1.026	0.916	0.822	0.663	0.615
0565	Contents (2)	1.083	0.969	0.912	0.818	0.757
0566	Building (1)	1.156	1.042	0.932	0.757	0.700
0566	Contents (2)	1.461	1.311	1.237	1.091	1.022

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 04 - OTHER MERCANTILES (continued)**

CSP Class Codes and Description						
0567	Risks Having Moderate Susceptibility Personal Property, NOC					
0570	Risks Having High Susceptibility Personal Property, NOC					
0580	Greenhouses					
0581	Multiple Occupancy Mercantile, Fire Class Rated, without furniture Occupant					
0582	Multiple Occupancy Mercantile, Fire Class Rated, with furniture Occupant					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0567	Building (1)	1.034	0.932	0.834	0.663	0.623
0567	Contents (2)	1.237	1.115	1.042	0.916	0.871
0570	Building (1)	1.034	0.932	0.834	0.663	0.623
0570	Contents (2)	1.303	1.172	1.099	0.973	0.912
0580	Building (1)	1.034	0.932	0.834	0.663	0.623
0580	Contents (2)	1.355	1.221	1.156	1.022	0.965
0581	Building (1)	1.099	0.993	0.875	0.712	0.663
0581 A	Contents (2)	1.303	1.172	1.099	0.973	0.912
0581 B	Contents (2)	1.583	1.425	1.351	1.189	1.115
0581 C	Contents (2)	1.437	1.298	1.221	1.083	1.001
0582	Building (1)	1.209	1.091	0.969	0.790	0.725
0582 A	Contents (2)	1.156	1.042	0.993	0.871	0.818
0582 B	Contents (2)	1.425	1.282	1.209	1.062	0.993
0582 C	Contents (2)	1.298	1.156	1.091	0.969	0.900

**RATING GROUP 05 - PUBLIC BUILDINGS**

CSP Class Codes and Description						
0701	Governmental Offices					
1000	Penal Institutions					
1051	Museums, Libraries, Art Galleries (non-profit)					
1070	Other Public Buildings, Fire Dept., Police, Water/Sewer					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0701	Building (1)	0.289	0.256	0.232	0.187	0.171
0701 A	Contents (2)	0.322	0.289	0.269	0.240	0.224
0701 B	Contents (2)	0.472	0.427	0.407	0.358	0.334
0701 C	Contents (2)	0.370	0.334	0.313	0.273	0.256
1000	Building (1)	0.285	0.252	0.224	0.183	0.163
1000	Contents (2)	0.252	0.220	0.212	0.187	0.171
1051	Building (1)	0.175	0.151	0.147	0.118	0.106
1051	Contents (2)	0.224	0.199	0.191	0.163	0.151
1070	Building (1)	0.269	0.244	0.220	0.175	0.159
1070	Contents (2)	0.322	0.289	0.269	0.240	0.224

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 06 - CHURCHES**

CSP Class Codes and Description						
0900	Churches and Synagogues					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0900	Building (1)	0.488	0.440	0.387	0.317	0.289
0900	Contents (2)	0.517	0.464	0.440	0.387	0.358

**RATING GROUP 07 - SCHOOLS**

CSP Class Codes and Description						
1052	Schools, Academic					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
1052	Building (1)	0.387	0.350	0.313	0.252	0.236
1052	Contents (2)	0.444	0.395	0.379	0.330	0.313

**RATING GROUP 08 - OFFICES AND BANKS**

CSP Class Codes and Description						
0702	Non-Governmental Offices and Banks					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0702	Building (1)	0.659	0.590	0.525	0.427	0.399
0702 A	Contents (2)	0.782	0.704	0.659	0.586	0.545
0702 B	Contents (2)	1.087	0.973	0.924	0.814	0.753
0702 C	Contents (2)	0.969	0.867	0.822	0.733	0.672

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

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**RATING GROUP 09 - RECREATIONAL FACILITIES**

