

Oregon FAIR Plan Association
Farm Property Manual



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Farm Property Manual

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A. General Information

The Oregon FAIR Plan Association “OFPA or The Plan or FAIR Plan” is composed of all insurance companies authorized to write property and casualty insurance in Oregon. It is authorized by and operates pursuant to ORS 735.005 et seq., with the approval of the Oregon 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 producer licensed to write property insurance in Oregon is authorized to submit applications after registering with the Plan. This manual provides underwriting guidelines, rules and rates for the producer.

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 incendiaries;
 - b. Property damage exists, and more than 60 days have elapsed, as to indicate that the damage will not be promptly repaired;
 - c. Following a loss, permanent repairs following satisfactory adjustment of loss have not commenced within 60 days unless there has been due diligence in pursuing repairs;
 - d. 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;
 - e. Property has been condemned or conditions of the property deem it uninhabitable;
 - 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;



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- 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 initial, renewal or increased hazard premium;
- k. Failure of the insured or their agent to timely furnish when due additional primary or supplemental underwriting information requested by the Plan;
- l. Property not properly mitigated against wildland fire;
- m. Vacancy of the Property – The Plan of Operation filed with the state does not allow vacant property to be written with OFPA. If the vacancy is short term, or related to a recent purchase of the property, the underwriter may choose to conditionally approve the risk .
- n. Property with manufacturing on premises.
- o. Property conditions which may hamper the ability of law enforcement, fire fighters and/or emergency medical staff to safely access the property and/or enter the home.
- p. Propane, oil, or any other portable heating device which produces a flame.
- q. Roofs which are in poor condition. An offer of coverage may be made with an added Condition charge, without an offer of Extended Coverage, a higher deductible amount, or a combination there of.
- r. There cannot be outstanding taxes, assessments, penalties, or charges constituting liens upon the property to be insured.
- s. Applicant(s) have received notice from an authorized public entity stating that this property is in violation of any building, housing, air pollution, sanitation, health, fire or safety code or ordinance or rule.
- t. Deficient electrical systems may be eligible at the discretion of the underwriter.
- u. Property undergoing extensive renovations. The risk may be submitted when all renovation work is completed.
- v. The Underwriter may, at their discretion, ask to see what activities are being conducted in and/or what items are being stored in larger outbuildings.
- w. Other conditions proposed by the Underwriting Department and adopted by resolution by the Board as established herein.



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2. The OFPA will review five years of prior loss history. Loss types not covered by the FAIR Plan (e.g. theft, water, liability) are generally not considered unless there is an issue of frequency or gross negligence on the part of the insured which may have a direct correlation to increased risk on the OFPA policy. Frequency of loss for covered perils e.g. fire, wind, smoke) will be considered by the underwriter to see if there is an increased exposure to the OFPA policy.

Exception: State of Oregon regulations require that we accept a prior loss, including fire, regardless of the amount paid, UNLESS there is gross negligence on the part of the insured, or other circumstances of the loss would indicate an ongoing increased risk exposure. We will require that the cause of loss has been identified and fully remedied and all damage repaired prior to accepting the policy.

3. Cancellation:
 - a. If this policy has been in effect for fewer than 60 days and is not a renewal policy, with respect to insurance provided under all Coverage Parts, we may cancel for any reason.
 - b. 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 if one or more of the specific conditions set out in Section B(1) above is present, except that a written notice of not less than 10 days before the effective date of cancellation or non-renewal may be used in the event of non-payment of premium.
4. Each notice of denial, cancellation or non-renewal shall contain a statement of the reason therefore. It shall be sent to the applicant/insured at the last known address with copies sent to the mortgagee, if any, and the Producer.
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. After cancellation of the policy has occurred for non-payment, 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 insured's premium remittance, which accompanies the application, is dishonored by the financial institution.
8. A charge for the checks returned by a bank or financial institution due to insufficient funds (NSF) may be made by the Plan.

The filed underwriting guidelines for the Association supersede any conflicting details with the Plan of Operation.



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General Rules

1. Applications

All submissions to the FAIR Plan must be submitted by the producer via the online portal found here: <http://orfairplan.com>. The application must be signed by both producer and applicant, and accompanied by photographs of the front and rear of the building (along with adequate photos of appurtenant structures or woodstoves). Premium must be submitted with the application pursuant to **Rule 19** below.

