

NORTH CAROLINA DEPARTMENT OF INSURANCE

RALEIGH, NORTH CAROLINA

IN THE MATTER OF THE FILING)
DATED AUGUST 14, 2019 BY THE)
NORTH CAROLINA RATE BUREAU) DOCKET NO. 1985
FOR REVISION OF DWELLING INSURANCE)
RATES)

SETTLEMENT AGREEMENT
AND CONSENT ORDER

On August 14, 2019, which date was later amended by agreement to August 26, 2019, the North Carolina Rate Bureau ("Rate Bureau") filed with the North Carolina Department of Insurance ("Department") a proposal for revised dwelling insurance rates (the "2019 Dwelling Filing"). This 2019 Dwelling Filing was assigned Docket No. 1985 and proposed a statewide overall increase in dwelling insurance rates of 19.2% with changes varying by coverage and territory.

The Rate Bureau and the Department have agreed to settle the 2019 Dwelling Filing. The proposed settlement would provide for an overall statewide rate increase of 4.0%, with changes varying by coverage and territory as set forth on Exhibit A.

It appearing to the Commissioner that the Rate Bureau and the Department have, after consultation with their respective legal, actuarial and economic advisors and subject to approval by the Commissioner and to the conditions hereinafter set forth, entered into a settlement of all matters and things in dispute in connection with the 2019 Dwelling Filing; and it further appearing to the Commissioner that a settlement under the circumstances set forth herein results in rates that are neither excessive, inadequate, unreasonable, or unfairly discriminatory, that such settlement is in the public interest, that such settlement is fair and reasonable and should be approved and that, to the extent that the current rates and/or the filed rates differ from the rates approved by this order, the current rates and/or the filed rates are either excessive, inadequate, unreasonable or unfairly discriminatory;

NOW, THEREFORE, IT IS ORDERED AND AGREED as follows:

1. The 2019 Dwelling Filing is approved subject to the modifications set forth in paragraph 2, below.
2. The approved overall statewide rate level increase, considering all coverages and territories, is 4.0%. The changes to the amount of insurance relativities, the addition of an age of construction relativity, and the rebasing of the base amount of insurance are not approved. The approved territory rate level changes by coverage are set forth on the attached Exhibit A. The resulting approved territory base class premiums by coverage are set forth on the attached Exhibit B. The approved windstorm or hail exclusion credits by

coverage are set forth on the attached Exhibit C. The approved wind mitigation credits by coverage are set forth on the attached Exhibits D and E. Exhibits A through E are incorporated herein by reference.

3. The revised rates and other approved changes are to become effective in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after July 1, 2020.

4. The parties acknowledge that, by entering into this Consent Order, neither is condoning, validating, accepting or agreeing to the other's theories, methodologies or calculations regarding or pertaining to profit, dividends and deviations, computer models, catastrophe loadings, and/or any other theory, methodology or calculation not specifically enumerated herein. The parties further acknowledge that by entering into this Consent Order neither is bound or limited in filing, reviewing or contesting any future rate filings in any line of insurance subject to the Bureau's jurisdiction by the theories, methodologies or calculations contained in the 2019 Dwelling Filing.

This 4/4th day of December, 2019.



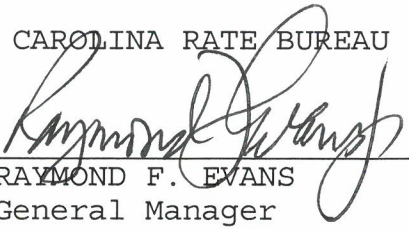
MIKE CAUSEY

Commissioner of Insurance for the
State of North Carolina

WE CONSENT TO THE SIGNING AND ENTRY OF THIS ORDER:

NORTH CAROLINA RATE BUREAU


BY:



RAYMOND F. EVANS
General Manager

NORTH CAROLINA DEPARTMENT OF INSURANCE

BY:



