



December 16, 2004

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Homeowners 2000 Policy Program
Withdraw North Carolina State Exception
Rules 409 & 514

The Commissioner of Insurance has recently approved the withdrawal of North Carolina State Exception Rule 409 - Replacement Cost Loss Settlement For Certain Non-Building Structures and Rule 514 - Other Structures filed for use with the Homeowners 2000 Policy Program.

It was never the intention of the Rate Bureau to file exceptions to Rule 409 or 514. The rules were incorrectly filed with the Homeowners 2000 Policy Program. North Carolina will now use the Multistate General Rules 409 and 514.

These changes become effective in accordance with the following Rule of Application:

This change becomes effective with respect to all new and renewal policies written on or after April 1, 2005.

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-04-23