



# Memo

To: State Fire and Tornado Fund policyholders  
From: Insurance Commissioner Adam Hamm and Administrator Jeff Bitz  
Re: Policy Renewal  
Date: July 1, 2015

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Your 2015 State Fire and Tornado Fund renewal information for the period July 1, 2015 – June 30, 2016 is enclosed. The following documents are included:

- Renewal Instructions and Information
- Commercial Building and Personal Property Scheduled Insurance Coverage Declaration
- Premium Notice (attached to above document)
- Schedule of Property

Your premium for the new policy year effective July 1, 2015 has been billed at your July 1, 2013 blanket average rate. In other words, your premium rate is not changing. You will, however, see an increase in your premium due to increases in property values or property added to your schedule this past year.

If you have purchased the equipment breakdown coverage endorsement, the premium for this coverage is included in your premium notice and is shown on the premium notice attached at the bottom of your Coverage Declaration.

The following documents are available for policyholders to download from the Department's website at [www.nd.gov/ndins](http://www.nd.gov/ndins). Click on Special Funds and then State Fire and Tornado Fund.

- 2015 Renewal Packet (Commercial Property Policy & Guides)
- Coverage Changes Form
- Notice of Loss
- Building Application
- Equipment Breakdown Coverage

To renew your policy, please follow the enclosed renewal instructions and read about important coverage changes. It is your responsibility to determine whether all your property is insured and

whether the limit of insurance adequately reflects the value of that property. If you have questions regarding the renewal process or insuring your property, please call our office at (701) 328-9600.

We continue to encourage policyholders to utilize responsible risk prevention measures on property insured by the Fund.

We continually strive to keep the Fund financially sound and appreciate your continued trust.

Encs.

# State Fire and Tornado Fund 2015 Policy Renewal Instructions



For more information and all online documents go to [www.nd.gov/ndins](http://www.nd.gov/ndins).  
Click on Special Funds and State Fire and Tornado Fund  
Contact staff with any questions at (701) 328-9600 or [ndspeciallyfunds@nd.gov](mailto:ndspeciallyfunds@nd.gov).

<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"> <li>1. The top section contains current information, such as mailing information and deductible. See the Minimum Deductible Table on page 2.</li> <li>2. The middle section contains limits of liability, additional coverage endorsements and special limits of liability.</li> <li>3. The bottom section is your <i>Premium Notice</i> containing your premium amount due for the period of July 1, 2015 - June 30, 2016.</li> </ol>
<p>Review your <i>Schedule of Property</i> document for accuracy and adequacy of coverage.</p>	<ol style="list-style-type: none"> <li>1. The <i>Schedule of Property</i> is a listing of covered property and insurance limits. <b>It is your responsibility as the policyholder to review the adequacy of the insurance limits on the <i>Schedule of Property</i>.</b></li> <li>2. All property insurance limits have been adjusted to reflect approximate 2015 values. All personal, outdoor and trailer property have been adjusted three percent (3%) depending on coverage selected.</li> <li>3. For help with valuations, see the <i>Policyholder Property Valuation Guide</i> located online.</li> </ol>
<p>Download the 2015 <i>Commercial Property Policy</i> from the State Fire and Tornado Fund's web site.</p>	<ol style="list-style-type: none"> <li>1. Your 2015 <i>Commercial Property Policy</i> is online.</li> <li>2. The State Fire and Tornado Fund continues to participate in the Terrorism Risk Insurance Act (TRIA). One percent (1%) of your premium goes toward terrorism coverage..</li> </ol>
<p>Important Changes to 2015 Coverage forms</p>	<p>The following are changes to the State Fire and Tornado Fund's <i>Commercial Building and Personal Property Policy Coverage Forms</i> for 2015::</p> <ul style="list-style-type: none"> <li>• Minimum deductibles have increased. Please see the deductible table for all minimum deductible changes based on insured values.</li> <li>• Coverage for 'additions under construction' has been removed as covered property and added as property not covered in the <i>Building and Personal Property Coverage Form</i>, page 2, A. 2. u.</li> <li>• Coverage for your new building, 'while being built on the described premises,' has been removed under <i>Coverage Extensions in the Building and Personal Property Coverage Form</i>, page 5, A. 5. a. (1) (a) and the wording, 'begin construction,' has been removed and replaced with 'take possession' on page 5, A. 5. a. (3) (b).</li> <li>• In the <i>Causes of Loss – Special Form</i>, page 6, D. Additional Coverage – Collapse, "use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation" has been removed.</li> </ul> <p>The State Fire and Tornado Fund's commercial property policy was never intended to be a construction policy. Coverage language specific to new construction and additions has been removed since the Fund does not provide builders risk coverage and no advanced notice to the Fund or consultation on new construction projects is required. Carefully consider all risks for new construction projects and make certain they are clearly addressed in your builders risk coverage forms and your contractor's general liability policy.</p>

