

December 18, 2025

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: North Carolina 2027 Homeowners Policy Program
Advisory Notices To Policyholders

Summary

- Sample Advisory Notices To Policyholders prepared by ISO are published as exhibits to this circular.
- Member companies must assess whether the North Carolina 2027 Homeowners Policy Program revisions require policyholder notification under N.C.G.S. § 58-36-45.
- Member companies should consult with their own legal counsel on whether and how to notify their policyholders.

Please forward this notice to all interested parties within your organization.

This circular provides information for member insurance companies regarding advisory notices pertaining to the upcoming changes to the North Carolina Homeowners Policy Program effective June 1, 2027, and provides sample Advisory Notices To Policyholders for your consideration. Advisory notices to policyholders are not required by the Rate Bureau. Each company must independently assess whether to issue such notices and determine their content.

Background on the 2027 Program

The North Carolina Rate Bureau has announced the approval of the 2027 Homeowners Policy Program, which will replace the current program starting June 1, 2027, for use by all member companies.

Advisory Notices Are Optional Resources

- The Rate Bureau does not determine the necessity of advisory notices and does not file sample advisory notice(s) on behalf of member companies; these notices are provided for member companies' information and consideration.
- Each member company must make its own determination of whether any advisory notice is required and, if so, what that notice should include. ISO's general explanations of policy intent may not reflect every insurer's view and do not control company determination of coverage for a specific claim.
- The Rate Bureau does not intercede in coverage disputes arising from insurance policies. As the sample notices clearly provide, if there is any conflict between the policy and these sample advisory notices, the provisions of the policy prevail.

Statutory and Legal Considerations

- N.C.G.S. § 58-36-45 provides in part that whenever an insurer changes the coverage in a policy, it shall give the policyholder written notice of such coverage change at least 15 days in advance of the effective date and provide a copy of such notice to the insurance producer.
- Further, case law in North Carolina has held that, when an insurer renews a policy, the policyholder may assume that the renewal policy will be the same as the earlier policy unless reductions in coverage are clearly, conspicuously, and unambiguously called to the policyholder's attention. North River Insurance v. Young, 117 N.C. App. 663, 453 S.E.2d 205 (1995).

Company Assessment and Actions

- The necessity and manner of notifying policyholders of coverage revisions is an individual company responsibility.
- In addition to notifying policyholders of policy changes, companies may want to consider the advisability of notifying the policyholder that the North Carolina 2027 Homeowners Policy Program is a new contract rather than a renewal of the prior contract.
- It is suggested that companies consult with their own legal counsel as to the necessity, method, detail, and language of any policyholder notification.

List of Attached Sample Advisory Notices to Policyholders

- North Carolina HO 00 02 Homeowners 2 – Broad Form
- North Carolina HO 00 03 Homeowners 3 – Special Form
- North Carolina HO 00 04 Homeowners 4 – Contents Broad Form
- North Carolina HO 00 05 Homeowners 5 – Comprehensive Form
- North Carolina HO 00 06 Homeowners 6 – Unit-Owners Form
- North Carolina HO 00 08 Homeowners 8 – Modified Coverage
- Optional Endorsements – North Carolina
- North Carolina Roof Payment Schedule for Windstorm or Hail Losses to Roof Surfacing
- Cosmetic Damage Exclusion – Windstorm or Hail Endorsement
- Limited Home Day Care Coverage

Distribution

Please ensure this information is shared with all relevant personnel within your organization.

Sincerely,

Andy Montano
Personal Lines Director

AM:ko
P-25-5
Attachments

ADVISORY NOTICE TO POLICYHOLDERS – NORTH CAROLINA (HOMEOWNERS 2 – BROAD FORM)

CAUTION: No coverage is provided by this summary; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

This is a summary of the major changes in your Homeowners Policy. The major broadenings, reductions and other changes are highlighted below.

We have followed the policy sequence of provisions in setting out this material.

HOMEOWNERS POLICY

I. Definitions

BROADENING OF COVERAGE

1. We have revised the definition of motor vehicle liability to include maintenance, occupancy, operation, use, loading or unloading of a motor vehicle only by an insured, instead of by any person. When read with the motor vehicle liability provisions of your policy, this revision may, in certain cases, provide a broader level of coverage.
2. We have revised the definition of watercraft liability to add an exception for model or hobby watercraft not designed to carry people or cargo.

OTHER CHANGES

1. We have relocated the definitions of home-sharing host activities, home-sharing network platform, home-sharing occupant, and the home-sharing provisions of the definition of business into your policy. Previously, these provisions were contained in a separate endorsement, the Home-sharing Host Activities Amendatory Endorsement.
2. We have introduced a definition of cannabis.
3. We have revised the definition of motor vehicle to specify that the definition includes both self-propelled land or amphibious vehicles as well as land or amphibious vehicles that are capable of being self-propelled.

II. Section I – Property Coverages

BROADENING OF COVERAGE

1. We have increased the limits for property at other residences and at self-storage facilities from 10% of the Coverage **C** limit or \$1,000, whichever is greater, to 10% of the Coverage **C** limit or \$1,500, whichever is greater.