CSP Class Codes and Description						
0755	Golf Clubs, Tennis Clubs and Similar Sports Facilities with Cooking					
0756	Golf Clubs, Tennis Clubs and Similar Sports Facilities without Cooking					
0757	Clubs, NOC, Including Fraternal and Union Halls					
0831	Motion Picture Studios					
0832	Theaters					
0833	Drive-in Theaters					
0834	Skating Rinks--Roller Rinks					
0841	Bowling Alleys					
0843	Halls and Auditoriums					
0844	Recreational Facilities, NOC					
0845	Boys' and Girls' Camps					
0846	Dance Halls, Ballrooms & Discotheques					
0951	Gambling Casinos with Restaurants					
0952	Gambling Casinos without Restaurants					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0755	Building (1)	1.864	1.677	1.494	1.217	1.123
0755	Contents (2)	2.145	1.933	1.828	1.604	1.498
0756	Building (1)	0.761	0.680	0.606	0.497	0.456
0756	Contents (2)	0.859	0.777	0.737	0.651	0.606
0757	Building (1)	0.822	0.737	0.651	0.533	0.497
0757	Contents (2)	0.859	0.777	0.737	0.651	0.606
0831	Building (1)	0.643	0.582	0.509	0.419	0.379
0831	Contents (2)	0.737	0.663	0.615	0.558	0.513
0832	Building (1)	0.810	0.729	0.651	0.533	0.488
0832	Contents (2)	0.859	0.777	0.737	0.651	0.606
0833	Building (1)	0.692	0.615	0.558	0.452	0.419
0833	Contents (2)	0.806	0.725	0.680	0.606	0.566
0834	Building (1)	1.107	0.997	0.891	0.725	0.668
0834	Contents (2)	1.132	1.014	0.961	0.851	0.786
0841	Building (1)	1.132	1.014	0.900	0.737	0.672
0841	Contents (2)	1.172	1.058	1.001	0.879	0.826
0843	Building (1)	0.566	0.509	0.452	0.362	0.334
0843	Contents (2)	0.590	0.533	0.509	0.452	0.419
0844	Building (1)	0.761	0.680	0.606	0.497	0.456
0844	Contents (2)	0.839	0.749	0.708	0.623	0.586
0845	Building (1)	0.501	0.452	0.403	0.322	0.305
0845	Contents (2)	0.582	0.513	0.497	0.427	0.403
0846	Building (1)	1.042	0.944	0.839	0.680	0.623
0846	Contents (2)	1.034	0.928	0.879	0.769	0.725
0951	Building (1)	2.174	1.958	1.742	1.416	1.303
0951	Contents (2)	2.402	2.161	2.039	1.803	1.685
0952	Building (1)	0.737	0.663	0.586	0.480	0.436
0952	Contents (2)	1.050	0.952	0.895	0.786	0.737

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 10 - HOTELS & MOTELS**

CSP Class Codes and Description						
0742	Motels and Hotels with Restaurant - Up to 10 Units					
0743	Motels and Hotels with Restaurant - 10 to 30 Units					
0744	Motels and Hotels with Restaurant - Over 30 Units					
0745	Motels and Hotels without Restaurant - Up to 10 Units					
0746	Motels and Hotels without Restaurant - 10 to 30 Units					
0747	Motels and Hotels without Restaurant - Over 30 Units					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0742	Building (1)	1.319	1.189	1.058	0.859	0.794
0742	Contents (2)	1.449	1.311	1.233	1.087	1.018
0743	Building (1)	1.319	1.189	1.058	0.859	0.794
0743	Contents (2)	1.449	1.311	1.233	1.087	1.018
0744	Building (1)	1.319	1.189	1.058	0.859	0.794
0744	Contents (2)	1.449	1.311	1.233	1.087	1.018
0745	Building (1)	0.566	0.517	0.456	0.374	0.346
0745	Contents (2)	0.623	0.562	0.529	0.468	0.436
0746	Building (1)	0.566	0.517	0.456	0.374	0.346
0746	Contents (2)	0.623	0.562	0.529	0.468	0.436
0747	Building (1)	0.566	0.517	0.456	0.374	0.346
0747	Contents (2)	0.623	0.562	0.529	0.468	0.436

