

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

BEFORE THE COMMISSIONER

IN THE MATTER OF THE FILING
DATED OCTOBER 31, 2022 BY THE
NORTH CAROLINA RATE BUREAU
FOR REVISION OF MOBILE
HOMEOWNERS' MH(F) INSURANCE
RATES

DOCKET NO. 2123

SETTLEMENT AGREEMENT
AND CONSENT ORDER

On October 31, 2022, the North Carolina Rate Bureau (“Rate Bureau”) filed with the North Carolina Department of Insurance (“Department”) a proposal for revised Mobile Home MH(F) insurance rates (owners and tenants) (the “2022 MH(F) Filing”). The 2022 MH(F) Filing presented an indicated statewide overall increase in MH(F) insurance rates of 87.5% and proposed changes varying by form and territory that were capped and proposed to be implemented over a two year period. It also proposed revised wind or hail exclusion credits.

The Rate Bureau and the Department have agreed to settle the 2022 MH(F) Filing. The proposed settlement provides for an overall statewide rate increase of 15.0%, with changes varying by form and territory as set forth on Exhibit A. The settlement approves revised wind or hail exclusion credits.

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 MH(F) 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

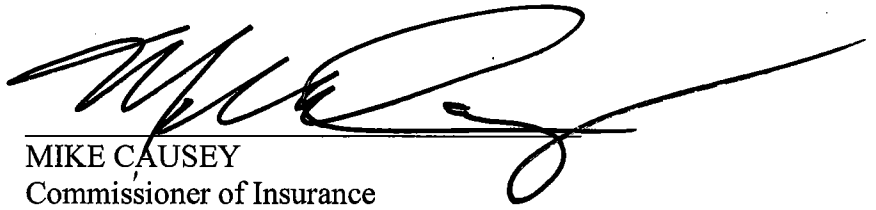
in the public interest, that such settlement is fair and reasonable and should be approved, and that, to the extent that the current rates and/or the filed rates differ from the rates approved by this order, the current rates and/or the filed rates are either excessive, inadequate, unreasonable, or unfairly discriminatory;

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

1. The 2022 MH(F) Filing is approved subject to the modifications set forth in paragraph 2, below.
2. The approved overall statewide rate level increase, considering all forms and territories, is 15.0%. The approved territory rate level changes are set forth on the attached Exhibit A. The resulting approved premiums and territory relativities by form are set forth on the attached Exhibit B. Materials supporting the development of the approved territory relativities are set forth on the attached Exhibit C. Exhibits A, B, and C are incorporated herein by reference. The approved wind or hail exclusion credits are the proposed percentage credits set forth in the 2022 MH(F) Filing.
3. The revised rates and other changes are to become effective in accordance with the following Rule of Application:

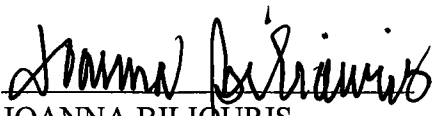
These changes are applicable to all new and renewal policies becoming effective on or after October 1, 2023.
4. The parties acknowledge that, by entering into this Consent Order, neither is condoning, validating, accepting, or agreeing to the other's theories, methodologies, or calculations regarding or pertaining to profit, dividends 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 2022 MH(F) Filing.

This 11th day of May, 2023.



MIKE CAUSEY
Commissioner of Insurance

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: 
FRÉD FULLER
Deputy Commissioner, Property and Casualty

**North Carolina
Mobile Homeowners
MH(F) Program**

Overall Rate Changes by Territory Group

Territory Group	Owners	Tenants	Total
1	28.9%	0.0%	28.9%
2	16.1%	0.0%	16.1%
3	24.0%	9.9%	24.0%
4	11.5%	9.9%	11.5%
5	11.9%	9.9%	11.9%
6	7.2%	9.9%	7.2%
Statewide	15.0%	9.5%	15.0%

For rating purposes, territories are grouped as follows:

