



**NORTH CAROLINA
INSURANCE UNDERWRITING ASSOCIATION**
BEACH PLAN
**NORTH CAROLINA
JOINT UNDERWRITING ASSOCIATION**
FAIR PLAN

**IMPORTANT NOTICE
BEACH PLAN HOMEOWNER GUIDELINE UPDATE-EFFECTIVE FEBRUARY 1, 2006**

Effective February 1, 2006, The North Carolina Department of Insurance has approved that Manufactured Homes will no longer be eligible for coverage under a **HO 00 02**-Broad Form or a **HO 00 03**-Special Form in the Association's Homeowner Program. **This rule applies whether the property is deeded as "real property" for tax purposes, as the original construction type remains unchanged.**

These homes may only be eligible for coverage under the **HO 00 08**-Modified Form with the Actual Cash Value Settlement, as approved for use in North Carolina. The definition of a Manufactured Home is as follows:

- A structure that is transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities.

(Definition taken from the National Flood Program)

New Business with an effective date of February 1, 2006, or later will have this guideline applied for eligibility.

Renewals will be handled as follows:

- Policy will continue for one additional term after February 1, 2006, with no change to policy form.
- Letter will be sent at this renewal advising of the change that will occur at the next anniversary.
- Sixty days (60) prior to the actual anniversary of conversion, a formal notice of policy change will be sent to the policyholder.
- Policy will convert to the HO 00 08-ACV Modified Form with adjustments to coverage to reflect Actual Cash Value Loss Settlement and premium adjustment, subject to Homeowner eligibility of remaining guidelines.

The notice will refer the Policyholder to the Producing Agent, as there are optional coverages such as a Dwelling Fire Policy available with the Association.

We thank you for your continued support of the North Carolina Insurance Underwriting Association.

Sincerely,
Bruce D. Lee
Underwriting Manager