

**191—20.51 (515,515F) Procedure after inspection and receipt of application.**

**20.51(1)** After receipt of the application, the inspection report, and any additional underwriting information requested from the applicant, the Plan shall within five business days complete and send to the applicant an action report advising the applicant of one of the following:

*a.* That the risk is acceptable. If the inspection reveals substandard conditions, appropriate charges may be imposed, but the report shall specify the improvements necessary for removal of each such charge.

*b.* That the risk is declined unless reasonable improvements noted in the action report are made by the applicant and confirmed by reinspection.

*c.* That the risk is declined because it fails to meet reasonable underwriting standards as set forth in 191—20.52(515,515F). Reasonable underwriting standards as set forth in 191—20.52(515,515F) shall not include neighborhood or area location or any environment hazard beyond the control of the property owner.

**20.51(2)** If the risk is accepted, the action report shall advise the applicant of:

*a.* The amount of coverage the Plan agrees to write.

*b.* The amount of coverage the Plan agrees to write if specified improvements are made.

*c.* The amount of coverage the Plan agrees to write only if a large or special deductible is agreed to by the applicant.

**20.51(3)** If the risk is accepted, the Plan, upon receipt of the premium, shall deliver the policy to the applicant or to the licensed producer designated by the applicant for delivery to the applicant. The Plan shall remit the commissions to the licensed producer designated by the applicant.