



**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. PRISM has developed a [Vacant Building Risk Assessment Survey](#) (login required) to assist the member in determining the reasonable protective safeguards to be implemented.

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 is establishing this policy to address vacant buildings, to be effectively immediately:

- PRISM staff are directed to conduct an evaluation by January 31, 2019 of the 7 vacant building locations where there have been losses in the past 10 years to determine if still vacant, to what extent protective safeguards have been implemented.
- Staff will report back to the Committee on the findings and the Property Committee will determine whether coverage for those locations should be modified by endorsement going forward. Coverage may be limited in a number of ways, including but not limited to a higher deductible, recovery may be limited to Actual Cash Value (ACV) only, and/or coverage for that location will be terminated.
- If the Program experiences a loss from a vacant building in the future, an evaluation will be made after 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. If a recommendation is being 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, the Committee may modify coverage for that location via endorsement going forward as noted above.

- 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 limitation 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, PRISM staff will conduct another evaluation and report back to the Property Committee on the status and extent of protective safeguards. The Property Committee may approve modification or removal of a previously approved vacant building endorsement. 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.