2. We have increased Coverage **C** – Personal Property Special Limits of Liability as follows:

Category	From:	To:
Money, etc.	\$200	\$300
Securities, etc.	\$1,500	\$2,000
Watercraft, etc.	\$1,500	\$2,000
Trailers, etc.	\$1,500	\$2,000
Theft of jewelry, etc.	\$1,500	\$2,000
Business property on the residence premises	\$2,500	\$3,000
Portable electronic equipment in or upon a motor vehicle	\$1,500	\$2,000
Antennas, tapes, wires, records, disks or other media	\$250	\$300

3. We have added wording to Coverage **C** – Personal Property, Property Not Covered stating that motor vehicle equipment and parts are not covered only when those motor vehicle equipment and parts are in or upon a motor vehicle.
4. We have added reference to Coverage **D** – Loss Of Use, Additional Living Expense to include expenses incurred by your relatives who are residents of your household. Previously, the coverage only referenced expenses incurred by you.
5. We have increased the overall limit of insurance for tree removal in Additional Coverages, Debris Removal from \$500 to \$3,000.
6. We have increased the limit of insurance for Additional Coverages, Trees, Shrubs And Other Plants from 5% of the limit of liability that applies to the dwelling but no more than \$500 for any one tree, shrub or plant to 5% of the limit of liability that applies to the dwelling but no more than \$1,500 for any one tree, shrub or plant.
7. We have increased the limit of insurance for Additional Coverages, Loss Assessment from \$1,000 to \$2,000.
8. We have increased the limit of insurance for Additional Coverages, Landlord's Furnishings from \$2,500 to \$3,000.

REDUCTIONS OF COVERAGE

1. We have introduced a Special Limit of Liability of \$2,000 for model or hobby aircraft not used or designed to carry people or cargo.
2. We have introduced specific reference to virtual currency, including digital currency and crypto currency, to Coverage **C** – Personal Property, Property Not Covered.
3. We have introduced a Controlled Substances provision to Coverage **C** – Personal Property, Property Not Covered to convey that controlled substances and cannabis are not covered, with certain exceptions.
4. The additional coverage for Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage has been removed from the Policy.

OTHER CHANGES

1. We have relocated the provisions addressing:
 - a. The property of a home-sharing occupant;
 - b. The property of any other person occupying the residence premises as a result of home-sharing host activities;
 - c. Property located in a space while rented or primarily held for rental to a home-sharing occupant; and
 - d. Property primarily used for home-sharing host activities;from the Home-sharing Host Activities Amendatory Endorsement to the Property Not Covered section of your policy.
2. We have relocated the provision addressing the fair rental value arising out of home-sharing host activities from the Home-sharing Host Activities Amendatory Endorsement to the Fair Rental Value section of Coverage **D** – Loss Of Use section of your policy.
3. The Additional Coverage for Trees, Shrubs And Other Plants has been changed to state that there is no coverage under this Additional Coverage for cannabis.
4. The Additional Coverage for Glass Or Safety Glazing Material has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

III. Section I – Perils Insured Against

OTHER CHANGES

1. The provision excluding coverage for vandalism, malicious mischief or theft losses resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section I – Perils Insured Against of your policy.
2. The perils of Vandalism Or Malicious Mischief and Accidental Discharge Or Overflow Of Water Or Steam have been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

IV. Section I – Conditions

BROADENING OF COVERAGE

We have revised the **Loss Settlement** Condition to change the threshold below which losses to buildings will be settled at replacement cost without requiring actual repair or replacement of the property. Previously the threshold was if the amount of the loss is both less than 5% of the amount of insurance on the building and less than \$2,500. The revised threshold is now if the amount of the loss is both less than 5% of the amount of insurance on the building and less than \$5,000.

OTHER CHANGES

We have revised the **Loss Settlement** Condition to state that the calculation to determine whether the amount of insurance on the damaged building equals 80% or more of the full replacement cost of the building will be made after the application of any deductible.

V. Section II – Exclusions

BROADENINGS OF COVERAGE

1. We have revised the **Motor Vehicle Liability** Exclusion so that there may be coverage with respect to a riding lawn mower being used to mow a lawn, even if that lawn is not part of or associated with a residence.
2. We have revised the **Watercraft Liability** Exclusion so that there may be coverage with respect to vessels that are not sailing vessels powered by one or more engines or motors that are more than 25 horsepower and not owned by an insured.

OTHER CHANGES

1. We have revised the **Controlled Substance** Exclusion to state that the exclusion applies to cannabis regardless of whether cannabis is considered a controlled substance.
2. We have relocated the provision stating that Coverage **F** – Medical Payments To Others does not apply to bodily injury to a home-sharing occupant from the Home-sharing Host Activities Amendatory Endorsement to Section **II** – Exclusions.

VI. Section II – Additional Coverages

BROADENINGS OF COVERAGE

1. We have revised **Section II – Additional Coverages, Damage To Property Of Others** to increase the limit of liability from \$1,000 to \$5,000.
2. We have revised **Section II – Additional Coverages, Loss Assessment** to increase the limit of liability from \$1,000 to \$2,000.

ADVISORY NOTICE TO POLICYHOLDERS – NORTH CAROLINA (HOMEOWNERS 3 – SPECIAL FORM)

CAUTION: No coverage is provided by this summary; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

This is a summary of the major changes in your Homeowners Policy. The major broadenings, reductions and other changes are highlighted below.

We have followed the policy sequence of provisions in setting out this material.

HOMEOWNERS POLICY

I. Definitions

BROADENING OF COVERAGE

1. We have revised the definition of motor vehicle liability to include maintenance, occupancy, operation, use, loading or unloading of a motor vehicle only by an insured, instead of by any person. When read with the motor vehicle liability provisions of your policy, this revision may, in certain cases, provide a broader level of coverage.
2. We have revised the definition of watercraft liability to add an exception for model or hobby watercraft not designed to carry people or cargo.

OTHER CHANGES

1. We have relocated the definitions of home-sharing host activities, home-sharing network platform, home-sharing occupant, and the home-sharing provisions of the definition of business into your policy. Previously, these provisions were contained in a separate endorsement, the Home-sharing Host Activities Amendatory Endorsement.
2. We have introduced a definition of cannabis.
3. We have revised the definition of motor vehicle to specify that the definition includes both self-propelled land or amphibious vehicles as well as land or amphibious vehicles that are capable of being self-propelled.

