



**NORTH CAROLINA  
INSURANCE UNDERWRITING ASSOCIATION**

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**BEACH PLAN**

**NORTH CAROLINA  
JOINT UNDERWRITING ASSOCIATION**

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**FAIR PLAN**

November 1, 2004

**BEACH PLAN POLICYHOLDER BILLING IMPORTANT UPDATE  
CANCELLATION TIMING FOR NON-PAYMENT**

Effective November 1, 2004, the Association has modified the policyholder billing system to follow a more streamline logic of processing.

- At least forty-five days prior to expiration a billing invoice will generate to the appropriate parties-exception unpaid balance on a prior term will not generate new term billing until paid.
- Payment is due on the expiration date of the current policy period.
- Payment not received by the due date, will generate a cancellation notice for non-payment of premium to be sent for coverage to terminate on the 15<sup>th</sup> day following policy expiration. (In the past, this notice generated 15 days prior to the expiration.)
- If payment were received prior to the cancellation date then a rescinding notice of cancellation would be generated.
- If payment is received on the 16<sup>th</sup> day, but prior to the 61<sup>st</sup> day, then coverage is reinstated on the date such payment is received. This provision is subject to the Association's Hurricane Coverage Writing Restriction. The policy will also be short-termed to maintain the same expiration date.
- Premium received on the 61<sup>st</sup> day or after will be returned for reapplication.

We believe this process to be a more effective method of handling notices of cancellation for non-payment of premium.

This change will not affect any notice that has already been generated by the Association, but is for new notices and billings initiated after November 1, 2004. If you would have any questions, please contact your Unit Underwriter.

Sincerely,  
Underwriting Department  
NCIUA