

NORTH CAROLINA DEPARTMENT OF INSURANCE

RALEIGH, NORTH CAROLINA



IN THE MATTER OF THE FILING)
DATED AUGUST 18, 2022 BY THE)
NORTH CAROLINA RATE BUREAU)
FOR REVISION OF DWELLING INSURANCE)
RATES)

DOCKET NO. 2088

SETTLEMENT AGREEMENT
AND CONSENT ORDER

On August 18, 2022, the North Carolina Rate Bureau (“Rate Bureau”) filed with the North Carolina Department of Insurance (“Department”) a proposal for revised dwelling insurance rates (the “2022 Dwelling Filing”). This 2022 Dwelling Filing was assigned Docket No. 2088 and proposed a statewide overall increase in dwelling insurance rates of 42.6% with changes varying by coverage and territory and proposed to implement that increase over a two-year period.

The Rate Bureau and the Department have agreed to settle the 2022 Dwelling Filing. The proposed settlement would provide for an overall statewide rate increase of 9.9%, with changes varying by coverage and territory as set forth on Exhibit A, to be implemented as provided in the Rule of Application set out below.

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 2022 Dwelling Filing; and it further appearing to the Commissioner that a settlement under the circumstances set forth herein results in rates that are not 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:

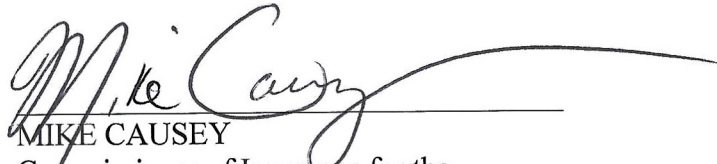
1. The 2022 Dwelling Filing is approved subject to the modifications set forth in paragraph 2, below.
2. The approved overall statewide rate level increase, considering all coverages and territories, is 9.9%. The approved territory rate level changes by coverage are set forth on the attached Exhibit 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 June 1, 2023.

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, 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

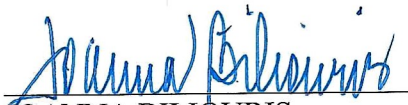
jurisdiction by the theories, methodologies, or calculations contained in the 2022 Dwelling Filing.

This 30 day of January, 2023.



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: 
JOANNA BILIOURIS
General Manager

NORTH CAROLINA DEPARTMENT OF INSURANCE

BY: 
FRED FULLER
Deputy Commissioner, Property and Casualty

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

STATEWIDE AND TERRITORY RATE LEVEL CHANGES

Territory	Fire		Extended Coverage	
	Buildings	Contents	Buildings	Contents
110	0.0%	0.0%	+12.6%	+11.5%
120	0.0%	0.0%	+12.6%	+12.9%
130	0.0%	0.0%	+12.3%	+13.0%
140	0.0%	0.0%	+12.6%	+13.0%
150	+6.9%	0.0%	+12.1%	+9.1%
160	+3.0%	0.0%	+12.4%	0.0%
170	+2.3%	0.0%	+10.1%	0.0%
180	0.0%	0.0%	+12.0%	0.0%
190	+6.5%	0.0%	+13.0%	+11.1%
200	+3.2%	0.0%	+12.4%	+8.3%
210	+9.8%	0.0%	+12.7%	0.0%
220	+2.4%	0.0%	+12.5%	0.0%
230	+6.3%	0.0%	+12.4%	+10.0%
240	+7.1%	0.0%	+12.3%	0.0%
250	0.0%	0.0%	+11.9%	0.0%
260	+2.1%	0.0%	+10.9%	0.0%
270	-3.2%	0.0%	+11.9%	0.0%
280	0.0%	0.0%	+12.2%	0.0%
290	0.0%	0.0%	+9.6%	0.0%
300	+4.3%	0.0%	+12.8%	0.0%
310	0.0%	0.0%	+11.8%	0.0%
320	+5.9%	0.0%	+10.5%	0.0%
330	+5.6%	0.0%	+9.8%	0.0%
340	+3.2%	0.0%	+12.5%	0.0%
350	+5.7%	0.0%	+12.1%	0.0%
360	+3.4%	0.0%	+12.5%	0.0%
370	+3.1%	0.0%	+8.8%	0.0%
380	+3.4%	0.0%	+10.0%	0.0%
390	+3.3%	0.0%	+10.0%	0.0%
Statewide	+2.3%	0.0%	+12.3%	+9.5%
Statewide for both Classes		+2.2%		+12.2%
Combined Statewide Change for all Forms and Classes			+9.9%	