**RATING GROUP 11 - HOSPITALS & NURSING HOMES**

CSP Class Codes and Description						
0851	Hospitals					
0852	Nursing and Convalescent Homes					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0851	Building (1)	0.151	0.147	0.130	0.102	0.098
0851	Contents (2)	0.183	0.159	0.151	0.138	0.130
0852	Building (1)	0.159	0.147	0.134	0.110	0.102
0852	Contents (2)	0.183	0.171	0.151	0.147	0.134

**RATING GROUP 12 - BUILDINGS UNDER CONSTRUCTION**

CSP Class Codes and Description						
1150	Buildings Under Construction					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
1150	Building (1)	0.623	0.558	0.493	0.403	0.366

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 13 - MOTOR VEHICLE RISKS**

CSP Class Codes and Description						
0931	Auto Parking Garages, Car Washes					
0932	Gasoline Service Stations					
0933	Aircraft Hangars with Repairing, Motor Vehicle Repairing Including Body Shops, with or without Sales					
0934	Tire Recapping and Vulcanizing with or without Sales					
0940	Aircraft Hangars without Repairing					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0931	Building (1)	0.574	0.521	0.468	0.379	0.342
0931	Contents (2)	0.680	0.615	0.574	0.513	0.472
0932	Building (1)	0.822	0.741	0.655	0.537	0.497
0932	Contents (2)	1.009	0.908	0.859	0.753	0.708
0933	Building (1)	0.700	0.639	0.562	0.460	0.423
0933	Contents (2)	0.883	0.798	0.749	0.655	0.619
0934	Building (1)	0.908	0.822	0.733	0.594	0.550
0934	Contents (2)	1.083	0.977	0.916	0.810	0.753
0940	Building (1)	0.440	0.395	0.358	0.289	0.261
0940	Contents (2)	0.550	0.493	0.468	0.407	0.383

**RATING GROUP 14 - OTHER NON-MANUFACTURING**

CSP Class Codes and Description						
0911	Dry Cleaner and Dyeing Plants, other than Self-Service					
0912	Laundries, other than Self-Service					
0913	Self-Service Laundries and Dry Cleaners					
0921	Light Hazard Service Occupancies					
0922	Services Occupancies, Other than Light Hazard, NOC					
0923	Funeral Homes					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
0911	Building (1)	1.071	0.973	0.863	0.704	0.647
0911	Contents (2)	1.274	1.144	1.083	0.957	0.891
0912	Building (1)	1.421	1.282	1.144	0.924	0.851
0912	Contents (2)	1.750	1.571	1.486	1.311	1.225
0913	Building (1)	0.940	0.843	0.745	0.611	0.562
0913	Contents (2)	1.099	0.981	0.936	0.822	0.769
0921	Building (1)	0.562	0.509	0.448	0.362	0.338
0921	Contents (2)	0.663	0.598	0.562	0.501	0.472
0922	Building (1)	0.623	0.562	0.501	0.407	0.374
0922	Contents (2)	0.757	0.680	0.647	0.566	0.533
0923	Building (1)	0.411	0.374	0.334	0.269	0.248
0923	Contents (2)	0.448	0.395	0.379	0.334	0.301

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 15 - STORAGE**

CSP Class Codes and Description						
1211	Freight Terminals					
1212	General Storage Warehouses - Bailee					
1213	Miscellaneous Products Storage - (other than Retail or Wholesale or Cold Storage)					
1220	Household Goods Storage					
1230	Cold Storage Warehouses					
1400	Waste and Reclaimed Material, including Yards					
1650	Building Supply Yards, including Retail Lumberyards, Coal and Coke Yards					
1700	Mill Yards					
1751	Oil Distributing, Oil Terminals and LPG Tank Farms, Including Stock					
1752	Oil Distributing, Oil Terminals and LPG Tank Farms, Excluding Stock					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
1211	Building (1)	0.969	0.875	0.782	0.627	0.582
1211	Contents (2)	1.136	1.030	0.969	0.859	0.798
1212	Building (1)	0.769	0.696	0.619	0.497	0.468
1212	Contents (2)	0.948	0.843	0.798	0.704	0.659
1213	Building (1)	0.680	0.615	0.537	0.444	0.407
1213	Contents (2)	0.904	0.810	0.769	0.680	0.627
1220	Building (1)	0.810	0.729	0.647	0.529	0.484
1220	Contents (2)	0.989	0.887	0.834	0.741	0.696
1230	Building (1)	0.700	0.627	0.562	0.456	0.423
1230	Contents (2)	0.961	0.863	0.810	0.712	0.668
1400	Building (1)	2.092	1.885	1.681	1.360	1.254
1400	Contents (2)	2.548	2.292	2.165	1.913	1.783
1400 Yard	Contents (2)	3.163	N/A	0.322	N/A	N/A
1650	Building (1)	1.250	1.123	0.997	0.810	0.749
1650	Contents (2)	1.579	1.425	1.343	1.189	1.107
1650 Yard	Contents (2)	0.875	N/A	0.114	N/A	N/A
1700	Building (1)	1.014	0.916	0.822	0.668	0.615
1700	Contents (2)	1.555	1.392	1.319	1.168	1.087
1700 Yard	Contents (2)	0.859	N/A	0.106	N/A	N/A
1751	Building (1)	0.651	0.590	0.529	0.423	0.391
1751	Contents (2)	0.859	0.769	0.729	0.647	0.594
1752	Building (1)	0.619	0.558	0.493	0.399	0.374
1752	Contents (2)	0.615	0.554	0.517	0.456	0.423

