

OSS
ORGANIZATION OF
SELF-INSURED SCHOOLS

REVISED VACANT PROPERTY BULLETIN

From: Bill Tucker Jr., OSS JPA Manager
To: OSS Members & Servicing Agents
Re: **Coverage Limitation Effective 1/12/12**
Applicable to Vacant Buildings / Structures

The OSS/NorCal ReLiEF Memorandum of Coverage (MOC) has been revised as of January 12, 2012 with respect to vacant property. Vacant sites must be reported to your Servicing Agent/OSS.

Vacant means a site location is **Vacant** unless at least 30% of its total square feet is: 1) Used by the Named Covered Party to conduct customary operations and/or 2) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations.

Losses to vacant buildings/structures are now subject to the lesser of actual cash value, the cost to repair, or the sale of the property less the value of the land.

Vacancy Protective Safeguards are now required and must be maintained for property that has been vacant over 180 days. **Without such safeguards in place, loss valuation will be actual cash value / cost to repair less a 10% deduction.** These safeguards include:

1. Conduct and document monthly external and internal inspections of the vacant property.
2. Maintain heating to keep pipes from freezing.
3. If feasible, turn off the water supply.
4. Keep existing sprinkler, fire protection and heat or smoke detection systems in service.
5. Keep existing intrusion detection systems in service.
6. Secure all perimeter doors and accessible perimeter windows.
7. Maintain exterior and interior motion or timed lighting.
8. Remove any debris or hazardous materials, including unnecessary combustibles, pollutants or chemicals.
9. Turn off unnecessary electrical equipment.
10. Notify the **Authority (OSS / NorCal ReLiEF)** of such locations within 180 consecutive days of vacancy.

Vacant Land: Bare land (no structures) owned by OSS Members should be scheduled with OSS and listed as a site in the Property Schedule. Contact your Agent to add any vacant land not currently scheduled. Your Agent will need to know the Site / Land Name, Physical Address, and size (acreage or lot size). This location will be covered for Liability only.

Sites Leased / Rented to Outside Parties: School sites leased / rented to outside parties are not considered vacant if occupied, however this exposure creates risk management concerns that must be addressed to protect OSS and its Members. There should be a current agreement / contract / MOU in place which includes indemnification wording in favor of the OSS Member and insurance terms required by the tenant. In addition, the OSS Member should have a current certificate of insurance with attached "additional insured endorsement" from the tenant naming the OSS Member, its elected or appointed officials, employees, agents and volunteers as additional insured's.