2. Eligibility

The risk must qualify in accordance with the underwriting guidelines included in this manual. Risks that qualify under the Dwelling fire or Commercial Property Program are not eligible for coverage 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 eligible risks for approved lines written by the Plan are automatically deemed insured after 20 calendar days from the date of the application, for a period of 30 days, if, through no fault of the applicant, coverage has not been provided or declined, and the applicant pays the required initial minimum premium payment at the time of submission of the application.

4. Commission

Producer compensation of **ten (10)** percent will be paid for policies as premium is received. If a policy is cancelled prior to the expiration date, the unearned commission will be due to the FAIR Plan.

5. New Business

New policies will be mailed directly to the insured with a copy made available for the producer.

6. Renewals

The Underwriting Department may request documentation supporting continued eligibility with the Plan. Renewal billings will be mailed directly to the insured at least thirty-seven (37) days in advance of the renewal date, with a copy made available for the producer. The company must receive payment by the renewal date to prevent coverage from expiring.

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7. Claims Procedures

It is preferred that claims submitted on behalf of policyholders from producers be submitted via the online portal at: <https://orfairplan.com/Claims>. Claims will also be accepted via telephone, mail or email. Contact information for the claims department can be found on page one of this document.

8. Minimum Written Premium and Minimum Retained Premium

A minimum written annual premium of \$125 plus the installment fee (if applicable) shall be charged for each policy. A minimum retained premium of \$125 shall be deemed fully earned when any period of coverage is provided under the Deemer provision or by the issuance of a policy. If the risk is rejected during the first 20 days following receipt of the application, the entirety of any unearned premium shall be returned.

A minimum retained premium of \$5,000 shall be deemed fully earned when any period of coverage is provided under a reinsurance contract.

9. Changes, Cancellation or Reduction of Coverage

Requested policy changes and endorsements must be submitted to the FAIR Plan for approval. The **producer does not have binding authority** to increase or bind any additional coverage, or increase the amount of insurance, and does not have authority to reduce deductibles until the request is received and approved by the Underwriting Department. All change notices should be submitted via the online portal at <https://orfairplan.com>.

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

10. Building Definitions

Requirements

Each building or structure must be classified in accordance with the following requirements and be certified by the agent, after careful inspection, as meeting all of the physical requirements of type classification.

Photographs are required for each building covered. A diagram or plat is also required and must show all buildings on the farm whether covered or not, properly identified, and with the location, size of building and distance in feet between buildings. The photographs shall be dated to show when they were taken, which must not be more than 90 days prior to the date submitted.



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Dwellings (ISO Rule 36)

1. Type 1

- a. Have superior characteristics with excellent quality interior and exterior construction and be modern in every respect.
- b. Be in excellent condition (new or good as new) showing evidence of proper maintenance and good housekeeping, and with roof in excellent repair.
- c. A modern heating system (not space heaters or stoves) consisting of one of the following:
 1. Central heating plant consisting of a permanently installed warm air furnace, hot water, or steam plant resting on an incombustible base, and venting to a masonry lined chimney built from the ground, or to an approved factory made vent pipe; or
 2. A permanent modern electric heating system installed by a competent electrician in compliance with local building code requirements; or
 3. Rigidly piped and permanently installed, thermostatically controlled approved gas or oil fueled floor, ceiling or wall furnaces, provided that all the foregoing are vented to a masonry lined chimney built from the ground, or to a factory made vent pipe; or
 4. Permanently installed 220 volt electric heater listed by recognized testing laboratory and attached by a three contact plug to an electric wiring system.
- d. Continuous enclosed foundation (porches excepted).
- e. Modern interior plumbing system.
- f. Modern electrical system, in good condition, properly installed by a competent electrician in compliance with local building code requirements.

2. Type 2

- a. Have standard characteristics with good quality interior and exterior construction and modern in every respect.
- b. Be in good condition showing evidence of proper maintenance and housekeeping and with the roof in good repair.
- c. A modern heating system as outlined in Type 1 or gas or oil fired space heaters or stoves which are thermostatically controlled.
- d. Other requirements are the same as Paragraphs 1.d., 1.e. and 1.f. of Type 1.

3. Type 3

Classify as Type 3, all dwellings not eligible for Type 1 or Type 2 classifications.



