

April 28, 2009

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Mobile Home Policy Programs MH(C) and MH(F)
New Optional Windstorm or Hail Deductibles
Territory 05, 06, 42, 43 Only

The Commissioner of Insurance has recently approved new optional Windstorm or Hail Deductibles in Territories 05, 06, 42 and 43 only, designed for use in North Carolina with the Mobile Home Policy Programs MH(C) and MH(F).

Explanation of Changes:

- New optional higher Windstorm or Hail Deductibles for both MH(C) and MH(F) Mobile Home Policy Programs applicable in Territories 05, 06, 42 and 43 only. This option provides for higher dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the higher deductible amount selected exceeds the deductible applicable to All Other Perils.
- The corresponding rule for MH(C) **12. Deductible Rule** clarifies the current deductible rule in addition to adding the specific rule regarding the optional Windstorm or Hail Deductible.
- The corresponding rule for MH(F) **7. Deductibles** adds a specific rule regarding the optional Windstorm or Hail Deductibles.

For your convenience, attached are revised Mobile Home Manual Pages reflecting the above mentioned changes.

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

These changes become effective with respect to all new and renewal policies written on or after April 24, 2009.

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

Sincerely,

F. Timothy Lucas

Personal Lines Manager

FTL:dsg

Attachments

P-09-11

**NORTH CAROLINA
MOBILE HOMEOWNER POLICY MH(C) PROGRAM
ANNUAL RATES/PREMIUM**

**WINDSTORM OR HAIL DEDUCTIBLES
COMPREHENSIVE COVERAGE**

TERRITORY 05, 06, 42, 43 ONLY

The Windstorm or Hail Deductible options are used in conjunction with the deductibles applicable to All Other Perils. This option provides for higher dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the higher deductible amount selected exceeds the deductible applicable to All Other Perils.

An endorsement is not required. Separately enter on the policy declarations the deductible amounts that apply to Windstorm or Hail and All Other Perils. For example: Deductible - \$500 except \$1000 for Windstorm or Hail.

The factors displayed incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

The Windstorm or Hail Deductible factor applies to the \$100 Deductible rate.

<u>\$1,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>1.08</u>
<u>100</u>	<u>0.99</u>
<u>250</u>	<u>0.92</u>
<u>500</u>	<u>0.85</u>
<u>*The amount of insurance on the structure must be at least \$10,000.</u>	

The Maximum \$1000 Windstorm or Hail Deductible credit is \$312.50.

<u>\$2,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>1.03</u>
<u>100</u>	<u>0.95</u>
<u>250</u>	<u>0.88</u>
<u>500</u>	<u>0.82</u>
<u>*The amount of insurance on the structure must be at least \$20,000.</u>	

The Maximum \$2000 Windstorm or Hail Deductible credit is \$625.00.

<u>\$5,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>0.99</u>
<u>100</u>	<u>0.93</u>
<u>250</u>	<u>0.85</u>
<u>500</u>	<u>0.80</u>
<u>*The amount of insurance on the structure must be at least \$50,000.</u>	

The Maximum \$5000 Windstorm or Hail Deductible credit is \$1000.00.

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**NORTH CAROLINA
MOBILE HOMEOWNER POLICY MH(C) PROGRAM
ANNUAL RATES/PREMIUM**

**WINDSTORM OR HAIL DEDUCTIBLES
NAMED PERILS COVERAGE**

TERRITORY 05, 06, 42, 43 ONLY

The Windstorm or Hail Deductible options are used in conjunction with the deductibles applicable to All Other Perils. This option provides for higher dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the higher deductible amount selected exceeds the deductible applicable to All Other Perils.

An endorsement is not required. Separately enter on the policy declarations the deductible amounts that apply to Windstorm or Hail and All Other Perils. For example: Deductible - \$500 except \$1000 for Windstorm or Hail.

The factors displayed incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

The Windstorm or Hail Deductible factor applies to the \$0 Deductible rate.

<u>\$1,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>1.03</u>
<u>100</u>	<u>0.95</u>
<u>250</u>	<u>0.88</u>
<u>*The amount of insurance on the structure must be at least \$10,000.</u>	

The Maximum \$1000 Windstorm or Hail Deductible credit is \$312.50.

