



April 1, 2010

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Introduction of Named Storm Percentage Deductible  
Policy Forms, Rules and Rates  
MH(C) and MH(F) Policy Programs

The Commissioner of Insurance has recently approved newly introduced endorsements MH(C) 320, Named Storm Percentage Deductible – North Carolina and endorsement MH(F)-58, Named Storm Percentage Deductible – North Carolina including rules and rates. These endorsements are designed for use in North Carolina in the beach and coastal territories only on an optional basis by the member companies of the Rate Bureau with the MH(C) and MH(F) Policy Programs. The Named Storm Percentage Deductible is being introduced to comply with the provisions of House Bill 1305.

For your convenience, please find attached (1) a copy of endorsements MH(C) 320, Named Storm Percentage Deductible – North Carolina and MH(F)-58, Named Storm Percentage Deductible – North Carolina; and (2) a copy of the MH(C) and MH(F) manual rules.

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

The new endorsements MH(C) 320, Named Storm Percentage Deductible – North Carolina and MH(F)-58, Named Storm Percentage Deductible – North Carolina and manual rules become effective immediately for use on an optional basis with policies effective on or after March 31, 2010.

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:dms  
Attachments

P-10-6

**NAMED STORM PERCENTAGE DEDUCTIBLE**

**SCHEDULE**

<b>Named Storm Percentage Deductible:</b>
Information required to complete this Schedule, if not shown above, will be shown on Page One.

**A. Definitions**

The following definitions are added for purposes of this endorsement only:

1. "National Weather Service" means the National Weather Service including any of its offices, centers or agencies or, if the National Weather Service ceases to exist or ceases to perform the function of issuing warnings, watches or advisories for "named storms", such other entity as may replace it or as determined by the North Carolina Rate Bureau.
2. "Named storm" means a weather-related event involving wind that has been assigned a formal name by the National Hurricane Center, National Weather Service, World Meteorological Association or any other generally recognized scientific or meteorological association that provides formal names for public use and reference. A named storm includes hurricanes, tropical depressions and tropical storms.

**B. Named Storm Deductible**

The following special deductible is added to the policy:

1. With respect to the perils of windstorm and hail, we will pay only that part of the total of all loss payable resulting from a "named storm" that exceeds the applicable named storm deductible described in Paragraph **B.2.** of this endorsement.

**2.**The applicable named storm deductible:

- a. Is the dollar amount determined by multiplying the Mobile Home, Adjacent Structures, or Comprehensive Personal Effects Coverage Amount of Insurance shown on Page One, whichever is greatest, by the percentage shown as the Named Storm Deductible in the Schedule.
- b. Only applies to loss caused by the perils of windstorm and hail during the period:
  - (1) Beginning at the time an advisory, watch or warning for a "named storm" is issued or declared for any part of the state of North Carolina by the "National Weather Service"; and
  - (2) Ending 24 hours following:
    - (a) The termination of the last watch or warning for a "named storm" for any part of North Carolina by the "National Weather Service"; or
    - (b) The issuance of the last advisory for a "named storm" for any part of North Carolina by the "National Weather Service"; whichever is later.
3. No other deductible applies to loss caused by the perils of windstorm and hail and resulting from a "named storm" during the period described in Paragraph **B.2.b.** of this endorsement.
4. Refer to Page One for the deductible that applies to loss caused by the perils of windstorm and hail and resulting from a "named storm" other than during the period described in Paragraph **B.2.b.** of this endorsement.

N  
E  
W

All other provisions of this policy apply.

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

**OPTIONAL NAMED STORM PERCENTAGE DEDUCTIBLE**

**TERRITORY 05, 06, 42, 43 ONLY**

The Mobile-Homeowners Policy may be endorsed to provide a Named Storm Percentage Deductible of 1% of the Mobile Home, Adjacent Structures, or Comprehensive Personal Effects limit of liability, whichever is greatest, when the dollar amount of the percentage deductible exceeds the deductible applicable to All Other Perils. Use MH(C)-320, Named Storm Percentage Deductible.