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Barns, Stables And Outbuildings

1. Type 1

- a. Have superior characteristics and be in excellent repair.
- b. No floor or mow above the lowest ground level and not exceeding a height of 26 feet from the lowest ground level to peak.
- c. Foundation under all exterior walls (or the two longest walls in granaries or corncribs) must be continuous and of mortared masonry or concrete construction. Buildings framed on poles of minimum six inch diameter at ground line, set a minimum of four feet below ground level, may be considered as satisfying this requirement when the poles have been pressure treated with wood preservative.
- d. Floor throughout must be incombustible.
- e. Fully enclosed with no open sheds attached.
- f. Contain no hay or straw.

Grain storage structures may be considered as complying with the requirements contained in Paragraphs a. through f. when such structures are of all metal construction (tanks, bins and quonsets) securely bolted on continuous mortared masonry or concrete foundation and are used exclusively for bulk storage of grain. Such structures written for not less than \$1,000 qualify as Type 1 (minimum \$10,000 limit is not applicable). If written for less than \$1,000, classify as Type 3.

- g. Coverage B property (except that subject to the Coverage A Extension and private greenhouses) is categorized as Type 1.

2. Type 2

- a. Have better than average characteristics and maintenance.
- b. Foundation under all exterior walls (or the two longest walls in granaries or corncribs) must be continuous and of mortared masonry or concrete construction. Buildings framed on poles of minimum six inch diameter at ground line, set a minimum of four feet below ground level, may be considered as satisfying this requirement when the poles have been pressure treated with wood preservative.
- c. Building must be fully enclosed. If open sheds are attached, the appropriate premium shall apply.
- d. Hay or straw storage is permitted.
- e. All metal or steel grain bins with dryers not meeting the Type 1 requirements.



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3. Type 3

Classify as Type 3, all buildings not eligible for Type 1 or Type 2 classification, also buildings occupied or constructed for crop drying, grain grinding, seed grain cleaning and drying, alfalfa or hay chopping; private greenhouses and portable buildings, and structures. Private greenhouses are those which are appurtenant to a dwelling and are therefore Coverage B property. Refer to Rule 36.D.5. for rate determination.

Other greenhouses can be covered under Coverage G – Barns, Outbuildings And Other Farm Structures; rate from CLM Division 5 – Rule 85. – Special Class Rates.

Silos

1. Type 1

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

2. Type 2

Masonry, including tile, hollow concrete block, solid concrete stave, brick or steel or reinforced concrete not qualifying for Type 1.

3. Type 3

Classify as Type 3, all silos not eligible for Type 1 or Type 2 classification.

11. Maximum Coverage Limits

Maximum coverage limits written by the FAIR Plan for all policy sections for Farm Property insurance is \$600,000.

Higher total limits may be available by purchasing Facultative Reinsurance which is arranged on a case by case basis by the underwriter. Special fully earned minimum premiums will apply when Reinsurance is purchased.

12. Determination of Maximum Coverage Limits

The maximum coverage limits are prescribed in Section 11 above.

As part of the Plan's charge to provide basic coverage, rules to determine maximum coverage limits follow:

- Coverage valuation is determined by the valuation procedure as described in A below; unless,
 - Proof is submitted supporting one or more of the exceptions included under B, below; however,



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- The amount of coverage written is subject to the discretion of the Underwriting Department after consideration of information provided with the application or from an outside inspection or reporting sources.
 - A. An electronic valuation tool, as determined by the Plan, will provide the initial guide of establishing actual cash value to define Coverage A limits.
 - B. Exceptions to the above will only be considered if the applicant submits proof of one or more of the following, subject to prior approval by the Underwriting Department.
 - a. Actual Cash Value of the property (less land), documented by a current independent appraisal secured within the last twelve months at the applicant expense, or;
 - b. Actual Cash Value supported by a current tax assessment (less the value of the land), or;
 - c. Purchase price, less measurable depreciation to support the actual cash value of the risk, if purchased within the past twelve (12) months, less the value of the land; or
 - d. An estimate from a licensed contractor or licensed architect submitted by the policyholder that contains a defined value for depreciation, which supports an actual cash value of the risk.
 - e. Or any other clearly documentable reason as determined by the Oregon FAIR Plan Association Underwriting Department.

13. Description of Coverage

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 form for actual coverages and exclusions).

1. The covered causes of loss are:
 - a. Fire
 - b. Lightning
 - c. Explosion
 - d. Windstorm or Hail
 - e. Smoke
 - f. Aircraft or Vehicles
 - g. Riot or Civil Commotion
 - h. Vandalism
 - i. Volcanic Action



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14. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$5.99 or less may be waived, however the waived premium will be returned if requested by the policyholder.

