

# NORTH CAROLINA RATE BUREAU

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February 14, 2001

## CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Hurricane Percentage Deductible -  
Homeowners Policy Program

By Circular Letter to All Member Companies P-99-1 dated January 13, 1999, the Rate Bureau advised all member companies that the North Carolina Department of Insurance had approved the Rate Bureau's Hurricane Percentage Deductible - North Carolina HO 32 24 12 98 which was designed for use in connection with the Homeowners Policy Program. However, subsequent to the Rate Bureau's January 13, 1999 circular letter, the Department requested the Rate Bureau to withdraw the filing. In response to the Department of Insurance, the Rate Bureau withdrew the Hurricane Percentage Deductible Endorsement HO 32 24 12 98 until the Rate Bureau could address the Department of Insurance concerns over the Endorsement.

The Commissioner of Insurance has now approved a new Hurricane Percentage Deductible Endorsement which is designed for use on an optional basis in North Carolina with the Homeowners Policy Program. Enclosed is a copy of Endorsement HO 32 24 10 99 - Hurricane Percentage Deductible - North Carolina and the approved manual rule and rates.

The new Hurricane Percentage Deductible Endorsement HO 32 24 10 99 is to be used in conjunction with a deductible applicable to All Other Section I Perils. Hurricane deductible options of 1%, 2% or 5% of the Coverage A Limit of Liability are available. The deductible goes into effect when the loss is caused by a "hurricane". The duration of the "hurricane" begins and continues from the time a hurricane warning is issued for any part of North Carolina by the "National Weather Service" and ends 24 hours following determination of the last hurricane warning issued for any part of North Carolina.

The Hurricane Percentage Deductible Endorsement has been approved subject to the condition that the following is stamped on the Declarations Page:

**THIS POLICY CONTAINS A HURRICANE DEDUCTIBLE - PLEASE READ IT CAREFULLY.**

The Hurricane Percentage Deductible proposal became effective for all policies written on or after February 9, 2001.

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

Personal Lines Manager

FTL:dp

P-01-2