

## California FAIR Plan Association

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**Date:** October 30, 2009

**Subject:** Inflation Guard Endorsement for Dwelling Policies

**Effective:** January 1, 2010 Renewals

The California FAIR Plan will begin automatically adding the Inflation Guard endorsement (DP 600) to all existing dwelling policies beginning with January 1, 2010 renewals.

Policies that previously had the Increased Cost of Construction endorsement will be converted to the new Inflation Guard endorsement beginning with January 1, 2010 renewals. An explainer will be added to all renewal policies for a full 12 month renewal cycle.

Although this coverage will be automatically added during the 2010 renewal, policyholders will not see any incremental increase in their coverage limits until their policy renews in 2011 (unless the policy previously included the Increased Cost of Construction endorsement).

The Inflation Guard endorsement will also be added to all online Dwelling Applications, subject to removal at the policyholder's request.

To see a copy of the new endorsement and customer explainers included in the renewal packet, click below:

[DP 600 Inflation Guard Endorsement](#)

[Conversion Explainer](#) for renewals being converted from Increased Cost of Construction to Inflation Guard

[Addition Explainer](#) for renewals having Inflation Guard added

Any increase in coverage can not exceed the FAIR Plan's \$1.5 million combined maximum limit for residential policies. Policyholders should not rely on this increase to determine whether total coverage limits are sufficient.

Policies no longer have to have Replacement Cost coverage to obtain this endorsement.

This endorsement, and all other coverage forms is available on our website at [www.cfpnet.com](http://www.cfpnet.com)