15. Change Endorsements

Requested policy changes and endorsements must be submitted to the FAIR Plan for approval. **The producer does not have binding authority** to increase or bind additional coverage, or increase the amount of insurance, until the request is received and approved by the Underwriting Department. All change notices should be submitted via the online portal at orfairplan.com.

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

16. Non-Sufficient Funds Service Charge

A fee of \$35 will be assessed to the policy for any check which is returned by the bank as "non-sufficient funds" (NSF). We will not accept a replacement payment without the \$35 charge being paid in full. A replacement payment will be accepted only if the payment is made by an approved credit card, or via certified check, cashier's check, money order or a check from the agency. A personal check will not be accepted.

17. Reinstatement of a Policy

At the option of the FAIR Plan, policies that have lapsed for non-payment of an installment or renewal premium for a period not exceeding thirty (30) days may be rewritten in the following manner:

1. The policy will be reinstated with no time out of coverage if the insured makes a valid payment, and submits written certification that no claims occurred during the lapse period (Statement of No Loss), or;
2. If the insured doesn't require coverage to be in force during the lapse period, no written certification is required. Coverage will begin again after the valid payment was received and posted.

18. Transfer or Assignment

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



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19. Policy Period and Installment Plans

a. Policy Period:

All policies are written for a period of one year and may be extended for successive policy periods in accordance with Plan underwriting criteria.

Renewal offers (if extended) will be sent at least 37 days prior to the expiration of the policy term.

b. Installment Plans

1. **Annual**—No billing service fee shall apply if the annual premium is paid in full at the inception of the policy or subsequent renewals. The annual premium must be submitted with the application.
2. **Semi-Annual**—A **\$7.00** billing service fee will be added to each direct bill payment. **50%** of the annual premium must be billed with the application.
3. **Quarterly**—A **\$7.00** billing service fee will be added to each direct bill payment. **25%** of the annual premium must be submitted with the application.
4. **Mortgagee Bill** - Full annual premium is required with the application or **25%** down payment submitted by the insured.

c. Minimum Down Payment:

The minimum down payment is set according to the rules defined in the selected installment plans above, or \$125, whichever is greater.

20. 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.

In the event there is other concurrent insurance covering the same loss or damage, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all covering on the same basis. But we will not pay more than the applicable Limit of Insurance.

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21. Optional Deductibles

The minimum available deductible for Farm Property is \$500.

Higher optional deductibles are available.

Deductible Factors	
\$500	1.06
1,000	1.00
2,500	0.96
5,000	0.91
10,000	0.82
25,000	0.70

22. Vacant Buildings—Farm Property

The Plan of Operation filed with the state does not allow vacant property to be written with OFPA. If the vacancy is short term, or related to a recent purchase of the property, the underwriter may chose to conditionally approve the risk .

23. Windstorm and Hail Exclusion Endorsement

If the Windstorm Hail endorsement is selected, apply the below factor in accordance with ISO Rule 36.

Wind Hail Exclusion Factors	
Exclusion Applies	0.825
No Exclusion	1.000

24. Vandalism Exclusion Endorsement

If the Vandalism Exclusion endorsement is selected, apply the below factor in accordance with ISO Rule 36.

Vandalism Exclusion Factors	
Exclusion Applies	0.950
No Exclusion	1.000



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25. Scheduled and Unscheduled Farm Property Rates and Rules

The following demonstrates the rates charged for Scheduled or Unscheduled Farm property covered in the Oregon FAIR Plan Association.

OREGON FAIR PLAN SCHEDULED FARM PROPERTY RATES

**BASIC CAUSES OF LOSS, PER \$1,000 OF INSURANCE
\$1,000 DEDUCTIBLE, PROTECTION CLASS 10**

<u>Description</u>	<u>Rate Per \$1,000</u>
Grain in metal or other structures	5.55
Grain in the open	6.54
Hay, Straw, Fodder, Forage, Crops in structures	6.54
Hay, Straw, Fodder, Forage, Crops in open	14.48
Miscellaneous Equipment Blanket	5.81
Miscellaneous Equipment Scheduled (machinery, tools, supplies usual or incidental to farm operations)	3.89
Trays, Boxes, Box Shook	7.82
Farm Products, Materials and Supplies Blanket	9.48
Farm Products, Materials and Supplies Scheduled	7.01



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OFPA does not cover (Farm Property):

- Livestock
- Poultry
- Animals of any kind
- Any farm equipment that exceeds 40 HP and/or ATV's/UTV's that exceed 850 cc's. It is the intent of OFPA to cover equipment only for the general maintenance of the farm property.

