NORTH CAROLINA
Rate Bureau

November 9, 2026

CIRCULAR LETTER TO ALL MEMBER COMPANIES

RE: Revised Appraisal Provision in the North Carolina Homeowners and Supplemental Programs

Summary

- The Commissioner of Insurance has approved revisions to the **Appraisal provision** in the North Carolina Homeowners (HO), Homeowners Enhancement Coverage (HE), Homeowners Blanket (HB), and Homeowners Wind and Hail (HS) programs.
- The revisions address appraiser eligibility and judicial selection of an umpire, including updates to reflect the provisions of **N.C. Gen. Stat. § 58-44-35**, without changing the scope of appraisal, appraisers' authority, or the parties' rights under the appraisal provision.
- The revised forms replace the previously approved 06 27 editions and apply to **all new and renewal policies becoming effective on or after June 1, 2027**.

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

Purpose of This Circular

This circular provides notice that the Commissioner of Insurance has approved revisions filed by the North Carolina Rate Bureau on behalf of its member companies to the **Appraisal provision** in **Section I – Conditions** of the following North Carolina forms:

- **HO 32 32** Special Provisions – North Carolina
- **HE 00 07** Homeowners Enhancement Coverage
- **HB 32 32** Special Provisions – North Carolina
- **HS 32 32** Special Provisions – North Carolina

Overview of Approved Changes

The approved revisions update the **Appraisal provision** in each listed form to provide additional guidance regarding appraiser eligibility and judicial selection of an umpire. Specifically, the revisions:

- State that a party's use of the same appraiser on other losses does not affect the appraiser's status as disinterested or otherwise disqualify the appraiser from serving.
- Update the umpire-selection language to align with **N.C. Gen. Stat. § 58-44-35**, including the conditions for notice and a hearing that apply before a resident superior court judge may select an umpire.

The revisions do not alter the scope of appraisal, the authority of appraisers, or the parties' rights under the **Appraisal provision** and do not otherwise change the appraisal process.

The revised forms, **designated as 06 27A, replace the previously approved 06 27 editions** distributed under Circular Letters P-25-4, P-26-3, and P-26-4.

Member companies should implement the revised forms, rather than the previously approved versions, for all new and renewal policies becoming effective on or after June 1, 2027.

Effective Date and Rule of Application

The Rule of Application for these revisions is as follows:

> **These changes are applicable to all new and renewal policies becoming effective on or after June 1, 2027**.

Enclosures

The enclosed exhibits are intended to enable member companies to implement the approved revisions in accordance with the above Rule of Application. They are as follows:

- **Exhibit 1** – Redlined HO 32 32 Special Provisions – North Carolina
- **Exhibit 2** – Redlined HE 00 07 Homeowners Enhancement Coverage
- **Exhibit 3** –Redlined HB 32 32 Special Provisions – North Carolina
- **Exhibit 4** – Redlined HS 32 32 Special Provisions – North Carolina

Revised manual pages will be distributed in the usual manner. Final (clean) forms will be posted to the Rate Bureau's Web Portal at a later date.

Company Responsibilities and Distribution

- Identify and complete any required system, programming, form, or procedural changes.
- Replace the previously approved 06 27 forms with the revised forms for all new and renewal policies becoming effective on or after June 1, 2027.
- Ensure implementation is completed before the June 1, 2027 effective date.
- Distribute this circular and the enclosed exhibits to appropriate forms, compliance, legal, claims, underwriting, operations, and information technology personnel within your organization.

Sincerely,
Andy Montano
Personal Lines Director

AM:ko
P-26-8
Attachments

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – NORTH CAROLINA

SECTION I – CONDITIONS

***

Paragraph **F. Appraisal** is replaced by the following:

F. Appraisal

If you and we fail to agree on the value or amount of any item or loss, either may demand an appraisal of such item or loss. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. A party's use of the same appraiser on other losses shall not affect the appraiser's status as disinterested or otherwise disqualify the appraiser from serving in this appraisal. The two appraisers will choose a competent and impartial umpire. If ~~they~~ the two appraisers cannot agree upon an umpire within 15 days, you or we may request that a choice be made by ~~a~~any resident judge of the superior ~~a~~ court of ~~record in the state~~the district where the "residence premises" is located. The judge may not select the umpire until all of the following conditions have been met:

1. Proof of notice to all parties of record has been filed with the court, and at least 15 days have passed since the filing of the proof of notice.

2. Upon the request of any party of record, the judge has conducted a hearing. The hearing by the judge shall be governed by the practice for hearings in other civil actions before a judge without a jury and shall be limited to the issue of umpire selection.

The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss. Each party will~~:~~

~~1.~~ p~~P~~ay its own appraiser~~;~~ and

~~2.~~ B~~b~~ear the other expenses of the appraisal and umpire equally.

In no event will an appraisal be used for the purpose of interpreting any policy provision, determining causation or determining whether any item or loss is covered under this Policy. If there is an appraisal, we still retain the right to deny the claim.

The remainder of this endorsement remains unchanged.

REVISED

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HOMEOWNERS ENHANCEMENT COVERAGE

SECTION I – CONDITIONS

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