



December 20, 2018

Honorable Mike Causey
Commissioner of Insurance
NC Department of Insurance
Property & Casualty
1201 Mail Service Center
Raleigh, NC 27699-1201

Re: Revision of Homeowners Insurance Rates

Dear Sir:

Enclosed herewith for filing on behalf of all member companies of the North Carolina Rate Bureau are revised premium rates for homeowners insurance subject to the jurisdiction of the Rate Bureau.

The enclosed memoranda and exhibits set forth and explain the calculations for needed rate level changes that have been capped by territory to produce an overall statewide average rate level change of +17.4%. The caps on the rate level changes by territory have been included in order to reduce the impact on policyholders in those territories, with the goal of increasing the rates to adequate levels in a more gradual manner. The filing shows the filed rate levels varying by territory and policy form within the state, the filed windstorm and hail exclusion credits, the filed wind only rate levels, and miscellaneous manual rule revisions.

The foregoing rate changes were calculated based on rates currently in force and reflect consideration duly given to data for the experience period set forth herein. Ratios in the filing relating to expense experience were developed from special calls issued by the Rate Bureau. In preparing this filing, due consideration has been given to the factors specified in G.S. 58-36-10(2).

Information and statistical data required pursuant to G.S. 58-36-15 and 11 NCAC 10.1105 are shown and referenced in Section E. Additionally, the pre-filed testimony of (a) Matthew Berry, Chairman, Property Rating Subcommittee; (b) Yanjun Yao, Insurance Services Office, Inc.; (c) Paul Anderson, Milliman USA (d) Elizabeth Henderson, Aon; (e) Stephen Fiete, Aon; (f) Dr. James Vander Weide – Financial Strategy Associates; and (g) Dr. David Appel - Milliman USA are submitted herewith.

The revised rates 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, 2019.

Your approval of this filing is respectfully requested.

Sincerely,

Raymond F. Evans, Jr. CPCU
General Manager

Enclosures

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION A - SUMMARY OF REVISION

Statewide Rate Level Changes	A-2
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NORTH CAROLINA
HOMEOWNERS INSURANCE
STATEWIDE RATE LEVEL CHANGES

<u>Form</u>	<u>Premium Weight</u> ^(a)	<u>Indicated Change</u>	<u>Filed Change</u> ^(b)
Owners	\$2,017,285,314	+26.8%	+18.0%
Tenants	\$72,370,871	+10.6%	+5.7%
<u>Condominium Unit Owners</u>	<u>\$29,047,171</u>	<u>+12.9%</u>	<u>+6.1%</u>
All Forms	\$2,118,703,356	+26.1%	+17.4%

^(a) Year-ended 12/31/2016 Aggregate Premium at Current Level (excluding deviations).
These values also appear on page A-3.

^(b) The filed statewide changes are the result of weighting the filed territory changes shown on pages C-8, C-10 and C-12.

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATEWIDE AND TERRITORY RATE LEVEL CHANGES

Territory	Latest-Year Earned Premium			Indicated Rate Level Change			Filed Rate Level Change ^(a)		
	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners	Owners ^(b)	Tenants ^(c)	Condominium Unit Owners ^(c)
110	\$54,494,452	\$142,549	\$152,230	+94.0%	+12.4%	+17.3%	+30.0%	+5.0%	+10.0%
120	\$55,184,994	\$418,850	\$1,350,128	+97.8%	+32.9%	+32.8%	+30.0%	+15.0%	+15.0%
130	\$23,056,264	\$147,987	\$113,291	+34.1%	+11.6%	+21.9%	+25.0%	+5.0%	+15.0%
140	\$193,985,455	\$3,828,927	\$2,975,135	+63.1%	+23.5%	+37.7%	+30.0%	+15.0%	+15.0%
150	\$67,941,213	\$934,207	\$258,055	+15.5%	+22.4%	+11.9%	+15.5%	+15.0%	+5.0%
160	\$60,160,133	\$1,231,371	\$635,820	+27.1%	+22.3%	+24.8%	+20.0%	+15.0%	+15.0%
170	\$3,924,501	\$88,569	\$93	+9.8%	+2.2%	+1.8%	+9.8%	+2.2%	+1.8%
180	\$50,932,749	\$2,017,581	\$284,924	+43.9%	+19.0%	+14.3%	+30.0%	+10.0%	+5.0%
190	\$15,065,065	\$331,439	\$7,762	+52.4%	+12.8%	+17.6%	+30.0%	+5.0%	+10.0%
200	\$9,055,158	\$116,206	\$224	+44.9%	+7.6%	+20.2%	+30.0%	+5.0%	+15.0%
210	\$18,342,753	\$621,935	\$24,661	+40.4%	+9.2%	+7.3%	+30.0%	+5.0%	+5.0%
220	\$58,758,528	\$2,762,522	\$478,265	+26.8%	-9.9%	+21.2%	+20.0%	-9.9%	+15.0%
230	\$15,836,341	\$322,334	\$20,240	+26.4%	+17.6%	+17.4%	+20.0%	+10.0%	+10.0%
240	\$70,946,175	\$1,816,506	\$105,401	+20.7%	-0.3%	+4.9%	+20.0%	-0.3%	+4.9%
250	\$34,445,877	\$675,785	\$33,175	+14.3%	+9.9%	+6.6%	+14.3%	+5.0%	+5.0%
260	\$25,323,516	\$666,889	\$10,865	+16.3%	-7.0%	+0.3%	+16.3%	-7.0%	+0.3%
270	\$274,355,867	\$15,804,703	\$4,719,638	+20.8%	+17.8%	+2.4%	+20.0%	+10.0%	+2.4%
280	\$42,900,800	\$1,916,863	\$797,796	+14.8%	+9.4%	+14.5%	+14.8%	+5.0%	+5.0%
290	\$34,029,339	\$755,300	\$371,263	+11.7%	+1.4%	+5.2%	+11.7%	+1.4%	+5.0%
300	\$12,920,607	\$236,633	\$6,852	+5.7%	-4.0%	+8.1%	+5.7%	-4.0%	+5.0%
310	\$200,688,517	\$9,999,994	\$2,769,121	+21.2%	+12.7%	+21.2%	+20.0%	+5.0%	+15.0%
320	\$110,136,177	\$2,992,489	\$594,411	+8.3%	+13.0%	+20.7%	+8.3%	+5.0%	+15.0%
330	\$5,830,201	\$109,741	\$10,810	+7.7%	-5.6%	+1.9%	+7.7%	-5.6%	+1.9%
340	\$256,413,626	\$17,073,468	\$8,918,629	+23.6%	+4.5%	+11.7%	+20.0%	+4.5%	+5.0%
350	\$75,979,639	\$2,137,059	\$478,193	+5.7%	-7.3%	+5.9%	+5.7%	-7.3%	+5.0%
360	\$165,003,258	\$4,092,817	\$2,959,736	+2.6%	+14.1%	-9.3%	+2.6%	+5.0%	-9.3%
370	\$10,432,693	\$115,678	\$427,098	+8.0%	-3.7%	+0.9%	+8.0%	-3.7%	+0.9%
380	\$31,224,548	\$556,816	\$278,499	+5.2%	-1.2%	+3.1%	+5.2%	-1.2%	+3.1%
390	\$39,916,868	\$455,653	\$264,856	-0.1%	-1.0%	+4.5%	-0.1%	-1.0%	+4.5%
Statewide	\$2,017,285,314	\$72,370,871	\$29,047,171	+26.8%	+10.6%	+12.9%	+18.0%	+5.7%	+6.1%

^(a) The filed statewide change is the result of weighting the filed territory changes. The territory weights are the latest-year earned premiums at current manual rates (excluding deviations).

^(b) For Owners, territories with indicated rate level changes less than or equal to +30% were capped at +20%, territories with indicated rate level changes between +30% and +40% were capped at +25%, and territories with indicated rate level changes above +40% were capped at +30%.

^(c) For Tenants and Condominium Unit Owners, territories with indicated rate level changes less than or equal to +15% were capped at +5%, territories with indicated rate level changes between +15% and +20% were capped at +10%, and territories with indicated rate level changes above +20% were capped at +15%.

NORTH CAROLINA

HOMEOWNERS INSURANCE

CURRENT AND FILED BASE RATES ^(a)

Territory	(1) Current Manual Rate			(2) Filed Rate Level Change			(3) Filed Rate		
	Owners ^(b)	Tenants ^(c)	Condominium Unit Owners ^(c)	Owners ^(d)	Tenants ^(e)	Condominium Unit Owners ^(e)	Owners ^(b)	Tenants ^(c)	Condominium Unit Owners ^(c)
110	\$2,383	\$118	\$97	1.300	1.050	1.100	\$3,098	\$124	\$107
120	\$2,794	\$134	\$119	1.300	1.150	1.150	\$3,632	\$154	\$137
130	\$1,516	\$75	\$75	1.250	1.050	1.150	\$1,895	\$79	\$86
140	\$1,947	\$91	\$82	1.300	1.150	1.150	\$2,531	\$105	\$94
150	\$1,278	\$57	\$56	1.155	1.150	1.050	\$1,476	\$66	\$59
160	\$1,375	\$72	\$61	1.200	1.150	1.150	\$1,650	\$83	\$70
170	\$791	\$55	\$51	1.098	1.022	1.018	\$869	\$56	\$52
180	\$899	\$57	\$52	1.300	1.100	1.050	\$1,169	\$63	\$55
190	\$1,062	\$60	\$55	1.300	1.050	1.100	\$1,381	\$63	\$61
200	\$1,218	\$64	\$61	1.300	1.050	1.150	\$1,583	\$67	\$70
210	\$831	\$57	\$50	1.300	1.050	1.050	\$1,080	\$60	\$53
220	\$978	\$88	\$51	1.200	0.901	1.150	\$1,174	\$79	\$59
230	\$1,097	\$58	\$54	1.200	1.100	1.100	\$1,316	\$64	\$59
240	\$808	\$60	\$48	1.200	0.997	1.049	\$970	\$60	\$50
250	\$924	\$55	\$47	1.143	1.050	1.050	\$1,056	\$58	\$49
260	\$612	\$63	\$49	1.163	0.930	1.003	\$712	\$59	\$49
270	\$684	\$48	\$54	1.200	1.100	1.024	\$821	\$53	\$55
280	\$607	\$43	\$39	1.148	1.050	1.050	\$697	\$45	\$41
290	\$753	\$50	\$48	1.117	1.014	1.050	\$841	\$51	\$50
300	\$815	\$55	\$47	1.057	0.960	1.050	\$861	\$53	\$49
310	\$615	\$51	\$41	1.200	1.050	1.150	\$738	\$54	\$47
320	\$700	\$49	\$42	1.083	1.050	1.150	\$758	\$51	\$48
330	\$585	\$51	\$47	1.077	0.944	1.019	\$630	\$48	\$48
340	\$600	\$55	\$45	1.200	1.045	1.050	\$720	\$57	\$47
350	\$650	\$54	\$44	1.057	0.927	1.050	\$687	\$50	\$46
360	\$563	\$37	\$41	1.026	1.050	0.907	\$578	\$39	\$37
370	\$612	\$47	\$48	1.080	0.963	1.009	\$661	\$45	\$48
380	\$568	\$46	\$45	1.052	0.988	1.031	\$598	\$45	\$46
390	\$589	\$46	\$45	0.999	0.990	1.045	\$588	\$46	\$47

^(a) The Base Class is Protection Class 5 with Frame construction.

^(b) Rates are for \$200,000 Coverage A with a \$1,000 deductible.

^(c) Rates are for \$10,000 Coverage C with a \$500 deductible.

^(d) For Owners, territories with indicated rate level changes less than or equal to 1.300 were capped at 1.200, territories with indicated rate level changes between 1.300 and 1.400 were capped at 1.250, and territories with indicated rate level changes above 1.400 were capped at 1.300.

^(e) For Tenants and Condominium Unit Owners, territories with indicated rate level changes less than or equal to 1.150 were capped at 1.050, territories with indicated rate level changes between 1.150 and 1.200 were capped at 1.100, and territories with indicated rate level changes above 1.200 were capped at 1.150.

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSUREDS

The filed base rates by territory are shown on page A-4. These are the filed manual rates for the classification carrying a unity differential. The revised rates for the remaining classifications are determined by applying the established classification rate differentials to the base rates by territory.

NORTH CAROLINA
HOMEOWNERS INSURANCE

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NORTH CAROLINA
HOMEOWNERS INSURANCE
REVISED RULES

1. The Base Class Premium table is revised to reflect the filed rates. See page B-3 for the Base Class Premium table.
2. The Wind Exclusion credits have been revised to reflect the filed rates. See page B-4 for the Windstorm or Hail Exclusion Credit tables.
3. The Wind Mitigation credits have been revised to reflect the filed rates. See page B-5 for the Windstorm Loss Mitigation Credit tables.
4. Paragraph D of Rule A1. Special State Requirements in the State Exception Pages has been updated to match Section XV of the current Plan of Operation of the North Carolina Insurance Underwriting Association. See page B-6 for the revised rule.
5. Rule A3. Windstorm or Hail Exclusion of the State Exception Pages has been revised to clarify that the Windstorm or Hail Exclusion credit should be removed from the Key Premium before calculating the premium for the options priced in Rules 501, 502, 507 and 513. Additionally, a correction to the name of the North Carolina Insurance Underwriting Association was made in Paragraph A.1. See page B-7 for the revised rule.
6. It has been determined that the coverage offered by endorsement HO 05 46 - Landlords Furnishings is duplicative of coverage already offered by endorsement HO 32 21 - Rented Personal Property - North Carolina. This filing withdraws endorsement HO 05 46, introduces a state exception that states that Rule 522. Landlords Furnishings does not apply, and withdraws the rate associated with Rule 522. See pages B-8-10 for the new state exception and the withdrawn rate and form.
7. Base Class Premiums for the Windstorm and Hail Policy Manual Supplement are revised to reflect the filed rates. See page B-11 for the manual supplement corresponding to this revision.
8. The Premium Determination paragraphs for Rule 501. Building Additions and Alterations at Other Residences and Rule 502. Building Additions and Alterations - Increased Limit - HS 00 04 in the Windstorm and Hail Policy Manual Supplement have been revised to refer to the HS 00 04 Base Class Premium. See pages B-12-13 for the revised rules.
9. Rule 513. Ordinance or Law Increased Amount of Coverage - HS 00 04 and HS 00 06 in the Windstorm and Hail Policy Manual Supplement has been revised for a typographical error. See page B-14 for the revised rule.
10. Pricing for Rented Personal Property is being added to Rule 515. Personal Property in the Windstorm and Hail Policy Manual Supplement. As a result, endorsement HS 05 46 and Rule 522. Landlords Furnishings are no longer necessary and are being withdrawn. See pages B-15-17 for the revised rules and form.

NORTH CAROLINA
 HOMEOWNERS INSURANCE
HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES

RULE 301.
BASE PREMIUM COMPUTATION

Base Class Premium Table

TERRITORY	HO 00 03	HO 00 04	HO 00 06
110	3,098	124	107
120	3,632	154	137
130	1,895	79	86
140	2,531	105	94
150	1,476	66	59
160	1,650	83	70
170	869	56	52
180	1,169	63	55
190	1,381	63	61
200	1,583	67	70
210	1,080	60	53
220	1,174	79	59
230	1,316	64	59
240	970	60	50
250	1,056	58	49
260	712	59	49
270	821	53	55
280	697	45	41
290	841	51	50
300	861	53	49
310	738	54	47
320	758	51	48
330	630	48	48
340	720	57	47
350	687	50	46
360	578	39	37
370	661	45	48
380	598	45	46
390	588	46	47

Table 301. Base Class Premium

NORTH CAROLINA

HOMEOWNERS INSURANCE

HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES

RULE A3.