II. Section I – Property Coverages

BROADENING OF COVERAGE

1. We have increased the limits for property at other residences and at self-storage facilities from 10% of the Coverage C limit or \$1,000, whichever is greater, to 10% of the Coverage C limit or \$1,500, whichever is greater.

2. We have increased Coverage **C** – Personal Property Special Limits of Liability as follows:

Category	From:	To:
Money, etc.	\$200	\$300
Securities, etc.	\$1,500	\$2,000
Watercraft, etc.	\$1,500	\$2,000
Trailers, etc.	\$1,500	\$2,000
Theft of jewelry, etc.	\$1,500	\$2,000
Business property on the residence premises	\$2,500	\$3,000
Portable electronic equipment in or upon a motor vehicle	\$1,500	\$2,000
Antennas, tapes, wires, records, disks or other media	\$250	\$300

3. We have added wording to Coverage **C** – Personal Property, Property Not Covered stating that motor vehicle equipment and parts are not covered only when those motor vehicle equipment and parts are in or upon a motor vehicle.
4. We have added reference to Coverage **D** – Loss Of Use, Additional Living Expense to include expenses incurred by your relatives who are residents of your household. Previously, the coverage only referenced expenses incurred by you.
5. We have increased the overall limit of insurance for tree removal in Additional Coverages, Debris Removal from \$500 to \$3,000.
6. We have increased the limit of insurance for Additional Coverages, Trees, Shrubs And Other Plants from 5% of the limit of liability that applies to the dwelling but no more than \$500 for any one tree, shrub or plant to 5% of the limit of liability that applies to the dwelling but no more than \$1,500 for any one tree, shrub or plant.
7. We have increased the limit of insurance for Additional Coverages, Loss Assessment from \$1,000 to \$2,000.
8. We have increased the limit of insurance for Additional Coverages, Landlord's Furnishings from \$2,500 to \$3,000.

REDUCTIONS OF COVERAGE

1. We have introduced a Special Limit of Liability of \$2,000 for model or hobby aircraft not used or designed to carry people or cargo.
2. We have introduced specific reference to virtual currency, including digital currency and crypto currency, in Coverage **C** – Personal Property, Property Not Covered.
3. We have introduced a Controlled Substances provision to Coverage **C** – Personal Property, Property Not Covered to convey that controlled substances and cannabis are not covered, with certain exceptions.
4. The Additional Coverage for Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage has been removed from the Policy.

OTHER CHANGES

1. We have relocated the provisions addressing:
 - a. The property of a home-sharing occupant;
 - b. The property of any other person occupying the residence premises as a result of home-sharing host activities;
 - c. Property located in a space while rented or primarily held for rental to a home-sharing occupant; and
 - d. Property primarily used for home sharing host activities;from the Home-sharing Host Activities Amendatory Endorsement to the Property Not Covered section of your policy.
2. We have relocated the provision addressing the fair rental value arising out of home-sharing host activities from the Home-sharing Host Activities Amendatory Endorsement to the Fair Rental Value section of Coverage **D** – Loss Of Use section of your policy.
3. The Additional Coverage for Trees, Shrubs And Other Plants has been changed to state that there is no coverage under this Additional Coverage for cannabis.
4. The Additional Coverage for Glass Or Safety Glazing Material has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

III. Section I – Perils Insured Against

Coverage A – Dwelling And Coverage B – Other Structures

OTHER CHANGES

1. The provision excluding coverage for vandalism, malicious mischief or theft losses resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section I – Perils Insured Against in your policy.
2. Paragraph **A.2.c.(4)(b)** dealing with vandalism and malicious mischief losses has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

Coverage C – Personal Property

OTHER CHANGES

The provision excluding coverage for vandalism, malicious mischief or theft losses resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section I – Perils Insured Against of your policy.

IV. Section I – Conditions

BROADENING OF COVERAGE

We have revised the **Loss Settlement** Condition to change the threshold below which losses to buildings will be settled at replacement cost without requiring actual repair or replacement of the property. Previously, the threshold was if the amount of the loss was both less than 5% of the amount of insurance on the building and less than \$2,500. The revised threshold is now if the amount of the loss is both less than 5% of the amount of insurance on the building and less than \$5,000.

OTHER CHANGES

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V. Section II – Exclusions

BROADENINGS OF COVERAGE

1. We have revised the **Motor Vehicle Liability** Exclusion so that there may be coverage with respect to a riding lawn mower being used to mow a lawn, even if that lawn is not part of or associated with a residence.
2. We have revised the **Watercraft Liability** Exclusion so that there may be coverage with respect to vessels that are not sailing vessels powered by one or more engines or motors that are more than 25 horsepower and not owned by an insured.

OTHER CHANGES

1. We have revised the **Controlled Substance** Exclusion to state that the exclusion applies to cannabis regardless of whether cannabis is considered a controlled substance.
2. We have relocated the provision stating that Coverage **F – Medical Payments To Others** does not apply to bodily injury to a home-sharing occupant from the Home-sharing Host Activities Amendatory Endorsement to Section II – Exclusions.

VI. Section II – Additional Coverages

BROADENINGS OF COVERAGE

1. We have revised **Section II – Additional Coverages, Damage To Property Of Others** to increase the limit of liability from \$1,000 to \$5,000.
2. We have revised **Section II – Additional Coverages, Loss Assessment** to increase the limit of liability from \$1,000 to \$2,000.

ADVISORY NOTICE TO POLICYHOLDERS – NORTH CAROLINA (HOMEOWNERS 4 – CONTENTS BROAD FORM)

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We have followed the policy sequence of provisions in setting out this material.

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2. We have revised the definition of watercraft liability to add an exception for model or hobby watercraft not designed to carry people or cargo.

