

2014 General Renewal Memorandum



(Refer to your own policyholder mailing for details related to your property and coverage.)

Memo

To: State Fire and Tornado Fund policyholders
From: Insurance Commissioner Adam Hamm and Administrator Jeff Bitz
Re: 2014 Policy Renewal
Date: July 1, 2014

The Fund is pleased to announce for the first time that property coverage premiums for the new policy year effective July 1, 2014 are being waived. There is no premium charge for any of property and insurance limits of record as of June 30, 2014. This waiver of premium is only for property insured and the insurance limits of record as of June 30, 2014. A premium will be charged for any increases to insurance limits and for property added after June 30, 2014.

If the equipment breakdown coverage endorsement has been purchased, that premium amount will need to be paid. If there is a premium balance owed for any coverage changes during the previous policy period ending June 30, 2014, that amount is still due and is shown on the premium notice attached at the bottom of the Coverage Declaration.

It is the policyholder's responsibility to determine whether the limit of insurance adequately reflects the value of your property and verify all your property is insured. Please call our office at (701) 328-9600 with questions regarding the renewal process.

The following documents are available for policyholders to download from the Department's website:

- [2014 Commercial Property Policy](#)
- [Coverage Changes Form](#)
- [Notice of Loss](#)
- [Building Application](#)
- [Equipment Breakdown Coverage](#)
- [State Fire and Tornado Risk Advisories and Guides](#)

Again, please note this is only a one year waiver. All policyholders should expect a premium payment for the following 2015 – 2016 fiscal year.

State Fire & Tornado Fund 2014 Policy Renewal Instructions



For more information and all documents go to www.nd.gov/ndins.
Click on Special Funds and Fire & Tornado Fund

<p>Review all three sections of the <i>Commercial Building and Personal Property Scheduled Insurance Declaration</i> document for accuracy.</p>	<ol style="list-style-type: none"> 1. The top section contains current information, such as mailing information and deductible. See the Minimum Deductible Table below. 2. The middle section contains limits of liability, additional coverage endorsements and special limits of liability. 3. The bottom section is your <i>Premium Notice</i> containing your premium amount due for the period of July 1, 2014 – June 30, 2015.
<p>Review your <i>Schedule of Property</i> document for accuracy and adequacy of coverage.</p>	<ol style="list-style-type: none"> 1. The <i>Schedule of Property</i> is a listing of covered property and insurance limits. It is your responsibility as the policyholder to review the adequacy of the insurance limits on the <i>Schedule of Property</i>. 2. All property insurance limits have been adjusted to reflect approximate 2014 values. All personal, outdoor and trailer property have been adjusted five percent (5%) depending on coverage selected 3. For help with valuation, see the <i>Policyholder Property Valuation Guide</i> located online.
<p>Download the 2014 contract <i>Commercial Property Policy</i> from the Fire & Tornado Fund's web page</p>	<ol style="list-style-type: none"> 1. Your 2014 <i>Commercial Property Policy</i> is online. 2. The Fire & Tornado Fund continues to participate in the Terrorism Risk Insurance Act (TRIA). One percent (1%) of your premium goes toward terrorism coverage. Call (701) 328-9600 for more information.
<p>Important Changes to 2014 Coverage forms</p>	<p>There are changes to the State Fire & Tornado Fund's Commercial Building and Personal Property Policy Coverage forms for 2014. Please take note of the following changes:</p> <ul style="list-style-type: none"> • The minimum deductible has increased to \$1,000. Please see the deductible table for all minimum deductible changes based on insured values. • A per building windstorm and hail deductible for replacement cost (RC) coverage has been added (Building and Personal Property Coverage Form, page 6, D. Deductible). • An actual cash value (ACV) conversion has been added to RC roofs 15 years and older for loss or damage caused by windstorm or hail (Building and Personal Property Coverage Form, page 11, G. Optional Coverages, 2. Replacement Cost, (3)). • A hail exclusion for steel roofs has been added. Hail that causes dents, creases, discoloration or changes in appearance to steel roofing, but does not pierce the steel and does not affect the functionality of the roof will not be replaced (Causes of Loss-Special Form, page 4, B. Exclusions, 2. N). • A windstorm exclusion for standpipe water towers and stand-alone radio and television towers has been added. This exclusion does not apply to windstorms rated EF3 or higher on the Enhanced Fujita Scale (Causes of Loss Special Form, page 4, B. Exclusions, 2. O). • The transfer of rights of recovery against others has changed. You may not waive your rights against another party without our written consent (Commercial Property Conditions, page 2, I. Transfer of Rights of Recovery Against Others to Us).

Be aware that you have deductible options. You can reduce your premium by raising your deductible.	Minimum Deductible Table	
	Insured Value	Minimum Deductible
	< \$20 million	\$1,000
	\$20 million – \$50 million	\$2,000
	> \$50 million	\$5,000
	The Fund offers other deductible amounts. For information on changing your deductible, call (701) 328-9600.	
Mail your premium before September 1 to: State Fire & Tornado Fund 600 E. Boulevard Ave. Bismarck, ND 58505-0320	<ol style="list-style-type: none"> 1. Detach perforated Premium Notice from the bottom of your Commercial Building and Personal Property Scheduled Insurance Coverage Declaration. 2. Check both boxes on the Premium Notice indicating the Schedule of Property is correct and a personal property inventory has been completed for each location. 3. Sign and date Premium Notice. 4. Return with your check before September 1. 	
Equipment Breakdown Endorsement	If your entity has this coverage with the Fund, the premium is included in your premium notice. The endorsement for this coverage can be found at www.nd.gov/ndins ; click on Special Funds and then Fire & Tornado Fund.	
To make changes in your current coverage:	Download form SFN 03380 Coverage Changes on Current Property Insured at www.nd.gov/eforms/Doc/sfn03380.pdf	
To apply for coverage of new buildings and additions to existing buildings:	Download form SFN 16259 Building Application at http://www.nd.gov/eforms/Doc/sfn16259.pdf	
Report all losses immediately. To report a loss:	Download form SFN 09576 Notice of Loss at www.nd.gov/eforms/Doc/sfn09576.pdf	
Questionnaire forms	<ol style="list-style-type: none"> 1. Download form SFN 53166 Loss Prevention Questionnaire at www.nd.gov/eforms/Doc/sfn53166.pdf 2. Download form SFN 52655 Commercial Roof Questionnaire at www.nd.gov/eforms/Doc/sfn52655.pdf 	
Policyholder guides and advisories	<p>Download a copy of the following online policyholder guides at www.nd.gov/ndins. Click on Special Funds, then Fire and Tornado Fund, and then Policyholder guides and advisories.</p> <ul style="list-style-type: none"> • Boilers • Claim Adjustment • Fire Damage • Lightning Loss • Property Valuation • Water Damage • Snow Load • Furnace Tune-Up and Carbon Monoxide Safety • Photography Guide • Preventing Ice Dams on Roofs • Proms and Graduations – Understanding the Risks 	