

NORTH CAROLINA RATE BUREAU

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October 12, 1998

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Business Definition and Exclusion Homeowners Policy Program

The Commissioner of Insurance has approved the attached Endorsement HO 32 32 Special Provisions - North Carolina and a new Endorsement HO 32 82 Personal Injury - North Carolina designed for use with the Homeowners Policy Program. Also enclosed is a memorandum which explains in detail the changes in the Endorsements.

The changes in Endorsement HO 32 32 include a revised definition of Abusiness@ as well as a change under the Section II - Liability Coverage Abusiness@ exclusion to include coverage for a minor=s occasional or part time activities.

As a result of the change to the Section II Abusiness@ exclusion, Endorsement HO 24 82 is being withdrawn to introduce the new HO 32 82 which incorporates the new language regarding minors.

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 is brought to the attention of all interested personnel in your Company.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dp

Enclosures