WINDSTORM OR HAIL EXCLUSION - TERRITORIES 110, 120, 130, 140, 150 AND 160 ONLY

Frame Construction						
	Territory					
	110	120	130	140	150	160
All Forms Except HO 00 04 AND HO 00 06	\$2,411	\$3,200	\$1,564	\$2,059	\$1,061	\$1,201
HO 00 04	76	105	36	58	19	29
HO 00 06	58	92	43	45	17	25

Table A3.#1 Wind or Hail Exclusion Credit - Frame

Masonry Construction						
	Territory					
	110	120	130	140	150	160
All Forms Except HO 00 04 AND HO 00 06	\$2,167	\$2,882	\$1,444	\$1,836	\$943	\$1,078
HO 00 04	68	95	34	52	17	26
HO 00 06	52	82	38	40	15	22

Table A3.#2 Wind or Hail Exclusion Credit - Masonry

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HOMEOWNERS INSURANCE
HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES

RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

Frame Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$167	\$218	\$110	\$141	\$72	\$82
Opening Protection	171	224	110	143	70	83
Total Hip Roof and Opening Protection	338	439	217	283	140	165
IBHS Designation:						
<i>Hurricane Fortified for Safer Living®</i>	547	770	312	471	154	276
<i>Hurricane Fortified for Existing Homes® Bronze</i>						
Option 1	133	174	87	111	56	65
<i>Hurricane Fortified for Existing Homes® Bronze</i>						
Option 2	205	273	123	176	70	102
<i>Hurricane Fortified for Existing Homes® Silver</i>						
Option 1	329	463	175	287	74	165
<i>Hurricane Fortified for Existing Homes® Silver</i>						
Option 2	394	560	209	351	84	205
<i>Hurricane Fortified for Existing Homes® Gold</i>						
Option 1	420	590	235	357	110	209
<i>Hurricane Fortified for Existing Homes® Gold</i>						
Option 2	487	688	267	424	121	247

Table A9.#1 Windstorm Loss Mitigation Credit - Frame

Masonry Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$151	\$195	\$101	\$126	\$64	\$74
Opening Protection	155	201	101	128	62	76
Total Hip Roof and Opening Protection	304	396	200	254	125	149
IBHS Designation:						
<i>Hurricane Fortified for Safer Living®</i>	493	692	288	419	137	248
<i>Hurricane Fortified for Existing Homes® Bronze</i>						
Option 1	118	158	79	99	50	58
<i>Hurricane Fortified for Existing Homes® Bronze</i>						
Option 2	184	246	113	157	62	92
<i>Hurricane Fortified for Existing Homes® Silver</i>						
Option 1	296	418	162	256	66	149
<i>Hurricane Fortified for Existing Homes® Silver</i>						
Option 2	355	505	193	313	75	183
<i>Hurricane Fortified for Existing Homes® Gold</i>						
Option 1	377	532	216	318	97	187
<i>Hurricane Fortified for Existing Homes® Gold</i>						
Option 2	437	621	247	377	107	221

Table A9.#2 Windstorm Loss Mitigation Credit - Masonry

NORTH CAROLINA
HOMEOWNERS INSURANCE
HOMEOWNERS POLICY PROGRAM MANUAL
EXCEPTION PAGES

RULE A1.
SPECIAL STATE REQUIREMENTS

D. North Carolina Insurance Underwriting Association

Section XV of the Plan of Operation of the North Carolina Insurance Underwriting Association (Beach Plan) sets forth the following as to "Member Insurer Responsibility with Respect to Cancellation or Nonrenewals":

With regard to risks eligible for coverage by the Association, each Member Insurer agrees that with respect to cancellation or non-renewals initiated by it, the Member Insurer will give to all of its policyholders, except in cases of non-payment of premium, material misrepresentation or evidence of incendiarism, thirty (30) days to obtain coverage from the Association of the cancelled or non-renewed risks and shall, in writing, explain to the policyholder the procedures for making application for coverage from the Association.

NORTH CAROLINA
HOMEOWNERS INSURANCE
HOMEOWNERS POLICY PROGRAM MANUAL
EXCEPTION PAGES

RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES 110, 120, 130, 140, 150 AND 160 ONLY

- A.** The peril of Windstorm or Hail may be excluded if:
1. The property is located in an area eligible for such coverage from the North Carolina Insurance Underwriting Association; and
 2. A Windstorm or Hail Rejection Form is secured and maintained by the company.
- Use Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94**.
- B.** To compute the Base Premium:
1. Determine the appropriate Key Premium as described in Rule **301**.
 2. Subtract the Windstorm or Hail Exclusion credit shown on the state rate pages from the Key Premium.
 3. Multiply the Key Premium excluding Windstorm or Hail Coverage developed in Step **2**. by the Key Factor for the desired limit of liability.
 4. For example:
Form **HO 00 02** Key Premium = \$1,310
Windstorm or Hail Exclusion Credit = \$1,131
Key Factor for \$100,000 = 1.109
Step 1. Determine the Key Premium
Key Premium = \$1,310
Step 2. Subtract Windstorm or Hail Exclusion
Credit from Key Premium
\$1,310 – \$1,131 = \$179
Step 3. Multiply Key Factor for desired limit
by amount in Step 2. \$179 x 1.109 =
\$198.51, round to \$199 = Base
Premium
- C.** When Endorsement **HO 32 94** is attached to the policy, enter the following on the Declarations page:
"This policy does not provide coverage for the peril of Windstorm or Hail".
- D.** When coverage for other specific structures or other structures rented to others is requested, refer to Rules **514.A.1.a.** and **514.A.2.a.(1)** in the state rate pages for the rates excluding windstorm or hail coverage.
- E.** For Rules **501**, **502**, **507** and **513** use the Key Premium excluding Windstorm or Hail Coverage from Paragraph **B.2.** to determine the premium per \$1,000 for those options.

NORTH CAROLINA
HOMEOWNERS INSURANCE
**HOMEOWNERS POLICY PROGRAM MANUAL
EXCEPTION PAGES**

**RULE 522.
LANDLORDS FURNISHINGS**

Rule 522. does not apply.

NORTH CAROLINA
HOMEOWNERS INSURANCE
**HOMEOWNERS POLICY PROGRAM MANUAL
RATE PAGES**

~~RULE 522.~~
~~LANDLORDS FURNISHINGS~~

~~Rule 522. does not apply.~~

~~C. Premium~~

~~Rate per \$500 per unit:~~

~~Forms **HO 00 02**, **HO 00 03** and **HO 00 05** — \$1.~~

NORTH CAROLINA
 HOMEOWNERS INSURANCE
HOMEOWNERS POLICY PROGRAM MANUAL
FORMS PORTFOLIO

POLICY NUMBER:

HOMEOWNERS
HO 05 46 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LANDLORD'S FURNISHINGS
 FORMS HO 00 02, HO 00 03 AND HO 00 05 ONLY

SCHEDULE*

	Increase In Limit Of Liability	Total Limit Of Liability
1. Description Of Rented Unit	\$	\$
2.	\$	\$
3.	\$	\$
*Entries may be left blank if shown elsewhere in this policy for this coverage.		

Additional Coverage **E.10. Landlord's Furnishings** under **Section I – Property Coverages** is extended:

1. As indicated in the Schedule above; and
2. Subject to the Coverage **C** limit that applies at the time of loss.
 All other provisions of this policy apply.

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NORTH CAROLINA
HOMEOWNERS INSURANCE
**WINDSTORM AND HAIL POLICY PROGRAM
HOMEOWNERS MANUAL SUPPLEMENT**

**RULE 301.
BASE PREMIUM COMPUTATION**

A. All Forms

	Territory					
	110	120	130	140	150	160
Frame Construction						
HS 00 03	\$2,516	\$3,316	\$1,671	\$2,179	\$1,187	\$1,339
HS 00 04	98	129	56	83	41	55
HS 00 06	71	105	54	58	27	37
Masonry Construction						
HS 00 03	\$2,272	\$2,998	\$1,551	\$1,956	\$1,069	\$1,216
HS 00 04	90	119	53	77	39	52
HS 00 06	65	95	49	53	25	34

Table 301.A.1.c.#1 Base Class Premium

NORTH CAROLINA
HOMEOWNERS INSURANCE
**WINDSTORM AND HAIL POLICY PROGRAM
HOMEOWNERS MANUAL SUPPLEMENT**

**RULE 501.
BUILDING ADDITIONS AND ALTERATIONS AT OTHER RESIDENCES**

A. Coverage Description

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the **HS 00 04** Key Factor for "Each Add'l \$1,000" by the **HS 00 04** Base Class Premium.

C. Endorsement

Use Building Additions And Alterations Other Residence Endorsement **HO 04 49**.

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**RULE 502.
BUILDING ADDITIONS AND ALTERATIONS - INCREASED LIMIT - HS 00 04**

The title of Rule **502. Building Additions And Alterations - Increased Limit - HO 00 04**, is replaced by the preceding title.

A. Coverage C Increase

The limit of Liability of 10% of Coverage **C** may be increased.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the **HS 00 04** Key Factor for "Each Add'l \$1,000" by the **HS 00 04** Base Class Premium.

C. Endorsement

Use Building Additions And Alterations Increased Limit Form **HS 00 04** Endorsement **HS 04 51**.

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**RULE 513.
ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HS 00 04 AND HS 00 06**

The title of Rule **513**. Ordinance Or Law Increased Amount Of Coverage - **HO 00 04** And **HO 00 06**, is replaced by the preceding title.

A. Coverage Increase

1. The basic amount of coverage may be initially increased to 100% of the Form **HS 00 04** Building Additions and Alterations limit or 50% of the Form **HS 00 06** Coverage **A** limit.
2. The amount may be further increased in 25% increments above those listed in Paragraph 1.

B. Premium Determination

1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional \$1,000 of insurance is developed by multiplying the **HS 00 04** or **HS 00 06**, whichever is appropriate, Key Factor for "Each Add'l \$1,000" by the appropriate Base Class Premium.

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**RULE 515.
PERSONAL PROPERTY**

A. Increased Limit

1. The limit of liability for Coverage **C** may be increased.
2. Charge the additional company rate per \$1,000 of insurance.
3. Rate per \$1,000:
HS 00 02 or **HS 00 03** - \$2.

B. Increased Limits – Other Residences

1. Coverage for personal property usually located at other residences is limited in the policy form to 10% of Coverage **C** or \$1,000, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000.
3. Rate per \$1,000 - \$7.
4. Use Increased Limits On Personal Property In Other Residences Endorsement **HO 04 50**.

C. Increased Limit – Self-storage Facilities

1. Coverage for personal property located in self-storage facilities is limited in the policy form to 10% of Coverage **C**, or \$1,000, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000 of insurance.
3. Rate per \$1,000 - \$5.
4. Use Increased Amount of Insurance For Personal property Located In A Self-storage Facility Endorsement **HO 06 14**.

D. Reduction In Limit

1. The limit of liability for Coverage **C** may be reduced in accordance with Rule **101.C**.
2. Credit per \$1,000 - \$1.

E. Rented Personal Property

1. Basic Limit

Under Forms **HS 00 02** and **HS 00 03**, the policy automatically provides, at no additional charge, \$2,500 of landlord's furnishings coverage, for property regularly rented or held for rental in an apartment on the residence premises.

2. Increased Limits

- a. The basic limit noted in Paragraph **1.** may be increased up to the Coverage **C** limit of liability.
- b. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.
- c. Rate per \$1,000 per unit - \$2.

3. Endorsement

- a. Rented Personal Property Endorsement **HO 32 21** indicates when the Increased Limits option is selected.
- b. The Theft Option designated on the endorsement does not apply and should not be selected.
- c. When Increased Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.

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**RULE 522.
LANDLORDS FURNISHINGS**

Rule **522.** does not apply.

— **A. Basic Limit**

Forms ~~HS 00 02~~ and ~~HS 00 03~~ automatically cover, on a named perils basis, landlord furnishings in an apartment on the residence premises regularly rented or held for rental. The basic limit per apartment unit is \$2,500.

— **B. Increased Limits**

The basic limit of \$2,500 may be increased in increments of \$500 up to a total of \$10,000 per apartment. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.

— **C. Premium**

Rate per \$500 per unit:

Forms ~~HS 00 02~~ and ~~HS 00 03~~ — \$1.

— **D. Endorsement**

Use Landlord's Furnishings Endorsement ~~HS 05 46~~.

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 WINDSTORM AND HAIL POLICY PROGRAM
 FORMS PORTFOLIO

POLICY NUMBER:

HOMEOWNERS
 HS 05 46 02 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LANDLORD'S FURNISHINGS
 FORMS HS 00 02, HS 00 03 ONLY

SCHEDULE*

Description Of Rented Unit	Increase In Limit Of Liability	Total Limit Of Liability
1.	\$	\$
2.	\$	\$
3.	\$	\$
*Entries may be left blank if shown elsewhere in this policy for this coverage.		

Additional Coverage **E.6. Landlord's Furnishings** under **Section I – Property Coverages** is extended:

1. As indicated in the Schedule above; and

2. Subject to the Coverage **C** limit that applies at the time of loss.

All other provisions of this policy apply.

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NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION C - SUPPORTING MATERIAL

Determination of Indicated Statewide Rate Level Changes	C-2-6
Owners	C-2
Tenants	C-3
Condominium Unit Owners	C-4
Determination of Indicated Base Class Loss Cost, Base Class Rate and Rate Level Change by Territory	C-7-13
Owners	C-7-8
Tenants	C-9-10
Condominium Unit Owners	C-11-12
Calculation of Wind Exclusion Credits	C-14-15
Calculation of Wind Mitigation Credits	C-16-17
Calculation of Wind-Only Rates	C-18-19

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

	(1)	(2)	(3)	(4)	(5)
	Incurring	Excess	Incurring Losses	Adjusted	Current
	Losses Excluding	Losses	Adjusted for Excess	Incurring Losses	Cost/Amount
	Hurricane ^(a)		[(1)-(2)] ×	Including LAE	Factor ^(d)
<u>Year</u>			<u>Excess Factor ^(b)</u>	<u>(3) × LAE ^(c)</u>	
2012	779,425,712	231,447,282	585,240,963	672,441,866	1.009
2013	649,011,217	100,343,101	585,977,548	673,288,203	1.004
2014	761,053,784	89,969,916	716,717,571	823,508,489	1.000
2015	733,716,078	50,740,541	729,417,874	838,101,137	0.999
2016	823,618,595	155,536,251	713,511,943	819,825,223	1.016

	(6)	(7)	(8)	(9)	(10)
	House-Years	Trended	Average	Trended	Yearly
		Average	Rating	Base Class	Weights
		Loss Cost	Factor ^(f)	Loss Cost ^(g)	
<u>Year</u>	<u>House-Years</u>	<u>(4)×(5)×CPF/(6) ^(e)</u>	<u>Factor ^(f)</u>	<u>Loss Cost ^(g)</u>	<u>Weights</u>
2012	1,916,971	386.15	1.287	300.04	0.10
2013	1,900,999	387.95	1.302	297.96	0.15
2014	1,900,408	472.77	1.310	360.89	0.20
2015	1,898,379	481.18	1.319	364.81	0.25
2016	1,924,189	472.27	1.332	354.56	0.30

(11)	Weighted Trended Non-Hurricane Base Class Loss Cost ^(h)	344.45
(12)	Credibility (9,540,946 House-Years) ⁽ⁱ⁾	1.00
(13)	Trended Modeled Hurricane Base Class Loss Cost ^(j)	124.24
(14)	Fixed Expense Per Policy ^(k)	86.73
(15)	Base Class Loss Cost with Fixed Expense, (11) + (13) + (14)	555.42
(16)	1 - (Variable Expense + Profit + Contingencies + Dividends) ^(l)	0.749
(17)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (15) / (16)	741.55
(18)	Compensation for Assessment Risk per Policy ^(m)	25.77
(19)	Net Cost of Reinsurance per Policy ⁽ⁿ⁾	228.57
(20)	Base Class Rate Excluding Deviation, (17) + (18) + (19)	995.89
(21)	Selected Deviation ^(o)	0.00
(22)	Deviation Amount per Policy [(20) / (1.0 - (21))] - (20)	0.00
(23)	Required Base Class Rate per Policy, (20) + (22)	995.89
(24)	Current Average Base Class Rate	785.15
(25)	Indicated Rate Level Change, (23) / (24)	1.268
(26)	Filed Rate Level Change ^(p)	1.180

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

<u>Year</u>	(1) Incurred Losses Excluding <u>Hurricane</u> ^(a)	(2) Incurred Losses Including LAE <u>(1) × LAE</u> ^(c)	(3) Current Cost/Amount <u>Factor</u> ^(d)	(4) <u>House-Years</u>
2012	19,778,939	23,813,843	0.951	295,191
2013	21,626,230	26,037,981	0.966	312,770
2014	20,027,891	24,113,581	0.979	331,592
2015	23,153,190	27,876,441	0.984	363,604
2016	22,259,351	26,800,259	0.993	384,812

<u>Year</u>	(5) Trended Average Loss Cost <u>(2)×(3)×CPF/(4)</u> ^(e)	(6) Average Rating <u>Factor</u> ^(f)	(7) Trended Base Class <u>Loss Cost</u> ^(g)	(8) Yearly <u>Weights</u>
2012	73.11	3.707	19.72	0.10
2013	76.64	3.693	20.75	0.15
2014	67.85	3.645	18.61	0.20
2015	71.89	3.585	20.05	0.25
2016	65.91	3.527	18.69	0.30

(9)	Weighted Trended Non-Hurricane Base Class Loss Cost ^(h)	19.43
(10)	Credibility (1,687,969 House-Years) ⁽ⁱ⁾	1.00
(11)	Trended Modeled Hurricane Base Class Loss Cost ^(j)	2.09
(12)	Fixed Expense per Policy ^(k)	18.14
(13)	Base Class Loss Cost with Fixed Expense, (9) + (11) + (12)	39.66
(14)	1 - (Variable Expense + Profit + Contingencies + Dividends) ^(l)	0.749
(15)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (13) / (14)	52.95
(16)	Compensation for Assessment Risk per Policy ^(m)	1.75
(17)	Net Cost of Reinsurance per Policy ⁽ⁿ⁾	4.12
(18)	Base Class Rate Excluding Deviation, (15) + (16) + (17)	58.82
(19)	Selected Deviation ^(o)	0.00
(20)	Deviation Amount per Policy, [(18) / (1.0 - (19))] - (18)	0.00
(21)	Required Base Class Rate per Policy, (18) + (20)	58.82
(22)	Current Average Base Class Rate	53.17
(23)	Indicated Rate Level Change, (21) / (22)	1.106
(24)	Filed Rate Level Change ^(p)	1.057

