



Approved by Property Committee: 12/19/18
Amended by Property Committee: 9/4/2024

Public Risk Innovation, Solutions, and Management (PRISM)

Property Program Policy Regarding Vacant Buildings

The Property Program provides broad coverage to its members, and coverage is not automatically limited or reduced if a building becomes vacant or unoccupied. Buildings that are vacant or unoccupied are generally considered a higher risk, and the Property Committee has approved [best practices](#) to be applied by the members when they have a building that is or becomes vacant or unoccupied in order to reduce losses

For purposes of this policy, the Property Committee will consider a building to be vacant or unoccupied when 70% or more of the total square footage is unused or is not used for customary operations. A building where equipment or material is being stored is considered a customary operation.

Losses occurring at vacant or unoccupied buildings that have not been properly protected, and especially repeated losses at vacant buildings, adversely impacts the entire Program. Therefore, the Property Committee's policy to address vacant buildings, and any amendments thereto, become effective immediately

- If the Program experiences a loss from a vacant building, an evaluation will be made after, or potentially during, the loss adjustment to determine if the building is still vacant and if so, whether appropriate protective safeguards have been implemented pursuant to the Best Practices. The evaluation may include but is not limited to, a self-assessment completed by the member and if determined to be necessary a physical inspection of the building and surrounding area by or at the direction of PRISM. If a recommendation is made to the Property Committee to modify coverage, the member will be provided notice of the recommended coverage change in advance of the meeting so they may address the Committee if desired.
- If the Property Committee determines that appropriate protective safeguards are not in place, or the vacant building poses additional risk to the program, the Committee may modify coverage for that location via endorsement going forward Coverage may be modified in a number of ways, including but not limited to a higher deductible for that location, recovery may be limited to Actual Cash Value (ACV) only, and/or coverage for that location may be terminated.
- If the vacant building where the loss occurred is part of a larger vacant campus, the Property Committee may consider adjusting coverage for all vacant buildings at the location.
- The Property Committee acknowledges that buildings may become vacant or unoccupied for short periods of time, and the vacancy duration will be considered if a location is evaluated for a modification of future coverage.
- A member who has coverage modified for a vacant building via endorsement may request reconsideration by the Property Committee. If reconsideration is requested, another evaluation will be made and reported to the Property

Committee on the status and extent of protective safeguards. Based on the information presented the Property Committee may approve a different coverage modification or eliminate the coverage modification all together. If the member disagrees with the action taken by the Property Committee, an appeal may be made pursuant to Article 31 of the Joint Powers Agreement.