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP I CLASS RATES PER \$100

All rates are subject to protection class and territory multipliers.

**RATING GROUP 17 - FOOD MANUFACTURING**

CSP Class Codes and Description						
2200 2350 2459	Bakeries and Bakery Products Beverages excluding Alcoholic Beverages Distilleries and Wineries					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
2200	Building (1)	0.871	0.790	0.712	0.570	0.525
2200	Contents (2)	1.046	0.936	0.883	0.777	0.733
2350	Building (1)	0.558	0.501	0.452	0.366	0.338
2350	Contents (2)	0.668	0.602	0.558	0.493	0.464
2459	Building (1)	0.366	0.330	0.297	0.232	0.216
2459	Contents (2)	0.464	0.419	0.407	0.362	0.330

**RATING GROUP 19 - WEARING APPAREL**

CSP Class Codes and Description						
2800	Textile Mill Products - Natural and Synthetic					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
2800	Building (1)	0.900	0.818	0.729	0.598	0.545
2800	Contents (2)	1.201	1.075	1.009	0.895	0.843

**RATING GROUP 22 - OTHER MANUFACTURING**

CSP Class Codes and Description						
3409 4809	Leather and Leather Products Printing					
CSP Class Code	Coverage	Construction (Code)				
		Frame (1)	Joisted Masonry (2)	Non-Comb. (3)	Mas. Non-Comb. (4)	Mod. F.R. (5) or Fire Res. (6)
3409	Building (1)	0.782	0.700	0.623	0.509	0.460
3409	Contents (2)	0.908	0.818	0.769	0.676	0.631
4809	Building (1)	0.598	0.537	0.484	0.387	0.366
4809	Contents (2)	0.729	0.651	0.619	0.541	0.509

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 32. COMMERCIAL PROPERTY RATES

GROUP II RATES PER \$100

Construction	Symbol	Buildings	Contents
Superior	AA	0.269	0.379
Fire Resistive	A	0.297	0.419
Masonry Non-Combustible	AB	0.391	0.501
Frame, Joisted Masonry, and Non-Combustible	B	0.460	0.566

**VANDALISM EXCLUSION CREDITS**

Vandalism is included in the basic rates unless excluded. If Vandalism is excluded, the following credits apply. Please refer to the Premium Determination rule.

CSP Code	Classification Description	Subtract from Basic Group I 80% Coinsurance Rate
	All classes except those listed in this table	\$0.01
	All property eligible for Special Fire Class Rates (Class Code 1190) except Billboards and Signs (not on buildings)	0.03
1185	Billboards and Signs not on buildings	0.70
1150	Builders Risks (completed value rate)	0.015
841	Bowling Alleys	0.03
1650	Building Supply Yards	0.03
900	Churches and Synagogues	0.03
842	Dance Halls and Roller Rinks	0.03
833	Drive-In Theaters	0.03
580	Greenhouses	0.03
843	Halls and Auditoriums	0.03
745	Motels and Hotels with CSP Code 0745	0.03
746	Motels and Hotels with CSP Code 0746	0.03
747	Motels and Hotels with CSP Code 0747	0.03
1051	Museums, Libraries, Art Galleries (non-profit)	0.03
844	Recreation Facilities, NOC - Billiard and Pool Halls, Ice Rinks, Stadiums, Amusement Parks, Fair Grounds and Baseball Parks	0.03
1052	Schools, Academic	0.03
1180	Vacant Buildings	0.03
1190	Yard Property, NOC, including property in the open	0.03

