



December 15, 2004

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Homeowners 2000 Policy Program  
HO 04 91 10 00 Coverage B - Other Structures Away  
From The Residence Premises  
HO 32 25 10 04 Dwelling Under Construction -  
Theft Coverage

The Commissioner of Insurance has recently approved Endorsements HO 04 91 10 00 Coverage B - Other Structures Away From The Residence Premises and HO 32 25 10 04 Dwelling Under Construction - Theft Coverage designed for use in North Carolina with the Homeowners 2000 Policy Program.

The revised endorsements HO 04 91 10 00 and HO 32 25 10 04 were inadvertently omitted from the Homeowners 2000 Policy Program filing.

For your convenience, attached is a copy of each endorsement.

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 April 1, 2005.

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

F'TL:dp

Enclosures

P-04-22

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

## **COVERAGE B – OTHER STRUCTURES AWAY FROM THE RESIDENCE PREMISES**

FORMS HO 00 02, HO 00 03 AND HO 00 05 ONLY

### **SECTION I – PROPERTY COVERAGES**

#### **B. Coverage B – Other Structures**

The following is added to Paragraph 1.:

We also cover other structures which are owned by you and located away from the "residence premises", if used by you in connection with the "residence premises".

The following is added to Paragraph 2.:

**e.** With respect to other structures away from the "residence premises", other structures:

- (1)** Being used as a dwelling;
- (2)** Capable of being used as a dwelling;
- (3)** From which any "business" is conducted;
- (4)** Used to store "business" property; or
- (5)** Rented or held for rental to any person not a tenant of the dwelling.

Paragraph 3. is deleted and replaced by the following:

- 3.** The limit of liability for other structures on or away from the "residence premises" will not be more than 10% of the limit of liability that applies to Coverage A. Use of this limit does not reduce the Coverage A limit of liability.

### **SECTION I – CONDITIONS**

#### **C. Loss Settlement**

With respect to structures covered under this endorsement, Condition C. Loss Settlement is deleted and replaced by the following:

Covered losses will be settled at actual cash value at the time of loss, but not more than the amount required to repair or replace.

All other provisions of this policy apply.

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

## **DWELLING UNDER CONSTRUCTION – THEFT COVERAGE – NORTH CAROLINA**

We will cover loss caused by theft:

1. In or to a dwelling under construction; or
2. Of materials and supplies for use in construction;  
located on the described residence premises.

### **SECTION I – PERILS INSURED AGAINST**

#### **9. Theft**

The following preclusion of coverage **b.(2)** does not apply to the coverage afforded by this endorsement:

- (2) In or to a dwelling under construction, or of materials and supplies, for use in the construction until the dwelling is finished and occupied.

In Form **HO 00 03**, this is Subparagraph **2.c.(3)** under Paragraph **A**. Coverage **A** – Dwelling and Coverage **B** – Other Structures and Subparagraph **9.b.(2)** under Paragraph **B**. Coverage **C** – Personal Property.

In Form **HO 00 05**, this is Subparagraph **A.2.c.** under Coverages **A**, **B**, and **C**.

### **SPECIAL EXCLUSION**

We do not provide coverage for loss due to:

1. Mysterious disappearance; or
2. Shortage of property;

when there is no evidence that the loss was caused by theft.

### **SPECIAL PROVISIONS**

1. Coverage under this endorsement will terminate 180 days after the inception date of this endorsement; or when the dwelling is finished and occupied, whichever occurs first.
2. In the event of cancellation by you, no part of the premium paid for this endorsement is refundable.

All other provisions of this policy apply.