



**NORTH CAROLINA
INSURANCE UNDERWRITING ASSOCIATION**

BEACH PLAN

**NORTH CAROLINA
JOINT UNDERWRITING ASSOCIATION**

F AIR PLAN

January 5, 2007

(Revised January 29, 2007)

(Revised February 1, 2007)

**IMPORTANT NOTICE-THE BELOW REQUIREMENTS HAVE IMMEDIATELY BEEN
WITHDRAWN AND WILL NOT APPLY**

**NEW UNDERWRITING AND DEDUCTIBLE REQUIREMENTS FOR COMMERCIAL LINES WIND-
DRIVEN RAIN COVERAGE**

The North Carolina Insurance Underwriting Association will implement the following minimum deductible and underwriting requirements for Commercial Lines policies that carry Wind-Driven Rain Coverage for new business effective February 7, 2007, and continuations effective March 30, 2007.

**Wind-Driven Rain Coverage Endorsements, page 13 of the Manual of Rules and Procedures in the
Frequently Asked Questions Section has been updated as follows:**

Wind-Driven Rain Coverage Endorsements

This coverage extension applies only to Windstorm or Hail Policies. The Commercial Wind-Driven Rain Endorsement (BP0401) and dwelling Wind-Driven Rain Endorsement (WHD201) were intended to parallel open peril property coverage forms that would have otherwise covered Wind-Driven Rain if the peril of Windstorm and Hail had not been excluded by the essential carrier.

All Commercial Open Peril or Special Policy forms do not provide Wind-Driven Rain coverage. New submissions and continuation of coverage applications requesting the Wind-Driven Rain coverage endorsement will require certification via the Beach Plan's WH0005 or other format (copy of the policy, etc.) that the primary coverage form included Wind-Driven Rain coverage before the Windstorm or Hail peril had been excluded. In addition, Commercial Lines will have the following Guidelines applied:

Commercial Deductible Guideline

Minimum Windstorm and Hail Deductible for any risk including WDR is 5% of the property limit. ISO, CLM Division Five, rules apply.

Commercial Prior Claim Guideline

The occurrence of two (2) WDR claims within a five (5) year period will disqualify a policy for WDR coverage. This claims guideline applies to new and continued business.

For residential risks with the primary written on either the dwelling or home owners form, it will be the responsibility of the producer to provide a copy of the form, which provided Wind-Driven Rain when it is written in a form other than an HO-3 or DP-3.

Wind-Driven Rain that would have otherwise been excluded by a mandatory separate endorsement rather than by an actual coverage form does not qualify for Wind-Driven Rain coverage through the Plan.

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

Sincerely,
Bruce D. Lee
Underwriting Manager

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