OTHER CHANGES

1. We have relocated the definitions of home-sharing host activities, home-sharing network platform, home-sharing occupant, and the home-sharing provisions of the definition of business into your policy. Previously, these provisions were contained in a separate endorsement, the Home-sharing Host Activities Amendatory Endorsement.
2. We have introduced a definition of cannabis.
3. We have revised the definition of motor vehicle to specify that the definition includes both self-propelled land or amphibious vehicles as well as land or amphibious vehicles that are capable of being self-propelled.

II. Section I – Property Coverages

BROADENING OF COVERAGE

1. We have increased the limits for property at other residences and at self-storage facilities from 10% of the Coverage C limit or \$1,000, whichever is greater, to 10% of the Coverage C limit or \$1,500, whichever is greater.

2. We have increased Coverage **C** – Personal Property Special Limits of Liability as follows:

Category	From:	To:
Money, etc.	\$200	\$300
Securities, etc.	\$1,500	\$2,000
Watercraft, etc.	\$1,500	\$2,000
Trailers, etc.	\$1,500	\$2,000
Theft of silverware, etc.	\$2,500	\$3,000
Business property on the residence premises	\$2,500	\$3,000
Portable electronic equipment in or upon a motor vehicle	\$1,500	\$2,000
Antennas, tapes, wires, records, disks or other media	\$250	\$300

3. We have added wording to Coverage **C** – Personal Property, Property Not Covered stating that motor vehicle equipment and parts are not covered only when those motor vehicle equipment and parts are in or upon a motor vehicle.
4. We have added reference to Coverage **D** – Loss Of Use, Additional Living Expense to include expenses incurred by your relatives who are residents of your household. Previously, the coverage only referenced expenses incurred by you.
5. We have increased the overall limit of insurance for tree removal in Additional Coverages, Debris Removal from \$500 to \$3,000.
6. We have increased the limit of insurance for Additional Coverages, Trees, Shrubs And Other Plants from 5% of the limit of liability that applies to the dwelling but no more than \$500 for any one tree, shrub or plant to 5% of the limit of liability that applies to the dwelling but no more than \$1,500 for any one tree, shrub or plant.
7. We have increased the limit of insurance for Additional Coverages, Loss Assessment from \$1,000 to \$2,000.

REDUCTIONS OF COVERAGE

1. We have introduced a Special Limit of Liability of \$2,000 for model or hobby aircraft not used or designed to carry people or cargo.
2. We have introduced specific reference to virtual currency, including digital currency and crypto currency, to Coverage **C** – Personal Property, Property Not Covered.
3. We have introduced a Controlled Substances provision to Coverage **C** – Personal Property, Property Not Covered to convey that controlled substances and cannabis are not covered, with certain exceptions.
4. The additional coverage for Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage has been removed from the Policy.

OTHER CHANGES

1. We have relocated the provisions addressing:
- a. The property of a home-sharing occupant;
 - b. The property of any other person occupying the residence premises as a result of home-sharing host activities;
 - c. Property located in a space while rented or primarily held for rental to a home-sharing occupant; and

- d. Property primarily used for home-sharing host activities;
from the Home-sharing Host Activities Amendatory Endorsement to the Property Not Covered section of your policy.
- 2. We have relocated the provision addressing the fair rental value arising out of home-sharing host activities from the Home-sharing Host Activities Amendatory Endorsement to the Fair Rental Value section of Coverage **D** – Loss Of Use section of your policy.
- 3. The Additional Coverage for Trees, Shrubs And Other Plants has been changed to state that there is no coverage under this Additional Coverage for cannabis.
- 4. The Additional Coverage for Glass Or Safety Glazing Material has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

III. Section I – Perils Insured Against

OTHER CHANGES

- 1. The provision excluding coverage for vandalism, malicious mischief or theft losses resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section I – Perils Insured Against of your policy.
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V. Section II – Exclusions

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- 1. We have revised the **Motor Vehicle Liability** Exclusion so that there may be coverage with respect to a riding lawn mower being used to mow a lawn, even if that lawn is not part of or associated with a residence.
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OTHER CHANGES

- 1. We have revised the **Controlled Substance** Exclusion to state that the exclusion applies to cannabis regardless of whether cannabis is considered a controlled substance.
- 2. We have relocated the provision stating that Coverage **F** – Medical Payments To Others does not apply to bodily injury to a home-sharing occupant from the Home-sharing Host Activities Amendatory Endorsement to Section II – Exclusions.

VI. Section II – Additional Coverages

BROADENINGS OF COVERAGE

- 1. We have revised **Section II – Additional Coverages, Damage To Property Of Others** to increase the limit of liability from \$1,000 to \$5,000.
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ADVISORY NOTICE TO POLICYHOLDERS – NORTH CAROLINA (HOMEOWNERS 5 – COMPREHENSIVE FORM)

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3. We have revised the definition of motor vehicle to specify that the definition includes both self-propelled land or amphibious vehicles as well as land or amphibious vehicles that are capable of being self-propelled.

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 - 4. The Additional Coverage for Glass Or Safety Glazing Material has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

III. Section I – Perils Insured Against

Coverage A – Dwelling, Coverage B – Other Structures And Coverage C – Personal Property

OTHER CHANGES

- 1. The provision excluding coverage for theft resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section **I** – Perils Insured Against of your policy.

Coverage A – Dwelling And Coverage B – Other Structures

OTHER CHANGES

- 1. The provision excluding coverage for vandalism and malicious mischief resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section **I** – Perils Insured Against of your policy.
- 2. Paragraph **B.1.b.** dealing with vandalism and malicious mischief losses has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

Coverage C – Personal Property

OTHER CHANGES

The provision excluding coverage for vandalism or malicious mischief losses resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section **I** – Perils Insured Against of your policy.