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	\$215	\$29
120	\$17	\$4	\$241	\$35
130	\$32	\$9	\$173	\$26
140	\$29	\$9	\$188	\$26
150	\$31	\$9	\$157	\$12
160	\$34	\$11	\$163	\$15
170	\$45	\$13	\$76	\$6
180	\$45	\$14	\$84	\$7
190	\$49	\$14	\$87	\$10
200	\$64	\$16	\$109	\$13
210	\$45	\$13	\$71	\$4
220	\$42	\$12	\$63	\$3
230	\$68	\$17	\$100	\$11
240	\$45	\$13	\$64	\$3
250	\$39	\$12	\$66	\$3
260	\$48	\$13	\$61	\$2
270	\$30	\$10	\$47	\$2
280	\$28	\$9	\$46	\$2
290	\$36	\$11	\$57	\$2
300	\$49	\$15	\$53	\$4
310	\$35	\$11	\$38	\$1
320	\$36	\$11	\$42	\$1
330	\$38	\$12	\$45	\$1
340	\$32	\$9	\$36	\$1
350	\$37	\$11	\$37	\$1
360	\$30	\$9	\$36	\$2
370	\$33	\$10	\$37	\$2
380	\$30	\$9	\$33	\$1
390	\$31	\$10	\$33	\$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	159	19
	Frame	168	20
	Mobile Home	210	25
120	Masonry	189	26
	Frame	199	27
	Mobile Home	248	34
130	Masonry	118	21
	Frame	124	22
	Mobile Home	155	27
140	Masonry	133	18
	Frame	140	19
	Mobile Home	175	23
150	Masonry	112	9
	Frame	118	9
	Mobile Home	147	11
160	Masonry	114	11
	Frame	120	12
	Mobile Home	149	15

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

WINDSTORM MITIGATION CREDITSBUILDINGSFrame 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	9	10	7	7	6	4
Opening Protection	9	10	7	7	6	4
Total Hip Roof and Opening Protection	19	20	12	12	12	11
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	30	36	13	24	15	20
Hurricane Fortified for Existing Homes® Bronze Option 1	7	8	3	3	4	3
Hurricane Fortified for Existing Homes® Bronze Option 2	11	12	7	9	6	7
Hurricane Fortified for Existing Homes® Silver Option 1	19	23	9	15	7	12
Hurricane Fortified for Existing Homes® Silver Option 2	23	26	10	18	10	14
Hurricane Fortified for Existing Homes® Gold Option 1	23	26	12	18	12	14
Hurricane Fortified for Existing Homes® Gold Option 2	25	31	13	23	13	19
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	30	36	13	24	15	20
FORTIFIED Roof – Hurricane – Existing Roof	7	8	3	3	4	3
FORTIFIED Roof – Hurricane – New Roof	11	12	7	9	6	7
FORTIFIED Home – Hurricane – Silver – Existing Roof	19	23	9	15	7	12
FORTIFIED Home – Hurricane – Silver – New Roof	23	26	10	18	10	14
FORTIFIED Home – Hurricane – Gold – Existing Roof	23	26	12	18	12	14
FORTIFIED Home – Hurricane – Gold – New Roof	25	31	13	23	13	19

