November 7, 1997

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Homeowners Policy Program - Dwelling Under Construction Theft Coverage Endorsement

The North Carolina Commissioner of Insurance has approved the attached Dwelling Under Construction Theft Coverage Endorsement HO 32 25 09 97 for optional use in North Carolina with the Homeowners Policy Program. The rate to be charged for this Endorsement is $1.00 per $1,000 of Coverage A limit.

Endorsement HO 32 25 provides coverage when a loss is caused by theft in or to a dwelling under construction. This coverage differs from the Theft Endorsement - North Carolina - Newly Constructed Unoccupied Dwelling HO 32 26 in that the Endorsement HO 32 25 provides coverage to a dwelling which is under construction as opposed to a dwelling which has been finished but not yet occupied.

Endorsement HO 32 25 has been approved for use on an optional basis for all member companies as of November 5, 1997.

Supplies of Endorsement HO 32 25 will not be maintained by the Rate Bureau or by Insurance Services Office. It is our understanding that many of our member companies purchase their supplies of policy forms and endorsements from a variety of vendors. We have provided a large number of these vendors with a copy of Endorsement HO 32 25. With respect to the manual rule, member companies should make arrangements to print their own supplies.

The Rate Bureau has copyrighted Endorsement HO 32 25, and member companies are advised that when they reprint, copy or otherwise use any material included in Endorsement HO 32 25, the following notice must appear on the material:

"Copyright, North Carolina Rate Bureau, 1997"

Please see to it that this circular is brought to the attention of all interested personnel in your Company.

Very truly yours,

F. Timothy Lucas