



North Carolina Insurance Underwriting Association

Beach Plan

North Carolina Joint Underwriting Association

FAIR Plan

Beach and FAIR Plan Roll Back---Additional information

This message addresses the roll back advisory notification released to producers and policyholders resulting from the legal challenge to the Beach and FAIR Plan surcharges and minimum windstorm and hail deductibles implemented beginning February 1, 2009 for new business and April 1, 2009 for renewals in the eighteen coastal counties. The following explanations should provide you with details on policy and premium processing activities applicable to most circumstances.

Rate Surcharges-Beach Plan Only

Impacted policy lines---Homeowners and Homeowners Windstorm and Hail

- **New Business or renewal policies** effective February 1, 2009 or later will be amended to remove the additional 10% rate surcharge.*
- **Issued** policies or renewals will be amended and a corrected declaration along with return premiums will be processed.*
- New business or renewal notices that had **not been processed** will be released based on rates that were in effect prior to February 1, 2009 and will not require a corrected declarations.

***A policy may also be impacted by the deductible change described below. It is important to remember that while the reduction of the surcharge will LOWER premiums, a deductible reduction will INCREASE premiums. Corrected declarations along with return premiums or additional billing invoices will be released within the next 75 days.**

Minimum Deductible Changes-Beach Plan

Impacted policy lines---Homeowners, Homeowners Windstorm and Hail, Dwelling, Commercial and Commercial Wind

- **New Business** policies issued with a percentage windstorm and hail deductible effective February 1, 2009 or later will be amended to provide the minimum deductible requirement that existed prior to the February 1, 2009 changes. However, the Homeowners/Wind New Business policies issued will be amended to match the deductible of the essential carrier but still subject to the minimum deductible requirement that existed prior to the February 1, 2009 changes.**
- **Renewal** policies issued with a percentage windstorm and hail deductible effective April 1, 2009 or later will be amended to provide the minimum deductible requirement that existed prior to the February 1, 2009 changes. However, the Homeowners/Wind renewals issued will be amended to match the deductible of the essential carrier but still subject to the minimum deductible requirement that existed prior to the February 1, 2009 changes.**
- New business or renewals that had **not been processed** will be released based on deductible minimums that were in effect prior to February 1, 2009. **

Minimum Deductible Changes-FAIR Plan (18 coastal counties)

Impacted policy lines---Dwelling and Commercial

- **New Business** policies issued with a percentage windstorm and hail deductible effective February 1, 2009 or later will be amended to provide the minimum deductible requirement that existed prior to the February 1, 2009 changes. **
- **Renewal** policies issued with a percentage windstorm and hail deductible effective April 1, 2009 or later will be amended to provide the minimum deductible requirement that existed prior to the February 1, 2009 changes.**
- New business or renew that had **not been processed** will be released based on deductible minimums that were in effect prior to February 1, 2009. **

**** It is important to remember that a deductible reduction will INCREASE premiums. Homeowner and Homeowners Wind policies may also be affected by the reduced surcharge described above which will DECREASE premium. Corrected declarations along with return premiums or additional billing invoices will be released within the next 75 days. If the policyholder desires a deductible higher than the previous minimum, they will need to advise their insurance agent. All change requests must come through the policyholder's insurance agent. Endorsement requests should be submitted via the Dynamic Web, or by mail or fax.**

Our staff is working diligently to expedite this rollback. Please understand it will take the Association approximately 75 days to work through the affected policies.