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 40. FARM PROPERTY RATES

BASIC CAUSES OF LOSS, PER \$1,000 OF INSURANCE, \$250 DEDUCTIBLE

TYPE 1 - ENTIRE STATE

PROT. CLASS	CONST.	DWELLING	HOUSEHOLD PERS. PROP.	BARN STABLES OUTBUILDINGS	SILOS
1	M	12.72	11.15	6.76	6.37
	F	14.13	12.39	7.51	7.08
2	M	12.72	11.15	6.76	6.37
	F	14.13	12.39	7.51	7.08
3	M	12.72	11.15	6.76	6.37
	F	14.13	12.39	7.51	7.08
4	M	12.72	11.15	6.76	6.37
	F	14.13	12.39	7.51	7.08
5	M	12.72	11.15	6.76	6.37
	F	14.13	12.39	7.51	7.08
6	M	12.72	11.15	6.76	6.37
	F	14.13	12.39	7.51	7.08
7	M	12.72	11.15	6.76	6.37
	F	14.13	12.39	7.51	7.08
8	M	14.41	12.64	7.66	7.22
	F	16.01	14.04	8.51	8.02
8B	M	15.26	13.38	8.11	7.65
	F	16.96	14.87	9.01	8.50
9	M	15.26	13.38	8.11	7.65
	F	16.96	14.87	9.01	8.50
10	M	16.96	14.87	9.01	8.50
	F	18.84	16.52	10.01	9.44

TYPE 2 - ENTIRE STATE

PROT. CLASS	CONST.	DWELLING	HOUSEHOLD PERS. PROP.	BARN STABLES OUTBUILDINGS	SILOS
1	M	19.86	17.52	9.53	12.52
	F	22.07	19.47	10.59	13.91
2	M	19.86	17.52	9.53	12.52
	F	22.07	19.47	10.59	13.91
3	M	19.86	17.52	9.53	12.52
	F	22.07	19.47	10.59	13.91
4	M	19.86	17.52	9.53	12.52
	F	22.07	19.47	10.59	13.91
5	M	19.86	17.52	9.53	12.52
	F	22.07	19.47	10.59	13.91
6	M	19.86	17.52	9.53	12.52
	F	22.07	19.47	10.59	13.91
7	M	19.86	17.52	9.53	12.52
	F	22.07	19.47	10.59	13.91
8	M	22.51	19.86	10.80	14.19
	F	25.01	22.07	12.00	15.77
8B	M	23.83	21.03	11.44	15.03
	F	26.48	23.36	12.71	16.70
9	M	23.83	21.03	11.44	15.03
	F	26.48	23.36	12.71	16.70
10	M	26.48	23.36	12.71	16.70
	F	29.42	25.96	14.12	18.55

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KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
RULE 40. FARM PROPERTY RATES

BASIC CAUSES OF LOSS, PER \$1,000 OF INSURANCE, \$250 DEDUCTIBLE

TYPE 3 - ENTIRE STATE

PROT. CLASS	CONST.	DWELLING	HOUSEHOLD PERS. PROP.	BARN STABLES OUTBUILDINGS	SILOS
1	M	23.15	19.72	14.80	34.06
	F	25.73	21.92	16.45	37.85
2	M	23.15	19.72	14.80	34.06
	F	25.73	21.92	16.45	37.85
3	M	23.15	19.72	14.80	34.06
	F	25.73	21.92	16.45	37.85
4	M	23.15	19.72	14.80	34.06
	F	25.73	21.92	16.45	37.85
5	M	23.15	19.72	14.80	34.06
	F	25.73	21.92	16.45	37.85
6	M	23.15	19.72	14.80	34.06
	F	25.73	21.92	16.45	37.85
7	M	23.15	19.72	14.80	34.06
	F	25.73	21.92	16.45	37.85
8	M	26.24	22.35	16.78	38.60
	F	29.16	24.84	18.64	42.89
8B	M	27.78	23.67	17.76	40.87
	F	30.87	26.30	19.74	45.41
9	M	27.78	23.67	17.76	40.87
	F	30.87	26.30	19.74	45.41
10	M	30.87	26.30	19.74	45.41
	F	34.30	29.22	21.93	50.46