Territory Group 1: Territories 110, 120, 130, and 140

Territory Group 2: Territories 150 and 160

Territory Group 3: Territories 180, 190, 200, 210, 220, and 230

Territory Group 4: Territories 170, 240, and 250

Territory Group 5: Territories 260, 270, 280, 290, and 300

Territory Group 6: Territories 310, 320, 330, 340, 350, 360, 370, 380, and 390

**North Carolina
Mobile Homeowners
MH(F) Program**

Approved Premiums and Territory Relativities by Form
(Premiums shown are for Territory Group 3; \$50 Deductible)

Amount of Insurance (Coverage A)	Owners		Amount of Insurance (Coverage C)	Tenants
	MH(F)-2	MH(F)-3		MH(F)-4
\$2,000	\$414.00	\$472.00	\$2,000	\$60.00
3,000	428.00	489.00	3,000	74.00
4,000	444.00	509.00	4,000	88.00
5,000	462.00	527.00	5,000	101.00
6,000	476.00	545.00	6,000	115.00
7,000	495.00	563.00	7,000	130.00
8,000	510.00	583.00	8,000	142.00
9,000	527.00	603.00	9,000	157.00
10,000	544.00	619.00	10,000	170.00
11,000	559.00	638.00	11,000	184.00
12,000	577.00	658.00	12,000	197.00
13,000	591.00	677.00	13,000	210.00
14,000	608.00	694.00	14,000	223.00
15,000	618.00	708.00	15,000	236.00
20,000	696.00	801.00	20,000	302.00
25,000	776.00	897.00	25,000	368.00
30,000	853.00	990.00	30,000	434.00
35,000	932.00	1,085.00	35,000	500.00
40,000	1,011.00	1,177.00	40,000	565.00
45,000	1,088.00	1,274.00	45,000	631.00
50,000	1,168.00	1,368.00	50,000	697.00
55,000	1,246.00	1,463.00	Each Add'l \$1,000	13.00
60,000	1,325.00	1,556.00		
65,000	1,403.00	1,649.00		
70,000	1,480.00	1,744.00		
75,000	1,560.00	1,838.00		
80,000	1,638.00	1,933.00		
85,000	1,718.00	2,027.00		
90,000	1,795.00	2,122.00		
95,000	1,874.00	2,214.00		
100,000	1,953.00	2,311.00		
Each Add'l \$1,000	15.00	19.00		

Territory Group	Territory Relativity	
	Owners	Tenants
1	1.481	1.294
2	1.215	1.235
3	1.000	1.000
4	0.871	0.878
5	0.777	0.778
6	0.584	0.748

**North Carolina
Mobile Homeowners
MH(F) Program**

Development of Territory Relativities

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Territory Group	Current Territory Relativity: Owners	Current Premium (Cov A = \$50,000): MH(F)-3	Approved Change	Approved Premium (Cov A = \$50,000): MH(F)-3	Approved Territory Relativity: Owners	Change in Premium (Cov A = \$50,000)
1	1.434	\$1,640.00	28.9%	\$2,026.00	1.481	23.5%
2	1.289	1,475.00	16.1%	1,662.00	1.215	12.7%
3	1.000	1,144.00	24.0%	1,368.00	1.000	19.6%
4	0.960	1,098.00	11.5%	1,192.00	0.871	8.6%
5	0.853	976.00	11.9%	1,063.00	0.777	8.9%
6	0.665	761.00	7.2%	799.00	0.584	5.0%

Notes:

- (2) From current MH(F) rate manual
- (3) Territory Group 3 premium from current MH(F) rate manual; All other territory groups = Column (2) x Territory Group 3 premium
- (4) From Exhibit A of MH(F) settlement agreement
- (5) From Milliman's extension of exposure analysis to reconcile to the Approved Change by Territory Group in Column (4)
- (6) = (5) / \$1,368.00, where \$1,368.00 is the Territory Group 3 approved premium when Cov A = \$50,000
- (7) = (5) / (3) - 1
- (7) These premium changes are lower than the approved changes by territory group because of the tempering effect of maximum deductible credits.