



**NORTH CAROLINA
INSURANCE UNDERWRITING ASSOCIATION**

BEACH PLAN

**NORTH CAROLINA
JOINT UNDERWRITING ASSOCIATION**

FAIR PLAN

August 15, 2005

IMPORTANT NOTICE TO ALL PRODUCERS
FAIR AND BEACH PLAN DEDUCTIBLE REQUIREMENTS AS OF OCTOBER 1, 2005

Dear Producer:

The Association has received approval from the Department of Insurance to implement the following deductible minimum requirements beginning October 1, 2005, for New Business submissions and Continuation applications processed October 1, 2005, for future effective dates.

FAIR Plan Residential:

A \$500 minimum deductible is required on all FAIR Plan residential properties. The Plan reserves the right to require higher deductibles at the appropriate rate credits, where conditions warrant.

The Association may impose a minimum \$1,000 all perils deductible for any new or continued policy reflecting two or more non-weather related losses within a three-year period. The applicant/policyholder may request the Association to reconsider the required deductible after three years if no additional non-weather related losses have occurred.

FAIR Plan Commercial:

The following minimum deductible chart, based on building limit of insurance, along with the frequency or severity of losses provision applies.

<u>Amount of Insurance</u>	<u>Minimum Deductible</u>
Less than \$100,000	\$500
\$100,000-\$249,999	\$1,000
\$250,000 and above	\$2,500

The Association may impose a minimum \$2,500 all perils deductible for any new or continued policy reflecting two or more non-weather related losses within a three year period or two non-weather related losses in a three year period of \$5,000 or greater. The applicant/policyholder may request the Association to reconsider the required deductible after three years if no additional non-weather related losses have occurred.

Beach Plan Residential:

A \$500 minimum flat deductible for all perils except windstorm and hail with the following Windstorm and Hail Only Deductible scale. Also refer to the frequency of loss provision.

<u>Amount of Insurance</u>	<u>Minimum Deductible</u>
Less than \$100,000	\$500
\$100,000-\$249,999	\$1,000
\$250,000 and above	\$2,000

The Association may impose a minimum \$1,000 all perils deductible for any new or continued policy reflecting two or more non-weather related losses within a three-year period. The applicant/policyholder may request the Association to reconsider the required deductible after three years if no additional non-weather related losses have occurred.

Beach Plan Commercial

\$1,000 minimum flat deductible for all perils except windstorm and hail and the following Windstorm and Hail Only Deductible scale. Also refer to the frequency or severity of loss provision.

<u>Amount of Insurance</u>	<u>Minimum Deductible</u>
Less than \$100,000	\$1,000
\$100,000-\$249,999	\$2,500
\$250,000 and above	\$5,000

The Association may impose a minimum \$2,500 all perils deductible for any new or continued policy reflecting two or more non-weather related losses within a three year period or two non-weather related losses in a three year period of \$5,000 or greater. The applicant/policyholder may request the Association to reconsider the required deductible after three years if no additional non-weather related losses have occurred.

Whenever a separate Windstorm and Hail deductible applies, such deductible cannot be less than the All Other Perils deductible. The Associations reserve the right to require higher deductibles at the appropriate rate credits, where conditions warrant such action.

You may contact your Unit Underwriter at the Associations if you have any questions and need additional information.

Sincerely,

Lee E. Dunn, Jr.

Underwriting Manager