

September 3, 2013

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Homeowners 2011 Historic Home  
Endorsement HH 32 03 07 13

The Commissioner of Insurance has approved the attached revised HH 32 03 Historic Home Endorsement designed for use in North Carolina. These revisions are being made to track the changes in the Homeowners 2011 Policy Program.

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

These changes are applicable to all new and renewal policies effective, on an optional basis, August 30, 2013; however, the revisions are effective on a mandatory basis for new and renewal policies effective on or after April 1, 2014.

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:dms

Attachment

P-13-13

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

**HISTORIC HOME SPECIAL ENDORSEMENT - North Carolina**

**SECTION I – PROPERTY COVERAGES**

**B. Coverage B – Other Structures**

- 1. Coverage B – Other ~~Coverage Structures~~ does not apply to this policy unless added by endorsement.

**SECTION I – CONDITIONS**

**DC. Loss Settlement**

**Paragraph 2. is deleted and replaced by the following:**

- 2. Buildings covered under Coverage **A** (excluding separately described and specifically insured building features) or **B** (if specifically described in this policy) for repair or reproduction with building materials of like kind and quality available in the United States, without deduction for depreciation, subject to the following:
  - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is \*% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or reproduce, ~~after application of deductible and~~ without deduction for depreciation, but not more than the least of the following:
    - (1) The limit of liability under this policy that applies to the building;
    - (2) The reproduction cost of that part of the building damaged for equivalent use on the same premises: or
    - (3) The amount actually and necessarily spent to repair or reproduce the damaged building on the “residence premises” or some other premises within the state of North Carolina.
  - b. If, at the time of loss, the amount of insurance in this policy on the damaged building (including separately described and specially insured building features) is less than \*% of the full reproduction cost of the building immediately before the loss, we will pay the greater of the following amounts, but no more than the limit of liability under this policy applying to the building:
    - (1) The actual cash value of that part of the building damaged; or

- (2) The proportion of the cost to repair or reproduce ~~after application of the deductible and~~ without deduction for depreciation of that part of the building damaged which the total amount of insurance in this policy on the damaged building bears to the \*% of the reproduction cost of the building.

- c. To determine the amount of insurance required to equal \*% of the full reproduction cost of the building immediately before the loss, do not include the value of:
  - (1) Excavations, foundations, piers, or any supports which are below the undersurface of the lowest basement floor;
  - (2) Those supports in (a1) above which are below the surface of the ground inside the foundation walls if there is no basement; and
  - (3) Underground flues, pipes, wiring and drains.

- d. When the cost to repair or reproduce the damage is more than \$2,500 or more than 5% of the amount of insurance in this policy on the building whichever is less, we will pay not more than the actual cash value of the damage until actual repair or reproduction is completed. If repairs are subsequently made, you may then make claim within 180 days after the loss for any additional liability for loss or damage as provided under **DC. Loss Settlement 2.a. or b.** above.

- \*Percentage that applies is \_\_\_\_\_%.

**SECTION II – EXCLUSIONS**

**E. Coverage E – Personal Liability and Coverage**

**F – Medical Payments to Others** ~~do not apply to bodily injury or property damage:~~

The following exclusion is added:

**910.** “Bodily injury” or “property damage” arising out of public viewing of the insured “residence premises” for a fee.

For an additional premium, the above exclusion does not apply so long as the public viewing of the “residence premises” is limited as shown below:

- \$ \_\_\_\_\_ Public viewing 1-3 per year
- \$ \_\_\_\_\_ Public viewing 4-10 per year
- \$ \_\_\_\_\_ Public viewing 11 or more per year

All other provisions of this policy apply.

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