
VACANCY CLAUSE

Insurance companies are generally very concerned about providing property insurance coverage for buildings that are vacant. These buildings are at a greater risk of claims due to no one living on the property, especially claims such as water damage from broken pipes, vandalism, theft and sprinkler leakage. This concern has been heightened during the current economic period where there are clearly many building that are vacant or partially vacant.

The underwriter for the MJ Sorority book of business understands the sorority exposure of the chapter houses being closed for the summer break and the other academic year breaks, so this issue of vacancy does not apply. The insurance policy is intact as long as the summer break does not extend beyond the 120 day mark. If indeed your university's academic break is in excess of the 120 days allowance, please [contact your MJ Account Executive](#) to discuss.

HOW THIS MIGHT AFFECT YOU

The impact upon our Sorority clients would be in the following examples:

- A chapter is closed and there are no future occupancy plans for the building
- A chapter is closed and the future occupancy plans exceed the 120 day window provided for in the insurance coverage
- A new colony/chapter is planned for a particular university and a building is purchased with the plans to have it remodeled and ready for occupancy in the next school year/semester term

In these scenarios, the property coverage remains intact; however, the property deductible for all the coverages is **\$10,000 per occurrence** as opposed to your normal property deductible.

There is a risk management tool that can be used to keep your property deductible at the normal level: the employment of a property caretaker who lives on the property would reverse the insurance company's vacancy deductible provision. If this is being considered, it would be prudent for you to contact us so we can discuss and show in our records to ensure no controversy if a property loss would occur.