

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

BEFORE THE COMMISSIONER



IN THE MATTER OF THE FILING
DATED APRIL 8, 2024 BY THE
NORTH CAROLINA RATE BUREAU
FOR REVISION OF MOBILE
HOMEOWNERS' MH(F) INSURANCE
RATES

DOCKET NO. 2179

SETTLEMENT AGREEMENT
AND CONSENT ORDER

On April 8, 2024, the North Carolina Rate Bureau (“Rate Bureau”) filed with the North Carolina Commissioner of Insurance (“Commissioner”) a proposal for revised Mobile Home MH(F) insurance rates (owners and tenants) (the “2024 MH(F) Filing”). The 2024 MH(F) Filing presented an indicated statewide overall increase in MH(F) insurance rates of 82.9% and proposed changes varying by form and territory to be implemented over a three-year period. It also proposed revised wind or hail exclusion credits.

In a document titled *Notice of Hearing* dated May 28, 2024, a hearing on the 2024 MH(F) Filing was scheduled to begin on April 7, 2025. That hearing was subsequently continued to May 21, 2025.

The Rate Bureau, the Department, and the Commissioner have, after consultation with their respective legal, actuarial, and economic advisers and subject to the conditions hereinafter set forth, agreed to settle the 2024 MH(F) Filing, and the settlement provides for rate level changes over two years. It appears 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 2024 MH(F) Filing is approved subject to the modifications set forth in paragraph 2, below.

2. The approved overall statewide rate level changes shall take place over a two-year period and are as follows:

(a) An 11.0% overall statewide rate level increase over current rates for MH(F) mobile home insurance, distributed by territory as set forth on the attached Exhibit A, shall be applicable to all new and renewal policies becoming effective on or after September 1, 2025 ("Year 1"). The resulting approved premiums and territory relativities by form for Year 1 are set forth on the attached Exhibit B. Materials supporting the development of the approved territory relativities for Year 1 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 for Year 1 are the proposed percentage credits set forth in the 2024 MH(F) Filing.

(b) An 11.0% overall statewide rate level increase over rates in effect on August 31, 2026 for MH(F) mobile home insurance, distributed by territory as set forth on the attached Exhibit D, shall be applicable to all new and renewal policies becoming effective on or after September 1, 2026 ("Year 2"). The resulting approved premiums and territory relativities by form for Year 2 are set forth on the attached Exhibit E. Materials supporting the development of the approved territory relativities for Year 2 are set forth on the attached Exhibit F. Exhibits D, E, and F are incorporated herein by reference. The approved wind or hail exclusion credits for Year 2 are the proposed percentage credits set forth in the 2024 MH(F) Filing.

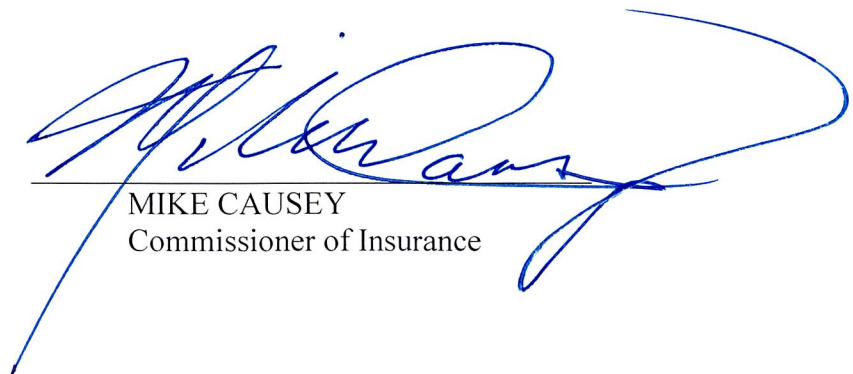
3. Subject to the provisions of Paragraph 4 below, the rates resulting from the increase described in Paragraph 2(b) above shall remain in force until September 1, 2027 and thereafter until revised as provided by law, and neither the Rate Bureau nor the Commissioner nor the Department shall undertake to effect a change in such rates having an effective date prior to

September 1, 2027; provided, however, that nothing in this section shall prevent a change in such rates prior to September 1, 2027 if agreed to by the Rate Bureau and the Commissioner.

4. Notwithstanding any other provision of this Settlement Agreement and Consent Order, in the event of legislative or judicial action subsequent to the date of this Settlement Agreement and Consent Order which changes premium taxes, regulatory fees, the statutory ratemaking methodology, rate level need, or loss or expense exposure of insurers, either the Rate Bureau or the Commissioner shall have the right to take such action as is within the Rate Bureau's or the Commissioner's statutory authority to effect a change in rates prior to September 1, 2027 for the sole purpose of adjusting rates to reflect the effects of such legislative or judicial action. Further, either the Rate Bureau or the Commissioner shall have the right to take such action as is within the Rate Bureau's or the Commissioner's statutory authority to adjust rate relativities, classifications, and rules in the event of legislative or judicial action subsequent to the date of this Settlement Agreement and Consent Order making such adjustment appropriate, and nothing in this section shall prevent a change to rate relativities, classifications, and rules prior to September 1, 2027 if agreed to by the Rate Bureau and the Commissioner.