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

<u>Year</u>	(1) Incurred Losses Excluding <u>Hurricane</u> ^(a)	(2) Incurred Losses Including LAE <u>(1) × LAE</u> ^(c)	(3) Current Cost/Amount <u>Factor</u> ^(d)	(4) <u>House-Years</u>
2012	10,212,347	12,060,782	0.856	72,783
2013	9,695,412	11,450,282	0.879	73,728
2014	12,970,076	15,317,660	0.904	75,020
2015	14,542,396	17,174,570	0.915	75,512
2016	12,544,721	14,815,316	0.955	78,575

<u>Year</u>	(5) Trended Average Loss Cost <u>(2)×(3)×CPF/(4)</u> ^(e)	(6) Average Rating Factor ^(f)	(7) Trended Base Class <u>Loss Cost</u> ^(g)	(8) Yearly <u>Weights</u>
2012	147.80	6.839	21.61	0.10
2013	142.25	6.988	20.36	0.15
2014	192.33	7.115	27.03	0.20
2015	216.85	7.111	30.50	0.25
2016	187.63	7.312	25.66	0.30

(9)	Weighted Trended Non-Hurricane Base Class Loss Cost ^(h)	25.94
(10)	Credibility (375,618 House-Years) ⁽ⁱ⁾	1.00
(11)	Trended Modeled Hurricane Base Class Loss Cost ^(j)	2.97
(12)	Fixed Expense per Policy ^(k)	8.17
(13)	Base Class Loss Cost with Fixed Expense, (9) + (11) + (12)	37.08
(14)	1 - (Variable Expense + Profit + Contingencies + Dividends) ^(l)	0.749
(15)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (13) / (14)	49.51
(16)	Compensation for Assessment Risk per Policy ^(m)	1.65
(17)	Net Cost of Reinsurance per Policy ⁽ⁿ⁾	5.73
(18)	Base Class Rate Excluding Deviation, (15) + (16) + (17)	56.89
(19)	Selected Deviation ^(o)	0.00
(20)	Deviation Amount per Policy, [(18) / (1.0 - (19))] - (18)	0.00
(21)	Required Base Class Rate per Policy, (18) + (20)	56.89
(22)	Current Average Base Class Rate	50.40
(23)	Indicated Rate Level Change, (21) / (22)	1.129
(24)	Filed Rate Level Change ^(p)	1.061

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

- (a) Incurred losses exclude hurricane losses and reflect the following loss development factors:

<u>Year Ending</u>	<u>Owners Forms</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
12/31/2012	1.000	1.000	1.000
12/31/2013	0.999	1.001	1.001
12/31/2014	0.999	1.001	0.994
12/31/2015	1.001	1.008	0.995
12/31/2016	1.025	1.013	0.994

- (b) A description of the "excess procedure" is provided in the Explanatory Memorandum of Section D and the calculation of both the excess losses and the excess factor is provided on pages D-33-36.
- (c) Trended non-modeled loss adjustment expense (LAE) loadings have been calculated to be 14.9%, 20.4% and 18.1% of incurred losses for the Owners, Tenant and Condominium Unit Owners policy forms, respectively. These factors are developed on page D-31. A separate LAE factor is applied to the modeled losses. (See pre-filed testimony of S. Fieta.)
- (d) The derivation of the Current Cost/Amount Factors is shown on page D-21 for Owner Forms, D-23 for Tenants and D-25 for Condominium Unit Owners.
- (e) The derivation of the Composite Projection Factor (CPF) is shown on page D-21 for Owner Forms, D-23 for Tenants and D-25 for Condominium Unit Owners.
- (f) The Average Rating Factor is the ratio of the average rate at current manual level and average current base class rate. This factor is used to convert average loss costs to base class loss costs.
- (g) The Trended Base Class Loss Cost is calculated as column (7) / column (8) for the Owners forms and as column (5) / column (6) for Tenants and Condominium Unit Owners.
- (h) The Weighted Trended Base Class Loss Cost is the sum of the products, by year, of the Trended Base Class Loss Costs and the accident year weights.
- (i) Credibility values are assigned based on the credibility table displayed on page D-26.
- (j) Modeled hurricane losses were provided by Aon Benfield. To obtain an average loss cost value, the modeled loss amounts are divided by 2016 house years. To convert the average modeled loss cost to a trended base class level it is divided by the trended average rating factor. The trended average rating factor is calculated as (2016 average rating factor) × (2016 Current Amount Factor) × Premium Projection Factor. The trend factors referenced above are derived on pages D-21, 23 and 25. The derivation of the modeled hurricane base class loss cost is shown on page D-42.
- (k) The derivation of the Fixed Expense loadings (i.e. general and other acquisition expenses loadings) is shown on page D-32.

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

- (l) The provisions for profit, contingencies, dividends and variable expenses are shown on page D-29.
- (m) The Compensation for Assessment Risk loading is 2.8% of premium and is based on an analysis done by P. Anderson. The provision is calculated as $(0.028 \times \text{Current Base Rate}) / (1 - \text{Provisions for Commissions} + \text{Taxes})$. The commission and tax provisions are those shown on page D-29.
- (n) The derivations of the net cost of reinsurance provisions are provided on pages D-46-48. These loadings are based on analysis done by Aon Benfield.
- (o) A 0% deviation loading was selected by the North Carolina Rate Bureau.
- (p) The filed rate level change is the weighted average of the filed territory rate level changes weighted by latest-year earned premium at present rates. For Owners, territories with indicated rate level changes less than or equal to +30% were capped at +20%, territories with indicated rate level changes between +30% and +40% were capped at +25%, and territories with indicated rate level changes above +40% were capped at +30%. For Tenants and Condominium Unit Owners, territories with indicated rate level changes less than or equal to +15% were capped at +5%, territories with indicated rate level changes between +15% and +20% were capped at +10%, and territories with indicated rate level changes above +20% were capped at +15%.

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

INDICATED BASE-CLASS LOSS COST BY TERRITORY

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Non-Hurricane Base Class	Five-Year House Years		Credibility- Weighted Base Class	Modeled Hurricane Base Class	Total Base Class Loss Cost	Indicated Relativity	Indicated Statewide Base Class	Indicated Base Class Loss Cost
<u>Territory</u>	<u>Loss Cost</u> ^(a)	<u>House Years</u>	<u>Credibility</u> ^(b)	<u>Loss Cost*</u>	<u>Loss Cost</u> ^(c)	<u>(4) + (5)</u>	<u>Terr (6) / SW (6)</u>	<u>Loss Cost**</u>	<u>Terr (7) / SW (7) × (8)</u>
110	413.97	48,901	0.90	398.92	1,225.92	1,624.84	4.432	468.69	2,077.23
120	239.38	62,472	1.00	239.38	1,388.93	1,628.31	4.441	468.69	2,081.45
130	272.68	63,133	1.00	272.68	428.32	701.00	1.912	468.69	896.14
140	248.64	410,613	1.00	248.64	727.75	976.39	2.663	468.69	1,248.12
150	236.61	222,804	1.00	236.61	259.14	495.75	1.352	468.69	633.67
160	232.02	189,442	1.00	232.02	305.04	537.06	1.465	468.69	686.63
170	234.50	21,375	0.50	249.00	84.15	333.15	0.909	468.69	426.04
180	281.13	244,976	1.00	281.13	172.31	453.44	1.237	468.69	579.77
190	328.24	66,860	1.00	328.24	229.15	557.39	1.520	468.69	712.41
200	449.95	30,941	0.70	394.02	244.33	638.35	1.741	468.69	815.99
210	293.34	98,343	1.00	293.34	125.63	418.97	1.143	468.69	535.71
220	343.01	273,667	1.00	343.01	121.20	464.21	1.266	468.69	593.36
230	322.94	68,184	1.00	322.94	169.17	492.11	1.342	468.69	628.98
240	274.46	363,672	1.00	274.46	86.02	360.48	0.983	468.69	460.72
250	310.36	154,396	1.00	310.36	90.42	400.78	1.093	468.69	512.28
260	250.55	132,854	1.00	250.55	39.24	289.79	0.790	468.69	370.27
270	248.83	1,348,102	1.00	248.83	62.89	311.72	0.850	468.69	398.39
280	213.39	199,122	1.00	213.39	47.24	260.63	0.711	468.69	333.24
290	248.84	157,439	1.00	248.84	68.72	317.56	0.866	468.69	405.89
300	276.18	68,941	1.00	276.18	54.52	330.70	0.902	468.69	422.76
310	265.79	1,289,027	1.00	265.79	30.42	296.21	0.808	468.69	378.70
320	266.59	663,941	1.00	266.59	32.45	299.04	0.816	468.69	382.45
330	232.35	34,755	0.70	241.70	18.86	260.56	0.711	468.69	333.24
340	262.13	1,500,881	1.00	262.13	33.32	295.45	0.806	468.69	377.76
350	261.45	457,062	1.00	261.45	22.31	283.76	0.774	468.69	362.77
360	227.40	974,229	1.00	227.40	12.45	239.85	0.654	468.69	306.52
370	299.34	46,783	0.80	292.17	8.73	300.90	0.821	468.69	384.79
380	260.13	166,134	1.00	260.13	7.69	267.82	0.730	468.69	342.14
390	253.90	181,897	1.00	253.90	6.62	260.52	0.711	468.69	333.24
Statewide	263.50	9,540,946				366.64	1.0000		

* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

** Column (8) = Line (11) + Line (13), page C-2

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation	Net Cost of	Indicated	Dollar	Indicated	Indicated	Balanced	Filed	Filed
	Base Class	Fixed	Expense,	Base Class	Base Class	For	Reinsurance ^(f)	Rate	Deviation	Base Class	Rate Level	Indicated	Rate Level	Base
	Loss Cost	Expense ^(d)	Profit,	Rate	Rate	Risk ^(e)		Excluding	per Exposure ^(g)	Rate	Change	Rate Level	Change	Class
Territory			Contingency		$[(1)+(2) \times (4)] / [1.0 - (3)]$			(5) + (6) + (7)	$[(8) / (1.0 - \text{Dev. \%})] - (8)$	(8) + (9)	(10) / (4)	Change ^(h)	Capped ⁽ⁱ⁾	Rate
110	2,077.23	0.033	0.251	2,383	2,878.33	78.22	1,679.14	4,635.69	0.00	4,635.69	1.945	1.940	1.300	3,098
120	2,081.45	0.031	0.251	2,794	2,894.61	91.71	2,554.33	5,540.65	0.00	5,540.65	1.983	1.978	1.300	3,632
130	896.14	0.053	0.251	1,516	1,303.72	49.76	684.42	2,037.90	0.00	2,037.90	1.344	1.341	1.250	1,895
140	1,248.12	0.046	0.251	1,947	1,785.96	63.91	1,333.00	3,182.87	0.00	3,182.87	1.635	1.631	1.300	2,531
150	633.67	0.074	0.251	1,278	972.29	41.95	465.57	1,479.81	0.00	1,479.81	1.158	1.155	1.155	1,476
160	686.63	0.075	0.251	1,375	1,054.41	45.13	652.07	1,751.61	0.00	1,751.61	1.274	1.271	1.200	1,650
170	426.04	0.121	0.251	791	696.60	25.96	148.54	871.10	0.00	871.10	1.101	1.098	1.098	869
180	579.77	0.110	0.251	899	906.09	29.51	360.63	1,296.23	0.00	1,296.23	1.442	1.439	1.300	1,169
190	712.41	0.096	0.251	1,062	1,087.27	34.86	500.47	1,622.60	0.00	1,622.60	1.528	1.524	1.300	1,381
200	815.99	0.075	0.251	1,218	1,211.40	39.98	517.49	1,768.87	0.00	1,768.87	1.452	1.449	1.300	1,583
210	535.71	0.124	0.251	831	852.81	27.28	288.82	1,168.91	0.00	1,168.91	1.407	1.404	1.300	1,080
220	593.36	0.106	0.251	978	930.61	32.10	280.58	1,243.29	0.00	1,243.29	1.271	1.268	1.200	1,174
230	628.98	0.096	0.251	1,097	980.36	36.01	373.27	1,389.64	0.00	1,389.64	1.267	1.264	1.200	1,316
240	460.72	0.119	0.251	808	743.49	26.52	207.55	977.56	0.00	977.56	1.210	1.207	1.200	970
250	512.28	0.106	0.251	924	814.72	30.33	214.04	1,059.09	0.00	1,059.09	1.146	1.143	1.143	1,056
260	370.27	0.128	0.251	612	598.94	20.09	94.49	713.52	0.00	713.52	1.166	1.163	1.163	712
270	398.39	0.115	0.251	684	636.92	22.45	168.90	828.27	0.00	828.27	1.211	1.208	1.200	821
280	333.24	0.110	0.251	607	534.06	19.92	144.94	698.92	0.00	698.92	1.151	1.148	1.148	697
290	405.89	0.108	0.251	753	650.49	24.72	167.97	843.18	0.00	843.18	1.120	1.117	1.117	841
300	422.76	0.121	0.251	815	696.09	26.75	140.24	863.08	0.00	863.08	1.059	1.057	1.057	861
310	378.70	0.148	0.251	615	627.13	20.19	99.75	747.07	0.00	747.07	1.215	1.212	1.200	738
320	382.45	0.133	0.251	700	634.91	22.98	102.29	760.18	0.00	760.18	1.086	1.083	1.083	758
330	333.24	0.143	0.251	585	556.60	19.20	56.24	632.04	0.00	632.04	1.080	1.077	1.077	630
340	377.76	0.133	0.251	600	610.89	19.70	112.84	743.43	0.00	743.43	1.239	1.236	1.200	720
350	362.77	0.140	0.251	650	605.83	21.34	60.98	688.15	0.00	688.15	1.059	1.057	1.057	687
360	306.52	0.142	0.251	563	515.98	18.48	44.23	578.69	0.00	578.69	1.028	1.026	1.026	578
370	384.79	0.121	0.251	612	612.61	20.09	30.39	663.09	0.00	663.09	1.083	1.080	1.080	661
380	342.14	0.129	0.251	568	554.62	18.64	25.46	598.72	0.00	598.72	1.054	1.052	1.052	598
390	333.24	0.114	0.251	589	534.56	19.33	35.83	589.72	0.00	589.72	1.001	0.999	0.999	588
Statewide											1.271	1.268	1.180	

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS

INDICATED BASE-CLASS LOSS COST BY TERRITORY

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Non-Hurricane Base Class	Five-Year House Years		Credibility- Weighted Base Class	Modeled Hurricane Base Class	Total Base Class Loss Cost	Indicated Relativity	Indicated Statewide Base Class	Indicated Base Class Loss Cost
<u>Territory</u>	<u>Loss Cost</u> ^(a)	<u>House Years</u>	<u>Credibility</u> ^(b)	<u>Loss Cost*</u>	<u>Loss Cost</u> ^(c)	<u>(4) + (5)</u>	<u>Terr (6) / SW (6)</u>	<u>Loss Cost**</u>	<u>Terr (7) / SW (7) × (8)</u>
110	10.38	1,279	0.10	16.47	29.69	46.16	2.416	21.52	52.00
120	8.23	4,043	0.20	15.37	40.29	55.66	2.913	21.52	62.70
130	4.62	1,882	0.10	15.90	12.80	28.70	1.502	21.52	32.33
140	12.86	51,073	0.80	13.72	20.16	33.88	1.773	21.52	38.16
150	14.49	17,832	0.40	16.09	7.03	23.12	1.210	21.52	26.04
160	18.35	20,210	0.50	17.75	9.99	27.74	1.452	21.52	31.25
170	24.04	1,803	0.10	17.84	2.13	19.97	1.045	21.52	22.49
180	17.69	45,325	0.70	17.53	4.40	21.93	1.148	21.52	24.71
190	19.05	6,783	0.30	17.72	5.41	23.13	1.210	21.52	26.04
200	21.85	2,020	0.10	17.62	6.26	23.88	1.250	21.52	26.91
210	18.37	13,460	0.40	17.64	3.03	20.67	1.082	21.52	23.29
220	31.52	41,856	0.70	27.21	2.76	29.97	1.568	21.52	33.75
230	32.96	6,401	0.20	20.31	4.03	24.34	1.274	21.52	27.42
240	19.77	34,689	0.60	18.72	2.18	20.90	1.094	21.52	23.55
250	21.64	13,703	0.40	18.95	2.40	21.35	1.117	21.52	24.04
260	25.95	12,779	0.40	20.67	1.00	21.67	1.134	21.52	24.41
270	15.88	423,923	1.00	15.88	1.47	17.35	0.908	21.52	19.54
280	10.37	56,635	0.80	11.73	1.12	12.85	0.672	21.52	14.46
290	12.89	15,891	0.40	15.45	1.58	17.03	0.891	21.52	19.18
300	18.14	4,588	0.20	17.35	1.23	18.58	0.972	21.52	20.92
310	18.68	256,524	1.00	18.68	0.74	19.42	1.016	21.52	21.87
320	18.56	76,398	1.00	18.56	0.79	19.35	1.013	21.52	21.80
330	12.73	2,382	0.10	16.71	0.46	17.17	0.899	21.52	19.35
340	18.28	390,653	1.00	18.28	0.76	19.04	0.996	21.52	21.44
350	15.53	45,495	0.70	16.02	0.56	16.58	0.868	21.52	18.68
360	12.54	117,920	1.00	12.54	0.30	12.84	0.672	21.52	14.46
370	9.24	2,143	0.10	16.36	0.21	16.57	0.867	21.52	18.66
380	14.74	11,465	0.30	16.43	0.20	16.63	0.870	21.52	18.73
390	14.51	8,814	0.30	16.36	0.17	16.53	0.865	21.52	18.62
Statewide	17.15	1,687,969				19.11	0.9998		

* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

** Column (8) = Line (9) + Line (11), page C-3

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation	Net Cost of	Indicated	Dollar	Indicated	Indicated	Balanced	Filed	Filed
	Base Class	Fixed	Expense,	Base Class	Base Class	For	Reinsurance ^(f)	Rate	Deviation	Base Class	Rate Level	Rate Level	Rate Level	Base
	Loss Cost	Expense ^(d)	Dividends,	Rate	Rate	Assessment	Reinsurance ^(f)	Excluding	per Exposure ^(g)	Rate	Change	Change ^(h)	Change	Class
<u>Territory</u>	<u>Loss Cost</u>	<u>Expense^(d)</u>	<u>Contingency</u>	<u>Rate</u>	<u>[(1)+(2)×(4)]/[1.0-(3)]</u>	<u>Risk^(e)</u>	<u>Reinsurance^(f)</u>	<u>(5) + (6) + (7)</u>	<u>[(8)/(1.0- Dev. %)] - (8)</u>	<u>(8) + (9)</u>	<u>(10) / (4)</u>	<u>Change^(h)</u>	<u>Capped⁽ⁱ⁾</u>	<u>Rate</u>
110	52.00	0.138	0.251	118	91.17	3.87	37.39	132.43	0.00	132.43	1.122	1.124	1.050	124
120	62.70	0.135	0.251	134	107.86	4.40	65.58	177.84	0.00	177.84	1.327	1.329	1.150	154
130	32.33	0.194	0.251	75	62.59	2.46	18.50	83.55	0.00	83.55	1.114	1.116	1.050	79
140	38.16	0.207	0.251	91	76.10	2.99	33.13	112.22	0.00	112.22	1.233	1.235	1.150	105
150	26.04	0.293	0.251	57	57.06	1.87	10.73	69.66	0.00	69.66	1.222	1.224	1.150	66
160	31.25	0.265	0.251	72	67.20	2.36	18.32	87.88	0.00	87.88	1.221	1.223	1.150	83
170	22.49	0.292	0.251	55	51.47	1.81	2.81	56.09	0.00	56.09	1.020	1.022	1.022	56
180	24.71	0.336	0.251	57	58.56	1.87	7.27	67.70	0.00	67.70	1.188	1.190	1.100	63
190	26.04	0.265	0.251	60	55.99	1.97	9.58	67.54	0.00	67.54	1.126	1.128	1.050	63
200	26.91	0.232	0.251	64	55.75	2.10	10.90	68.75	0.00	68.75	1.074	1.076	1.050	67
210	23.29	0.311	0.251	57	54.76	1.87	5.49	62.12	0.00	62.12	1.090	1.092	1.050	60
220	33.75	0.223	0.251	88	71.26	2.89	4.97	79.12	0.00	79.12	0.899	0.901	0.901	79
230	27.42	0.291	0.251	58	59.14	1.90	7.06	68.10	0.00	68.10	1.174	1.176	1.100	64
240	23.55	0.277	0.251	60	53.63	1.97	4.10	59.70	0.00	59.70	0.995	0.997	0.997	60
250	24.04	0.301	0.251	55	54.20	1.81	4.34	60.35	0.00	60.35	1.097	1.099	1.050	58
260	24.41	0.262	0.251	63	54.63	2.07	1.74	58.44	0.00	58.44	0.928	0.930	0.930	59
270	19.54	0.401	0.251	48	51.79	1.58	3.09	56.46	0.00	56.46	1.176	1.178	1.100	53
280	14.46	0.408	0.251	43	42.73	1.41	2.82	46.96	0.00	46.96	1.092	1.094	1.050	45
290	19.18	0.306	0.251	50	46.03	1.64	2.94	50.61	0.00	50.61	1.012	1.014	1.014	51
300	20.92	0.279	0.251	55	48.42	1.81	2.46	52.69	0.00	52.69	0.958	0.960	0.960	53
310	21.87	0.361	0.251	51	53.78	1.67	1.95	57.40	0.00	57.40	1.125	1.127	1.050	54
320	21.80	0.344	0.251	49	51.61	1.61	2.07	55.29	0.00	55.29	1.128	1.130	1.050	51
330	19.35	0.285	0.251	51	45.24	1.67	1.15	48.06	0.00	48.06	0.942	0.944	0.944	48
340	21.44	0.335	0.251	55	53.22	1.81	2.33	57.36	0.00	57.36	1.043	1.045	1.045	57
350	18.68	0.303	0.251	54	46.79	1.77	1.40	49.96	0.00	49.96	0.925	0.927	0.927	50
360	14.46	0.414	0.251	37	39.76	1.21	1.17	42.14	0.00	42.14	1.139	1.141	1.050	39
370	18.66	0.288	0.251	47	42.99	1.54	0.63	45.16	0.00	45.16	0.961	0.963	0.963	45
380	18.73	0.298	0.251	46	43.31	1.51	0.54	45.36	0.00	45.36	0.986	0.988	0.988	45
390	18.62	0.297	0.251	46	43.10	1.51	0.84	45.45	0.00	45.45	0.988	0.990	0.990	46
Statewide											1.104	1.106	1.057	

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS

INDICATED BASE-CLASS LOSS COST BY TERRITORY

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Non-Hurricane Base Class	Five-Year		Credibility- Weighted Base Class	Modeled Hurricane Base Class	Total Base Class Loss Cost	Indicated Relativity	Indicated Statewide Base Class	Indicated Base Class Loss Cost
<u>Territory</u>	<u>Loss Cost</u> ^(a)	<u>House Years</u>	<u>Credibility</u> ^(b)	<u>Loss Cost</u> *	<u>Loss Cost</u> ^(c)	<u>(4) + (5)</u>	<u>Terr (6) / SW (6)</u>	<u>Loss Cost**</u>	<u>Terr (7) / SW (7) × (8)</u>
110	25.00	1,261	0.10	21.73	20.44	42.17	1.730	28.91	50.01
120	16.34	8,705	0.40	19.36	32.93	52.29	2.145	28.91	62.01
130	11.89	921	0.10	20.42	14.28	34.70	1.423	28.91	41.14
140	22.23	28,022	0.70	21.97	18.76	40.73	1.671	28.91	48.31
150	13.23	2,795	0.20	19.74	5.97	25.71	1.054	28.91	30.47
160	17.30	6,117	0.30	20.15	8.46	28.61	1.173	28.91	33.91
170	8.17	12	0.00	21.37	0.63	22.00	0.902	28.91	26.08
180	19.06	4,527	0.30	20.68	3.75	24.43	1.002	28.91	28.97
190	33.64	91	0.00	21.37	5.67	27.04	1.109	28.91	32.06
200	121.49	12	0.00	21.37	4.88	26.25	1.077	28.91	31.14
210	35.80	335	0.00	21.37	2.43	23.80	0.976	28.91	28.22
220	41.48	6,245	0.30	27.40	1.77	29.17	1.196	28.91	34.58
230	24.81	333	0.00	21.37	3.78	25.15	1.032	28.91	29.84
240	10.00	1,361	0.10	20.23	1.95	22.18	0.910	28.91	26.31
250	20.52	491	0.00	21.37	1.51	22.88	0.938	28.91	27.12
260	4.37	107	0.00	21.37	0.90	22.27	0.913	28.91	26.39
270	24.28	53,264	1.00	24.28	1.21	25.49	1.045	28.91	30.21
280	15.53	13,156	0.50	18.45	0.99	19.44	0.797	28.91	23.04
290	18.25	4,907	0.30	20.43	1.42	21.85	0.896	28.91	25.90
300	11.22	107	0.00	21.37	1.14	22.51	0.923	28.91	26.68
310	21.76	45,366	0.90	21.72	0.67	22.39	0.918	28.91	26.54
320	23.83	11,501	0.40	22.35	0.68	23.03	0.945	28.91	27.32
330	9.16	146	0.00	21.37	0.52	21.89	0.898	28.91	25.96
340	21.76	127,805	1.00	21.76	0.65	22.41	0.919	28.91	26.57
350	17.11	7,526	0.30	20.09	0.51	20.60	0.845	28.91	24.43
360	14.11	39,565	0.80	15.56	0.24	15.80	0.648	28.91	18.73
370	20.79	4,165	0.20	21.25	0.20	21.45	0.880	28.91	25.44
380	19.45	3,843	0.20	20.99	0.19	21.18	0.869	28.91	25.12
390	25.22	2,933	0.20	22.14	0.16	22.30	0.915	28.91	26.45
Statewide	21.37	375,619				24.38	1.0000		

* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

** Column (8) = Line (9) + Line (11), page C-4

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation		Indicated	Dollar	Indicated	Indicated	Balanced	Filed	Filed
	Base Class	Fixed	Expense,	Base Class	Base Class	For	Net Cost of	Rate	Deviation	Base Class	Rate Level	Rate Level	Rate Level	Base
	Loss Cost	Expense ^(d)	Dividends,	Rate	Rate	Assessment	Reinsurance ^(f)	Excluding	per Exposure ^(g)	Rate	Change	Change ^(h)	Change ⁽ⁱ⁾	Class
<u>Territory</u>	<u>Loss Cost</u>	<u>Expense^(d)</u>	<u>Contingency</u>	<u>Rate</u>	<u>[(1)+(2)×(4)]/[1.0-(3)]</u>	<u>Risk^(e)</u>	<u>Reinsurance^(f)</u>	<u>(5) + (6) + (7)</u>	<u>[(8)/(1.0- Dev. %)] - (8)</u>	<u>(8) + (9)</u>	<u>(10) / (4)</u>	<u>Change^(h)</u>	<u>Capped⁽ⁱ⁾</u>	<u>Rate</u>
110	50.01	0.104	0.251	97	80.24	3.18	30.01	113.43	0.00	113.43	1.169	1.173	1.100	107
120	62.01	0.083	0.251	119	95.98	3.91	57.51	157.40	0.00	157.40	1.323	1.328	1.150	137
130	41.14	0.111	0.251	75	66.04	2.46	22.64	91.14	0.00	91.14	1.215	1.219	1.150	86
140	48.31	0.121	0.251	82	77.75	2.69	32.05	112.49	0.00	112.49	1.372	1.377	1.150	94
150	30.47	0.139	0.251	56	51.07	1.84	9.53	62.44	0.00	62.44	1.115	1.119	1.050	59
160	33.91	0.150	0.251	61	57.49	2.00	16.39	75.88	0.00	75.88	1.244	1.248	1.150	70
170	26.08	0.213	0.251	51	49.32	1.67	0.73	51.72	0.00	51.72	1.014	1.018	1.018	52
180	28.97	0.184	0.251	52	51.45	1.71	6.06	59.22	0.00	59.22	1.139	1.143	1.050	55
190	32.06	0.134	0.251	55	52.64	1.81	10.03	64.48	0.00	64.48	1.172	1.176	1.100	61
200	31.14	0.243	0.251	61	61.37	2.00	9.73	73.10	0.00	73.10	1.198	1.202	1.150	70
210	28.22	0.137	0.251	50	46.82	1.64	4.97	53.43	0.00	53.43	1.069	1.073	1.050	53
220	34.58	0.156	0.251	51	56.79	1.67	3.16	61.62	0.00	61.62	1.208	1.212	1.150	59
230	29.84	0.203	0.251	54	54.48	1.77	6.91	63.16	0.00	63.16	1.170	1.174	1.100	59
240	26.31	0.144	0.251	48	44.36	1.58	4.24	50.18	0.00	50.18	1.045	1.049	1.049	50
250	27.12	0.149	0.251	47	45.56	1.54	2.81	49.91	0.00	49.91	1.062	1.066	1.050	49
260	26.39	0.158	0.251	49	45.57	1.61	1.76	48.94	0.00	48.94	0.999	1.003	1.003	49
270	30.21	0.142	0.251	54	50.57	1.77	2.73	55.07	0.00	55.07	1.020	1.024	1.024	55
280	23.04	0.188	0.251	39	40.55	1.28	2.66	44.49	0.00	44.49	1.141	1.145	1.050	41
290	25.90	0.174	0.251	48	45.73	1.58	2.97	50.28	0.00	50.28	1.048	1.052	1.050	50
300	26.68	0.171	0.251	47	46.35	1.54	2.74	50.63	0.00	50.63	1.077	1.081	1.050	49
310	26.54	0.198	0.251	41	46.27	1.35	1.89	49.51	0.00	49.51	1.208	1.212	1.150	47
320	27.32	0.193	0.251	42	47.30	1.38	1.84	50.52	0.00	50.52	1.203	1.207	1.150	48
330	25.96	0.163	0.251	47	44.89	1.54	1.28	47.71	0.00	47.71	1.015	1.019	1.019	48
340	26.57	0.175	0.251	45	45.99	1.48	2.61	50.08	0.00	50.08	1.113	1.117	1.050	47
350	24.43	0.185	0.251	44	43.48	1.44	1.50	46.42	0.00	46.42	1.055	1.059	1.050	46
360	18.73	0.176	0.251	41	34.64	1.35	1.06	37.05	0.00	37.05	0.904	0.907	0.907	37
370	25.44	0.183	0.251	48	45.69	1.58	0.97	48.24	0.00	48.24	1.005	1.009	1.009	48
380	25.12	0.177	0.251	45	44.17	1.48	0.55	46.20	0.00	46.20	1.027	1.031	1.031	46
390	26.45	0.145	0.251	45	44.03	1.48	1.35	46.86	0.00	46.86	1.041	1.045	1.045	47
Statewide											1.125	1.129	1.061	

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

- (a) The Non-Hurricane Base Class Loss Cost is based on five-year incurred developed losses (excluding hurricane), five-year house years, and the five-year average rating factor. Since the rate level indications by territory will be based on both modeled and non-modeled experience, and since the modeled loss experience is based on latest-year exposures, the non-hurricane losses and corresponding average rating factors used in the calculation of the Non-Hurricane Base Class Loss Cost are trended to the latest year. For a given year, "year i", the trend factor for losses is calculated as $(\text{Current Cost Factor, year } i) / (\text{Current Cost Factor, latest year})$. Similarly, the trend factor for the average rating factors is calculated as $(\text{Current Amount Factor, year } i) / (\text{Current Amount Factor, latest year})$. The Current Cost Factors and Current Amount Factors used in this calculation are displayed in pages D-21, D-23 and D-25.
- (b) Credibility values are assigned to a given territory based on the partial credibility table shown on page D-26.
- (c) The calculation of the Modeled Hurricane Base Class Loss Cost is shown on pages D-39-41.
- (d) The trended fixed expense ratios are calculated as the ratio of the trended fixed expense dollar loadings displayed on page D-32 to trended earned premium at current manual level.
- (e) The Compensation for Assessment Risk provision is calculated as $(0.028 \times \text{Current Base Rate}) / (1.0 - (\text{Provisions for Commissions} + \text{Taxes}))$. The 2.8% value is based on analysis performed by P. Anderson. The commission and tax provisions are those shown on page D-29.
- (f) The calculation of the provisions for the Net Cost of Reinsurance is displayed on pages D-46-48.
- (g) A 0% deviation loading was selected by the North Carolina Rate Bureau.
- (h) Since the statewide indicated rate level change will not necessarily equal the average formulaically-indicated change by territory (shown in column (11)), an adjustment factor (calculated as $\text{Statewide Indicated Rate Level Change} / \text{Statewide column (11)}$) is applied to the column (11) values in order to determine the column (12) values.
- (i) For Owners, territories with indicated rate level changes less than or equal to +30% were capped at +20%, territories with indicated rate level changes between +30% and +40% were capped at +25%, and territories with indicated rate level changes above +40% were capped at +30%. For Tenants and Condominium Unit Owners, territories with indicated rate level changes less than or equal to +15% were capped at +5%, territories with indicated rate level changes between +15% and +20% were capped at +10%, and territories with indicated rate level changes above +20% were capped at +15%.

