

July 1, 2010

**INSURANCE INFORMATION NOTICE 2011-7**

**SUBJECT: BUILDING VACANCY PERMITS**

ORM has the authority to issue Vacancy Permits or Denial of Vacancy Permits when State-owned buildings are abandoned or not in use. A building is vacant when it does not contain employees or enough business property to conduct customary operations. We may be notified that a building is no longer in use or we may discover one not in use upon a site visit.

A Vacancy Permit is issued:

1. when a building has been or will be vacant for more than 60 days AND
2. when the owner-agency plans to resume operations or lease the space at some point in the future.

It is required that the owner-agency maintain the building even while not in use, including providing security, fencing, inspections, boarding windows and doors, etc. The vacancy permit will outline the specific required actions.

When a Vacancy Permit is in effect, the building continues to be insured on a **replacement cost value basis (without deduction for depreciation)**. In the event of a loss, ORM will reimburse the owner-agency up to the full replacement cost that is on file in this office. See Attachment No. 1.

A Denial of Vacancy Permit is issued:

1. when a building has been or will be vacant more than 60 days AND
2. when the owner-agency
  - a) has no intention of resuming operations or leasing the space at some point in the future,
  - b) the building is scheduled for demolition, or
  - c) the owner-agency cannot or will not provide the appropriate maintenance on the building.

When a Denial of Vacancy Permit is in effect, the building is now insured on an **actual cash value basis (ACV) (with deduction for depreciation)**. In the event of a loss and the owner-agency decides to repair or replace the building, ORM will determine the depreciated value of the building and reimburse the owner-agency up to that amount. See Attachment No. 2.

Buildings under construction/renovation are not considered vacant.

If you have questions or wish to report vacant buildings, please contact Amanda Stein at (225) 342-8469.

**ATTACHMENT #1**

**VACANT BUILDING PERMIT**

STATE AGENCY NAME \_\_\_\_\_

ORM AGENCY NUMBER \_\_\_\_\_

BUILDING NAME \_\_\_\_\_

STREET ADDRESS \_\_\_\_\_

CITY, STATE \_\_\_\_\_

BUILDING ID NUMBER \_\_\_\_\_

DATE VACATED \_\_\_\_\_

INSPECTED BY \_\_\_\_\_

DATE INSPECTED \_\_\_\_\_

DATE OF PREVIOUS VACANCY DENIAL \_\_\_\_\_

**SECURITY REQUIREMENTS TO MAINTAIN COVERAGE:**

- Six-Foot Security Fence
- Secure Entrances and Windows: Lock / Board
- Police Patrol
- Post "No Trespassing" Signs
- Special Security:

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\_\_\_\_\_

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**NOTE: IF IT IS DETERMINED THAT THE PROPERTY IS NOT SECURED AND PROTECTED FROM THEFT AND VANDALISM, OR THE ABOVE REQUIREMENTS ARE NOT COMPLIED WITH, THE PAYMENT OF THE LOSS WILL BE BASED ON THE ACTUAL CASH VALUE AT THE TIME OF THE LOSS INSTEAD OF THE REPLACEMENT COST.**

Agency Representative \_\_\_\_\_ Date: \_\_\_\_\_

Loss Prevention Manager \_\_\_\_\_ Date: \_\_\_\_\_

Underwriting Manager \_\_\_\_\_ Date: \_\_\_\_\_

**ATTACHMENT #2**

**DENIAL OF  
VACANT BUILDING PERMIT**

STATE AGENCY NAME \_\_\_\_\_

ORM AGENCY NUMBER \_\_\_\_\_

BUILDING NAME \_\_\_\_\_

STREET ADDRESS \_\_\_\_\_

CITY, STATE \_\_\_\_\_

BUILDING ID NUMBER \_\_\_\_\_

DATE VACATED \_\_\_\_\_

INSPECTED BY \_\_\_\_\_

DATE INSPECTED \_\_\_\_\_

DATE OF PREVIOUS VACANCY PERMIT \_\_\_\_\_

REASONS FOR DENIAL:

- Deteriorated structure
- Agency inability to repair structure
- Security measures not maintained causing deterioration/vandalism
- Other:

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**NOTE: IT HAS BEEN DETERMINED THAT THE ABOVE PROPERTY IS NOT ELIGIBLE FOR A VACANCY PERMIT. THE PAYMENT OF ANY PROPERTY LOSS WILL BE BASED ON THE ACTUAL CASH VALUE AT THE TIME OF THE LOSS INSTEAD OF THE REPLACEMENT COST.**

Agency Representative \_\_\_\_\_ Date: \_\_\_\_\_

Loss Prevention Manager \_\_\_\_\_ Date: \_\_\_\_\_

Underwriting Manager \_\_\_\_\_ Date: \_\_\_\_\_