5. The parties acknowledge that, by entering into this Settlement Agreement and Consent Order, neither is condoning, validating, accepting, or agreeing to the other's legal or actuarial assertions, theories, methodologies, or calculations regarding or pertaining to the setting of mobile home insurance rates. The parties further acknowledge that, by entering into this Settlement Agreement and Consent Order, neither is bound or limited in filing, reviewing, or contesting any future rate filings in any line of insurance subject to the Rate Bureau's jurisdiction by the legal or actuarial assertions, theories, methodologies, or calculations contained in the 2024 MH(F) Filing. The parties further acknowledge that, by entering into this Settlement Agreement and Consent Order, neither is bound or limited in filing, reviewing, or contesting any future filings for changes to the MH(F) program other than changes to the overall rate level.

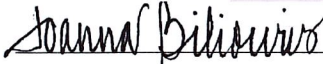
This 1st day of April, 2025.



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: 
SHARON THORNTON-HALL
Deputy Commissioner, Property and Casualty

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

Overall Rate Changes by Territory Group - Year 1

Territory Group	Owners	Tenants	Total
1	15.0%	15.0%	15.0%
2	13.0%	14.0%	13.0%
3	13.0%	12.5%	13.0%
4	12.0%	11.5%	12.0%
5	10.0%	11.5%	10.0%
6	8.0%	10.0%	8.0%
Statewide	11.0%	11.0%	11.0%

Note: Year 1 rates apply to new and renewal policies becoming effective on or after September 1, 2025

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 - Year 1
(Premiums shown are for Territory Group 3; \$50 Deductible)

Amount of Insurance (Coverage A)	Owners		Amount of Insurance (Coverage C)	Tenants MH(F)-4
	MH(F)-2	MH(F)-3		
\$2,000	\$458.00	\$521.00	\$2,000	\$67.00
3,000	473.00	541.00	3,000	82.00
4,000	491.00	562.00	4,000	98.00
5,000	510.00	583.00	5,000	113.00
6,000	526.00	602.00	6,000	128.00
7,000	546.00	622.00	7,000	145.00
8,000	563.00	644.00	8,000	158.00
9,000	583.00	666.00	9,000	175.00
10,000	601.00	683.00	10,000	189.00
11,000	618.00	705.00	11,000	205.00
12,000	637.00	727.00	12,000	220.00
13,000	653.00	748.00	13,000	234.00
14,000	672.00	766.00	14,000	248.00
15,000	682.00	782.00	15,000	263.00
20,000	768.00	885.00	20,000	337.00
25,000	857.00	991.00	25,000	410.00
30,000	942.00	1,094.00	30,000	483.00
35,000	1,029.00	1,199.00	35,000	557.00
40,000	1,116.00	1,300.00	40,000	630.00
45,000	1,201.00	1,408.00	45,000	703.00
50,000	1,290.00	1,511.00	50,000	776.00
55,000	1,376.00	1,616.00	Each Add'l \$1,000	15.00
60,000	1,463.00	1,719.00		
65,000	1,549.00	1,821.00		
70,000	1,635.00	1,927.00		
75,000	1,723.00	2,030.00		
80,000	1,810.00	2,135.00		
85,000	1,897.00	2,240.00		
90,000	1,983.00	2,344.00		
95,000	2,071.00	2,446.00		
100,000	2,158.00	2,552.00		
Each Add'l \$1,000	17.00	21.00		

Territory Group	Territory Relativity	
	Owners	Tenants
1	1.501	1.336
2	1.199	1.261
3	1.000	1.000
4	0.864	0.869
5	0.758	0.773
6	0.561	0.733

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

Development of Territory Relativities - Year 1

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Territory Group	Current Territory Relativity: Owners	Current Premium (Cov A = \$50,000): MH(F)-3	Approved Year 1 Change	Approved Year 1 Premium (Cov A = \$50,000): MH(F)-3	Approved Year 1 Territory Relativity: Owners	Change in Premium (Cov A = \$50,000)
1	1.481	\$2,026.00	15.0%	\$2,268.00	1.501	11.9%
2	1.215	1,662.00	13.0%	1,812.00	1.199	9.0%
3	1.000	1,368.00	13.0%	1,511.00	1.000	10.5%
4	0.872	1,193.00	12.0%	1,306.00	0.864	9.5%
5	0.777	1,063.00	10.0%	1,145.00	0.758	7.7%
6	0.584	799.00	8.0%	848.00	0.561	6.1%