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND EXCLUSION CREDIT

OWNERS FORMS

Territory	$L^{(a)}$	d	$F^{(b)}$	$(I-V)^{(c)}$	k	$B^{(d)}$	$R^{(e)}$	d'	$d'R$	D	I	r	p_f	p_m	C_f	C_m
110	2,077.23	0.214	78.64	0.7490	0.243	78.22	1,679.14	0.0004	0.73	0.00	3,098	1.000	1.013	0.911	2,411	2,167
120	2,081.45	0.112	86.61	0.7490	0.147	91.71	2,554.33	0.0005	1.24	0.00	3,632	1.002	1.001	0.901	3,200	2,882
130	896.14	0.348	80.35	0.7490	0.402	49.76	684.42	0.0008	0.51	0.00	1,895	0.999	1.158	1.070	1,564	1,444
140	1,248.12	0.222	89.56	0.7490	0.274	63.91	1,333.00	0.0009	1.22	0.00	2,531	1.002	1.016	0.906	2,059	1,836
150	633.67	0.408	94.57	0.7490	0.485	41.95	465.57	0.0012	0.55	0.00	1,476	1.001	1.077	0.958	1,061	943
160	686.63	0.363	103.13	0.7490	0.446	45.13	652.07	0.0015	0.96	0.00	1,650	1.001	1.036	0.930	1,201	1,078

TENANTS

Territory	$L^{(a)}$	d	$F^{(b)}$	$(I-V)^{(c)}$	k	$B^{(d)}$	$R^{(e)}$	d'	$d'R$	D	I	r	p_f	p_m	C_f	C_m
110	52.00	0.354	16.28	0.7490	0.508	3.87	37.39	0.0001	0.00	0.00	124	1.000	1.007	0.902	76	68
120	62.70	0.273	18.09	0.7490	0.436	4.40	65.58	0.0001	0.01	0.00	154	1.000	1.001	0.900	105	95
130	32.33	0.548	14.55	0.7490	0.688	2.46	18.50	0.0001	0.00	0.00	79	1.000	1.066	0.980	36	34
140	38.16	0.403	18.84	0.7490	0.600	2.99	33.13	0.0003	0.01	0.00	105	1.000	1.002	0.900	58	52
150	26.04	0.678	16.70	0.7490	0.804	1.87	10.73	0.0003	0.00	0.00	66	1.000	1.022	0.914	19	17
160	31.25	0.636	19.08	0.7490	0.774	2.36	18.32	0.0004	0.01	0.00	83	1.000	1.009	0.904	29	26

CONDOMINIUM UNIT OWNERS

Territory	$L^{(a)}$	d	$F^{(b)}$	$(I-V)^{(c)}$	k	$B^{(d)}$	$R^{(e)}$	d'	$d'R$	D	I	r	p_f	p_m	C_f	C_m
110	50.01	0.508	10.09	0.7490	0.591	3.18	30.01	0.0001	0.00	0.00	107	1.000	1.000	0.898	58	52
120	62.01	0.359	9.88	0.7490	0.447	3.91	57.51	0.0001	0.01	0.00	137	1.000	1.002	0.884	92	82
130	41.14	0.578	8.33	0.7490	0.649	2.46	22.64	0.0001	0.00	0.00	86	1.000	1.028	0.904	43	38
140	48.31	0.533	9.92	0.7490	0.613	2.69	32.05	0.0003	0.01	0.00	94	1.000	1.000	0.896	45	40
150	30.47	0.756	7.78	0.7490	0.806	1.84	9.53	0.0003	0.00	0.00	59	1.000	1.031	0.903	17	15
160	33.91	0.696	9.15	0.7490	0.761	2.00	16.39	0.0004	0.01	0.00	70	1.000	1.002	0.898	25	22

^(a) equals column (9) on pages C-7, C-9 and C-11.

^(b) equals the product of columns (2) and (4) on pages C-8, C-10 and C-12.

^(c) equals (1.0 - statewide provisions for profit, dividends, contingencies, commission, taxes on page D-29).

^(d) equals column (6) on pages C-8, C-10 and C-12.

^(e) equals column (7) on pages C-8, C-10 and C-12.

NORTH CAROLINA
HOMEOWNERS INSURANCE
DERIVATION OF WIND EXCLUSION CREDITS

The filed wind exclusion credits are derived using the following formula.

$$C_x = [I - \{[(Ld + F) / (1.0 - V) + kB + d'R] / (1.0 - D)\}]p_x r, \text{ where}$$

C_x = Filed credit for construction type x (Frame or Masonry)

I = Filed base class rate

L = Pure-premium underlying indicated rate level change

d = The portion of L that is attributable to non-wind losses

F = Fixed expense provision underlying indicated rate level change

V = Variable expense provision

B = Provision in indicated base class rate for Compensation for Assessment Risk

k = An adjustment factor, applied to B , to reflect exclusion of wind coverage
= (Indicated non-wind rate without B) / (Indicated rate, without B)
= $[(Ld + F) / (1.0 - V)] / [(L + F) / (1.0 - V)] = (Ld + F) / (L + F)$

R = Reinsurance provision as calculated on pages D-46 through D-48

d' = The portion of the reinsurance cost attributable to non-wind related perils

D = Selected deviation percentage

p_x = Average protection class relativity for construction x (Frame or Masonry), weighted by latest-year industry earned house years

r = Average policy form relativity weighted by latest-year industry earned house years

The derivation of the filed credits, using the formula defined above, is displayed on page C-14.

The d value is calculated as

$$\frac{\text{Credibility Weighted Non-Modeled BCLC Excluding Wind}}{\text{Total BCLC}}$$

where the numerator is calculated in the same manner as column (4) on pages C-7, C-9 and C-11 but with all wind losses excluded. The denominator is equal to column (6) on pages C-7, C-9 and C-11.

The d' value is calculated as

$$\frac{E + W}{E + W + O + H}$$

where each variable represents the reinsurance cost attributable to a particular peril (E = Earthquake and Fire Following, W = Winter Storm, O = Other Wind, H = Hurricane Wind).

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND MITIGATION CREDITS - FRAME CONSTRUCTION

	Territory					
	110	120	130	140	150	160
(1) Current Wind Exclusion Credit - Frame	1,717	2,389	1,115	1,508	889	930
(2) Filed Wind Exclusion Credit - Frame	2,411	3,200	1,564	2,059	1,061	1,201
(3) Ratio of Filed and Current Wind Credits = (2)/(1)	1.404	1.339	1.403	1.365	1.193	1.291
(4) Current Wind Mitigation Credits						
Total Hip Roof	119	163	78	103	60	63
Opening Protection	122	167	78	104	59	65
Total Hip Roof and Opening Protection	241	328	154	207	118	128
<u>IBHS Designation:</u>						
Hurricane Fortified for Safer Living®	390	575	223	345	129	214
Hurricane Fortified for Existing Homes® Bronze Option 1	94	130	62	82	47	51
Hurricane Fortified for Existing Homes® Bronze Option 2	146	204	87	129	59	79
Hurricane Fortified for Existing Homes® Silver Option 1	234	346	125	210	62	128
Hurricane Fortified for Existing Homes® Silver Option 2	281	418	149	257	71	159
Hurricane Fortified for Existing Homes® Gold Option 1	299	440	167	262	93	162
Hurricane Fortified for Existing Homes® Gold Option 2	347	514	190	310	101	191
(5) Revised Wind Mitigation Credits = (3)×(4)						
Total Hip Roof	167	218	110	141	72	82
Opening Protection	171	224	110	143	70	83
Total Hip Roof and Opening Protection	338	439	217	283	140	165
<u>IBHS Designation:</u>						
Hurricane Fortified for Safer Living®	547	770	312	471	154	276
Hurricane Fortified for Existing Homes® Bronze Option 1	133	174	87	111	56	65
Hurricane Fortified for Existing Homes® Bronze Option 2	205	273	123	176	70	102
Hurricane Fortified for Existing Homes® Silver Option 1	329	463	175	287	74	165
Hurricane Fortified for Existing Homes® Silver Option 2	394	560	209	351	84	205
Hurricane Fortified for Existing Homes® Gold Option 1	420	590	235	357	110	209
Hurricane Fortified for Existing Homes® Gold Option 2	487	688	267	424	121	247

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND MITIGATION CREDITS - MASONRY CONSTRUCTION

	Territory					
	110	120	130	140	150	160
(1) Current Wind Exclusion Credit - Masonry	1,546	2,155	1,048	1,344	790	835
(2) Filed Wind Exclusion Credit - Masonry	2,167	2,882	1,444	1,836	943	1,078
(3) Ratio of Filed and Current Wind Credits = (2)/(1)	1.402	1.337	1.378	1.366	1.194	1.291
(4) Current Wind Mitigation Credits						
Total Hip Roof	108	146	73	92	54	57
Opening Protection	110	150	73	94	52	58
Total Hip Roof and Opening Protection	217	296	145	186	105	116
<u>IBHS Designation:</u>						
Hurricane Fortified for Safer Living®	352	518	209	307	115	192
Hurricane Fortified for Existing Homes® Bronze Option 1	84	118	57	72	42	45
Hurricane Fortified for Existing Homes® Bronze Option 2	131	184	82	115	52	71
Hurricane Fortified for Existing Homes® Silver Option 1	211	313	118	188	55	116
Hurricane Fortified for Existing Homes® Silver Option 2	253	377	140	229	62	142
Hurricane Fortified for Existing Homes® Gold Option 1	269	398	157	233	81	145
Hurricane Fortified for Existing Homes® Gold Option 2	311	464	179	276	90	171
(5) Revised Wind Mitigation Credits = (3)×(4)						
Total Hip Roof	151	195	101	126	64	74
Opening Protection	155	201	101	128	62	76
Total Hip Roof and Opening Protection	304	396	200	254	125	149
<u>IBHS Designation:</u>						
Hurricane Fortified for Safer Living®	493	692	288	419	137	248
Hurricane Fortified for Existing Homes® Bronze Option 1	118	158	79	99	50	58
Hurricane Fortified for Existing Homes® Bronze Option 2	184	246	113	157	62	92
Hurricane Fortified for Existing Homes® Silver Option 1	296	418	162	256	66	149
Hurricane Fortified for Existing Homes® Silver Option 2	355	505	193	313	75	183
Hurricane Fortified for Existing Homes® Gold Option 1	377	532	216	318	97	187
Hurricane Fortified for Existing Homes® Gold Option 2	437	621	247	377	107	221

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND-ONLY RATES

OWNERS FORMS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			=(1)/(2)		=(3)+(4)		=(3)+(6)
	Fixed		Fixed	Revised	Revised	Revised	Revised
	Expense	1-V	Expense	Wind Exclusion	Wind-Only	Wind Exclusion	Wind-Only
<u>Territory</u>	<u>Expense</u>	<u>1-V</u>	<u>Loading</u>	<u>Credit - Frame</u>	<u>Base Rate - Frame</u>	<u>Credit - Masonry</u>	<u>Base Rate - Masonry</u>
110	78.64	0.749	104.99	2,411	2,516	2,167	2,272
120	86.61	0.749	115.63	3,200	3,316	2,882	2,998
130	80.35	0.749	107.28	1,564	1,671	1,444	1,551
140	89.56	0.749	119.57	2,059	2,179	1,836	1,956
150	94.57	0.749	126.26	1,061	1,187	943	1,069
160	103.13	0.749	137.69	1,201	1,339	1,078	1,216

TENANTS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			=(1)/(2)		=(3)+(4)		=(3)+(6)
	Fixed		Fixed	Revised	Revised	Revised	Revised
	Expense	1-V	Expense	Wind Exclusion	Wind-Only	Wind Exclusion	Wind-Only
<u>Territory</u>	<u>Expense</u>	<u>1-V</u>	<u>Loading</u>	<u>Credit - Frame</u>	<u>Base Rate - Frame</u>	<u>Credit - Masonry</u>	<u>Base Rate - Masonry</u>
110	16.28	0.749	21.74	76	98	68	90
120	18.09	0.749	24.15	105	129	95	119
130	14.55	0.749	19.43	36	56	34	53
140	18.84	0.749	25.15	58	83	52	77
150	16.70	0.749	22.30	19	41	17	39
160	19.08	0.749	25.47	29	55	26	52

CONDOMINIUM UNIT OWNERS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			=(1)/(2)		=(3)+(4)		=(3)+(6)
	Fixed		Fixed	Revised	Revised	Revised	Revised
	Expense	1-V	Expense	Wind Exclusion	Wind-Only	Wind Exclusion	Wind-Only
<u>Territory</u>	<u>Expense</u>	<u>1-V</u>	<u>Loading</u>	<u>Credit - Frame</u>	<u>Base Rate - Frame</u>	<u>Credit - Masonry</u>	<u>Base Rate - Masonry</u>
110	10.09	0.749	13.47	58	71	52	65
120	9.88	0.749	13.19	92	105	82	95
130	8.33	0.749	11.11	43	54	38	49
140	9.92	0.749	13.25	45	58	40	53
150	7.78	0.749	10.39	17	27	15	25
160	9.15	0.749	12.22	25	37	22	34

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND-ONLY RATES

The filed wind-only rates are a function of the filed wind exclusion credits. Since one full policy provides the same coverage as the combination of one non-wind policy and one wind-only policy (with identical characteristics), the premium between the two scenarios should differ only by the total fixed expense load.

The wind-only rates are calculated as follows.

$$W_x = C_x + \frac{F}{1 - V}$$

W_x = Wind-only rate for construction type x (Frame or Masonry)

C_x = Filed wind exclusion credit for construction type x (Frame or Masonry)

F = Fixed expense provision underlying indicated rate level change

V = Variable expense provision

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HOMEOWNERS INSURANCE

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HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

This memorandum supplements the filing letter and supporting exhibits setting forth a revision of homeowners insurance rates in the State of North Carolina. It is the purpose of this memorandum to describe the source data used and to set forth in detail the insurance ratemaking procedures reflected in the filing. Certain pages in the filing and accompanying material contain a notation "all carriers" or other similar wording. This indicates that the data are combined ISO, ISS, and NISS data. Data for certain companies are not included, as noted in Section E.

Premium and Loss Experience

This revision is based upon the combined premium and loss experience of all entities writing homeowners insurance in this State (licensed member companies and residual market entities), except as noted in Section E. In order to have this experience available in all detail necessary for rate review and ratemaking in accordance with accepted standards, all such companies are required to file each year their total homeowners insurance experience with the official statistical agents. Experience is recorded pursuant to the officially approved statistical plans and reported by the companies in accordance with instructions issued by the statistical agents under the Official Calls for Experience.

The Commissioner appointed the following statistical agents for the collection of homeowners insurance experience in North Carolina: Insurance Services Office (ISO), Independent Statistical Services, Inc. (ISS), American Association of Insurance Services (AAIS), and National Independent Statistical Service (NISS).

Experience utilized in the filing was collected under the Personal Lines Statistical Plan and the 2016 Official Statistical Programs of ISO, the Statistical Plan for Homeowners Policies, Mobilehome Policies, and Dwelling Policies and the 2016 Statistical Programs of ISS, the Homeowners Statistical Plan developed by the NISS and the 2016 Statistical Programs of the NISS. In substance, the statistical plans of these statistical agents are similar in North Carolina, and provide for the recording and reporting of the experience in the detail required for ratemaking and in such form that the experience of all companies can be combined. The experience collected by AAIS and in the ISO Stat Agent plan (which totals less than 0.35% of the aggregate experience) is collected in lesser detail and has not been used in this review.

The licensing of an organization and its appointment as a statistical agent in North Carolina is predicated upon demonstration by the organization of its ability to perform this function. Moreover, the performance of the statistical agents is reviewed periodically through examination by personnel of state insurance departments under the convention examinations of the National Association of Insurance Commissioners. From time to time such organizations are called upon by Insurance Department examiners to verify, and do verify, the data consolidated by them as statistical agents.

The insurance companies likewise are subject to a variety of checks and controls. Effective controls are maintained within the company over the activities of company employees connected with the company's statistics. Companies are required by statute to submit directly to the Insurance Department statistical and accounting information to be found in the Annual Statement and the Insurance Expense Exhibit. These documents are scrutinized by experienced Insurance Department personnel throughout the country. The insurance companies are also subject to examination by the Insurance Department, which examinations extend into the statistical records of the companies.

Tabulations of experience reported to Independent Statistical Services, Inc. and National Independent Statistical Service are provided to the Insurance Services Office. The Insurance Services Office combines the experience and develops the analysis included in this filing. This work is performed at the direction of the North Carolina Rate Bureau.

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

Statewide Rate Level Exhibits

1. Experience

Homeowners insurance experience was compiled on a calendar accident year basis for the years ended December 31, 2016, 2015, 2014, 2013, and 2012. For any twelve-month period, the accident year experience brings together the losses resulting from accidents occurring during that period with the average rating factors and number of exposures "earned" during the same period. Since this filing utilizes computer models to estimate the average annual losses attributable to hurricanes, actual hurricane losses have been removed from the ratemaking experience.

2. Average Rating Factors

The earned premiums at present manual rates for the homeowners insurance coverages are calculated by multiplying the number of insured exposures earned during the experience period by the base rates and rating factors in effect at the time of review. Earned premiums at present rates are used to determine average rating factors. The average rating factor is the ratio of the average rate (earned premium at manual level divided by corresponding house-years) and the current manual base rate by territory. The average rating factor is used to convert the pure-premiums incurred during the experience period to the "base-class" level.

3. Losses

Losses compiled for any accident year include paid losses as well as loss reserves. The amounts that will ultimately be required as payments of claims on open cases are carefully determined by the claim departments of the companies, and experience has shown that these determinations are highly accurate in the aggregate. Since, however, there are differences between the total incurred losses so determined and the amounts ultimately paid, the ratemaking procedure provides for a "development" of the incurred losses to a basis which, for all practical purposes, can be considered as the ultimate basis. This development is accomplished as follows:

Each year the experience is compiled for the latest five-years, all valued as of three months after the close of the latest accident year period. Thus, the experience is reported for the latest year as of 15 months, the preceding year as of 27 months, the next preceding year as of 39 months, the third preceding year as of 51 months and the fourth preceding year as of 63 months all measured from the beginning of each accident year respectively.

From reports of prior years, similarly aged experience was obtained so that there are available five successive reports for the earliest year, four successive reports for the next earliest year, three successive reports for the middle year and two successive reports for the second most recent year.

