

# DISTRICT OF COLUMBIA PROPERTY INSURANCE FACILITY

## *Consumer Information Sheet*

The District of Columbia Property Insurance Facility provides Homeowners, Dwelling and Commercial Property coverages to individuals and businesses of the District of Columbia who are unable to obtain coverage through the voluntary insurance market. We strive to:

- Make sure basic property insurance is available for all qualified properties.
- Assure stability in the property insurance market
- Provide for the equitable distribution of risk to all licensed insurers

The District of Columbia Property Insurance Facility is established under provisions of the District of Columbia Code. The Facility is not a government agency or organization.

### **The following coverages are available from the Facility:**

#### **Dwelling Fire:**

DP-1 Dwelling Basic Form

#### **Commercial Fire:**

CP0099 Standard Property  
Policy

#### **Homeowner Forms:**

HO-2 Broad Form Dwelling

HO-4 Tenants Form

HO-6 Condominium Owners Form

HO-8 Modified Coverage Form

### **DCPIF Maximum Coverage Limits:**

#### **Homeowners:**

Coverage A Dwelling \$455,000

Coverage C Contents \$227,500

#### **Commercial and Dwelling Fire:**

Fire-resistive \$1,500,000

Masonry \$1,500,000

Frame \$1,500,000

### **COVERAGES PROVIDED:**

**THE FACILITY DOES NOT PROVIDE COVERAGE FOR DAMAGE BY FLOOD**

#### **PERILS:**

##### **Commercial and Dwelling Fire:**

- **FIRE OR LIGHTNING**
- **EXTENDED COVERAGE** - coverage against direct loss to property caused by windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke.
- **VANDALISM & MALICIOUS MISCHIEF** - coverage against direct loss to property caused by vandalism and malicious mischief. This coverage is NOT available if property is vacant or unoccupied.

Coverage is NOT provided for loss caused by other perils or for indirect loss. Further, coverage is limited to those forms offered by the Facility. No "scheduled" policies are available.

COMMERCIAL and DWELLING properties will NOT be written under the same policy. Each of these risk categories requires a separate application and policy.

Commercial properties require a separate application be submitted for each individual building.

**Homeowners:**

- **Broad Form Perils - Forms HO-2, 4, &6**
- **Limited Perils - Form HO-8**

Ineligible Classes of Risks - The following classes of property are not acceptable for Homeowners Coverage:

- 1) Seasonal dwellings
- 2) Farm property unless inactive
- 3) Mobile homes or trailer units
- 4) Vacant or unoccupied
- 5) Properties in the course of construction or major renovation, until occupied as a residence.

Optional Coverage:

- 1) Additional Insured (Residence Premises)
- 2) Three or Four Family Dwelling
- 3) Water Backup from Sewer or Drains
- 4) Other optional coverage(s) required by the statute or regulation are offered. Contact your producer or the Facility for more information.

To request coverage, a properly completed application, signed by the applicant(s) must be submitted on each property including a copy of the cancellation or non-renewal statement from the present carrier. Applications may be obtained from our website, [www.dcpif.org](http://www.dcpif.org) or by contacting the facility.

**Contact Information:**

**Telephone 1-800-492-5670**  
**FAX 410-244-7268**

**Postal Address:**

**170 W. Ridgely Road, Suite 230**  
**Lutherville, MD 21093**

**Local address to obtain an Application:**

601 Pennsylvania Ave., NW  
Suite 900 South Building  
Washington, DC 20004

All properties will be inspected to determine insurability. The Inspection may result in condition charges and/or exclusions being applied to the policy, or the cancellation of the Immediate Binder. Condition charges will be removed on a pro-rata basis after correction of the condition(s) and confirmation of the correction by the Facility.

**Immediate Binders:**

In the event the applicant desires coverage to be bound for either Homeowners or Fire Policy Program prior to notification by the Facility of the acceptance or declination of the requested coverage, the applicant may request an Immediate Binder.

1. In order to facilitate the prompt processing of requests for Immediate Binders, the applicant shall submit to the Facility:
  - (A) For Non-Homeowner risks, 2 copies of a properly completed application along with the required estimated premium and a copy of the cancellation notice from the previous insurance carrier.
  - (B) For Homeowners HO-2 or HO-8 Coverage, 2 copies of a properly completed application, the required estimated premium, and a copy of the cancellation notice

from the previous insurance carrier and 2 photos of the dwelling (front and rear) plus photos of any outbuildings.