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 for Year 1
- (5) From Milliman's extension of exposure analysis to reconcile to the Approved Year 1 Change by Territory Group in Column (4)
- (6) = (5) / \$1,511.00, where \$1,511.00 is the Territory Group 3 approved Year 1 premium when Cov A = \$50,000
- (7) = (5) / (3) - 1
- (7) These premium changes are lower than the approved Year 1 changes by territory group because of the tempering effect of maximum deductible credits

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

Overall Rate Changes by Territory Group - Year 2

Territory Group	Owners	Tenants	Total
1	15.0%	N/A	15.0%
2	13.0%	N/A	13.0%
3	13.0%	N/A	13.0%
4	12.0%	N/A	12.0%
5	10.0%	N/A	10.0%
6	8.0%	N/A	8.0%
Statewide	11.0%	0.0%	11.0%

Note: Year 2 rates apply to new and renewal policies becoming effective on or after September 1, 2026

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 - Year 2
(Premiums shown are for Territory Group 3; \$50 Deductible)

Amount of Insurance (Coverage A)	Owners		Amount of Insurance (Coverage C)	Tenants MH(F)-4
	MH(F)-2	MH(F)-3		
\$2,000	\$511.00	\$581.00	\$2,000	\$67.00
3,000	527.00	603.00	3,000	82.00
4,000	548.00	627.00	4,000	98.00
5,000	569.00	650.00	5,000	113.00
6,000	586.00	671.00	6,000	128.00
7,000	609.00	694.00	7,000	145.00
8,000	628.00	719.00	8,000	158.00
9,000	650.00	743.00	9,000	175.00
10,000	670.00	762.00	10,000	189.00
11,000	689.00	787.00	11,000	205.00
12,000	711.00	811.00	12,000	220.00
13,000	728.00	834.00	13,000	234.00
14,000	749.00	855.00	14,000	248.00
15,000	761.00	873.00	15,000	263.00
20,000	857.00	987.00	20,000	337.00
25,000	955.00	1,105.00	25,000	410.00
30,000	1,050.00	1,220.00	30,000	483.00
35,000	1,148.00	1,337.00	35,000	557.00
40,000	1,245.00	1,450.00	40,000	630.00
45,000	1,339.00	1,570.00	45,000	703.00
50,000	1,439.00	1,685.00	50,000	776.00
55,000	1,535.00	1,802.00	Each Add'l \$1,000	15.00
60,000	1,632.00	1,917.00		
65,000	1,727.00	2,031.00		
70,000	1,824.00	2,150.00		
75,000	1,922.00	2,264.00		
80,000	2,018.00	2,382.00		
85,000	2,116.00	2,498.00		
90,000	2,212.00	2,615.00		
95,000	2,310.00	2,728.00		
100,000	2,407.00	2,847.00		
Each Add'l \$1,000	19.00	24.00		

Territory Group	Territory Relativity	
	Owners	Tenants
1	1.525	1.336
2	1.189	1.261
3	1.000	1.000
4	0.855	0.869
5	0.739	0.773
6	0.538	0.733

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

Development of Territory Relativities - Year 2

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Territory Group	Approved Year 1 Territory Relativity: Owners	Approved Year 1 Premium (Cov A = \$50,000): MH(F)-3	Approved Year 2 Change	Approved Year 2 Premium (Cov A = \$50,000): MH(F)-3	Approved Year 2 Territory Relativity: Owners	Change in Premium (Cov A = \$50,000)
1	1.501	\$2,268.00	15.0%	\$2,570.00	1.525	13.3%
2	1.199	1,812.00	13.0%	2,003.00	1.189	10.5%
3	1.000	1,511.00	13.0%	1,685.00	1.000	11.5%
4	0.864	1,306.00	12.0%	1,441.00	0.855	10.3%
5	0.758	1,145.00	10.0%	1,245.00	0.739	8.7%
6	0.561	848.00	8.0%	907.00	0.538	7.0%

Notes:

- (2) From Exhibit C, Column (6) of MH(F) settlement agreement for Year 1
- (3) From Exhibit C, Column (5) of MH(F) settlement agreement for Year 1
- (4) From Exhibit D of MH(F) settlement agreement for Year 2
- (5) From Milliman's extension of exposure analysis to reconcile to the Approved Year 2 Change by Territory Group in Column (4)
- (6) = (5) / \$1,685.00, where \$1,685.00 is the Territory Group 3 approved Year 2 premium when Cov A = \$50,000
- (7) = (5) / (3) - 1
- (7) These premium changes are lower than the approved Year 2 changes by territory group because of the tempering effect of maximum deductible credits