



**NORTH CAROLINA  
INSURANCE UNDERWRITING ASSOCIATION**

**BEACH PLAN**

**NORTH CAROLINA  
JOINT UNDERWRITING ASSOCIATION**

**FAIR PLAN**

**June 1, 2010**

**IMPORTANT NOTICE – EFFECTIVE SEPTEMBER 1, 2010  
NCJUA – FAIR PLAN COVERAGE LIMITATIONS**

In August of 2009, the NCIUA – Coastal Property Insurance Pool had the available limits reduced by GS 58-45-41. The NCJUA – FAIR Plan has recently received approval to amend the available coverage limits to be consistent with the maximum limits available in the NCIUA effective with September 1, 2010, new business and continuations.

The Personal Lines new maximum limits are as follows:

- Coverage A – Building, a maximum of \$750,000.
- Coverage C – Contents, a maximum of 40% of the Coverage A – Building limit.
- Primary Excess coverage must be purchased for any Coverage A – Building limit that exceeds \$750,000 prior to the Association issuing Primary Coverage at the \$750,000 limitation.

Any policy that exceeds the \$750,000 limitation will be refused continuation with the proper advance notification provided the Producer and Policyholder. We will send an advance listing of these policies to the Producer in the coming days; however, this is not a large number of policies at the Association.

The Expiration Notice/Continuation Application will reflect a reduction in the Coverage C – Contents limit to 40%, if it was applicable. 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 22 will be provided advising that the Coverage C – Contents limit was reduced, if applicable. There will not be a notice if the policy was not affected by the reduction in coverage.

The Interim Adjustment Notice (IAN) will show also reflect the reduction in the Coverage C – Contents limit to 40%, if it was applicable. The IAN will have the NP 00 22 attached at the time of mailing, advising of the reduction in coverage. Again, there will not be a notice if the policy was not affected by the reduction in coverage.

The reduction in Coverage C – Contents did not have a large impact on the portfolio of business at the Association.

The Dynamic Web will be updated in the coming weeks to reflect these changes plus amendments to our 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.

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