

NORTH CAROLINA RATE BUREAU

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November 4, 1999

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Endorsement HE 32 22 08 99
Homeowners Enhancement Policy Program

The Commissioner of Insurance has approved a new Specified Additional Amount of Insurance for Coverage A - Dwelling Endorsement HE 32 22 08 99 which is designed for use on an optional basis in North Carolina with the Homeowners Enhancement Policy Program. Enclosed is a copy of Endorsement HE 32 22 and the approved manual rule and rates.

Endorsement HE 32 22 will be attached to an HE-7 policy when there is a need to place a limitation on the replacement cost loss settlement provision. Currently, the HE-7 Policy provides an unlimited replacement cost loss settlement. This Endorsement is designed to provide a limit of 125% or 150% of Coverage A - Dwelling to the replacement cost loss settlement provision.

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

These changes become effective with respect to policies written on or after November 2, 1999.

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dp

Enclosure

P-99-20