2. The Facility upon request for Immediate Binding will review the request. If approved an Immediate Binder will be issued. The Facility may elect not to bind coverage until the inspection of the property is completed and reviewed by the Facility. Coverage is not bound until the Immediate Binder is issued by the Facility.
3. If the property is bound by the Facility and prior to the issuance of the policy of insurance be determined to be ineligible for coverage or to fail to meet reasonable underwriting standards as defined in these rules, the Facility shall terminate the immediate binder, with 15 days notice, shall notify the applicant of the termination, shall retain a pro-rata portion of the appropriate premium and shall return the remainder of the deposit premium to the applicant or producer.
4. Except for the HO-4 Tenant form, Homeowners immediate bound property must be owner occupied and will be cancelled flat if the Facility should determine that the property is vacant, unoccupied or tenant occupied.
5. The estimated annual premium shall be in accordance with the rates filed on behalf of or for use by the Facility and shall be subject to an appropriate premium adjustment, if necessary, after the property has been inspected. If the coverage to be bound is presently provided under an expiring policy written through the Facility, the deposit premium shall not be less than the premium charged under such policy.
6. If the Facility terminates the immediate binder or declines to insure a property for the reason that it is ineligible for coverage or that it fails to meet reasonable underwriting standards, the subject property subsequently shall not be eligible to be bound by the Facility.
7. If the property is immediate bound by the Facility and upon inspection is determined to be subject to condition charges, exclusions and/or additional premium charge under any applicable rating plan, the Facility shall notify the applicant or producer of the premium due in excess of the deposit premium. The Facility shall terminate coverage if the full additional premium is not received by the Facility within 30 days of the notice of the additional premium being due.
8. If the Facility's inspector is unable to successfully complete an inspection of the immediate bound property due to the fault of the applicant or his representative, the Facility will terminate the Binder giving 30 days notice to the applicant and retaining a pro rata portion of the annual premium for the time coverage was in force.
9. If a policy is cancelled as a result of unsuccessful inspections the subject property shall not be eligible to be bound by the Facility until the Facility's Approval Notice has been issued and the premium paid.
10. Immediate Binding is not available on vacant or unoccupied property. Properties under active rehabilitation or construction or actively marketed for sale or rental shall not be considered to be vacant or unoccupied properties for the purposes of this rule. Coverage for contents and the peril of Vandalism and Malicious Mischief is not available on vacant or unoccupied properties.

***Note: These Immediate binding rules shall apply both to new applications and applications for continuation of coverage on properties presently insured by the Facility.***

#### **INSTALLMENT PAYMENT PROGRAM:**

1. The premium installment plan is available for those policies which meet or exceed the following minimum premium requirements:
  - a. Habitational risks - Dwelling Fire Program or Homeowners Program - \$200.00
  - b. All other risks - \$500.00
2. The minimum premium requirement must be satisfied by the premium on specific property prior to the application of any surcharge under the substandard rating plan.
3. The premium installment plan must be requested at the time of the inception of the policy or

binder or at the time of receipt of the approval notice. The premium installment plan must be specifically requested each year; requests for continuation of coverage will not be interpreted to include the premium installment plan unless specifically requested.

4. The premium installment plan will allow a qualifying premium to be paid in three (3) installments, subject to a service charge to offset the additional expense required to administer the plan. Forty percent (40%) of the premium is due at the inception of the policy. The remaining balance will be billed in 2 installments of 50% of the unbilled balance plus the service fee. The second installment will be billed 90 days from the inception date, due 30 days after the billing date. The third installment will be billed 180 days from the inception date, due 30 days from the billing date. Should the policyholder fail to make the required premium payment by the due date, notice of cancellation will be sent by the Facility to the policyholder and the mortgagee/loss payee, if any, notifying them that the policy will be cancelled for nonpayment of premium on a pro rated equity basis.

Should the policyholder wish to continue coverage following the sending of a notice of cancellation, the policyholder must pay the entire balance (2nd & 3rd Installment) prior to the equity cancellation date, after that date the former policyholder must reapply for new coverage with the Facility. In the event the policy goes into cancellation status, the policyholder shall not be eligible to participate in the premium installment plan in connection with the subject property or any other property for which insurance is desired through the Facility until 18 months following the sending of the notice of cancellation for non-payment of the premium.

5. If a policyholder is participating in the premium installment plan and the premium is increased by a surcharge under the substandard rating plan or for any other reason, the additional premium will be added to the unbilled installments.

6. Additional premium due to an increase request in the coverage amount or the adding of a covered peril must be paid in order for the change to take effect. These additional premiums cannot be added to the installment payment plan.

7. The service charge is not returnable to the policyholder nor shall it be considered as paid premium in subsequent adjustments.

8. All payments must be made by one of the following methods:

- a) Cash
- b) Check
- c) Bank Check or Money Order
- d) Check of a licensed lending institution. Check drawn on the account of a licensed producer
- e) Other electronic means acceptable to the plan

9. Payment will be considered as not having been received where made by checks not honored by the bank. Postdated checks will not be acceptable. **Payments will not be considered to be received until actually received by the Facility.** Postmarks will not be considered as dates of receipt.

10. All checks will be deposited at the risk of the applicant or insured or may be presented electronically for payment.

**INITIAL PAYMENTS NOT HONORED OR RETURNED BY THE BANK WILL RESULT IN THE CANCELLATION OF THE POLICY AS OF ITS INCEPTION DATE.**

The District of Columbia Property Insurance Facility is comprised of all voluntary market insurance companies which are licensed and writing basic property insurance, homeowners insurance and property insurance components of multi-peril policies in the District of Columbia. The Facility is regulated by the Department of Insurance and Securities Regulation of the District of Columbia. For more information, visit our website at [www.dcpif.org](http://www.dcpif.org) or contact the Facility at 410-539-6808 or 1-800-492-5670.