26. Mobile Homes

Manufactured/Mobile Homes of any age will be considered by the OFPA.

Rates are defined in Rule 29.

Rating procedures are established in Rule 27.

27. Farm Property Premium Computation

a. Farm Dwellings

- A. Determine the structure type. (Rule 10)
- B. Determine the Construction of the building. (Rule 10)
- C. Determine the Protection Class of the building. (Rule 23)
- D. Select the rate from the Farm Property rate pages. (Rule 30)
- E. Select the Amount of Insurance and determine applicability with Rule 12. (See the Interpolation Example below for coverage amounts not included in the key factor table.) If the amount of requested insurance is acceptable, proceed; otherwise, contact the Underwriting Department.
- F. Determine the Wildfire Scoring Factor. (Rule 29)
- G. Determine if the Vandalism Exclusion Factor applies. (Rule 25)
- H. Determine if the Windstorm/Hail Exclusion Factor applies. (Rule 24)
- I. If an Optional Deductible is desired, select the Deductible Factor. (Rule 21)
- J. The Farm Dwelling Premium is calculated as follows:
 - a. Multiply the Rate by the Amount of Insurance per \$1,000.



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- b. Then multiply by the Wildfire Factor. This determines the Base Premium. Round to the nearest dollar.
- c. If an exclusion for Vandalism is selected, multiply the Base Premium by the factor.
- d. If an exclusion for Windstorm/Hail is selected, multiply the Base Premium by the factor.
- e. If an Optional Deductible is selected, multiply the Base Premium by the factor.
- f. The result is the Final Farm Dwelling Premium.

b. Household Appurtenant Structures

- A. According to (ISO Rule 36) the rate for Household Appurtenant Structures is the Type 1 Barns, Stables and Outbuildings rate. (Rule 10)
- B. Determine the Construction of the building. (Rule 10)
- C. Determine the Protection Class of the building. (Rule 23)
- D. Select the rate from the Farm Property rate pages. (Rule 30)
- E. Select the Amount of Insurance and determine applicability with Rule 12. If the amount of requested insurance is acceptable, proceed; otherwise, contact the Underwriting Department.
- F. Determine the Wildfire Scoring Factor. (Rule 29)
- G. Determine if the Vandalism Exclusion Factor applies. (Rule 25)
- H. Determine if the Windstorm/Hail Exclusion Factor applies. (Rule 24)
- I. If an Optional Deductible is desired, select the Deductible Factor. (Rule 21)
- J. The Farm Household Appurtenant Structure Premium is calculated as follows:
 - a. Multiply the Rate by the Amount of Insurance per \$1,000.
 - b. Then multiply by the Wildfire Factor. This determines the Base Premium. Round to the nearest dollar.
 - c. If an exclusion for Vandalism is selected, multiply the Base Premium by the factor.
 - d. If an exclusion for Windstorm/Hail is selected, multiply the Base Premium by the factor.
 - e. If an Optional Deductible is selected, multiply the Base Premium by the factor.
 - f. The result is the Final Farm Household Appurtenant Structure Premium.

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c. Household Personal Property

- A. Determine the type structure. (Rule 10)
- B. Determine the Construction of the building. (Rule 10)
- C. Determine the Protection Class of the building. (Rule 23)
- D. Select the rate from the Farm Property rate pages. (Rule 30)
- E. Select the Amount of Insurance and determine applicability with Rule 12. If the amount of requested insurance is acceptable, proceed; otherwise, contact the Underwriting Department.
- F. Determine the Wildfire Scoring Factor. (Rule 29)
- G. Determine if the Vandalism Exclusion Factor applies. (Rule 25)
- H. Determine if the Windstorm/Hail Exclusion Factor applies. (Rule 24)
- I. If an Optional Deductible is desired, select the Deductible Factor. (Rule 21)
- J. The Farm Household Personal Premium is calculated as follows:
 - a. Multiply the Rate by the Amount of Insurance per \$1,000.
 - b. Then multiply by the Wildfire Factor. This determines the Base Premium. Round to the nearest dollar.
 - c. If an exclusion for Vandalism is selected, multiply the Base Premium by the factor.
 - d. If an exclusion for Windstorm/Hail is selected, multiply the Base Premium by the factor.
 - e. If an Optional Deductible is selected, multiply the Base Premium by the factor.
 - f. The result is the Final Farm Household Property Premium.

