

## New Endorsements

The following endorsements have been filed to the NC Commissioner of Insurance for approval to be effective May 1, 2002.

- WH3202 0402, Amendatory Endorsement – Basic Form WHD 001: This endorsement parallels the homeowners endorsement that addresses "Fungi," Wet or Dry Rot, or Bacteria. The endorsement applies to all Dwelling Windstorm or Hail Policies.
- NP WD 01 0402, Dwelling Windstorm and Hail Policy – Notice to Policyholder: This is the required notice advising policyholders of the new Amendatory Endorsement, WH3202, that addresses Fungi, Wet or Dry Rot, or Bacteria.
- WHD 201 0402, Wind or Hail-Driven Rain Coverage – Building: This endorsement is being revised to parallel the new Amendatory Endorsement – North Carolina HO 32 33 10 01 which adds the exclusion of "seepage and leakage" under the HO3 Policy Form.

### NOTES TO REMEMBER FOR THE NCJUA AND NCIUA

#### **Basic Requirements for Beach Plan**

- The Beach Plan does require the following with any submission to the NCIUA.
  - **Application**-either BP A-3 or corresponding ACORD, properly signed by authorized representative and producer
  - Supplemental **BP-16** or the ACORD 190 if an ACORD application is utilized.
  - **Photograph** of the structure must accompany BP-16 at time of application.
  - Essential Carrier Supplement applies to Wind and Hail-WH0005.
  - Any other supplement as required i.e. Corporate Questionnaire, Vacancy Questionnaire, Builders Risk Supplement, etc.

**Incomplete applications or applications without photographs will be returned without coverage in effect.**

#### **Clarification of Corporate Questionnaire**

- The Corporate Questionnaire is required to have information about the officers and major owners of businesses. The following is a listing of when the form should be submitted, but may be required upon Association request in other situations:
  - The applicant is **Incorporated**.
  - The applicant is a **Partnership**.
  - The applicant is a Holding Company, Trust, LLC, Association, or other **Fictitious Entity**.Note: Our definition of Fictitious Entity is anything other than an individual.

#### **Clarification of Builder's Risk on Dwelling 89 Rule 403 Dwelling Under Construction**

- If you review the Dwelling 89 manual, it does provide the following information on how a dwelling under construction should be prepared.
  - Named insured is the intended occupant.  
**A builder (contractor) may be designated as an additional insured.** The policy may be cancelled upon completion of the dwelling. Use endorsement DP1143 Dwelling Under Construction.
  - Named insured is not the intended occupant.  
The policy shall specify building is in course of construction and permission is granted to complete.

To be technically correct and allow the owner occupied credit you must follow the above rules of Dwelling 89 Manual as outlined by the North Carolina Rate Bureau. If a policy is to have any indication of the Builder as the Named Insured, then the policy will not get the discount. In addition, please follow our rules for submission of the Corporate Questionnaire if written in a Business Name with no discounts applied.

If you would have any questions, please feel free to contact your Underwriter at the Association.