

NORTH CAROLINA RATE BUREAU

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January 13, 1999

CIRCULAR LETTER TO ALL MEMBER COMPANIES

**Re: Hurricane Percentage Deductible -
North Carolina Homeowners Policy Program**

The Commissioner of Insurance has approved a new Hurricane Percentage Deductible proposal which is designed for use on an optional basis in North Carolina with the Homeowners Policy Program. Enclosed is a copy of Endorsement HO 32 24 12 98 - Hurricane Percentage Deductible - North Carolina and the approved manual rules and rates.

The Hurricane Percentage Deductible option is to be used in conjunction with a deductible applicable to All Other Section I Perils. Hurricane deductible options of 1%, 2% or 5% of the Coverage A Limit of Liability are available. The deductible goes into effect when the loss is caused by a hurricane occurrence. A hurricane occurrence begins and continues from the time a hurricane watch or warning is issued for any part of North Carolina by the National Weather Service and ends 72 hours following the termination of the last hurricane watch or warning issued for any part of North Carolina by the National Weather Service.

The Hurricane Percentage Deductible proposal becomes effective for all policies written on or after January 13, 1999.

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

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