



NORTH CAROLINA RATE BUREAU
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April 30, 2003

CIRCULAR LETTER TO ALL MEMBER COMPANIES
VIA E-MAIL

Re: Homeowners Policy Program
HO 32 89 Coverage C Increased Limit of Liability

The Commissioner of Insurance has recently approved a new Endorsement HO 32 89 04 03 - Coverage C Increased Special Limits of Liability designed for use in North Carolina with the Homeowners Program. The new Endorsement HO 32 89 04 03 replaces the previously approved Endorsement HO 04 66 04 91.

The new Endorsement HO 32 89 - Coverage C Increased Special Limits of Liability has been amended for editorial reasons to include reference to Endorsement HO 32 35 and HO 32 36. The HO 32 89 is replacing the "country wide" Endorsement HO 04 66 04 91 Coverage C Increased Special Limits of Liability and is hereby withdrawn.

Attached is a copy of the manual rule which has been amended to track this change.

In that regard, please click on the link to obtain a copy of the approved [Endorsement HO 32 89 04 03](#) - Coverage C Increased Special Limits of Liability designed for use in connection with the Homeowners Policy Program. If you are a current member of Insurance Service Offices, Inc. (ISO) and subscribe to ISONet, you may use your current login. If you are a member of ISO and do not subscribe to ISONet, please contact ISO Customer Service at 800-888-4476 to obtain information regarding a login. If you are not a member of ISO and do not subscribe to ISONet, please e-mail the Rate Bureau at isonet@ncrb.org and we will provide you with information on how to access ISONet. This service is available only to member companies of the Rate Bureau and is provided at no additional charge by ISO.

This change becomes effective in accordance with the following Rule of Application.

This change becomes effective with respect to all new and renewal policies effective on or after September 1, 2003.

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-03-8

**HOMEOWNERS POLICY PROGRAM MANUAL
EXCEPTION PAGES**

NORTH CAROLINA (32)

515. PERSONAL PROPERTY (Cont'd)

The last sentence in Paragraph **D.** is replaced by the following:

Use Endorsement **HO 32 89 04 66** Coverage **C** Increased Special Limits of Liability for **HO 00 03** with **HO 32 36** or **HO 00 06** with **HO 32 35**.

The following paragraphs are added.

G. Additional Coverage – Jewelry and Furs

Does not affect coding.

1. The policy may be endorsed to provide an increased limit of liability (up to \$5000) and coverage for additional risks of loss on unscheduled jewelry and furs.
2. Charge the additional rates shown on the state rate pages.
Use Endorsement **HO 32 27** Additional Coverage – Unscheduled Jewelry and Furs.
3. If Endorsement **HO 04 65** or **HO 32 89 04 66**, Coverage **C** Increased Special Limits of Liability, is also endorsed on the policy, Item **5.** (which pertains to jewelry and furs) should be left blank in deference to the limits provided under Endorsement **HO 32 27**.

H. Rented Personal Property

Does not affect coding.

1. Basic Limit
 - a. Landlords Furnishings
Under Forms **HO 00 02** and **HO 00 03**, the policy automatically provides, at no additional charge, \$2,500 of landlord's furnishings coverage, on a named perils basis, excluding Theft, for property regularly rented or held for rental in an apartment on the residence premises.
 - b. Theft (Burglary) Option
Coverage, as noted in **1.a.** above, may be extended to include loss resulting from burglary.
 - c. Premium
Refer to the state rate pages for the charge per unit.
2. Increased Limits
 - a. The basic limit noted in **1.a.** above may be increased up to the Coverage **C** limit of liability.
 - b. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.
 - c. Premium
Refer to the state rate pages.

3. Endorsement

- a. Endorsement **HO 32 21** Rented Personal Property indicates when the Theft option and/or Increased Limits option are selected.
- b. When Increased Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.
- c. The insured may select one option or both.

517. RENTAL TO OTHERS – THEFT COVERAGE ALL FORMS EXCEPT HO 00 03 WITH HO 32 36 AND HO 00 06 WITH HO 32 35

The rule is replaced by the following:

A. Coverage – Non-Specified Events

1. Coverage

The policy may be endorsed to cover loss by theft while the portion of the residence premises usually occupied by the insured is occasionally rented in whole or in part to others, or while there is rental to a roomer or boarder.

2. Premium

Charge the additional rate shown in the state rate pages.

3. Endorsement

Use Endorsement **HO 32 41** Extended Theft Coverage For Residence Premises Rented To Others For Specified Events – North Carolina.

B. Coverage – Specified Events

1. Coverage

The policy may be endorsed to insure against loss by theft to an insured's covered property when all or part of residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders. Coverage would apply for seven days (7) before and seven (7) days after the specified event and period of time indicated in the schedule of the endorsement.

2. Premium

Charge the additional rate shown in the state rate pages.

3. Endorsement

Use Endorsement **HO 32 41** Extended Theft Coverage For Residence Premises Rented To Others For Specified Events – North Carolina.