IV. Section I – Conditions

BROADENING OF COVERAGE

We have revised the **Loss Settlement** Condition to change the threshold below which losses to buildings will be settled at replacement cost without requiring actual repair or replacement of the property. Previously, the threshold was if the amount of the loss is both less than 5% of the amount of insurance on the building and less than \$2,500. The revised threshold is now if the amount of the loss is both less than 5% of the amount of insurance on the building and less than \$5,000.

OTHER CHANGES

We have revised the **Loss Settlement** Condition to state that the calculation to determine whether the amount of insurance on the damaged building equals 80% or more of the full replacement cost of the building will be made after the application of any deductible.

V. Section II – Exclusions

BROADENINGS OF COVERAGE

1. We have revised the **Motor Vehicle Liability** Exclusion so that there may be coverage with respect to a riding lawn mower being used to mow a lawn, even if that lawn is not part of or associated with a residence.
2. We have revised the **Watercraft Liability** Exclusion so that there may be coverage with respect to vessels that are not sailing vessels powered by one or more engines or motors that are more than 25 horsepower and not owned by an insured.

OTHER CHANGES

1. We have revised the **Controlled Substance** Exclusion to state that the exclusion applies to cannabis regardless of whether cannabis is considered a controlled substance.
2. We have relocated the provision stating that Coverage **F – Medical Payments To Others** does not apply to bodily injury to a home-sharing occupant from the Home-sharing Host Activities Amendatory Endorsement to Section II – Exclusions.

VI. Section II – Additional Coverages

BROADENINGS OF COVERAGE

1. We have revised **Section II – Additional Coverages, Damage To Property Of Others** to increase the limit of liability from \$1,000 to \$5,000.
2. We have revised **Section II – Additional Coverages, Loss Assessment** to increase the limit of liability from \$1,000 to \$2,000.

ADVISORY NOTICE TO POLICYHOLDERS – NORTH CAROLINA (HOMEOWNERS 6 – UNIT-OWNERS FORM)

CAUTION: No coverage is provided by this summary; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

This is a summary of the major changes in your Homeowners Policy. The major broadenings, reductions and other changes are highlighted below.

We have followed the policy sequence of provisions in setting out this material.

HOMEOWNERS POLICY

I. Definitions

BROADENING OF COVERAGE

1. We have revised the definition of motor vehicle liability to include maintenance, occupancy, operation, use, loading or unloading of a motor vehicle only by an insured, instead of by any person. When read with the motor vehicle liability provisions of your policy, this revision may, in certain cases, provide a broader level of coverage.
2. We have revised the definition of watercraft liability to add an exception for model or hobby watercraft not designed to carry people or cargo.

OTHER CHANGES

1. We have relocated the definitions of home-sharing host activities, home-sharing network platform, home-sharing occupant, and the home-sharing provisions of the definition of business into your policy. Previously, these provisions were contained in a separate endorsement, the Home-sharing Host Activities Amendatory Endorsement.
2. We have introduced a definition of cannabis.
3. We have revised the definition of motor vehicle to specify that the definition includes both self-propelled land or amphibious vehicles as well as land or amphibious vehicles that are capable of being self-propelled.

II. Section I – Property Coverages

BROADENING OF COVERAGE

1. We have increased the limits for property at other residences and at self-storage facilities from 10% of the Coverage C limit or \$1,000, whichever is greater, to 10% of the Coverage C limit or \$1,500, whichever is greater.

2. We have increased Coverage **C** – Personal Property Special Limits Of Liability as follows:

Category	From:	To:
Money, etc.	\$200	\$300
Securities, etc.	\$1,500	\$2,000
Watercraft, etc.	\$1,500	\$2,000
Trailers, etc.	\$1,500	\$2,000
Theft of silverware, etc.	\$2,500	\$3,000
Business property on the residence premises	\$2,500	\$3,000
Portable electronic equipment in or upon a motor vehicle	\$1,500	\$2,000
Antennas, tapes, wires, records, disks or other media	\$250	\$300

3. We have added wording to Coverage **C** – Personal Property, Property Not Covered stating that motor vehicle equipment and parts are not covered only when those motor vehicle equipment and parts are in or upon a motor vehicle.
4. We have added reference to Coverage **D** – Loss Of Use, Additional Living Expense to include expenses incurred by your relatives who are residents of your household. Previously, the coverage only referenced expenses incurred by you.
5. We have increased the overall limit of insurance for tree removal in Additional Coverages, Debris Removal from \$500 to \$3,000.
6. We have increased the limit of insurance for Additional Coverages, Trees, Shrubs And Other Plants from 5% of the limit of liability that applies to the dwelling but no more than \$500 for any one tree, shrub or plant to 5% of the limit of liability that applies to the dwelling but no more than \$1,500 for any one tree, shrub or plant.
7. We have increased the limit of insurance for Additional Coverages, Loss Assessment from \$1,000 to \$2,000.

REDUCTIONS OF COVERAGE

1. We have introduced a Special Limit of Liability of \$2,000 for model or hobby aircraft not used or designed to carry people or cargo.
2. We have introduced specific reference to virtual currency, including digital currency and crypto currency, to Coverage **C** – Personal Property, Property Not Covered.
3. We have introduced a Controlled Substances provision to Coverage **C** – Personal Property, Property Not Covered to convey that controlled substances and cannabis are not covered, with certain exceptions.
4. The additional coverage for Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage has been removed from the Policy.