d. Farm Property

- A. Determine the property type and rate. (Rule 26)
- B. Select the Amount of Insurance and determine applicability with Rule 12. If the amount of requested insurance is acceptable, proceed; otherwise, contact the Underwriting Department.
- C. Determine the Wildfire Scoring Factor. (Rule 29)
- D. Determine if the Vandalism Exclusion Factor applies. (Rule 25)
- E. Determine if the Windstorm/Hail Exclusion Factor applies. (Rule 24)
- F. If an Optional Deductible is desired, select the Deductible Factor. (Rule 21)



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- G. The Farm Scheduled Property Premium is calculated as follows:
 - a. Multiply the Rate by the Amount of Insurance per \$1,000.
 - b. Then multiply by the Wildfire Factor. This determines the Base Premium. Round to the nearest dollar.
 - c. If an exclusion for Vandalism is selected, multiply the Base Premium by the factor.
 - d. If an exclusion for Windstorm/Hail is selected, multiply the Base Premium by the factor.
 - e. If an Optional Deductible is selected, multiply the Base Premium by the factor.
 - f. The result is the Final Farm Property Premium.
- e. **Mobile Homes**
 - A. Determine the Construction of the Building (Rule 10)
 - B. Determine the Protection Class of the Building. (Rule 23)
 - C. Select the rate from the Farm Property rate pages. (Rule 30)
 - D. Select the Amount of Insurance and determine applicability with Rule 12. (See the Interpolation Example below for coverage amounts not included in the key factor table.) If the amount of requested insurance is acceptable, proceed; otherwise, contact the Underwriting Department.
 - E. Determine the Wildfire Scoring Factor. (Rule 29)
 - F. Determine if the Vandalism Exclusion Factor applies. (Rule 25)
 - G. Determine if the Windstorm/Hail Exclusion Factor applies. (Rule 24)
 - H. If an Optional Deductible is desired, select the Deductible Factor. (Rule 21)
 - I. The Farm Mobile Home Premium is calculated as follows:
 - g. Multiply the Rate by the Amount of Insurance per \$1,000.
 - h. Then multiply by the Wildfire Factor. This determines the Base Premium. Round to the nearest dollar.
 - i. If an exclusion for Vandalism is selected, multiply the Base Premium by the factor.
 - j. If an exclusion for Windstorm/Hail is selected, multiply the Base Premium by the factor.
 - k. If an Optional Deductible is selected, multiply the Base Premium by the factor.
 - l. The result is the Final Farm Mobile Home Premium.



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f. Mobile Home Contents

- A. Determine the Construction of the Building. (Rule 10)
- B. Determine the Protection Class of the Building. (Rule 23)
- C. Select the rate from the Farm Property rate pages. (Rule 30)
- D. Select the Amount of Insurance and determine applicability with Rule 12. If the amount of requested insurance is acceptable, proceed; otherwise, contact the Underwriting Department.
- E. Determine the Wildfire Scoring Factor. (Rule 29)
- F. Determine if the Vandalism Exclusion Factor applies. (Rule 25)
- G. Determine if the Windstorm/Hail Exclusion Factor applies. (Rule 24)
- H. If an Optional Deductible is desired, select the Deductible Factor. (Rule 21)
- I. The Farm Mobile Home Contents Premium is calculated as follows:
 - m. Multiply the Rate by the Amount of Insurance per \$1,000.
 - n. Then multiply by the Wildfire Factor. This determines the Base Premium. Round to the nearest dollar.
 - o. If an exclusion for Vandalism is selected, multiply the Base Premium by the factor.
 - p. If an exclusion for Windstorm/Hail is selected, multiply the Base Premium by the factor.
 - q. If an Optional Deductible is selected, multiply the Base Premium by the factor.
 - r. The result is the Final Farm Mobile Home Contents Premium.

***Interpolation Example (\$115,000 desired limit of coverage)**

When the desired limit of liability is less than the limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example: (\$115,000 desired limit) the nearest limits are \$110,000 and \$120,000.

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

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



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28. Wildfire Scoring

Proximity to wildfire prone areas remains to be one of the most frequent reasons for policy non-renewal or declination by standard companies. Exposure to wildfire is not specifically ineligible with the FAIR Plan, and OFPA will review each risk independently for eligibility.