MOBILE HOMES - ENTIRE STATE

PROT. CLASS	CONST.	DWELLING	HOUSEHOLD PERS. PROP.		
1	M	32.58	28.70		
	F	36.20	31.89		
2	M	32.58	28.70		
	F	36.20	31.89		
3	M	32.58	28.70		
	F	36.20	31.89		
4	M	32.58	28.70		
	F	36.20	31.89		
5	M	32.58	28.70		
	F	36.20	31.89		
6	M	32.58	28.70		
	F	36.20	31.89		
7	M	32.58	28.70		
	F	36.20	31.89		
8	M	36.92	32.53		
	F	41.02	36.14		
8B	M	39.09	34.44		
	F	43.43	38.27		
9	M	39.09	34.44		
	F	43.43	38.27		
10	M	43.43	38.27		
	F	48.26	42.52		

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**FARM PROPERTY RATING WORKSHEET**

Named Insured: \_\_\_\_\_ Policy Number: \_\_\_\_\_

Type: 1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ MH \_\_\_\_\_

Construction: Frame \_\_\_\_\_ Masonry \_\_\_\_\_

Protection Class: 1-7 \_\_\_\_\_ 8 \_\_\_\_\_ 8B & 9 \_\_\_\_\_ 10 \_\_\_\_\_

Farm Rate (Less Lightning Rod Credit 0.639 if appl.)	x	Amount of Insurance Per \$1,000	=	Base Premium (round to nearest \$1.00)	x	Deductible Factor (if appl.)	=	Adjusted Base Premium (round to nearest \$1.00)	x	Vacancy Surcharge Factor (if appl.)	+	Firing of Tobacco Surcharge (if appl.)	=	Farm Premium (a) (round to nearest \$1.00)
	x		=		x		=		x		+		=	
Mine Subsidence (if appl.) (flat) (b) \$														
(a + b) (c) \$														
KY Prem. Surcharge (1.8% x c) (d) \$														
Annual Policy Premium (c + d) \$														

# Kentucky FAIR Plan Reinsurance Association

## Commercial Property and Farm Property Manual

<u>Form Numbers</u>	<u>Form Title</u>	<u>Edition Date</u>
<b>Commercial Property Forms</b>		
CP 00 99	Standard Property Form	04 02
CP 10 56	Sprinkler Leakage Exclusion	06 07
IL 04 15	Protective Safeguards	04 98
CP 10 55	Vandalism Exclusion	06 95
CP 04 50	Vacancy Permit	07 88
CP 01 66	Kentucky Changes	09 00
CP 99 93	Tentative Rate	10 90
CP 12 19	Additional Insured – Building Owner	06 07
<b>Farm Property Forms</b>		
FP 00 12	Farm Property – Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form	09 03
FP 00 14	Farm Property – Barns, Outbuildings and Other Farm Structures	09 03
FP 10 60	Causes of Loss Form – Farm Property	02 09
FP 12 10	Actual Cash Value – Dwellings and Appurtenant Private Structures	01 98
FP 04 50	Additional Insured – Farm Property	01 98
FP 04 75	Unoccupancy and Vacancy Permit	01 98
FP 00 90	Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions	04 16
FP 01 53	Kentucky Changes	09 03
KFP 17	Farm Property Special Provisions	04 17
<b>Forms Common to Both</b>		
KFP 16	Common Policy Conditions	07 98
IL 09 25	Kentucky Changes – Mine Subsidence	12 10
IL 09 52	Cap on Certified Acts of Terrorism	01 15
IL 09 85	Disclosure Pursuant to Terrorism Risk Insurance Act	12 20
TER-1	TRIA Letter	01 21
KYPACT	Privacy Act Notice	07 01