The surcharges/credits displayed incorporate the surcharges/credits for the All Perils Deductibles. Do not use the surcharges/credits for the All Perils Deductibles when rating a policy with a higher Named Storm Percentage Deductible.

N

E

W

**MH(C) Rates**

For Comprehensive Coverage Primary Residence, the 1% Named Storm Deductible surcharge/credit applies to the \$100 deductible rate.

For Comprehensive Coverage Seasonal / Vacation Residence, the 1% Named Storm Deductible credit applies to the \$250 deductible rate.

<b>Deductible - Comprehensive Coverage</b>					
<b>All Other Perils Deductible Amount</b>			<b>Primary Residence Surcharge/Credit</b>		<b>Seasonal / Vacation Residence Credit</b>
<b><u>None</u></b>	<u>Mobile Home</u>	<u>Add</u>	<u>\$9.65</u>		
	<u>Adjacent Structures</u>	<u>Add</u>	<u>\$0.82</u>		
	<u>Personal Effects</u>	<u>Add</u>	<u>\$6.05</u>		
<b><u>\$50</u></b>	<u>Mobile Home</u>	<u>Add</u>	<u>\$2.24</u>		
	<u>Adjacent Structures</u>	<u>Add</u>	<u>\$0.21</u>		
	<u>Personal Effects</u>	<u>Add</u>	<u>\$2.69</u>		
<b><u>\$100</u></b>	<u>Mobile Home</u>	<u>Subtract</u>	<u>\$3.95</u>		
	<u>Adjacent Structures</u>	<u>Subtract</u>	<u>\$0.39</u>		
	<u>Personal Effects</u>	<u>Subtract</u>	<u>\$0.67</u>		
<b><u>\$250</u></b>	<u>Mobile Home</u>	<u>Subtract</u>	<u>\$15.08</u>	<u>Subtract</u>	<u>\$3.95</u>
	<u>Adjacent Structures</u>	<u>Subtract</u>	<u>\$1.60</u>	<u>Subtract</u>	<u>\$0.39</u>
	<u>Personal Effects</u>	<u>Subtract</u>	<u>\$7.40</u>	<u>Subtract</u>	<u>\$0.67</u>
<b><u>\$500</u></b>	<u>Mobile Home</u>	<u>Subtract</u>	<u>\$32.39</u>	<u>Subtract</u>	<u>\$21.27</u>
	<u>Adjacent Structures</u>	<u>Subtract</u>	<u>\$10.07</u>	<u>Subtract</u>	<u>\$8.85</u>
	<u>Personal Effects</u>	<u>Subtract</u>	<u>\$10.76</u>	<u>Subtract</u>	<u>\$4.04</u>

**MH(C) Rates**

For Named Perils Coverage, the 1% Named Storm Deductible credit applies to the \$0 deductible rate.

<u>Deductible - Named Perils Coverage</u>			
<u>All Other Perils Deductible Amount</u>			<u>Primary Residence Credit</u>
<b><u>None</u></b>	<u>Mobile Home</u>	<u>Subtract</u>	<u>\$7.04</u>
	<u>Adjacent Structures</u>	<u>Subtract</u>	<u>\$0.67</u>
	<u>Personal Effects</u>	<u>Subtract</u>	<u>\$1.35</u>
<b><u>\$50</u></b>	<u>Mobile Home</u>	<u>Subtract</u>	<u>\$13.17</u>
	<u>Adjacent Structures</u>	<u>Subtract</u>	<u>\$1.27</u>
	<u>Personal Effects</u>	<u>Subtract</u>	<u>\$4.12</u>
<b><u>\$100</u></b>	<u>Mobile Home</u>	<u>Subtract</u>	<u>\$18.67</u>
	<u>Adjacent Structures</u>	<u>Subtract</u>	<u>\$1.87</u>
	<u>Personal Effects</u>	<u>Subtract</u>	<u>\$6.90</u>
<b><u>\$250</u></b>	<u>Mobile Home</u>	<u>Subtract</u>	<u>\$27.85</u>
	<u>Adjacent Structures</u>	<u>Subtract</u>	<u>\$2.47</u>
	<u>Personal Effects</u>	<u>Subtract</u>	<u>\$12.44</u>