FRED FULLER
Deputy Commissioner, Property and Casualty

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NORTH CAROLINA

DWELLING PROPERTY INSURANCE

STATEWIDE AND TERRITORY RATE LEVEL CHANGES

<u>Territory</u>	<u>Fire</u>		<u>Extended Coverage</u>	
	<u>Buildings</u>	<u>Contents</u>	<u>Buildings</u>	<u>Contents</u>
110	0.0%	0.0%	+10.4%	+9.6%
120	0.0%	0.0%	+10.3%	+9.4%
130	0.0%	0.0%	+7.5%	+8.9%
140	0.0%	0.0%	+11.0%	+8.5%
150	0.0%	0.0%	0.0%	-6.2%
160	0.0%	0.0%	0.0%	0.0%
170	0.0%	0.0%	0.0%	-5.2%
180	0.0%	0.0%	+9.0%	0.0%
190	0.0%	0.0%	+12.5%	+15.2%
200	0.0%	0.0%	+13.7%	+14.7%
210	0.0%	0.0%	+9.2%	0.0%
220	0.0%	0.0%	+9.1%	0.0%
230	0.0%	0.0%	+10.1%	0.0%
240	0.0%	0.0%	0.0%	0.0%
250	0.0%	0.0%	0.0%	-6.9%
260	0.0%	0.0%	0.0%	-11.6%
270	0.0%	0.0%	0.0%	0.0%
280	0.0%	0.0%	0.0%	-7.9%
290	0.0%	0.0%	0.0%	-12.8%
300	0.0%	0.0%	+11.4%	0.0%
310	0.0%	0.0%	0.0%	0.0%
320	0.0%	0.0%	0.0%	-6.0%
330	0.0%	0.0%	0.0%	-8.6%
340	0.0%	0.0%	0.0%	-0.8%
350	0.0%	0.0%	0.0%	-8.3%
360	0.0%	0.0%	0.0%	-13.1%
370	0.0%	0.0%	0.0%	-14.2%
380	0.0%	0.0%	0.0%	-9.5%
390	0.0%	0.0%	0.0%	-11.3%
Statewide	0.0%	0.0%	+5.3%	+5.9%
Statewide for both Classes		0.0%		+5.3%
Combined Statewide Change for all Forms and Classes			+4.0%	

NORTH CAROLINA
DWELLING PROPERTY INSURANCE
APPROVED BASE CLASS PREMIUMS

<u>Territory</u>	<u>Fire</u>		<u>Extended Coverage</u>	
	<u>Buildings</u>	<u>Contents</u>	<u>Buildings</u>	<u>Contents</u>
110	\$17	\$4	\$172	\$24
120	\$17	\$4	\$192	\$28
130	\$31	\$9	\$138	\$21
140	\$28	\$9	\$149	\$21
150	\$29	\$9	\$126	\$11
160	\$32	\$11	\$130	\$14
170	\$44	\$13	\$62	\$5
180	\$45	\$14	\$68	\$6
190	\$46	\$14	\$70	\$8
200	\$62	\$16	\$88	\$11
210	\$41	\$13	\$57	\$4
220	\$41	\$12	\$50	\$3
230	\$64	\$17	\$80	\$9
240	\$42	\$13	\$51	\$3
250	\$38	\$12	\$52	\$3
260	\$47	\$13	\$50	\$2
270	\$30	\$10	\$37	\$2
280	\$28	\$9	\$37	\$2
290	\$35	\$11	\$46	\$2
300	\$47	\$15	\$43	\$4
310	\$35	\$11	\$31	\$1
320	\$34	\$11	\$34	\$1
330	\$36	\$12	\$37	\$1
340	\$31	\$9	\$29	\$1
350	\$35	\$11	\$30	\$1
360	\$29	\$9	\$29	\$2
370	\$32	\$10	\$31	\$2
380	\$29	\$9	\$27	\$1
390	\$30	\$10	\$27	\$1

For Fire, the Base Class is Protection Class 5 with Frame Construction; \$15,000 Coverage A, \$6,000 Coverage C.
For Extended Coverage, the Base Class is Form DP-001; \$15,000 Coverage A, \$6,000 Coverage C.

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

WINDSTORM OR HAIL EXCLUSION CREDITS

<u>Territory</u>	<u>Construction</u>	<u>Buildings</u>	<u>Contents</u>
110	Masonry	141	18
	Frame	148	19
	Mobile Home	185	24
120	Masonry	159	21
	Frame	167	22
	Mobile Home	209	28
130	Masonry	97	12
	Frame	102	13
	Mobile Home	128	16
140	Masonry	105	12
	Frame	111	13
	Mobile Home	139	16
150	Masonry	95	10
	Frame	100	10
	Mobile Home	125	13
160	Masonry	100	11
	Frame	105	12
	Mobile Home	131	15

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

WINDSTORM MITIGATION CREDITS
BUILDINGSFrame Construction

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Total Hip Roof	8	8	5	5	5	4
Opening Protection	8	8	5	5	5	4
Total Hip Roof and Opening Protection	16	17	10	10	10	10
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	26	30	11	19	13	17
Hurricane Fortified for Existing Homes® Bronze Option 1	6	6	3	3	4	3
Hurricane Fortified for Existing Homes® Bronze Option 2	10	10	5	7	5	6
Hurricane Fortified for Existing Homes® Silver Option 1	16	19	7	12	6	11
Hurricane Fortified for Existing Homes® Silver Option 2	20	22	8	14	8	13
Hurricane Fortified for Existing Homes® Gold Option 1	20	22	10	14	10	13
Hurricane Fortified for Existing Homes® Gold Option 2	22	26	11	18	11	16
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	26	30	11	19	13	17
FORTIFIED Roof – Hurricane – Existing Roof	6	6	3	3	4	3
FORTIFIED Roof – Hurricane – New Roof	10	10	5	7	5	6
FORTIFIED Home – Hurricane – Silver – Existing Roof	16	19	7	12	6	11
FORTIFIED Home – Hurricane – Silver – New Roof	20	22	8	14	8	13
FORTIFIED Home – Hurricane – Gold – Existing Roof	20	22	10	14	10	13
FORTIFIED Home – Hurricane – Gold – New Roof	22	26	11	18	11	16

