



**NORTH CAROLINA RATE BUREAU**  
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April 23, 2003

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Dwelling Policy Program  
DP 32 32 Special Provisions -  
North Carolina

The Commissioner of Insurance has recently approved the revisions to Endorsement DP 32 32 04 03 Special Provisions - North Carolina which is designed for use in on a mandatory basis in North Carolina with the Dwelling Policy Program. In addition, please find attached an Explanatory Memorandum explaining the changes.

In that regard, please click on the link to find a copy of the approved Endorsement [DP 32 32 04 03](#) - Special Provisions - North Carolina designed for use in connection with the Dwelling Policy Program. If you are a current member of 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](mailto: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.

These changes become 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-03-9

## EXPLANATORY MEMORANDUM

DP 32 32 04 03 - Special Provisions - North Carolina

We are proposing several changes in the North Carolina Dwelling Policy Program. It is proposed that these changes be implemented through amendments to the Special Provisions - North Carolina Endorsement DP 32 32 (Ed. 04 03).

The following outlines the amendments included in Endorsement DP 32 32 04 03.

### Clarification of the Policy regarding Mold

The DP 32 32 has been revised to provide and more specifically describe the intended mold and fungus coverage for the benefit of policyholders and to help companies better manage coverage for mold and fungus subject to certain limits. This change is designed to track the changes in the Homeowners Policy Program that went into effect August 15, 2002.

### Appraisal Provision

The Appraisal Provision was intended to provide an expeditious and inexpensive means of resolving simple disagreements on the value of an insured loss. However, attorneys and appraisers have begun trying to expand the use of this provision as a means to arbitrate insurance coverage disputes including the cause of loss. Therefore, we are proposing changes to the provision to emphasize its original intent to simply resolve disagreements as to the value of an insured loss.

### Choice of Law

A new Condition is being added to indicate that this policy is being issued in accordance with the laws in North Carolina and that all claims and disputes related to this policy shall be governed by the laws in North Carolina.