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

Homeowners claims generally are settled, and are therefore sufficiently matured, as of 63 months, by which time nearly all homeowners incurred losses have been paid. From a comparison of the incurred losses for each year at successive valuation dates, it is determined what the rate of development has been in the past in order to calculate the development of less mature losses. This development is reflected in the incurred losses for the less mature years by the application of loss development factors. In this filing, loss development factors have been calculated based on the experience of companies reporting to ISO and three large company-groups reporting to the ISS, by policy form, and are as follows:

<u>Accident Year Ended</u>	<u>Factor to Develop to 63 Months</u>		
	<u>Owners Forms</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
December 31, 2016	1.025	1.013	0.994
December 31, 2015	1.001	1.008	0.995
December 31, 2014	0.999	1.001	0.994
December 31, 2013	0.999	1.001	1.001
December 31, 2012	1.000	1.000	1.000

The derivation of the factors shown above is presented on pages D-12-14. By applying these factors, the reported incurred losses have been changed to the amounts at which it is believed they will ultimately be settled.

4. "Excess Wind" Losses and Modeled Hurricane Losses

In order to ensure stability in indicated rate levels while maintaining adequacy in the event of wide swings in hurricane and other wind losses, an excess wind procedure (Owners forms only) and hurricane loss models have been utilized. Hence, inordinate shifts in indicated rate levels (both upward and downward), which would result from reflecting large hurricane and other wind loss events only in the year in which they occur will be avoided.

With respect to the excess wind procedure (pages D-33-36), two adjustments to reported (non-hurricane) incurred losses are made. First, excess wind losses, which result from unusually severe non-hurricane wind activity, are removed from the rate-making experience. Second, the excess losses for a given year are replaced with an expected excess wind loss loading, by application of the statewide "excess wind factor". This statewide excess wind factor is based on the long-term (non-hurricane) wind history and, therefore, is not subject to the type of yearly variation inherent in actual wind losses. Note that in order to have a complete history of wind experience, the earliest years used in the calculation of the excess wind factor are based on North Carolina Dwelling Extended Coverage experience. For these years, the total-minus-wind losses are calculated as $P \times B/A$, where P = Dwelling Extended Coverage premium for the given year, B = Dwelling Extended Coverage expected loss and fixed expense ratio and A = the average wind-to-total-minus-wind ratio for years 1961 through 2016. The derivation of the excess wind factor is described below.

Statewide excess wind losses by year are calculated by determining a "normal" wind-to-total-minus-wind ratio which represents the long-term expected wind-to-total-minus-wind ratio. All losses above the "normal" ratio are defined as "excess" wind losses.

The "normal" wind-to-total-minus-wind ratio is determined by first capping the historical ratios for unusually large wind loss years at 5 times the median statewide value. (The capped wind-to-total-minus-wind ratios are

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shown in column (5) of the excess wind factor exhibit, pages D-33-35). An excess wind-to-total-minus-wind ratio for a given year is composed of two parts:

- (1) a capped excess wind-to-total-minus-wind ratio and
- (2) an "excess wind-to-total-minus-wind ratio above the cap".

The excess wind factor is calculated as:

Excess Factor = $1.0 + [(average\ capped\ excess\ ratio + average\ excess\ ratio\ above\ the\ cap) \div (1.0 + normal\ ratio - average\ capped\ excess\ ratio)]$

Excess loss amounts reflecting the mix of deductibles purchased by insureds are adjusted to the base deductible by taking the ratio of excess losses (at reported deductible level) and wind losses (at reported deductible level) and applying it to wind losses at the base deductible level.

The modeled hurricane losses used in this filing are based on analysis performed by Aon Benfield on behalf of the North Carolina Rate Bureau and are displayed on page D-38.

5. Loss Adjustment Expense

Loss adjustment expenses are determined as an average percentage of the North Carolina incurred losses for the corresponding five calendar accident years, based on a North Carolina expense call. The high and low years are excluded in the average and the effects of loss trend and expense trend are incorporated into the calculated loading. See pages D-30-31 and item 11 below.

A separate Loss Adjustment Expense factor was used for modeled hurricane losses. (See testimony of S. Fiete.)

6. Credibility Factor Determination

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of statewide rate level indications which depend, in part, on the determination of the weighted statewide trended base-class pure-premium.

The statewide credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Pure-Premium" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 5% maximum departure from the expected value, translated to house year standards. Partial credibility (Z_p) is calculated as follows:

$$Z_p = \sqrt{\frac{\text{Five-Year House Years}}{\text{Full Credibility Standard}}} \quad (\text{truncated to one decimal place})$$

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for the Tenants Form, and 190,000 house years for the Condominium Unit Owner Form. (See page D-26.)

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7. Loss Trend

Loss trends are quantified by using the information provided by external inflation indices and the observed growth in pure-premiums and severities that occurred during the historical experience period. This procedure is displayed on pages D-15-19, D-21, D-23 and D-25.

In order to measure the effect of inflation on losses, in terms of external index information, the Current Cost Index (CCI) is constructed using the Boeckh Residential Index (BRI) for North Carolina and components of the Consumer Price Index ("Modified Consumer Price Index", MCPI).

For Owners, the MCPI is a weighted average of the following subgroups of the Consumer Price Index: House Furnishings (48%), Medical Care (20%), Apparel Commodities (16%) and Entertainment Commodities (16%). The Boeckh Residential and the Modified Consumer Price indices are weighted 80% and 20%, respectively. These weights are based on Homeowners loss distributions.

Since Tenants covers only contents and Condominium Unit Owners covers primarily contents, the Modified Consumer Price Index is used exclusively for the Tenants and Condominium Unit Owner policy forms, and is a weighted average of the following subgroups of the "All-Urban" Consumer Price Index: House furnishings (54%), Apparel Commodities (18%), Entertainment Commodities (18%) and Medical Care (10%).

In this filing the BRI index has been rebased to 2012. Additionally, each component of the CPI index was also rebased to 2012 and then weighed together to form the MCPI. The rebasing of these indices was performed to ensure that the selected weights between the two indices have the intended effect. Prior to the rebasing, the BRI values were comparatively larger than the MCPI values and therefore the BRI index was receiving more weight than intended. Similarly, the Medical Care component of the CPI had also grown at a higher rate than the other components of the MCPI resulting in larger index values. The larger index values for Medical Care effectively caused this component to receive more weight than intended in the MCPI.

The "Current Cost Factors" derived from the external indices trend the rate-making losses from a given historical year to the midpoint of the latest quarter included in the index information (May 15, 2018). To project the ratemaking losses to the level anticipated one year beyond the assumed effective date (October 1, 2019), a projection factor is derived from the least-squares "fitted" annual rate of change of the index values. Since the external indices do not account for the effect of deductibles on underlying loss trends, a "trend-from-first-dollar adjustment factor" is incorporated into the index trend calculations. This factor is used to adjust the index projection factor so as to properly account for deductible effects. Note that, while the historical experience represents the five years ending 2016, the modeled hurricane experience represents only the latest year. Therefore, the first-dollar factor for historical losses and modeled losses are calculated slightly differently.

While the index trend constitutes part of the loss trend methodology, the information provided by the historical experience is not ignored. To incorporate the historical information, pure-premiums and severities are calculated by year in cause-of-loss (i.e., fire-related, water-related, etc) detail and fitted least-squares annual rates of change are computed. Based on a comparison of the external index rates of change and the fitted changes for the historical pure-premiums and severities, "Loss Trend Adjustment" factors of 3%, 0% and 5% were selected for the Owners, Tenant and Condominium forms, respectively, and incorporated into the projection calculations.

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8. Premium Trend

The premium trend procedure is based on the observed growth in yearly average policy amount relativities. (For the Owners forms, these relativities reflect the Coverage A limit selections made by insureds. For the Tenant and Condominium Unit Owners forms, these relativities reflect the Coverage C limit selections made by insureds.) In order to derive the required trend factors, a least-squares fitted annual change is calculated for the historical average relativities. Based on the calculated value, a selection for the annual change is made. (The selected annual changes reflect consideration of the calculated value and the overall pattern in average relativity growth observed during the experience period.) The selected annual changes are 1.0%, -1.4%, and 0.2% in the Owners, Tenant and Condominium forms, respectively.

The selected annual changes are used to derive "Current Amount Factors" and the "Premium Projection Factor". The Current Amount Factor trends the average policy amount relativity (and, therefore, the Average Rating Factor used in the derivation of the statewide and territory rate level indications) from a given historical year to the point in time corresponding to the May 15, 2018 midpoint of the latest quarter of the external index ("CCI") used in the loss trend procedure (described above). The Premium Projection factor accounts for trend that occurs between this midpoint and six months beyond the assumed effective date.

The premium trend calculations are displayed on pages D-20-25.

9. Composite Loss/Premium Trend

Since the base-class pure-premium is the basic quantity underlying the overall rate-making procedure, and since it is in the form: (average pure premium) / (average rating factor), the loss and premium trend factors are applied in a composite form of "Current Cost/Amount" factors and "Composite Projection Factor" (CPF). The Current Cost/Amount Factor for a given year is the ratio of the Current Cost Factor and the Current Amount Factor. The Composite Projection Factor is the ratio of the Loss Projection and Premium Projection factors. These calculations are shown on pages D-21, D-23 and D-25.

10. Expense Trend

The selected annual change to be applied to general expense, other acquisition expense and loss adjustment expense costs is based on the observed growth in the All Items Consumer Price Index and the Compensation Cost Index. The selected annual change is 2.5% based on analysis and review of the index data, which are displayed on pages D-27-28. Item 12 below describes how the selected annual change is used in the derivation of the loadings for general, other acquisition and loss adjustment expenses.

11. Trend Periods

The effective date assumed in this filing is October 1, 2019 for new and renewal policies. Given this effective date, the trend periods for premiums, losses and expenses are as follows:

- premiums, and the corresponding average rating factors, are trended from January 1 of the given year to April 1, 2020.
- losses are trended from July 1 of the given year to October 1, 2020.
- general expense and other acquisition expense loadings, since they are based on 2014-2016 data, are trended from July 1, 2015 to April 1, 2020.

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- loss adjustment expense percentages, since they are based on 2012-2016 data, are trended from July 1, 2014 to October 1, 2020.

12. Expense Loadings

General and Other Acquisition Expenses (Fixed Expenses)- The loadings for these "fixed" expenses are based on the information collected in special "calls" for North Carolina expense experience and reflect the 2014, 2015, and 2016 call results as reported by all companies licensed in North Carolina during those years. Based on the information in these calls, the provisions for these expenses are expressed as percentages of all-policy-forms premium. The percentage provision for these expenses (which, in effect, represents the ratio of a "numerator" of expense dollars and a "denominator" of premium dollars) is trended. The numerator is trended based on the indices shown on page D-27, from which a selection of 2.5% annual growth was made, and the denominator is trended using (a subset of) the premium trend factors that are needed in the overall ratemaking methodology. Once the percentage provision for general and other acquisition expenses is trended, it is converted to a corresponding dollar value which can be incorporated into the pure-premium ratemaking methodology utilized in this filing. The dollar value is obtained by multiplying the trended percentage by the trended average rate at current-manual level. Distinct dollar values are generated for the Owners, Tenant and Condominium forms. These values by form reflect the judgment that the premium for a single Tenant or Condominium policy requires a dollar loading that is 50% of the dollar loading required by the premium for a single Owners policy.

The calculations described above, and the conversion to the base-class level that is required by the ratemaking methodology utilized in this filing, is shown in detail on page D-32. The underlying experience is shown on page D-29.

Commissions and Taxes (Variable Expenses)- The loadings for these expenses are based on the same special call information, and same years, as described above for general and other acquisition expenses. Since these expenses are "variable", there is no need for trending or conversion to a dollar value. The underlying experience for these expenses is shown on page D-29.

Loss Adjustment Expense- The percentage loading for this expense is based on the same special call information as described above for general and other acquisition expenses. Since loss adjustment expense is measured relative to losses, a longer time period, 2012-2016, is used. The selected LAE factor is based on the average LAE ratio over the five years excluding the highest and lowest ratios. The percentage loading for loss adjustment expense is trended in a manner that is analogous to the trending of the percentage loading for general and other acquisition expenses: the numerator, i.e., dollars of expense, is trended using the indices shown on pages D-27-28 and the denominator, i.e., dollars of loss, is trended using (a subset of) the loss trend factors that are needed in the overall ratemaking methodology. This calculation and the underlying data are displayed in detail on pages D-30-31.

A separate Loss Adjustment Expense factor was used for modeled hurricane losses. (See testimony of S. Fiete.)

Net Cost of Reinsurance- The provisions for the net cost of reinsurance are based on an analysis provided by Aon Benfield. This analysis generates the total dollars required by policy form and by territory based on latest-year house years. The conversion to the required base-class level is shown on pages D-46-48. (See also pre-filed testimony of S. Fiete.)

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Compensation for Assessment Risk- The Compensation for Assessment Risk provision is calculated as $(0.028 \times \text{Current Average Base Rate}) / (1.0 - (\text{Provision for Commissions} + \text{Provision for Taxes}))$.

The 0.028 value is based on analysis performed by P. Anderson. The commission and tax provisions are those shown on pages D-29. (See also pre-filed testimony of P. Anderson.)

Dividends- A dividend provision of 0.4% was selected based on the dividend dollars from companies issuing dividends as a percentage of industry-wide written premium from 2012-2016. See Exhibit (1)(h)(ii-vi) in Section E.

Profit- Statewide provision of 9.0% was selected. (See pre-filed testimony of D. Appel and J. Vander Weide).

Contingencies - Statewide provision of 1.0% was selected. (See pre-filed testimony of M. Berry, Y. Yao and P. Anderson.)

Determination of Base-Class Loss Costs by Territory

1. Non-Hurricane Base-Class Loss Cost

A five-year non-hurricane base-class loss cost by territory is derived by dividing five-year territory losses excluding actual hurricane losses by the product of the five-year average rating factor and five-year house-years. For the Owners forms, the loss cost also excludes actual wind losses and includes a territory (non-hurricane) "wind provision"(described below). The losses and average rating factors are trended to the latest year in the experience period so as to be compatible with the modeled hurricane losses (which reflect exposures for the latest year).

The territory wind provision is calculated in a two-step process. In the first step, the statewide excess loss amounts and the excess factor are used to determine a statewide "wind provision". The wind provision is the dollar value of the "implicit" wind losses that remain in the rate-making loss experience, after excess wind losses are removed and the excess factor is applied.

The statewide wind provision is defined as

$(T - E) \times F - (T - L)$, where:

T = statewide incurred non-modeled losses
 E = statewide non-modeled excess wind losses
 F = statewide excess wind factor
 L = non-hurricane wind losses

In the second step, the long-term history of wind losses by territory is used to distribute the statewide wind provision to each territory. This calculation is illustrated on page D-37.

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2. Credibility

The territory credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Pure-Premium" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 10% maximum departure from the expected value, translated to house year standards. Partial credibility (Z_p) is calculated as follows:

$$Z_p = \sqrt{\frac{\text{Five-Year House Years}}{\text{Full Credibility Standard}}} \quad (\text{truncated to one decimal place})$$

The full credibility standard is 60,000 house years for the Owners Forms, 75,000 house years for the Tenants Form, and 50,000 house years for the Condominium Unit Owner Form (see page D-26). The complement of credibility is assigned to the statewide five-year base-class loss cost excluding hurricane.

3. Modeled Hurricane Base-Class Loss Cost

The modeled hurricane base-class loss cost is derived by dividing untrended modeled hurricane losses by the product of the latest-year average rating factor and latest-year house-years.

4. Total Base-Class Loss Cost

The base-class loss cost for all losses is the sum of the credibility-weighted non-hurricane base-class loss cost and the modeled hurricane base-class loss cost.

5. Indicated Territory Relativity

The total loss costs by territory are made to be relative to the state by taking the ratio of the by-territory loss costs and the statewide loss cost.

6. Indicated Base-Class Loss Costs By Territory

The territory relativities are applied to the statewide base-class loss cost (computed on the statewide indications pages) in order to obtain the indicated base-class loss costs by territory.

Determination of Base Rates by Territory

1. Fixed Expenses (i.e., General and Other Acquisition Expenses) By Territory

The statewide (trended) provisions for general and other acquisition expenses are adjusted in order to reflect the varying size of the current rates by territory. This is accomplished by multiplying the statewide provisions (in percentage form) by the ratio of the current statewide average rate and the current average rate for the given territory.

2. Variable Expenses, Dividends, Profit and Contingency Loading

These provisions are shown on page D-29 and do not vary by territory. The variable expense loadings include provisions for commissions and taxes.

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3. Compensation for Assessment Risk

The Compensation for Assessment Risk provision is calculated as

$(0.028 \times \text{Current Average Base Rate}) / (1.0 - (\text{Provision for Commissions} + \text{Provision for Taxes}))$.

The 0.028 value is based on analysis performed by P. Anderson. The commission and tax provisions are those shown on page D-29.

4. Net Cost of Reinsurance

The provisions for the net cost of reinsurance are based on analysis provided by Aon Benfield. This analysis generates the total dollars required by policy form to cover the cost of the expense and profit components of the reinsurance premium paid by the primary insurers. The conversion to the base-class level that is required by the ratemaking methodology utilized in this filing is shown on pages D-46-48.