OTHER CHANGES

1. We have relocated the provisions addressing:
 - a. The property of a home-sharing occupant;
 - b. The property of any other person occupying the residence premises as a result of home-sharing host activities;
 - c. Property located in a space while rented or primarily held for rental to a home-sharing occupant; and

- d. Property primarily used for home-sharing host activities;
from the Home-sharing Host Activities Amendatory Endorsement to the Property Not Covered section of your policy.
- 2. We have relocated the provision addressing the fair rental value arising out of home-sharing host activities from the Home-sharing Host Activities Amendatory Endorsement to the Fair Rental Value section of Coverage **D** – Loss Of Use section of your policy.
- 3. The Additional Coverage for Trees, Shrubs And Other Plants has been changed to state that there is no coverage under this Additional Coverage for cannabis.
- 4. The Additional Coverage for Glass Or Safety Glazing Material has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

III. Section I – Perils Insured Against

OTHER CHANGES

- 1. The provision excluding coverage for vandalism, malicious mischief or theft losses resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section I – Perils Insured Against of your policy.
- 2. The perils of Vandalism Or Malicious Mischief and Accidental Discharge Or Overflow Of Water Or Steam have been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

IV. Section II – Exclusions

BROADENINGS OF COVERAGE

- 1. We have revised the **Motor Vehicle Liability** Exclusion so that there may be coverage with respect to a riding lawn mower being used to mow a lawn, even if that lawn is not part of or associated with a residence.
- 2. We have revised the **Watercraft Liability** Exclusion so that there may be coverage with respect to vessels that are not sailing vessels powered by one or more engines or motors that are more than 25 horsepower and not owned by an insured.

OTHER CHANGES

- 1. We have revised the **Controlled Substance** Exclusion to state that the exclusion applies to cannabis regardless of whether cannabis is considered a controlled substance.
- 2. We have relocated the provision stating that Coverage **F** – Medical Payments To Others does not apply to bodily injury to a home-sharing occupant from the Home-sharing Host Activities Amendatory Endorsement to Section II – Exclusions.

V. Section II – Additional Coverages

BROADENINGS OF COVERAGE

- 1. We have revised **Section II – Additional Coverages, Damage To Property Of Others** to increase the limit of liability from \$1,000 to \$5,000.
- 2. We have revised **Section II – Additional Coverages, Loss Assessment** to increase the limit of liability from \$1,000 to \$2,000.

ADVISORY NOTICE TO POLICYHOLDERS – NORTH CAROLINA (HOMEOWNERS 8 – MODIFIED COVERAGE FORM)

CAUTION: No coverage is provided by this summary; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

This is a summary of the major changes in your Homeowners Policy. The major broadenings, reductions and other changes are highlighted below.

We have followed the policy sequence of provisions in setting out this material.

HOMEOWNERS POLICY

I. Definitions

BROADENING OF COVERAGE

1. We have revised the definition of motor vehicle liability to include maintenance, occupancy, operation, use, loading or unloading of a motor vehicle only by an insured, instead of by any person. When read with the motor vehicle liability provisions of your policy, this revision may, in certain cases, provide a broader level of coverage.
2. We have revised the definition of watercraft liability to add an exception for model or hobby watercraft not designed to carry people or cargo.

OTHER CHANGES

1. We have relocated the definitions of home-sharing host activities, home-sharing network platform, home-sharing occupant, and the home-sharing provisions of the definition of business into your policy. Previously, these provisions were contained in a separate endorsement, the Home-sharing Host Activities Amendatory Endorsement.
2. We have introduced a definition of cannabis.
3. We have revised the definition of motor vehicle to specify that the definition includes both self-propelled land or amphibious vehicles as well as land or amphibious vehicles that are capable of being self-propelled.

II. Section I – Property Coverage

BROADENING OF COVERAGE

1. We have increased the limits for property at other locations from 10% of the Coverage C limit or \$1,000, whichever is greater, to 10% of the Coverage C limit or \$1,500, whichever is greater.

2. We have increased Coverage **C** – Personal Property Special Limits Of Liability as follows:

Category	From:	To:
Money, etc.	\$200	\$300
Securities, etc.	\$1,500	\$2,000
Watercraft, etc.	\$1,500	\$2,000
Trailers, etc.	\$1,500	\$2,000
Business property on the residence premises	\$2,500	\$3,000
Portable electronic equipment in or upon a motor vehicle	\$1,500	\$2,000
Antennas, tapes, wires, records, disks or other media	\$250	\$300

3. We have added wording to Coverage **C** – Personal Property, Property Not Covered stating that motor vehicle equipment and parts are not covered only when those motor vehicle equipment and parts are in or upon a motor vehicle.
4. We have added reference to Coverage **D** – Loss Of Use, Additional Living Expense to include expenses incurred by your relatives who are residents of your household. Previously, the coverage only referenced expenses incurred by you.
5. We have increased the overall limit of insurance for tree removal in Additional Coverages, Debris Removal from \$500 to \$3,000.
6. We have increased the limit of insurance for Additional Coverages, Trees, Shrubs And Other Plants from 5% of the limit of liability that applies to the dwelling but no more than \$250 for any one tree, shrub or plant to 5% of the limit of liability that applies to the dwelling but no more than \$500 for any one tree, shrub or plant.
7. We have increased the limit of insurance for Additional Coverages, Loss Assessment from \$1,000 to \$2,000.
8. We have increased the limit of insurance for Glass Or Safety Glazing Material from \$100 to \$200.

REDUCTIONS OF COVERAGE

1. We have introduced a Special Limit of Liability of \$2,000 for model or hobby aircraft not used or designed to carry people or cargo.
2. We have introduced specific reference to virtual currency, including digital currency and crypto currency, to Coverage **C** – Personal Property, Property Not Covered.
3. We have introduced a Controlled Substances provision to Coverage **C** – Personal Property, Property Not Covered to convey that controlled substances and cannabis are not covered, with certain exceptions.
4. The additional coverage for Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage has been removed from the Policy.

