

NORTH CAROLINA RATE BUREAU

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October 27, 1998

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Home Business Insurance Coverage Homeowners Policy Program

The Commissioner of Insurance has approved a new Home Business Insurance Coverage Program which is designed for use on an optional basis in North Carolina with the Homeowners Policy Program. Enclosed is a copy of Home Business Insurance Coverage Endorsement HO 32 90 11 98, the approved manual rules and rates, and an explanatory memorandum.

Endorsement HO 32 90 11 98 is designed to provide first and third party coverages for certain businesses operated by the insured from the home. This new optional Endorsement is in response to a need within the insurance marketplace for a product that provides coverage when an insurer operates and owns a business from a home, condominium unit, cooperative unit or apartment unit.

Also enclosed is a new Sections I and II Exclusions for Computer-Related Damage or Injury - North Carolina Endorsement HO 32 47 11 98 and applicable manual rule. Endorsement HO 32 47 11 98 is for use on an optional basis and is to be used only when the Home Business Insurance Coverage Endorsement HO 32 90 11 98 is attached to the Homeowners Policy.

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

These changes become effective with respect to policies written on or after February 1, 1999.

Please see to it that this circular letter 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-98-14