5. Selected Deviation

A 0% deviation provision was selected by the NCRB.

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HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

OWNERS FORMS

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	303,252,747	313,063,857	314,350,865	314,938,868	314,414,297
2006	356,647,113	363,317,217	363,674,236	364,015,346	363,874,351
2007	412,520,322	415,702,616	415,675,924	415,632,471	415,318,365
2008	548,683,259	583,227,571	584,801,408	585,291,688	584,955,978
2009	701,257,695	709,549,336	710,574,390	710,391,838	707,413,140
2010	838,344,973	843,274,527	841,845,005	840,335,409	839,785,578
2011	1,675,568,207	1,707,244,143	1,708,743,892	1,708,376,953	1,706,101,629
2012	761,430,005	796,093,645	802,599,695	803,427,631	801,994,158
2013	642,959,930	657,197,316	657,530,875	655,126,722	
2014	714,712,872	731,447,447	736,682,437		
2015	687,974,381	700,101,837			
2016	947,994,624				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	1.032	1.004	1.002	0.998
2006	1.019	1.001	1.001	1.000
2007	1.008	1.000	1.000	0.999
2008	1.063	1.003	1.001	0.999
2009	1.012	1.001	1.000	0.996
2010	1.006	0.998	0.998	0.999
2011	1.019	1.001	1.000	0.999
2012	1.046	1.008	1.001	0.998
2013	1.022	1.001	0.996	
2014	1.023	1.007		
2015	1.018			
Average	<u>27:15</u> 1.024	<u>39:27</u> 1.002	<u>51:39</u> 1.000	<u>63:51</u> 0.999
Selected	1.024	1.002	1.000	0.999

Loss Development Factors

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1.000	0.999	0.999	1.001	1.025

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HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

TENANTS

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	6,091,851	6,223,979	6,196,871	6,201,373	6,201,373
2006	7,419,519	7,089,381	7,192,233	7,220,423	7,237,603
2007	9,590,294	9,784,096	9,666,094	9,676,889	9,724,089
2008	11,282,004	11,477,043	11,450,204	11,266,466	11,263,301
2009	13,856,748	14,147,557	14,509,309	14,421,351	14,424,028
2010	15,753,663	15,889,412	16,060,554	16,160,801	16,133,563
2011	19,838,564	19,797,026	20,105,648	20,089,857	20,090,637
2012	17,665,561	17,495,463	17,567,704	17,639,230	17,629,230
2013	18,977,949	18,706,958	18,934,617	19,085,330	
2014	17,851,606	17,935,338	17,986,896		
2015	18,782,429	19,261,559			
2016	20,282,260				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	1.022	0.996	1.001	1.000
2006	0.956	1.015	1.004	1.002
2007	1.020	0.988	1.001	1.005
2008	1.017	0.998	0.984	1.000
2009	1.021	1.026	0.994	1.000
2010	1.009	1.011	1.006	0.998
2011	0.998	1.016	0.999	1.000
2012	0.990	1.004	1.004	0.999
2013	0.986	1.012	1.008	
2014	1.005	1.003		
2015	1.026			
Average	<u>27:15</u> 1.005	<u>39:27</u> 1.007	<u>51:39</u> 1.000	<u>63:51</u> 1.001
Selected	1.005	1.007	1.000	1.001

Loss Development Factors

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1.000	1.001	1.001	1.008	1.013

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HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

CONDOMINIUM UNIT OWNERS

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	3,754,240	3,740,314	3,795,854	3,754,751	3,772,022
2006	4,772,613	4,767,765	4,717,475	4,695,573	4,695,473
2007	4,930,168	4,911,154	4,893,308	4,881,503	4,881,503
2008	5,879,345	5,875,684	5,857,175	5,778,021	5,776,416
2009	7,842,948	7,790,231	7,853,956	7,862,655	7,870,972
2010	8,631,006	8,617,534	8,571,267	8,463,509	8,428,582
2011	10,238,830	10,073,678	10,110,254	9,968,498	10,007,623
2012	8,721,722	8,869,222	8,975,075	8,968,866	8,969,446
2013	8,524,488	8,477,990	8,307,568	8,291,648	
2014	10,799,462	10,849,918	10,949,270		
2015	12,002,471	12,098,378			
2016	10,816,312				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	0.996	1.015	0.989	1.005
2006	0.999	0.989	0.995	1.000
2007	0.996	0.996	0.998	1.000
2008	0.999	0.997	0.986	1.000
2009	0.993	1.008	1.001	1.001
2010	0.998	0.995	0.987	0.996
2011	0.984	1.004	0.986	1.004
2012	1.017	1.012	0.999	1.000
2013	0.995	0.980	0.998	
2014	1.005	1.009		
2015	1.008			
Average	<u>27:15</u> 0.999	<u>39:27</u> 1.001	<u>51:39</u> 0.993	<u>63:51</u> 1.001
Selected	0.999	1.001	0.993	1.001

Loss Development Factors

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1.000	1.001	0.994	0.995	0.994

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR
 QUARTER ENDING JUNE 30, 2018

PART A: MONTHLY CURRENT COST INDEX (CCI) WITH:
 20% Weight to Modified Consumer Price Index (MCPI)
 80% Weight to Boeckh Residential Index (BRI) for N.C.
 (MCPI base: 2012 = 100 BRI base: 2012 = 100)

<u>Month</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>	<u>QCCI</u>				
	<u>2015</u>				<u>2016</u>				<u>2017</u>							
7	106.8	94.5	104.3		106.2	92.8	103.5		108.7	91.1	105.2					
8	106.9	94.2	104.4		106.2	92.9	103.5		108.8	91.1	105.3					
9	106.7	95.0	104.4	104.4	106.3	93.2	103.7	103.6	109.2	91.5	105.7	105.4				
10	106.7	95.2	104.4		106.2	93.5	103.7		109.6	91.5	106.0					
11	106.6	94.4	104.2		106.2	92.6	103.5		109.6	90.6	105.8					
12	106.5	93.6	103.9	104.2	106.1	91.6	103.2	103.5	109.7	89.7	105.7	105.8				
					<u>2016</u>				<u>2017</u>				<u>2018</u>			
1	106.0	93.8	103.6		106.2	92.3	103.4		110.5	90.3	106.5					
2	106.1	94.3	103.7		106.2	93.0	103.6		110.6	90.9	106.7					
3	106.3	94.4	103.9	103.7	106.3	93.1	103.7	103.6	111.0	91.2	107.0	106.7				
4	106.1	94.4	103.8		107.1	92.8	104.2		111.6	91.4	107.6					
5	106.3	94.2	103.9		107.2	92.4	104.2		111.8	90.7	107.6					
6	106.2	93.4	103.6	103.8	107.4	92.0	104.3	104.2	112.3	90.0	107.8	107.7				

PART B: CALCULATION OF CURRENT COST FACTORS (CCF)

<u>YEAR</u>	<u>Calendar Year Average CCI</u>			<u>Current Cost Factors</u> Based on Average CCI Value for <u>Quarter Ending 6/30/2018 = 107.7</u>
	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>	
2012	100.0	100.0	100.0	1.077
2013	102.4	98.8	101.7	1.059
2014	104.9	96.8	103.3	1.043
2015	106.7	95.0	104.4	1.032
2016	106.2	93.4	103.6	1.040

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR
 QUARTER ENDING JUNE 30, 2018

PART C: COMPUTATION OF LOSS PROJECTION FACTOR

Calendar <u>Year</u>	Quarter <u>Ending</u>	Quarterly <u>CCI</u>
2015	Sep. 30	104.4
2015	Dec. 31	104.2
2016	Mar. 31	103.7
2016	Jun. 30	103.8
2016	Sep. 30	103.6
2016	Dec. 31	103.5
2017	Mar. 31	103.6
2017	Jun. 30	104.2
2017	Sep. 30	105.4
2017	Dec. 31	105.8
2018	Mar. 31	106.7
2018	Jun. 30	107.7
Fitted Quarterly Rate of Change ^(a)		0.003
Annual Rate of Change (1.0 + 0.003) ⁴		1.012
Loss Projection Factor ^(b) (1.0 + 0.003) ^(28.5/3)		1.029

^(a) From Least-Squares Fit of Quarterly CCI Values

^(b) To Project Losses From 05/15/2018 to 10/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS AND CONDOMINIUM UNIT OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR
 QUARTER ENDING JUNE 30, 2018

PART A: MONTHLY CURRENT COST INDEX (CCI) WITH:
 Modified Consumer Price Index Only (Base: 2012 = 100)

<u>Month</u>	<u>MCPI</u> <u>QCCI</u>		<u>MCPI</u> <u>QCCI</u>		<u>MCPI</u> <u>QCCI</u>	
	<u>2015</u>		<u>2016</u>		<u>2017</u>	
7	92.8		90.5		88.2	
8	92.5		90.4		88.1	
9	93.4	92.9	90.7	90.5	88.5	88.3
10	93.5		91.0		88.6	
11	92.6		90.0		87.5	
12	91.7	92.6	88.9	90.0	86.5	87.5
	<u>2016</u>		<u>2017</u>		<u>2018</u>	
1	91.9		89.7		87.1	
2	92.3		90.3		87.7	
3	92.3	92.2	90.5	90.2	88.0	87.6
4	92.3		90.1		88.3	
5	92.1		89.6		87.5	
6	91.1	91.8	89.2	89.6	86.6	87.5

PART B: CALCULATION OF CURRENT COST FACTORS (CCF)

<u>Calendar Year Average CCI</u>		Current Cost Factors
<u>YEAR</u>	<u>CCI</u>	Based on Average CCI Value for <u>Quarter Ending 6/30/2018 =87.5</u>
2012	100.0	0.875
2013	98.3	0.890
2014	95.7	0.914
2015	93.4	0.937
2016	91.1	0.960

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS AND CONDOMINIUM UNIT OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR
 QUARTER ENDING JUNE 30, 2018

PART C: COMPUTATION OF LOSS PROJECTION FACTOR

Calendar <u>Year</u>	Quarter <u>Ending</u>	Quarterly <u>CCI</u>
2015	Sep. 30	92.9
2015	Dec. 31	92.6
2016	Mar. 31	92.2
2016	Jun. 30	91.8
2016	Sep. 30	90.5
2016	Dec. 31	90.0
2017	Mar. 31	90.2
2017	Jun. 30	89.6
2017	Sep. 30	88.3
2017	Dec. 31	87.5
2018	Mar. 31	87.6
2018	Jun. 30	87.5
Fitted Quarterly Rate of Change ^(a)		-0.006
Annual Rate of Change (1.0 + -0.006) ⁴		0.976
Loss Projection Factor ^(b) (1.0 + -0.006) ^(28.5/3)		0.944

^(a) From Least-Squares Fit of Quarterly CCI Values

^(b) To Project Losses From 05/15/2018 to 10/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE

ANNUAL PURE-PREMIUM AND SEVERITY RATES OF CHANGE

OWNERS FORMS

Year	<u>Excluding Wind</u>		<u>Fire</u>		<u>Theft</u>		<u>Liability</u>		<u>Other Physical Damage</u>		<u>Water</u>	
	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>
2012	10,186	238.44	24,869	116.32	3,356	16.06	6,837	12.32	4,892	13.53	8,553	80.21
2013	10,708	241.43	31,981	117.88	3,415	14.29	7,002	12.48	5,141	15.25	8,212	81.53
2014	10,870	293.36	34,327	123.23	3,490	12.05	8,950	14.12	4,786	26.56	9,159	117.40
2015	12,514	299.15	37,329	135.12	3,784	11.80	6,884	11.51	6,082	19.36	9,857	121.35
2016	13,143	288.19	35,521	141.28	3,778	9.71	7,678	12.82	6,778	19.70	9,688	104.68
Annual Change	6.9%	6.1%	9.1%	5.4%	3.5%	-11.3%	2.2%	0.0%	8.5%	10.4%	4.4%	9.7%

TENANTS FORM

Year	<u>Excluding Wind</u>		<u>Fire</u>		<u>Theft</u>		<u>Liability</u>		<u>Other Physical Damage</u>		<u>Water</u>	
	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>
2012	3,673	66.33	7,091	18.15	2,433	25.35	7,494	13.40	2,503	3.93	3,197	5.51
2013	4,040	68.33	9,149	19.30	2,424	23.49	8,424	15.87	2,574	4.06	3,404	5.61
2014	3,463	59.84	6,550	13.75	2,354	18.27	7,718	13.41	1,580	4.88	3,675	9.53
2015	4,149	63.29	7,914	16.59	2,394	17.16	9,047	15.79	2,454	4.23	3,776	9.52
2016	3,935	57.15	6,296	16.61	2,497	17.63	8,459	13.19	2,423	3.87	3,507	5.84
Annual Change	1.7%	-3.7%	-3.8%	-3.2%	0.4%	-9.9%	3.2%	-0.4%	-1.1%	0.1%	2.9%	6.7%

CONDOMINIUM UNIT OWNERS FORM

Year	<u>Excluding Wind</u>		<u>Fire</u>		<u>Theft</u>		<u>Liability</u>		<u>Other Physical Damage</u>		<u>Water</u>	
	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>
2012	4,726	139.32	7,992	23.63	2,566	11.41	4,939	12.36	3,896	11.06	4,831	80.86
2013	4,580	128.63	8,382	18.04	2,528	9.57	4,031	8.88	3,438	8.74	4,793	83.41
2014	5,177	170.95	8,198	20.34	2,599	7.01	5,358	11.80	3,868	14.14	5,352	117.67
2015	5,523	188.37	9,155	22.81	2,123	5.59	6,152	14.92	3,883	14.02	5,711	131.03
2016	5,407	156.57	6,880	15.23	2,847	6.76	3,338	7.57	4,515	12.83	5,929	114.18
Annual Change	4.7%	6.3%	-2.1%	-6.2%	0.3%	-14.6%	-3.5%	-4.5%	4.3%	8.0%	6.0%	12.1%

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

<u>Year</u>	<u>X</u>	<u>Y = Avg. Rel.</u>	<u>Z = ln Y</u>	<u>X*Z</u>	<u>Year-to-Year Growth Y</u>
2012	-2.000	1.106	0.101	-0.202	
2013	-1.000	1.119	0.112	-0.112	1.012
2014	0.000	1.131	0.123	0.000	1.011
2015	1.000	1.142	0.133	0.133	1.010
2016	2.000	1.152	0.141	0.282	1.009
			0.610	0.101	
A (mean of fitted line) (Sum Z)/5 = 0.610 / 5					0.122
B (average annual increment) (Sum X*Z)/10 = 0.101 / 10					0.010
Fitted Annual Rate of Change $e^{(0.010)} - 1$					0.010
Selected Average Annual Rate of Change					0.010
Latest Year Relativity trended from 01/01/2016 to 05/15/2018 $1.152 \times [1.010 ^{(28.5 / 12)}]$					1.180

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

<u>Year</u>	(1) <u>Average Relativity</u>	(2) 1.180 <u>/ (1)^(a)</u>	(3) Current Amount Factor <u>[(2)-1] × 1.0 + 1</u>	(4) Current Cost Factor	(5) Current Cost/ Amount Factor
2012	1.106	1.067	1.067	1.077	1.009
2013	1.119	1.055	1.055	1.059	1.004
2014	1.131	1.043	1.043	1.043	1.000
2015	1.142	1.033	1.033	1.032	0.999
2016	1.152	1.024	1.024	1.040	1.016
(6) Premium Projection Factor * 1.010 ^ (22.5/12)					1.019
(7) Loss Projection Factor					1.029
(8) Adjustment to Trend from First Dollar of Loss ^(b)					1.007
(9) Annual Loss Trend Correction % (LTA)					1.030
(10) Total Period LTA 1.030 ^ (28.5/12)					1.073
(11) Composite Projection Factor for Loss Ratio [(7) × (8) × (10)] / (6)					1.091

^(a) 1.180 is the projected average relativity at 05/15/2018

^(b) Trend From First Dollar is calculated as follows:

$$1 + ((X - 1) Y / (X Z))$$

Where: X = Loss trend (weighted current cost factor × loss projection factor).

Y = Losses eliminated by \$1,000 deductible.

Z = Five year total adjusted losses.