OTHER CHANGES

1. We have relocated the provisions addressing:
 - a. The property of a home-sharing occupant;
 - b. The property of any other person occupying the residence premises as a result of home-sharing host activities;
 - c. Property located in a space while rented or primarily held for rental to a home-sharing occupant; and
 - d. Property primarily used for home-sharing host activities;

from the Home-sharing Host Activities Amendatory Endorsement to the Property Not Covered section of your policy.

2. We have relocated the provision addressing the fair rental value arising out of home-sharing host activities from the Home-sharing Host Activities Amendatory Endorsement to the Fair Rental Value section of Coverage **D – Loss Of Use** section of your policy.
3. The Additional Coverage for Trees, Shrubs And Other Plants has been changed to state that there is no coverage under this Additional Coverage for cannabis.
4. The Additional Coverage for Glass Or Safety Glazing Material has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

III. Section I – Perils Insured Against

OTHER CHANGES

1. The provision excluding coverage for vandalism, malicious mischief or theft losses resulting from home-sharing host activities has been relocated from the Home-sharing Host Activities Amendatory Endorsement to Section I – Perils Insured Against of your policy.
2. Paragraph **8.b.** dealing with vandalism and malicious mischief losses has been changed to state that, in addition to not considering a dwelling that is being constructed as vacant, a dwelling that is being remodeled, renovated or repaired is also not considered vacant.

IV. Section II – Exclusions

BROADENINGS OF COVERAGE

1. We have revised the **Motor Vehicle Liability** Exclusion so that there may be coverage with respect to a riding lawn mower being used to mow a lawn, even if that lawn is not part of or associated with a residence.
2. We have revised the **Watercraft Liability** Exclusion so that there may be coverage with respect to vessels that are not sailing vessels powered by one or more engines or motors that are more than 25 horsepower and not owned by an insured.

OTHER CHANGES

1. We have revised the **Controlled Substance** Exclusion to state that the exclusion applies to cannabis regardless of whether cannabis is considered a controlled substance.
2. We have relocated the provision stating that Coverage **F – Medical Payments To Others** does not apply to bodily injury to a home-sharing occupant from the Home-sharing Host Activities Amendatory Endorsement to Section II – Exclusions.

V. Section II – Additional Coverages

BROADENINGS OF COVERAGE

1. We have revised **Section II – Additional Coverages, Damage To Property Of Others** to increase the limit of liability from \$1,000 to \$5,000.
2. We have revised **Section II – Additional Coverages, Loss Assessment** to increase the limit of liability from \$1,000 to \$2,000.

ADVISORY NOTICE TO POLICYHOLDERS (ENDORSEMENTS) – NORTH CAROLINA

CAUTION: No coverage is provided by this summary; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL.**

This is a summary of the major changes to optional endorsements applicable to your Homeowners Policy.

OPTIONAL ENDORSEMENTS

If indicated below, the following endorsements applicable to your policy have undergone changes that may affect the level of coverage provided in your policy:

☐ **HO 04 12, Increased Limits On Business Property**

We have revised this endorsement to decrease the special limit of liability for business property away from the residence premises from 60% of the total limit on business property to 50% of the total limit on business property.

☐ **HO 04 30, Theft Coverage Increase**

Previously, this endorsement included the following special limits: \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones; \$2,500 for loss by theft of firearms and related equipment; and \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. We have increased those limits to \$2,000; \$3,000 and \$3,000; respectively.

☐ **HO 32 38, Loss Assessment Coverage For Earthquake – North Carolina**

Previously, this endorsement displayed the Loss Assessment Deductible only as a percentage. We have changed the form to allow the deductible to be shown as a dollar amount as well. Showing the deductible as a dollar amount, however, is optional.

☐ **HO 04 43, Replacement Cost Loss Settlement For Certain Non-building Structures On The Residence Premises**

We have revised the endorsement so that the structures eligible for replacement cost coverage will now include permanent built-in outdoor kitchens or cooking facilities.

☐ **HO 32 54, Earthquake Coverage – North Carolina**

Previously, this endorsement displayed the Earthquake Deductible only as a percentage. We have changed the form to allow for the deductible to be shown as a dollar amount as well. Showing the deductible as a dollar amount, however, is optional.

☐ **HO 04 90, Personal Property Replacement Cost Loss Settlement**

We have revised the **Replacement Cost Loss Settlement** Condition to change the threshold below which losses will be settled at replacement cost without requiring actual repair or replacement of the property. Previously, the threshold was \$500. The revised threshold is \$1,000.

☐ **HO 32 52, HO 32 53, HO 32 58, HO 32 59, HO 32 60, HO 32 61, Broadened Home-sharing Host**

Activities Coverage – North Carolina

We have removed certain provisions, including the definitions of "home-sharing host activities", "home-sharing network platform" and "home-sharing occupant", which are now contained in your policy rather than in these endorsements.

☐ **HO 24 13, Incidental Low Power Recreational Motor Vehicle Liability Coverage**

We have revised this endorsement to include liability coverage with respect to motorized scooters and motorized bicycles not built or modified after manufacture to exceed 28 miles per hour on level ground while off an insured location.

☐ **HO 24 75, Supplemental Watercraft Liability Coverage**

We have revised exclusion of bodily injury to any employee to apply to all watercraft. Previously, this exclusion applied only to sailing vessels or watercraft powered by inboard or inboard-outdrive engines or motors.

☐ **Other**

NORTH CAROLINA ROOF PAYMENT SCHEDULE FOR WINDSTORM OR HAIL LOSSES TO ROOF SURFACING – ADVISORY NOTICE TO POLICYHOLDERS

CAUTION: This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the Policy (including its endorsements), **THE PROVISIONS OF THE POLICY (INCLUDING ITS ENDORSEMENTS) SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your policy being issued by us:

Roof Payment Schedule For Windstorm Or Hail Losses To Roof Surfacing

With this endorsement to your policy, coverage for damage to "roof surfacing" may be settled at a percentage of full replacement cost based on age of roof and type of roof material.