Masonry Construction

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Total Hip Roof	8	8	5	5	5	4
Opening Protection	8	8	5	5	5	4
Total Hip Roof and Opening Protection	15	16	10	10	10	10
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	25	29	10	18	12	16
Hurricane Fortified for Existing Homes® Bronze Option 1	6	6	3	3	4	3
Hurricane Fortified for Existing Homes® Bronze Option 2	10	10	5	7	5	6
Hurricane Fortified for Existing Homes® Silver Option 1	15	18	7	11	6	10
Hurricane Fortified for Existing Homes® Silver Option 2	19	21	8	13	8	12
Hurricane Fortified for Existing Homes® Gold Option 1	19	21	10	13	10	12
Hurricane Fortified for Existing Homes® Gold Option 2	21	25	10	17	10	15
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	25	29	10	18	12	16
FORTIFIED Roof – Hurricane – Existing Roof	6	6	3	3	4	3
FORTIFIED Roof – Hurricane – New Roof	10	10	5	7	5	6
FORTIFIED Home – Hurricane – Silver – Existing Roof	15	18	7	11	6	10
FORTIFIED Home – Hurricane – Silver – New Roof	19	21	8	13	8	12
FORTIFIED Home – Hurricane – Gold – Existing Roof	19	21	10	13	10	12
FORTIFIED Home – Hurricane – Gold – New Roof	21	25	10	17	10	15

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

WINDSTORM MITIGATION CREDITS
CONTENTSFrame Construction

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Total Hip Roof	1	2	1	1	1	1
Opening Protection	1	2	1	1	1	1
Total Hip Roof and Opening Protection	1	3	1	1	1	1
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	4	5	2	3	2	3
Hurricane Fortified for Existing Homes® Bronze Option 1	1	2	1	1	1	1
Hurricane Fortified for Existing Homes® Bronze Option 2	1	3	1	1	1	1
Hurricane Fortified for Existing Homes® Silver Option 1	2	3	1	2	1	2
Hurricane Fortified for Existing Homes® Silver Option 2	2	4	1	2	1	2
Hurricane Fortified for Existing Homes® Gold Option 1	3	4	1	2	1	2
Hurricane Fortified for Existing Homes® Gold Option 2	3	4	2	2	2	2
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	4	5	2	3	2	3
FORTIFIED Roof – Hurricane – Existing Roof	1	2	1	1	1	1
FORTIFIED Roof – Hurricane – New Roof	1	3	1	1	1	1
FORTIFIED Home – Hurricane – Silver – Existing Roof	2	3	1	2	1	2
FORTIFIED Home – Hurricane – Silver – New Roof	2	4	1	2	1	2
FORTIFIED Home – Hurricane – Gold – Existing Roof	3	4	1	2	1	2
FORTIFIED Home – Hurricane – Gold – New Roof	3	4	2	2	2	2

Masonry Construction

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Total Hip Roof	1	2	1	1	1	1
Opening Protection	1	2	1	1	1	1
Total Hip Roof and Opening Protection	1	3	1	1	1	1
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	4	5	2	3	2	3
Hurricane Fortified for Existing Homes® Bronze Option 1	1	2	1	1	1	1
Hurricane Fortified for Existing Homes® Bronze Option 2	1	3	1	1	1	1
Hurricane Fortified for Existing Homes® Silver Option 1	2	3	1	2	1	2
Hurricane Fortified for Existing Homes® Silver Option 2	2	4	1	2	1	2
Hurricane Fortified for Existing Homes® Gold Option 1	3	4	1	2	1	2
Hurricane Fortified for Existing Homes® Gold Option 2	3	4	2	2	2	2
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	4	5	2	3	2	3
FORTIFIED Roof – Hurricane – Existing Roof	1	2	1	1	1	1
FORTIFIED Roof – Hurricane – New Roof	1	3	1	1	1	1
FORTIFIED Home – Hurricane – Silver – Existing Roof	2	3	1	2	1	2
FORTIFIED Home – Hurricane – Silver – New Roof	2	4	1	2	1	2
FORTIFIED Home – Hurricane – Gold – Existing Roof	3	4	1	2	1	2
FORTIFIED Home – Hurricane – Gold – New Roof	3	4	2	2	2	2