

# NORTH CAROLINA RATE BUREAU

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February 26, 2002

## CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Amendatory Endorsement - North Carolina  
Homeowners Policy Program

By Circular Letter to All Member Companies P-02-2 dated February 19, 2002, the Rate Bureau announced new and revised Endorsements which are designed for use in North Carolina with the Homeowners Policy Program. These Endorsements are designed to provide and more specifically describe the intended mold and fungus coverage for the benefit of policyholders and to make companies better manage coverage for mold and fungus subject to certain limits.

Two typographical errors have been brought to our attention. The first is in the listing of new and revised endorsement numbers, specifically the Special Personal Property Coverage. The old endorsement number should have been listed as the HO 00 15 04 91. The second error is in the revised HO 32 37. The reference to other endorsement numbers beneath the endorsement title were incorrect.

In that regard, please find attached a revised New and Revised Homeowners Policy Endorsements listing as well as the revised HO 32 37 10 01.

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

Enclosures

P-02-5

## **NEW AND REVISED HOMEOWNERS POLICY ENDORSEMENTS**

<u>Endorsement</u>	<u>Old Endorsement #</u>	<u>New Endorsement #</u>
Amendatory Endorsement	N/A	HO 32 33 10 01
Special Personal Property Coverage	HO 00 15 04 91	HO 32 36 10 01
Special Computer Coverage	HO 04 14 04 91	HO 32 37 10 01
Unit-Owners Coverage A	HO 17 32 04 91	HO 32 34 10 01
Unit-Owners Coverage C	HO 17 31 04 91	HO 32 35 10 01

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

### **SPECIAL COMPUTER COVERAGE**

All Forms Except **HO 00 03** with **[HO 00 15] HO 32 36**  
And **HO 00 06** with **[HO 17 31] HO 32 35**

**THIS ENDORSEMENT: (1) DOES NOT INCREASE THE LIMIT OF LIABILITY WHICH APPLIES TO COVERAGE C, AND (2) DOES NOT MODIFY THE SPECIAL LIMITS OF LIABILITY OR THE PROVISIONS OF PROPERTY NOT COVERED UNDER COVERAGE C.**

For an additional premium, the Perils Insured Against which apply to Coverage C are deleted and replaced by the following with respect to "computer equipment":

Perils Insured Against: We cover an "insured's" "computer equipment," as defined in this endorsement, against risk of direct physical loss.

We do not insure, however, for loss:

**A. Excluded under SECTION I – EXCLUSIONS.**

**B. Caused by:**

- (1)** Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:
  - (a)** Maintain heat in the building; or
  - (b)** Shut off the water supply and drain the system and appliances of water;
- (2)** Theft in or to a dwelling under construction, until the dwelling is finished and occupied;
- (3)** Any of the following:
  - (a)** Wear and tear, marring, deterioration;
  - (b)** Inherent vice, latent defect, mechanical breakdown;
  - (c)** Smog, rust or other corrosion[, mold, wet or dry rot];
  - (d)** Smoke from agricultural smudging or industrial operations;
  - (e)** Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by one or more of the Perils Insured Against that would apply under Coverage C of the policy form if this endorsement were not attached to the policy form.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

- (f)** Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
- (g)** Birds, vermin, rodents or insects; or
- (h)** Animals owned or kept by an "insured."

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water.

Under items **(1)** through **(3)**, any ensuing loss not excluded or excepted in this policy is covered.

- (4)** Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5)** Dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail;
- (6)** Refinishing, renovating or repairing property;
- (7)** Collision, other than collision with a land vehicle, sinking, swamping or stranding of watercraft, including their trailers, furnishings, equipment and outboard engines or motors;
- (8)** Destruction, confiscation or seizure by order of any government or public authority; or
- (9)** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss not excluded or excepted in this policy is covered.

#### **DEFINITION**

With respect to the coverage provided by this endorsement, "computer equipment" means:

- 1.** Electronic data processing hardware and related peripheral equipment, including CRT screens, disc drives, printers and modems; and
- 2.** Discs, tapes, wires, records or other software media used with the equipment in **1.** above.

All other provisions of this policy apply.