NOTE: For the purposes of this endorsement, the percentage of the replacement cost shown in the Roof Surfacing Loss Percentage Table includes the following related costs and expenses:

- a. Labor, permits and any applicable tax, and
- b. Overhead and profit expenses.

For the purposes of this endorsement, "roof surfacing" means the:

- a. Shingles or tiles;
- b. Cladding;
- c. Metal or synthetic sheeting or similar materials covering the roof; and
- d. Roof flashing.

This includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection.

The percentage of replacement cost will be determined as follows:

Age Of Roof* (In Years)	Roof Surfacing Loss Percentage Table						
	Type Of Roof Surfacing Material						
	Asphalt Shingle	Composition Shingle	Tile	Shake/Wood Shingle	Metal	Slate	All Other#
Less than 1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5	85.0%	85.0%	90.0%	90.0%	90.0%	90.0%	90.0%
6	82.5%	82.5%	88.5%	88.5%	88.5%	88.5%	88.5%
7	80.0%	80.0%	87.0%	87.0%	87.0%	87.0%	87.0%
8	77.5%	77.5%	85.5%	85.5%	85.5%	85.5%	85.5%
9	75.0%	75.0%	84.0%	84.0%	84.0%	84.0%	84.0%
10	72.5%	72.5%	82.5%	82.5%	82.5%	82.5%	82.5%
11	70.0%	70.0%	81.0%	81.0%	81.0%	81.0%	81.0%
12	67.5%	67.5%	79.5%	79.5%	79.5%	79.5%	79.5%
13	65.0%	65.0%	78.0%	78.0%	78.0%	78.0%	78.0%
14	62.5%	62.5%	76.5%	76.5%	76.5%	76.5%	76.5%
15	60.0%	60.0%	75.0%	75.0%	75.0%	75.0%	75.0%
16	57.5%	57.5%	73.5%	73.5%	73.5%	73.5%	73.5%
17	55.0%	55.0%	72.0%	72.0%	72.0%	72.0%	72.0%
18	52.5%	52.5%	70.5%	70.5%	70.5%	70.5%	70.5%
19	50.0%	50.0%	69.0%	69.0%	69.0%	69.0%	69.0%
20	47.5%	47.5%	67.5%	67.5%	67.5%	67.5%	67.5%
21	45.0%	45.0%	66.0%	66.0%	66.0%	66.0%	66.0%
22	42.5%	42.5%	64.5%	64.5%	64.5%	64.5%	64.5%
23	40.0%	40.0%	63.0%	63.0%	63.0%	63.0%	63.0%
24	37.5%	37.5%	61.5%	61.5%	61.5%	61.5%	61.5%
25	35.0%	35.0%	60.0%	60.0%	60.0%	60.0%	60.0%
*The Age of Roof is determined by subtracting the Year of Installation, as indicated in the Schedule of the endorsement, from the year of the current policy period effective date. #Including but not limited to Built Up/Roll.							

COSMETIC DAMAGE EXCLUSION – WINDSTORM OR HAIL ENDORSEMENT – NORTH CAROLINA – ADVISORY NOTICE TO POLICYHOLDERS

CAUTION: This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the Policy (including its endorsements), **THE PROVISIONS OF THE POLICY (INCLUDING ITS ENDORSEMENTS) SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following endorsement, which applies to your policy being issued by us:

Cosmetic Damage Exclusion – Windstorm Or Hail

With this endorsement to your policy, there is no coverage under your policy for marring, pitting or other superficial damage caused by Windstorm or Hail that alters the appearance of the "exterior surfacing" of any buildings insured under your policy, but such damage does not prevent the "exterior surfacing" from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

For the purposes of the endorsement:

"Exterior surfacing" means the material(s) used to surface the exterior of a building to protect against the elements, including but not limited to:

- a. "Roof surfacing";
- b. Siding;
- c. Doors; and
- d. Windows.

"Roof surfacing" means the:

- a. Shingles or tiles;
- b. Cladding;
- c. Metal or synthetic sheeting or similar materials covering the roof; and
- d. Roof flashing.

This includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection.

This endorsement, when attached to your policy, results in a reduction of coverage.

LIMITED HOME DAY CARE COVERAGE ADVISORY NOTICE TO POLICYHOLDERS – NORTH CAROLINA

CAUTION: This is a summary of the limited coverage provided in your Homeowners Policy for Home Day Care services. No coverage is provided by this summary nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverage you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

- A.** If you or any other "insured" regularly provides home day care services to a person or persons other than you or any other "insureds" for economic gain, that enterprise is a "business". Mutual exchange of home day care services, however, is not considered economic gain. The rendering of home day care services by you or any other "insured" to your relative or a relative of any other "insured" is not considered a "business".
- B.** Therefore, with respect to a home day care enterprise which is considered to be a "business", this Policy:
- 1.** Does not provide:
 - a.** Section II coverages. This is because your "business" or the "business" of any other "insured" is excluded under Section II – Exclusions; and
 - b.** Coverage, under Section I, for other structures from which any "business" is conducted; and
 - 2.** Limits Section I coverage, under Coverage C – Special Limits Of Liability, for "business" property:
 - a.** On the "residence premises" for the home day care "business" to \$3,000. This is because Coverage C – Special Limits Of Liability imposes that limit on "business" property on the "residence premises"; and
 - b.** Away from the "residence premises" for the home day care "business" to \$1,500. This is because Coverage C – Special Limits Of Liability imposes that limit on "business" property away from the "residence premises". This limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1)** Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2)** In or upon a motor vehicle.