



## Frequently Asked Questions

### **1. WHAT ARE THE ADVANTAGES OF USING THE ONLINE APPLICATION PROCESSING SYSTEM?**

The program is design to provide an easy to quote and easy to write program covering primarily vacant dwellings and vacant dwellings undergoing renovations..

### **2. WHAT DOES THE VACANT BUILDING PROGRAM PROVIDE?**

The program provides coverage for two types of exposure:

- a. Dwellings that are vacant
- b. Dwellings that are vacant and undergoing renovations.

### **3. WHAT QUALIFIES FOR COVERAGE UNDER THE VACANT BUILDING PROGRAM?**

The following qualifies for the vacant building program:

A building containing:

- Not more than 4 dwelling units • 3 dwelling units & 1 retail unit • 2 dwelling units & 2 retail units

We do write commercial risks also. See Question 22.

### **4. HOW DO YOU DEFINE A "VACANT" DWELLING/BUILDING?**

A "vacant" building is defined as follows:

"A building including mobile homes on permanent foundations and condominiums, which is not intended for demolition, which is totally vacant or unoccupied and is not undergoing any repairs, restoration, remodeling or fix-up work of any kind."

### **5. WHAT IS "FIX-UP WORK"?**

"Fix-up work" includes but is not limited to the following:

- Painting.
- Repairing a windowsill.
- Touch up painting of a room.
- Installing new carpeting.
- Installing curtains, blinds etc.

### **6. DOES THIS MEAN THAT IF THERE IS "FIX-UP WORK" OF ANY KIND EVEN IF MINOR, IT IS NOT ELIGIBLE TO BE RATED UNDER THE "VACANT" PROGRAM?**

The answer is "yes".

### **7. WHAT DO I DO IF THERE IS "FIX-UP WORK"?**

You should rate it under the "Vacant Dwellings with Renovation" program.



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***8. WHAT IS THE COVERAGE DIFFERENCE BETWEEN A "VACANT" DWELLING AND A "VACANT DWELLING UNDERGOING RENOVATIONS"?***

The difference is in the "Vacancy Warranty Clause". The warranty basically states that the insured warrants that the building will not be used for any activity whatsoever except to show to prospective buyers for the purpose of selling it. They agree that insurance will be suspended if they fail to maintain the premise in this condition.

What this means is that if there is to be fix up work of any kind - even if it is minor - that will be done during the policy period, the risk is considered a **Renovation**. The Insured must make that known to you so you can correctly rate the coverage as a **building undergoing Renovation**. A building undergoing renovation policy does **not** have the "Vacancy Warranty Clause" attached to it.

***9. WHAT COVERAGE FORM IS PROVIDED?***

Coverage is provided under the Basic Causes of Loss Form CP 10 10

***10. DOES COVERAGE INCLUDE VANDALISM?***

"Yes" **vandalism is an included coverage** under the Basic Causes of Loss Form CP 10 10

***11. WHAT POLICY TERMS ARE OFFERED?***

The standard term is 3 months (in most states). However, 6 and 12 months are available. Premium for the first 3 months is always fully (100%) earned.

***12. WHAT IS THE MAXIMUM PROPERTY LIMIT AVAILABLE?***

The maximum limit available is \$1,000,000 subject to underwriting acceptance.

***13. WHAT DEDUCTIBLE APPLIES?***

For vacant dwellings, the minimum deductible is \$100. For vacant dwelling undergoing renovations, the deductible is \$500.

***14. DOES COINSURANCE APPLY?***

Yes, an 80% coinsurance clause applies.

***15. HOW IS THE PROPERTY VALUED?***

Valuation is on an Actual Cash Values basis.

***16. HOW WILL I BE BILLED?***

The initial term premium is always due up front with the application and the photos of the front and rear of the building. **Subsequent billings will be done on a Direct Bill basis to the insured.**

***17. IS PREMISES LIABILITY COVERAGE OFFERED?***

Yes, limits up to \$1,000,000 are available.

***18. FIRE DAMAGED PROPERTIES - ARE YOU WILLING TO CONSIDER?***

Yes, we will consider fire damage dwellings. The date of the loss, type, description and amount etc of the damage will need to shown on the APPLICATION. If acceptable by underwriting, policy will be issued with an existing damage exclusion.



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***19. RISKS IN BANKRUPTCY - ARE YOU WILLING TO CONSIDER?***

Yes, we will consider writing risks in bankruptcy. Please provide details.

***20. VACANCIES OVER 1 YEAR - WILL YOU WRITE?***

Length of time vacant is not an issue under this program.

***21. HOW DO I OBTAIN A COMMERCIAL QUOTE?***

To obtain a commercial quote, all you'll have to do is:

- a. Fully complete the vacant building application (this is the same application that you use for vacant dwellings) and submit it to us.
- b. When completed, fax it to Diamond State Insurance Company® or United Specialty Insurance Company® at 847-866-0288.

***22. WHAT IS CONSIDERED A COMMERCIAL BUILDING?***

A commercial building is any building that contain more than:

4 dwelling units, or 3 dwelling units and 1 retail unit, or 2 dwelling units and 2 retail units.

***HOW LONG WILL IT TAKE BEFORE WE  
KNOW THE RISK WAS EITHER BOUND OR  
DECLINED IF THE RISK IS SUBMITTED  
ELECTRONICALLY?***

Our goal is to have an answer back to you within 2 business days. This is much faster than a mail submission.