For consideration of coverage in these wildfire areas, the policyholder must take reasonable steps to help reduce their overall exposure.

The policyholder can do many things to reduce this risk and make the property more insurable. Home Hardening techniques can be employed such as:

- Creating a five foot non-combustible home buffer zone around the entire perimeter of any structure on the property
- Clear debris from roof and gutters
- Installation of ember resistant vents
- Clear and maintain decks and covered porches
- Maintain the yard, trees, and structures from 5 to 30 feet.

Additional information can be found on home hardening here:

<https://www.nfpa.org/Education-and-Research/Wildfire/Firewise-USA>

<https://wildfireprepared.org/> (Insurance Institute for Business & Home Safety (IBHS))

<https://keeporegongreen.org/>

Additionally, the Farm Property program utilizes a scoring tool to measure wildfire risk exposure at an address level. OFPA utilizes Corelogic's Riskmeter tool to gather a score, and in turn assign a factor to properly rate the risk. This factor is applied in the base premium calculation as described in Rule 29 above.



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Score Assigned	Proposed Multiplier	Score Assigned	Proposed Multiplier
1 to 50	1.000	76	1.155
51	1.010	77	1.161
52	1.016	78	1.167
53	1.022	79	1.172
54	1.027	80	1.178
55	1.033	81	1.184
56	1.039	82	1.190
57	1.045	83	1.196
58	1.051	84	1.201
59	1.056	85	1.207
60	1.062	86	1.213
61	1.068	87	1.219
62	1.074	88	1.225
63	1.080	89	1.230
64	1.085	90	1.236
65	1.091	91	1.242
66	1.097	92	1.248
67	1.103	93	1.254
68	1.109	94	1.259
69	1.114	95	1.265
70	1.120	96	1.271
71	1.126	97	1.277
72	1.132	98	1.282
73	1.138	99	1.288
74	1.143	100	1.294
75	1.149		



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29. Farm Property Rate Table

OREGON FAIR PLAN FARM PROPERTY RATES

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

TYPE 1 - ENTIRE STATE

PROT. CLASS	CONST.	DWELLING	HOUSEHOLD PERS. PROP.	BARNs STABLES OUTBUILDINGS	SILOS
1	M	2.91	2.74	2.40	1.50
	F	3.23	3.05	2.66	1.67
2	M	2.91	2.74	2.40	1.50
	F	3.23	3.05	2.66	1.67
3	M	2.91	2.74	2.40	1.50
	F	3.23	3.05	2.66	1.67
4	M	2.91	2.74	2.40	1.50
	F	3.23	3.05	2.66	1.67
5	M	2.91	2.74	2.40	1.50
	F	3.23	3.05	2.66	1.67
6	M	2.91	2.74	2.40	1.50
	F	3.23	3.05	2.66	1.67
7	M	3.15	2.97	2.60	1.63
	F	3.50	3.30	2.89	1.81
8	M	3.39	3.20	2.80	1.75
	F	3.77	3.56	3.11	1.95
8B	M	4.26	4.02	3.52	2.20
	F	4.73	4.47	3.91	2.45
9	M	4.36	4.11	3.60	2.25
	F	4.84	4.57	4.00	2.50
10	M	4.84	4.57	4.00	2.50
	F	5.38	5.08	4.44	2.78

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TYPE 2 - ENTIRE STATE

PROT. CLASS	CONST.	DWELLING	HOUSEHOLD PERS. PROP.	BARNs STABLES OUTBUILDINGS	SILOS
1	M	3.02	2.84	2.47	1.78
	F	3.36	3.15	2.74	1.97
2	M	3.02	2.84	2.47	1.78
	F	3.36	3.15	2.74	1.97
3	M	3.02	2.84	2.47	1.78
	F	3.36	3.15	2.74	1.97
4	M	3.02	2.84	2.47	1.78
	F	3.36	3.15	2.74	1.97
5	M	3.02	2.84	2.47	1.78
	F	3.36	3.15	2.74	1.97
6	M	3.02	2.84	2.47	1.78
	F	3.36	3.15	2.74	1.97
7	M	3.28	3.07	2.67	1.92
	F	3.64	3.41	2.97	2.14
8	M	3.53	3.31	2.88	2.07
	F	3.92	3.68	3.20	2.30
8B	M	4.44	4.16	3.62	2.61
	F	4.93	4.62	4.02	2.90
9	M	4.54	4.25	3.70	2.66
	F	5.04	4.73	4.11	2.96
10	M	5.04	4.73	4.11	2.96
	F	5.60	5.25	4.57	3.29