<u>\$2,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>0.99</u>
<u>100</u>	<u>0.91</u>
<u>250</u>	<u>0.85</u>
<u>*The amount of insurance on the structure must be at least \$20,000.</u>	

The Maximum \$2000 Windstorm or Hail Deductible credit is \$625.00.

<u>\$5,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>0.95</u>
<u>100</u>	<u>0.89</u>
<u>250</u>	<u>0.82</u>
<u>*The amount of insurance on the structure must be at least \$50,000.</u>	

The Maximum \$5000 Windstorm or Hail Deductible credit is \$1000.00.

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NORTH CAROLINA
MOBILE HOMEOWNER POLICY MH(C) PROGRAM
RULES

12. Deductible Rule

~~The basic rates in the Rate Section contemplate a \$100 deductible for primary residence and tenants, and \$250 deductible for seasonal/vacation residence on Comprehensive or Named Perils Mobile Home Coverage, Comprehensive or Named Perils Adjacent Structures Coverage and Comprehensive Personal Effects Coverage. This deductible amount may be modified as provided for in the Rate Section.~~

The basic rates in the Rate Section contemplate a \$100 deductible for Comprehensive Primary Residence and Tenants, \$0 deductible for Named Perils Primary Residence and Tenants, and \$250 deductible for Comprehensive and Named Perils Seasonal/Vacation. This deductible amount may be modified as provided for in the rate section.

In Territories 05, 06, 42, 43 only, the Mobile Home Policy may be endorsed to provide an optional Windstorm or Hail Deductible used in conjunction with the deductibles applicable to All Other Perils. This option provides for higher dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the higher deductible amount selected exceeds the deductible applicable to All Other Perils.

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**NORTH CAROLINA
MOBILE HOMEOWNER POLICY MH(F) PROGRAM
MANUAL PREMIUMS**

1. Deductibles

d. Windstorm or Hail Deductibles

TERRITORY 05, 06, 42, 43 ONLY

The Windstorm or Hail Deductible options are used in conjunction with the deductibles applicable to All Other Perils. This option provides for higher dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the higher deductible amount selected exceeds the deductible applicable to All Other Perils.

An endorsement is not required. Separately enter on the policy declarations the deductible amounts that apply to Windstorm or Hail and All Other Perils. For example: Deductible - \$500 except \$1000 for Windstorm or Hail.

The Windstorm or Hail Deductible factor applies to the \$50 rate.

<u>\$1,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>0.89</u>
<u>100</u>	<u>0.82</u>
<u>250</u>	<u>0.76</u>
<u>500</u>	<u>0.70</u>
*The amount of insurance on the structure must be at least \$10,000.	

The Maximum \$1000 Windstorm or Hail Deductible credit is \$312.50.

<u>\$2,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>0.85</u>
<u>100</u>	<u>0.78</u>
<u>250</u>	<u>0.73</u>
<u>500</u>	<u>0.68</u>
<u>1000</u>	<u>0.60</u>
*The amount of insurance on the structure must be at least \$20,000.	

The Maximum \$2000 Windstorm or Hail Deductible credit is \$625.00.

<u>\$5,000 WINDSTORM OR HAIL DEDUCTIBLE*</u>	
<u>ALL OTHER PERILS DEDUCTIBLE AMOUNT</u>	<u>DEDUCTIBLE FACTOR</u>
<u>\$ 50</u>	<u>0.82</u>
<u>100</u>	<u>0.77</u>
<u>250</u>	<u>0.70</u>
<u>500</u>	<u>0.66</u>
<u>1000</u>	<u>0.58</u>
*The amount of insurance on the structure must be at least \$50,000.	

The Maximum \$5000 Windstorm or Hail Deductible credit is \$1000.00.

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**NORTH CAROLINA
MOBILE HOMEOWNER POLICY MH(F)
RULES**

7. DEDUCTIBLES

- d. Optional Windstorm or Hail Deductibles -
Territory 05, 06, 42, 43 Only

In Territories 05, 06, 42, 43 only, the Mobile Home Policy may be endorsed to provide an optional Windstorm or Hail Deductible used in conjunction with the deductibles applicable to All Other Perils. This option provides for higher dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the higher deductible amount selected exceeds the deductible applicable to All Other Perils.

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