



**North Carolina
Insurance Underwriting Association**

Beach Plan

**North Carolina
Joint Underwriting Association**

FAIR Plan

June 8, 2010

**IMPORTANT NOTICE – EFFECTIVE SEPTEMBER 1, 2010
NCJUA – FAIR PLAN DEDUCTIBLE AND NAMED STORM DEDUCTIBLE
REQUIREMENTS**

In August of 2009, the NCIUA – Coastal Property Insurance Pool was required to offer a Named Storm Deductible due to North Carolina General Statute 58-45-45(a2). The NCJUA – FAIR Plan has recently received approval to implement deductible changes that will be consistent with the soon to be announced NCIUA requirements effective September 1, 2010, new business and continuations (renewals).

The new NCJUA Deductible and Named Storm Deductible requirements are as follows:

Residential Inland, All Other FAIR Plan Territories	
Amount of Building Coverage	Minimum All Perils
Less than \$100,000	\$500
\$100,000 up to \$250,000	\$1,000
\$250,000 and above	\$2,500

Residential Coastal, FAIR Plan Territories 42 and 43		
Amount of Building Coverage	Minimum All Peril or All Other Peril Deductible if Named Storm Applies	Minimum Named Storm Deductible (NSD)
Less than \$50,000	\$500	NSD Does Not Apply
\$50,000 up to \$100,000	\$500	1%
\$100,000 up to \$250,000	\$1,000	1%
\$250,000 and above	\$2,500	1%

Commercial, All FAIR Plan Territories		
Amount of Combined Coverage per Building (Building plus Contents)	Minimum All Peril or All Other Peril Deductible if Named Storm Applies	Minimum Named Storm Deductible (NSD)
Less than \$100,000	\$500	NSD Does Not Apply
\$100,000 up to \$250,000	\$1,000	1%
\$250,000 and above	\$2,500	1%

The **Expiration Notice/Continuation Application** will reflect these new deductible requirements. The new application indicates that Deductible and Coverages have changed and it should be reviewed carefully prior to signing the application. This warning appears above the Policyholder/Applicant signature section of the application. Once the application is returned and the policy is continued a Notice to the Policyholder NP 00 21 will be provided advising that the deductible has changed, if applicable. There will not be a notice if the policy was not affected by these deductible requirements.

The **Interim Adjustment Notice (IAN)** will also reflect the deductible change, if applicable. The IAN will have the NP 00 21 attached at the time of mailing advising of the deductible change. Again, there will not be a notice if the policy was not affected by a change in deductible.

The **Dynamic Web** will be updated in the coming weeks to reflect these minimum deductible requirements. At this time you can not enter new business with an effective date of September 1, 2010 or later. We will update you through the Dynamic Web once this has been released.

If you have any questions, please contact your Underwriter at the Association.