



**NORTH CAROLINA
INSURANCE UNDERWRITING ASSOCIATION**

Coastal Property Insurance Pool

**NORTH CAROLINA
JOINT UNDERWRITING ASSOCIATION**

FAIR PLAN

7/19/2013

Re: Fire Protection and Rating Territory Verification and Identification of Policies with Less than 40% Contents Coverage

Dear Producer:

As part of our quality control program, the Associations have two significant projects that may impact some of your customers.

The first project involves our reviewing and verifying the accuracy of the fire protection class and rating territory assigned to risks on policies for our active customers. These rating factors will be verified using information from the Insurance Services Office (ISO).

For existing policies, if we determine, based on this ongoing review, that a current customer was charged a higher rate than was correct on his or her current policy, the Association will refund the difference between the amount charged and the amount that should have been charged, plus interest at the rate of four percent (4%). The Association also will review up to three prior policy terms to determine whether additional monies should be refunded in connection with those terms, too.

On the other hand, if the customer was incorrectly assigned to a fire protection class or rating territory and correcting the error will result in an increase in premium, the customer will be notified of the error with respect to current policy term. The correct premium will begin to be charged at the policy renewal date for coverage beginning at that time. No increased premium will be charged retroactively.

For new policies (and additional locations added to existing policies), the Associations will verify the accuracy of the fire protection class and rating territory within the first 60 days after policy inception. If errors are discovered, they will be corrected back to the effective date of coverage.

The second project involves our notifying customers that they are eligible for contents limits higher than those currently on their policy according to statute or the North Carolina Joint Underwriting Association's Plan of Operations. If a customer desires higher coverage limits, the customer will be encouraged to discuss the coverage change with his or her producer.

Attached for your information are some sample letters that will be sent to customers.

If you have any questions, please call me at 1-800-662-7048 or Direct at 919-745-3900.

Sincerely,

Vita Anthony

Underwriting Manager

CC: Agent

**PO Box 8009 Cary, North Carolina, 27512
5520 Dillard Drive, Suite 180, Cary, North Carolina 27518
(919) 821-1299 (800) 662-7048 Fax (919) 829-1793**



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FAIR PLAN

{{Date}}

{{PolicyHolderName}}
{{PolicyHolderName2}}
{{PolicyHolderAddress}}
{{PolicyHolderCity}}, {{PolicyHolderState}} {{PolicyHolderZip}}

Re: Insurance Policy Reference: {{PolicyNumber}}

Dear {{PolicyholderName}}:

In reviewing your coverage recently, we have determined that you have less insurance coverage on the contents of your home than you are allowed to have by statute or the North Carolina Joint Underwriting Association's Plan of Operations.

Location	Coverage	
	Current Limit	Maximum Limit Available
{{LocationAddressBody}}	{{CurContentsLimit}}	{{ContentsLimit}}
{{LocationAddressBody}}	{{CurContentsLimit}}	{{ContentsLimit}}

If you would like to consider increasing the amount of contents coverage under your policy, please contact your Producer (Agent): {{AgentName}} at {{AgentPhone}}.

Sincerely,

North Carolina Joint Underwriting Association

CC:
{{ProducerName}}
{{ProducerName2}}
{{ProducerMailingAddress}}
{{ProducerCity}}, {{ProducerSt}} {{ProducerZip}}



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FAIR PLAN

{{Date}}

{{PolicyHolderName}}
{{PolicyHolderName2}}
{{PolicyHolderAddress}}
{{PolicyHolderCity}}, {{PolicyHolderState}} {{PolicyHolderZip}}

Re: Insurance Policy Reference: {{PolicyNumber}}

Dear Policyholder:

Your insurance policy premium is based on a number of rating factors, including fire protection class and rating territory. As part of our quality control program, we have undertaken to verify the correctness of these factors as applied to all of the policies we have issued, using information from the Insurance Services Office (ISO).

Location	Protection Class	
	Current	Correct
{{LocationAddressBody}}	{{CurClassRate}}	{{NewClassRate}}
{{LocationAddressBody}}	{{CurClassRate}}	{{NewClassRate}}

Once we determined that the rating for your current policy term was incorrect, we also reviewed three prior continuous policy terms (if applicable) and made the necessary corrections. This process resulted in your case in a partial return premium owed to you.

Enclosed is a premium refund check for \$ {{RefundAmount}}, which includes an additional interest payment of 4%.

If you have any questions, please call your insurance agent at {{AgentNumber}} or our Underwriting staff at 1-800-662-7048 extension 3800.

Sincerely,

Underwriting Department

CC:

{{ProducerName}}
{{ProducerName2}}
{{ProducerMailingAddress}}
{{ProducerCity}}, {{ProducerSt}} {{ProducerZip}}



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{{Date}}

{{PolicyHolderName}}
{{PolicyHolderName2}}
{{PolicyHolderAddress}}
{{PolicyHolderCity}}, {{PolicyHolderState}} {{PolicyHolderZip}}

Re: Insurance Policy Reference: {{PolicyNumber}}

Dear Policyholder:

Your insurance policy premium is based on a number of rating factors, including fire protection class and rating territory. As part of our quality control program, we have undertaken to verify the correctness of these factors as applied to all of the policies we have issued, using information from the Insurance Services Office (ISO).

In performing this review, we have determined that the following amendments in fire protection class are required:

Location	Protection Class	
	Current	Correct
{{LocationAddressBody}}	{{CurClassRate}}	{{NewClassRate}}
{{LocationAddressBody}}	{{CurClassRate}}	{{NewClassRate}}

For this current policy term, this correction, if applied to your policy, would result in an additional premium owed of \$300.

As a courtesy to you, the Association will wait until the continuation (renewal) date of your policy to apply the premium increase associated with your new fire protection class. This means that the correction only will be applied prospectively, beginning on your policy continuation date, and that no retroactive premium increases will be charged. Please note that the premium for your renewal and for the fire protection class change will be subject to the rates promulgated by the North Carolina Rate Bureau in effect at your renewal date.

If you have any questions, please call your insurance agent at {{AgentNumber}} or our Underwriting staff at 1-800-662-7048 extension 3800.

Sincerely,

Underwriting Department

CC:
{{ProducerName}}
{{ProducerName2}}
{{ProducerMailingAddress}}
{{ProducerCity}}, {{ProducerSt}} {{ProducerZip}}

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