



MEMORANDUM

WHAT' S NEW FOR WEBSITE

Beach Plan Inflation Factor (Dwelling and Dwelling Wind Continuations)

The NCIUA has amended the continuation increase factor from 1.4% to 4%. This change is for continuations effective October 29, 2002, and thereafter on Dwelling and Dwelling Wind and Hail policies.

The reason for the change is to follow the Consumer Price Index. This index follows more closely the increase factor for many of your Essential Carriers. We are unable to follow the increase factors for all of the Essential Carriers, as they do fluctuate from carrier to carrier.

The factor will apply to the building coverage for essential replacement cost policy forms. We are not applying an increase factor to personal property at this time, as many of the wind policies are written not to match the Essential Carrier's coverage.

Our factor is intended to follow concurrency of the Essential Carrier as close as possible. If the factor of 4% is not sufficient, please submit an endorsement request after the continuation of the policy and advise that the increase is to match the Essential Carrier's coverage.

If you would have any questions, please feel free to contact us.