



Minnesota FAIR Plan

Plan of Operation

APPENDIX C

MN FAIR Plan Depopulation Policy

June 30th 2003

Products and Pricing

The FAIR Plan will review its rates as needed to assure that the coverage provided by the Plan does not compete favorably with that available from private insurers.

Commissions

The FAIR Plan will use commission amounts to help facilitate the depopulation of the FAIR Plan. The FAIR Plan Governing Board will adjust commission rates paid as needed to assure the success of the Facility's depopulation efforts.

Re-inspection program

The FAIR Plan will re-inspect insured risks to determine whether they may be ready to return to the private market for their insurance coverage. Re-inspections are done at no cost to the policyholder. The FAIR Plan will inform the policyholder of the results of the re-inspection, whether they should seek coverage in the private market, or what they can do to qualify for private company coverage.

Communication with the insured

All new policyholders receive a letter explaining the coverage that they have with the FAIR Plan, the limitations of that coverage, and the fact that it costs more than coverage available from private carriers. The letter will also inform the insured that better coverage is available in the private market.

Renewal customers receive a letter with their renewal declaration page reminding them of the limitations of their coverage with the FAIR Plan and why they should seek coverage in the private market.

Communication with the industry

The FAIR Plan will inform the member companies of its efforts to depopulate the Plan. The member companies will be instructed how to obtain a copy of our depopulation candidate list. This list will be provided to any member company on request. Member companies will be free to contact FAIR Plan customers for the purpose of providing them with insurance coverage that replaces the coverage provided by the Plan.