

**Date: November 6, 2001**

**Website Changes approved by NC Department of Insurance for Implementation Effective January 1, 2002.**

**(These changes will also appear in the next Producer Mailing)**

**\* Revisions to the Fire Losses Underwriting Standards**

The Department of Insurance has recently approved a change in our fire loss standard. The new standard reads as follows:

1. Where the building has been subject to two or more fires, each loss amounting to at least \$500 or one (1) percent of the insurance in force, whichever is greater, in any 12 month period; or three (3) or more such fires in any 24 month period, provided the cause of such fires was due to conditions which are the responsibility and within the control of the owner or named insured.

The old standard read as follows:

Where the building has been subject to more than two fires, each loss amounting to at least \$500 or one (1) percent of the insurance in force, whichever is greater, in any 12 month period; or, more than three (3) such fires in any 24 month period, provided the cause of such fires was due to conditions which are the responsibility and within control of the owner or named insured.

If you have any questions on this please feel free to contact your underwriter.

**\* Revision to the Mobile Home Supplemental Application AP 30.**

We have added section 2.D.to the Mobile Home Supplemental Application AP 30 to read as follows:

Is this a multi-section residential structure (consisting of two or more sections) with the moving hitch, wheels and axles removed; and is it placed upon a masonry enclosed foundation on land owned by the owner of the manufactured home? \_\_\_Yes \_\_\_No

We are making this change so that the wording on the form parallels language taken from general statute 105-273 (13) which clarifies how manufactured homes can be considered real property and may qualify for the DP-0002, Broad Perils including Replacement Cost Coverage, Dwelling Policy form.

The updated AP30 edition date 09/01 is linked to this site; click on "New Forms."

**\* Revisions to windstorm and hail certificate of essential property insurance (WH0005).**

The enhancements are:

1. Being added to the form is information that if the Essential Property Carrier requires completion of a Form F Surplus Lines Application, Windstorm and Hail coverage is not available through the Association. The completion of a Form F Application means that the Essential Property Insurance Carrier is not a Member Company of the Association.
2. Previously the North Carolina Insurance Underwriting Association stated on the Certificate of Essential Property Insurance supplemental application that the Essential Property policy and the Windstorm and Hail policy must be concurrent. The wording has been changed to read “must be as concurrent as possible.” One exception being that the Association reserves the right to require a different deductible than the Essential Property Carrier. There may also be cases where the Association may decline coverage due to the condition of the risk.
3. The next change is to further clarify Dwelling and Commercial Property Wind-Driven Rain coverage. The clarification states that Wind-Driven Rain coverage applies only to Building coverage and provides separate details for Commercial and Dwelling Wind-Driven Rain coverage. Most notably that there is a charge if Wind-Driven Rain coverage is provided on Commercial Property. We believe that this information will be of great benefit to both the policyholder and producer.

The updated WH0005 edition date 09/01 is linked to this site; click on “New Forms.”