**MH(C) Rates**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

# NAMED STORM PERCENTAGE DEDUCTIBLE

## SCHEDULE

<p><b>Named Storm Percentage Deductible:</b></p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

### A. Definitions

The following definitions are added for purposes of this endorsement only:

1. "National Weather Service" means the National Weather Service including any of its offices, centers or agencies or, if the National Weather Service ceases to exist or ceases to perform the function of issuing warnings, watches or advisories for "named storms", such other entity as may replace it or as determined by the North Carolina Rate Bureau.
2. "Named storm" means a weather-related event involving wind that has been assigned a formal name by the National Hurricane Center, National Weather Service, World Meteorological Association or any other generally recognized scientific or meteorological association that provides formal names for public use and reference. A named storm includes hurricanes, tropical depressions and tropical storms.

### B. Named Storm Deductible

The following special deductible is added to the policy:

1. With respect to the peril of Windstorm or Hail, we will pay only that part of the total of all loss payable resulting from a "named storm", under Section I that exceeds the applicable named storm deductible described in Paragraph **B.2.** of this endorsement.
2. The applicable named storm deductible:
  - a. Is the dollar amount determined by multiplying the Coverage **A** or **C** Limit Of Liability shown in the Declarations, whichever is greater, by the percentage shown as the Named Storm Deductible in the Schedule.

b. Only applies to loss caused by the peril of Windstorm or Hail during the period:

- (1) Beginning at the time an advisory, watch or warning for a "named storm" is issued or declared for any part of the state of North Carolina by the "National Weather Service"; and
- (2) Ending 24 hours following:
  - (a) The termination of the last watch or warning for a "named storm" for any part of North Carolina by the "National Weather Service"; or
  - (b) The issuance of the last advisory for a "named storm" for any part of North Carolina by the "National Weather Service";

whichever is later.

3. No other deductible applies to loss caused by the peril of Windstorm or Hail and resulting from a "named storm" during the period described in Paragraph **B.2.b.** of this endorsement.

4. Refer to the policy Declarations for the deductible that applies to loss caused by the peril of Windstorm or Hail and resulting from a "named storm" other than during the period described in Paragraph **B.2.b.** of this endorsement.

All other provisions of this policy apply.

N  
E  
W

**NORTH CAROLINA MOBILE HOMEOWNERS POLICY MH(F) PROGRAM**

**OPTIONAL NAMED STORM PERCENTAGE DEDUCTIBLE**  
**TERRITORY 05, 06, 42, 43 ONLY**

ALL FORMS - The Mobile-Homeowners Policy may be endorsed to provide a Named Storm Percentage Deductible of 1% of the Coverage A or C limit of liability, whichever is greater, when the dollar amount of the percentage deductible exceeds the deductible applicable to All Other Perils. Use MH(F)-58, Named Storm Percentage Deductible.

The credits displayed incorporate the credits for the All Perils Deductibles. Do not use the credits for the All Perils Deductibles when rating a policy with a higher Named Storm Percentage Deductible.

The Named Storm Percentage Deductible factor applies to the \$50 Deductible rate.

<b>Section 1 Deductible - Owners</b>					
<b><u>All Other Perils Deductible Amount</u></b>	<b><u>\$50</u></b>	<b><u>\$100</u></b>	<b><u>\$250</u></b>	<b><u>\$500</u></b>	<b><u>\$1,000</u></b>
<b><u>Percentage Credit</u></b>	5%	14%	24%	31%	37%
<b><u>Maximum Premium Credit</u></b>	\$16.45	\$32.89	\$65.79	\$131.58	\$328.95

N  
E  
W

<b>Section 1 Deductible - Tenants</b>					
<b><u>All Other Perils Deductible Amount</u></b>	<b><u>\$50</u></b>	<b><u>\$100</u></b>	<b><u>\$250</u></b>	<b><u>\$500</u></b>	<b><u>\$1,000</u></b>
<b><u>Percentage Credit</u></b>	5%	14%	24%	31%	37%
<b><u>Maximum Premium Credit</u></b>	\$15.97	\$31.95	\$63.89	\$127.79	\$319.47

**MH(F) Rates**