<b>Minimum Deductible Table</b>		
	<b>Insured Value</b>	<b>Minimum Deductible</b>
Minimum deductibles have increased. Raising deductibles can lower premium.	< \$20 million	\$1,000
	> \$20 million – \$50 million	\$2,000
	> \$50 million – \$250 million	\$5,000
	> \$250 million – \$500 million	\$7,500
	> \$500 million – \$1 billion	\$10,000
	> \$1 billion	\$15,000
	The Fund offers other deductible amounts. Call or email for more information.	
<b>Mail your premium before September 1 to:</b> State Fire and Tornado Fund North Dakota Insurance Dept. 600 E Boulevard Ave Bismarck ND 58505-0320	<ol style="list-style-type: none"> <li>1. Detach the perforated Premium Notice from the bottom of your <i>Commercial Building and Personal Property Scheduled Insurance Coverage Declaration</i>.</li> <li>2. Check both boxes on the Premium Notice indicating the <i>Schedule of Property</i> is correct and a personal property inventory has been completed for each location.</li> <li>3. Sign and date the Premium Notice.</li> <li>4. Return the Premium Notice with your check before September 1.</li> </ol>	
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 <a href="http://www.nd.gov/ndins">www.nd.gov/ndins</a> ; 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 <a href="http://www.nd.gov/eforms/Doc/sfn03380.pdf">www.nd.gov/eforms/Doc/sfn03380.pdf</a>	
To apply for coverage of new buildings and additions to existing buildings:	Download form SFN 16259 Building Application at <a href="http://www.nd.gov/eforms/Doc/sfn16259.pdf">http://www.nd.gov/eforms/Doc/sfn16259.pdf</a>	
Report all losses immediately. To report a loss:	Download form SFN 09576 Notice of Loss at <a href="http://www.nd.gov/eforms/Doc/sfn09576.pdf">www.nd.gov/eforms/Doc/sfn09576.pdf</a>	
Questionnaire forms	<ol style="list-style-type: none"> <li>1. Download form SFN 53166 Loss Prevention Questionnaire at <a href="http://www.nd.gov/eforms/Doc/sfn53166.pdf">www.nd.gov/eforms/Doc/sfn53166.pdf</a></li> <li>2. Download form SFN 52655 Commercial Roof Questionnaire at <a href="http://www.nd.gov/eforms/Doc/sfn52655.pdf">www.nd.gov/eforms/Doc/sfn52655.pdf</a></li> </ol>	
Risk advisories and policyholder guides	Download the online risk advisories and policyholder guides from the State Fire and Tornado Fund website and use them in your risk management and loss prevention plans. The following are a sample of the many topics: <ul style="list-style-type: none"> <li>• Boilers</li> <li>• Claim Adjustment</li> <li>• Fire Damage</li> <li>• Lightning Loss</li> <li>• Property Valuation</li> <li>• Water Damage</li> <li>• Snow Load</li> <li>• Furnace Tune-Up and Carbon Monoxide Safety</li> <li>• Photography Guide</li> <li>• Preventing Ice Dams on Roofs</li> <li>• Proms and Graduations – Understanding the Risks</li> <li>• Roof Inspections</li> </ul>	