

NORTH CAROLINA RATE BUREAU

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September 9, 1997

CIRCULAR LETTER TO ALL MEMBER COMPANIES

**Re: Actual Cash Value (ACV) and
Functional Replacement Cost (FRC) Endorsements
1991 Homeowners and Dwelling 1989 Policy Programs**

By Circular Letter to All Member Companies P-97-6 dated May 22, 1997, the Rate Bureau notified member companies of the approval of ACV and FRC Endorsements for use on an optional basis in North Carolina with the 1991 Homeowners and the 1989 Dwelling Policy Programs. Those Endorsements were to become effective on December 1, 1997.

Because of an oversight, it was necessary to revise the ACV rating rule for the 1989 Dwelling Policy Program and to withdraw Endorsement DP 35 51, Actual Cash Value Loss Settlement. In that regard, please find attached a copy of a revised ACV manual rule.

As a result of this change, it is necessary to postpone the implementation of the ACV and FRC options for the 1989 Dwelling Policy Program and to implement these changes effective March 1, 1998 in accordance with the following Rule of Application in lieu of December 1, 1997 as originally indicated.

These changes become effective with respect to policies written on or after March 1, 1998.

It is intended that the ACV and FRC options applicable to the 1991 Homeowners Policy Program become effective December 1, 1997 as originally announced in the May 22, 1997 circular letter.

Reprinted manual pages will be distributed as soon as possible. Please see to it that all interested company personnel are informed of these changes.

Very truly yours,

F. Timothy Lucas

Personal Lines Supervisor

FTL:dp

Enclosure

P-97-15