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	9	10	7	7	6	4
Opening Protection	9	10	7	7	6	4
Total Hip Roof and Opening Protection	18	19	11	11	11	10
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	29	34	12	23	14	19
Hurricane Fortified for Existing Homes® Bronze Option 1	7	8	3	3	4	3
Hurricane Fortified for Existing Homes® Bronze Option 2	10	11	7	9	6	7
Hurricane Fortified for Existing Homes® Silver Option 1	18	22	9	14	7	11
Hurricane Fortified for Existing Homes® Silver Option 2	22	25	10	17	10	13
Hurricane Fortified for Existing Homes® Gold Option 1	22	25	11	17	11	13
Hurricane Fortified for Existing Homes® Gold Option 2	24	29	12	22	12	18
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	29	34	12	23	14	19
FORTIFIED Roof – Hurricane – Existing Roof	7	8	3	3	4	3
FORTIFIED Roof – Hurricane – New Roof	10	11	7	9	6	7
FORTIFIED Home – Hurricane – Silver – Existing Roof	18	22	9	14	7	11
FORTIFIED Home – Hurricane – Silver – New Roof	22	25	10	17	10	13
FORTIFIED Home – Hurricane – Gold – Existing Roof	22	25	11	17	11	13
FORTIFIED Home – Hurricane – Gold – New Roof	24	29	12	22	12	18

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DWELLING PROPERTY INSURANCE

WINDSTORM MITIGATION CREDITS

CONTENTS

Frame 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	2	1	1	1
Opening Protection	1	2	2	1	1	1
Total Hip Roof and Opening Protection	1	3	2	1	1	1
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	4	6	3	4	2	3
Hurricane Fortified for Existing Homes® Bronze Option 1	1	2	2	1	1	1
Hurricane Fortified for Existing Homes® Bronze Option 2	1	3	2	1	1	1
Hurricane Fortified for Existing Homes® Silver Option 1	2	3	2	3	1	2
Hurricane Fortified for Existing Homes® Silver Option 2	2	5	2	3	1	2
Hurricane Fortified for Existing Homes® Gold Option 1	3	5	2	3	1	2
Hurricane Fortified for Existing Homes® Gold Option 2	3	5	3	3	2	2
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	4	6	3	4	2	3
FORTIFIED Roof – Hurricane – Existing Roof	1	2	2	1	1	1
FORTIFIED Roof – Hurricane – New Roof	1	3	2	1	1	1
FORTIFIED Home – Hurricane – Silver – Existing Roof	2	3	2	3	1	2
FORTIFIED Home – Hurricane – Silver – New Roof	2	5	2	3	1	2
FORTIFIED Home – Hurricane – Gold – Existing Roof	3	5	2	3	1	2
FORTIFIED Home – Hurricane – Gold – New Roof	3	5	3	3	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	2	1	1	1
Opening Protection	1	2	2	1	1	1
Total Hip Roof and Opening Protection	1	3	2	1	1	1
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	4	6	3	4	2	3
Hurricane Fortified for Existing Homes® Bronze Option 1	1	2	2	1	1	1
Hurricane Fortified for Existing Homes® Bronze Option 2	1	3	2	1	1	1
Hurricane Fortified for Existing Homes® Silver Option 1	2	3	2	3	1	2
Hurricane Fortified for Existing Homes® Silver Option 2	2	5	2	3	1	2
Hurricane Fortified for Existing Homes® Gold Option 1	3	5	2	3	1	2
Hurricane Fortified for Existing Homes® Gold Option 2	3	5	3	3	2	2
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	4	6	3	4	2	3
FORTIFIED Roof – Hurricane – Existing Roof	1	2	2	1	1	1
FORTIFIED Roof – Hurricane – New Roof	1	3	2	1	1	1
FORTIFIED Home – Hurricane – Silver – Existing Roof	2	3	2	3	1	2
FORTIFIED Home – Hurricane – Silver – New Roof	2	5	2	3	1	2
FORTIFIED Home – Hurricane – Gold – Existing Roof	3	5	2	3	1	2
FORTIFIED Home – Hurricane – Gold – New Roof	3	5	3	3	2	2