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TYPE 3 - ENTIRE STATE

PROT. CLASS	CONST.	DWELLING	HOUSEHOLD PERS. PROP.	BARNs STABLES OUTBUILDINGS	SILOS
1	M	3.14	2.98	2.58	1.98
	F	3.49	3.31	2.87	2.20
2	M	3.14	2.98	2.58	1.98
	F	3.49	3.31	2.87	2.20
3	M	3.14	2.98	2.58	1.98
	F	3.49	3.31	2.87	2.20
4	M	3.14	2.98	2.58	1.98
	F	3.49	3.31	2.87	2.20
5	M	3.14	2.98	2.58	1.98
	F	3.49	3.31	2.87	2.20
6	M	3.14	2.98	2.58	1.98
	F	3.49	3.31	2.87	2.20
7	M	3.40	3.22	2.80	2.15
	F	3.78	3.58	3.11	2.39
8	M	3.66	3.47	3.01	2.31
	F	4.07	3.86	3.35	2.57
8B	M	4.60	4.36	3.79	2.91
	F	5.11	4.85	4.21	3.23
9	M	4.71	4.46	3.87	2.97
	F	5.23	4.96	4.30	3.30
10	M	5.23	4.96	4.30	3.30
	F	5.81	5.51	4.78	3.67

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MOBILE HOMES - ENTIRE STATE

PROT. CLASS	CONST.	DWELLING	HOUSEHOLD PERS. PROP.		
1	M	4.75	4.48		
	F	5.28	4.97		
2	M	4.75	4.48		
	F	5.28	4.97		
3	M	4.75	4.48		
	F	5.28	4.97		
4	M	4.75	4.48		
	F	5.28	4.97		
5	M	4.75	4.48		
	F	5.28	4.97		
6	M	4.75	4.48		
	F	5.28	4.97		
7	M	5.15	4.85		
	F	5.72	5.39		
8	M	5.54	5.22		
	F	6.16	5.80		
8B	M	6.97	6.57		
	F	7.74	7.30		
9	M	7.13	6.71		
	F	7.92	7.46		
10	M	7.92	7.46		
	F	8.80	8.29		

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APPENDIX A

Oregon Farm Property Forms

Form Number	Form Title	Edition Date
FP 00 12	FARM PROPERTY - FARM DWELLINGS, APPURtenant STRUCTURES AND HOUSEHOLD PERSONAL PROPERTY COVERAGE FORM	04 16
FP 00 13	FARM PROPERTY - FARM PERSONAL PROPERTY COVERAGE FORM	04 16
FP 00 14	FARM PROPERTY - BARNS, OUTBUILDINGS AND OTHER FARM STRUCTURES COVERAGE FORM	04 16
FP 00 90	FARM PROPERTY - OTHER FARM PROVISIONS FORM - ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS	04 16
FP 10 60	CAUSES OF LOSS FORM - FARM PROPERTY - OREGON	04 16
IL 01 39	OREGON CHANGES	12 22
IL 02 79	OREGON CHANGES - CANCELLATION AND NONRENEWAL	3 24
IL 09 52	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM	01 15
IL 09 85	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT	12 20
FP 05 31	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA	04 16
IL 01 42	OREGON CHANGES - DOMESTIC PARTNERSHIP	09 08
FP 03 04	SINGLE FARM PROPERTY PER OCCURRENCE DEDUCTIBLE	01 98
OFPA 003	OFPA PRIVACY NOTICE	07 01
FP 10 16	VANDALISM EXCLUSION	04 16
FP 12 11	LOSS PAYABLE PROVISIONS	09 03
FP 10 14	THEFT EXCLUSION	04 16
FP 10 15	WINDSTORM OR HAIL EXCLUSION	04 16
IL 00 03	CALCULATION OF PREMIUM	09 08
FP 04 75	VACANCY PERMIT	04 16
FP 10 01	MARAJUANA EXCLUSION	10 17
IL N 085	OREGON FRAUD STATEMENT	02 11
OFPA 340	NOTICE OF ADVERSE UNDERWRITING	01 02
FP 05 25	OTHER STRUCTURES	04 16

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