

## California FAIR Plan Association

3435 Wilshire Blvd Suite 1200, Los Angeles, CA 90010

Producers: 800-252-0089

Website: <http://www.cfpnet.com>

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**Date:** October 19, 2009

**Subject:** Introduction of Fair Rental Value and Ordinance or Law Coverages

**Effective:** November 1, 2009

Beginning November 1, 2009, the California FAIR Plan is offering **Fair Rental Value** and **Ordinance or Law** coverage for all owner and tenant occupied Dwelling policies. These coverages can be purchased at any time during the policy period and do not require policies to have the Replacement Cost endorsement.

**Fair Rental Value** (Coverage D) can be purchased for up to 20% of the Dwelling (Coverage A) limit in any amount desired. This limit will be shown separately on the Declarations page. Without the purchase of this separate coverage, up to 10% of the Dwelling (Coverage A) limit can be used for fair rental value or loss of use, but it depletes the dollars available to repair or replace the damaged structure. This new coverage will not deplete the monies available under the Dwelling (Coverage A) limit.

**Ordinance or Law** coverage can be purchased for up to 10% of the Dwelling (Coverage A) limit in any amount desired. Policies that currently have Building Code Upgrade coverage will be automatically converted to Ordinance or Law coverage at renewal at the current limit of \$10,000 unless the Dwelling (Coverage A) limit is less than \$100,000. For those policies, the new Ordinance or Law coverage will be set at 10% of Coverage A.

To add these coverages to an existing policy, log onto the Producer Online System at [www.cfpnet.com](http://www.cfpnet.com) beginning 11/1/2009.

A notice is being mailed to all current dwelling policy customers announcing these changes.

To see a copy of the customer notice, click on the following link:

[http://www.cfpnet.com/LTR-CAFP-1009\\_ascii\\_P%20BLK%20101209.pdf](http://www.cfpnet.com/LTR-CAFP-1009_ascii_P%20BLK%20101209.pdf)

For more information on this and other coverages, please reference the [Producers Bulletin](#) link on our website.