* Premium projection factor reflects trend from 05/15/2018 to 04/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS FORM

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

<u>Year</u>	<u>X</u>	<u>Y = Avg. Rel.</u>	<u>Z = ln Y</u>	<u>X*Z</u>	<u>Year-to-Year Growth Y</u>
2012	-2.000	2.699	0.993	-1.986	
2013	-1.000	2.695	0.991	-0.991	0.999
2014	0.000	2.656	0.977	0.000	0.986
2015	1.000	2.606	0.958	0.958	0.981
2016	2.000	2.566	0.942	1.884	0.985
			4.861	-0.135	
A (mean of fitted line) (Sum Z)/5 = 4.861 / 5					0.972
B (average annual increment) (Sum X*Z)/10 = -0.135 / 10					-0.014
Fitted Annual Rate of Change $e^{(-0.014)} - 1$					-0.014
Selected Average Annual Rate of Change					-0.014
Latest Year Relativity trended from 01/01/2016 to 05/15/2018 $2.566 * [0.986 ^ (28.5 / 12)]$					2.482

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS FORM

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

	(1)	(2)	(3)	(4)	(5)
	Average	2.482	Current	Current	Current
<u>Year</u>	<u>Relativity</u>	<u>/(1)^(a)</u>	<u>Amount</u>	<u>Cost</u>	<u>Cost/</u>
			<u>Factor</u>	<u>Factor</u>	<u>Amount</u>
			<u>[(2)-1] × 1.0 + 1</u>		<u>Factor</u>
2012	2.699	0.920	0.920	0.875	0.951
2013	2.695	0.921	0.921	0.890	0.966
2014	2.656	0.934	0.934	0.914	0.979
2015	2.606	0.952	0.952	0.937	0.984
2016	2.566	0.967	0.967	0.960	0.993
(6) Premium Projection Factor *					0.974
0.986 ^ (22.5/12)					
(7) Loss Projection Factor					0.944
(8) Adjustment to Trend from First Dollar of Loss ^(b)					0.983
(9) Annual Loss Trend Correction % (LTA)					1.000
(10) Total Period LTA					1.000
1.000 ^ (28.5/12)					
(11) Composite Projection Factor for Loss Ratio					0.953
[(7) × (8) × (10)] / (6)					

^(a) 2.482 is the projected average relativity at 05/15/2018

^(b) Trend From First Dollar is calculated as follows:

$$1 + ((X - 1) Y / (X Z))$$

Where: X = Loss trend (weighted current cost factor × loss projection factor).

Y = Losses eliminated by \$500 deductible.

Z = Five year total adjusted losses.

* Premium projection factor reflects trend from 05/15/2018 to 04/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS FORM

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

<u>Year</u>	<u>X</u>	<u>Y = Avg. Rel.</u>	<u>Z = ln Y</u>	<u>X*Z</u>	<u>Year-to-Year Growth Y</u>
2012	-2.000	4.525	1.510	-3.020	
2013	-1.000	4.566	1.519	-1.519	1.009
2014	0.000	4.576	1.521	0.000	1.002
2015	1.000	4.518	1.508	1.508	0.987
2016	2.000	4.604	1.527	3.054	1.019
			7.585	0.023	
A (mean of fitted line) (Sum Z)/5 = 7.585 / 5					1.517
B (average annual increment) (Sum X*Z)/10 = 0.023 / 10					0.002
Fitted Annual Rate of Change $e^{(0.002)} - 1$					0.002
Selected Average Annual Rate of Change					0.002
Latest Year Relativity trended from 01/01/2016 to 05/15/2018 $4.604 * [1.002 ^ (28.5 / 12)]$					4.626

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS FORM

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

	(1)	(2)	(3)	(4)	(5)
	Average	4.626	Current	Current	Current
<u>Year</u>	<u>Relativity</u>	<u>/ (1)^(a)</u>	<u>Amount</u>	<u>Cost</u>	<u>Cost/</u>
			<u>Factor</u>	<u>Factor</u>	<u>Amount</u>
			<u>[(2)-1] × 1.0 + 1</u>		<u>Factor</u>
2012	4.525	1.022	1.022	0.875	0.856
2013	4.566	1.013	1.013	0.890	0.879
2014	4.576	1.011	1.011	0.914	0.904
2015	4.518	1.024	1.024	0.937	0.915
2016	4.604	1.005	1.005	0.960	0.955
(6) Premium Projection Factor *					1.004
1.002 ^ (22.5/12)					
(7) Loss Projection Factor					0.944
(8) Adjustment to Trend from First Dollar of Loss ^(b)					0.987
(9) Annual Loss Trend Correction % (LTA)					1.050
(10) Total Period LTA					1.123
1.050 ^ (28.5/12)					
(11) Composite Projection Factor for Loss Ratio					1.042
[(7) × (8) × (10)] / (6)					

^(a) 4.626 is the projected average relativity at 05/15/2018

^(b) Trend From First Dollar is calculated as follows:

$$1 + ((X - 1) Y / (X Z))$$

Where: X = Loss trend (weighted current cost factor × loss projection factor).

Y = Losses eliminated by \$500 deductible.

Z = Five year total adjusted losses.

* Premium projection factor reflects trend from 05/15/2018 to 04/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE

CREDIBILITY TABLES

STATEWIDE CREDIBILITY

<u>Owners</u>		<u>Tenants</u>		<u>Condominium Unit Owners</u>	
<u>House-Years</u>	<u>Credibility</u>	<u>House-Years</u>	<u>Credibility</u>	<u>House-Years</u>	<u>Credibility</u>
240,000 & Over	1.00	285,000 & Over	1.00	190,000 & Over	1.00
194,400 - 239,999	.90	230,850 - 284,999	.90	153,900 - 189,999	.90
153,600 - 194,399	.80	182,400 - 230,849	.80	121,600 - 153,899	.80
117,600 - 153,599	.70	139,650 - 182,399	.70	93,100 - 121,599	.70
86,400 - 117,599	.60	102,600 - 139,649	.60	68,400 - 93,099	.60
60,000 - 86,399	.50	71,250 - 102,599	.50	47,500 - 68,399	.50
38,400 - 59,999	.40	45,600 - 71,249	.40	30,400 - 47,499	.40
21,600 - 38,399	.30	25,650 - 45,599	.30	17,100 - 30,399	.30
9,600 - 21,599	.20	11,400 - 25,649	.20	7,600 - 17,099	.20
2,400 - 9,599	.10	2,850 - 11,399	.10	1,900 - 7,599	.10
0 - 2,399	.00	0 - 2,849	.00	0 - 1,899	.00

TERRITORY CREDIBILITY

<u>Owners</u>		<u>Tenants</u>		<u>Condominium Unit Owners</u>	
<u>House-Years</u>	<u>Credibility</u>	<u>House-Years</u>	<u>Credibility</u>	<u>House-Years</u>	<u>Credibility</u>
60,000 & Over	1.00	75,000 & Over	1.00	50,000 & Over	1.00
48,600 - 59,999	.90	60,750 - 74,999	.90	40,500 - 49,999	.90
38,400 - 48,599	.80	48,000 - 60,749	.80	32,000 - 40,499	.80
29,400 - 38,399	.70	36,750 - 47,999	.70	24,500 - 31,999	.70
21,600 - 29,399	.60	27,000 - 36,749	.60	18,000 - 24,499	.60
15,000 - 21,599	.50	18,750 - 26,999	.50	12,500 - 17,999	.50
9,600 - 14,999	.40	12,000 - 18,749	.40	8,000 - 12,499	.40
5,400 - 9,599	.30	6,750 - 11,999	.30	4,500 - 7,999	.30
2,400 - 5,399	.20	3,000 - 6,749	.20	2,000 - 4,499	.20
600 - 2,399	.10	750 - 2,999	.10	500 - 1,999	.10
0 - 599	.00	0 - 749	.00	0 - 499	.00

The formula used to obtain the credibility to be assigned is the square root of the quantity (five-year earned house-years/house-years required for full credibility). These tables are based on the 'frequency with severity modification' model discussed in "Credibility of the Pure Premium" by Mayerson, Bowers and Jones. The full credibility standards are based upon a Normal distribution with a 90% probability of meeting the test and a 5.0% and 10.0% maximum departure from the expected value for Statewide and Territories, respectively. The claims standards have been translated to house-year standards.

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF TREND FOR EXPENSES

<u>Month</u>	<u>All Items CPI Index</u>	<u>All Items (Less Energy) CPI Index</u>	<u>Compensation Cost Index</u>
Jul-14	238.3	238.2	
Aug-14	237.9	238.5	122.2
Sep-14	238.0	239.0	
Oct-14	237.4	239.6	
Nov-14	236.2	239.5	122.6
Dec-14	234.8	239.2	
Jan-15	233.7	239.7	
Feb-15	234.7	240.4	123.7
Mar-15	236.1	241.1	
Apr-15	236.6	241.8	
May-15	237.8	242.0	124.7
Jun-15	238.6	242.3	
Jul-15	238.7	242.4	
Aug-15	238.3	242.7	125.0
Sep-15	237.9	243.5	
Oct-15	237.8	244.1	
Nov-15	237.3	244.0	126.1
Dec-15	236.5	243.7	
Jan-16	236.9	244.5	
Feb-16	237.1	245.5	126.9
Mar-16	238.1	245.9	
Apr-16	239.3	246.5	
May-16	240.2	246.9	128.2
Jun-16	241.0	247.1	
Jul-16	240.6	247.0	
Aug-16	240.8	247.5	129.5
Sep-16	241.4	247.9	
Oct-16	241.7	248.4	
Nov-16	241.4	248.3	129.5
Dec-16	241.4	248.2	
Jan-17	242.8	249.1	
Feb-17	243.6	250.1	130.8
Mar-17	243.8	250.3	
Apr-17	244.5	250.7	
May-17	244.7	250.9	132.8
Jun-17	245.0	251.0	
Jul-17	244.8	251.0	
Aug-17	245.5	251.5	132.5
Sep-17	246.8	252.0	
Oct-17	246.7	252.6	
Nov-17	246.7	252.4	132.6
Dec-17	246.5	252.5	
Jan-18	247.9	253.6	
Feb-18	249.0	254.6	134.1
Mar-18	249.6	255.3	
Apr-18	250.5	255.8	
May-18	251.6	256.1	136.3
Jun-18	252.0	256.3	

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF TREND FOR EXPENSES

	<u>All Items</u> ^(a)	<u>All Items - Less Energy</u> ^(b)	<u>CCI</u> ^(c)	<u>Combined</u> ^(d)
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	1.60%	1.85%	2.86%	2.29%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	2.05%	1.84%	2.93%	2.44%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.36%	1.90%	2.76%	2.44%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.14%	2.47%	3.92%	3.36%

(5) Average Annual Index^(e)

<u>Year Ended</u>	<u>All Items</u> ^(a)	<u>All Items - Less Energy</u> ^(b)	<u>CCI</u> ^(c)
12/31/2015	237.0	242.3	124.9
06/30/2016	238.3	244.7	126.6
12/31/2016	240.0	247.0	128.5
06/30/2017	242.6	249.1	130.7
12/31/2017	245.1	251.2	132.2
06/30/2018	248.1	253.6	133.9

(6) Current Cost Factor (Latest Index Value Divided by Average Annual Index)

<u>Year Ended</u>	<u>All Items</u> ^(a)	<u>All Items - Less Energy</u> ^(b)	<u>CCI</u> ^(c)	<u>Combined</u> ^(d)
12/31/2015	1.063	1.058	1.091	1.076
06/30/2016	1.058	1.047	1.077	1.065
12/31/2016	1.050	1.038	1.060	1.052
06/30/2017	1.039	1.029	1.043	1.038
12/31/2017	1.028	1.020	1.031	1.028
06/30/2018	1.016	1.010	1.018	1.015

Selected Annual Change = 2.5% (based on Comp. Cost Index and CPI with and without energy)

^(a) All Items CPI index (urban). Source: Bureau of Labor Statistics.

^(b) All Items - Less Energy CPI index (urban). Source: Bureau of Labor Statistics.

^(c) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service. Source: Bureau of Labor Statistics.

^(d) Weighted Average determined as .25 (All Items) + .25 (All Items - Less Energy) + .50 (CCI).

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPENSE, DIVIDEND, PROFIT AND CONTINGENCIES

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Average</u>	<u>Selected</u>
Commission & Brokerage	251,017,525	258,497,116	264,810,973		
Written Premium Including Deviations	2,070,080,023	2,145,465,277	2,227,481,165		
Ratio	0.121	0.120	0.119	0.120	0.120
Other Acquisition Expense	142,564,410	148,427,266	156,968,451		
Earned Premium Excluding Deviations	2,098,060,616	2,132,915,339	2,211,419,393		
Earned Premium at Current Manual Level	2,216,896,351	2,235,295,275	2,317,567,524		
Ratio	0.064	0.066	0.068	0.066	0.066
General Expense	98,815,397	102,061,832	95,792,249		
Earned Premium Excluding Deviations	2,098,060,616	2,132,915,339	2,211,419,393		
Earned Premium at Current Manual Level	2,216,896,351	2,235,295,275	2,317,567,524		
Ratio	0.045	0.046	0.041	0.044	0.044
Taxes, Licenses & Fees	55,804,467	59,277,891	59,780,449		
Written Premium Including Deviations	2,070,080,023	2,145,465,277	2,227,481,165		
Ratio	0.027	0.028	0.027	0.027	0.027

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Average</u>	<u>Selected</u>
Direct Written Premium of Companies w/ Dividends	93,178,022	108,646,018	123,674,110	132,247,663	127,336,223		
Direct Written Premium (Statutory Page 14)	1,972,922,956	2,143,382,081	2,275,777,335	2,337,630,079	2,422,544,236		
Ratio of DWP w/ Dividends to Total DWP	4.7%	5.1%	5.4%	5.7%	5.3%		
Total Dividends	7,621,372	9,201,345	9,525,783	10,331,019	9,333,581		
Ratio of Dividends to Direct Written Premium	0.390%	0.430%	0.420%	0.440%	0.390%	0.414%	0.40%

	<u>Statewide</u>
Profit	9.0%
Contingencies	1.0%
1.0 - (Commission, Tax, Profit, Contingencies, Dividends)	0.749
Compensation for Assessment Risk	2.8%
Selected Deviation	0.0%

NORTH CAROLINA

HOMEOWNERS INSURANCE

NON-MODELED LOSS ADJUSTMENT EXPENSES

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Average</u> ^(a)
Allocated LAE	17,087,993	17,981,277	13,889,918	16,940,391	15,735,066	
Unallocated LAE	111,683,503	114,329,679	121,493,274	128,293,961	164,740,968	
Total LAE	128,771,496	132,310,956	135,383,192	145,234,352	180,476,034	
Incurred Losses	946,129,758	859,182,857	942,931,660	928,926,754	1,229,359,077	
Ratio: LAE/I.L.	0.136	0.154	0.144	0.156	0.147	0.148

^(a) A selection of 0.148 was made by excluding the high and low years (2012 and 2015)

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF LOADINGS FOR NON-MODELED LOSS ADJUSTMENT EXPENSE (LAE)

A. Selected Annual Expense Trend Factor	1.025
B. Midpoint of Historical LAE Experience (2012 - 2016)	July 1, 2014
C. LAE Projected to	October 1, 2020 *
D. Number of months between midpoint and projection dates	75
E. Trend Factor for LAE dollars, A ^(D/12)	1.167

* one year past assumed effective date

	<u>Owners</u>	<u>Tenants</u>	Condominium Unit <u>Owners</u>
F. 2014 Current Cost Factor	1.043	0.914	0.914
G. Loss Projection Factor **	1.112	0.928	1.046
H. Trend Factor for losses (F × G)	1.160	0.848	0.956
I. Historical Average LAE ratio (2012 - 2016, excluding high/low)	0.148	0.148	0.148
J. Trended LAE Factor (1.000 + (I × E / H))	1.149	1.204	1.181

** CCI Projection Factor × Total Period Loss Trend Adjustment factor

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF LOADINGS FOR GENERAL AND OTHER ACQUISITION EXPENSES (GE, OA)

Calculation of Trend factor for GE, OA Dollars

A. Selected Annual Expense Trend Factor	1.025
B. Midpoint of Historical GE, OA Experience (2014 - 2016)	July 1, 2015
C. GE, OA Expenses Projected to	April 1, 2020 *
D. Number of months between midpoint and projection dates	57
E. Trend Factor for GE, OA expense dollars = $A^{(D/12)}$	1.124

* six months past assumed effective date

Calculation of Trend Factor for Premiums and Average All-Forms GE, OA Dollar Loading

	(1) 2015 Earned <u>Premium</u>	(2) 2015 Current <u>Amount Factor</u>	(3) Premium Projection <u>Factor</u>	(4) Trended Premium <u>(1) × (2) × (3)</u>
Owners	1,973,905,556	1.033	1.019	2,077,786,284
Tenant	69,350,438	0.952	0.974	64,305,055
<u>Condominium</u>	<u>27,080,603</u>	1.024	1.004	<u>27,841,460</u>
Total	2,070,336,597			2,169,932,799

F. All-Forms Premium Trend Factor (Total (4) / Total (1))	1.048
G. Historical Average GE OA ratio (2014 - 2016)	0.110
H. Trended GE OA ratio (G × E / F)	0.118
I. All-Forms Trended Average Rate **	\$922.45
J. All-Forms Dollar loading for GE, OA (H × I)	\$108.85

** The All-Forms Trended Average Rate is based on 2016 Earned Premiums trended to six months past the assumed effective date

Calculation of Base-Class GE, OA Dollar Loading by Form

	(5) 2016 House- Years	(6) Selected Relativity for GE, OA Dollars Per Policy ***	(7) Average GE, OA Loading (6) × J / Total (6)	(8) 2016 Average Rating Factor	(9) 2016 Current Amount Factor	(10) Premium Projection Factor	(11) GE, OA Loading at Base-Class Level <u>(7)/((8)×(9)×(10))</u>
Owners	1,898,379	1.00	\$120.54	1.332	1.024	1.019	\$86.73
Tenant	363,604	0.50	\$60.27	3.527	0.967	0.974	\$18.14
<u>Condominium</u>	<u>75,512</u>	<u>0.50</u>	<u>\$60.27</u>	<u>7.312</u>	<u>1.005</u>	<u>1.004</u>	<u>\$8.17</u>
Total	2,337,495	0.903					

*** Total (6) calculated as weighted average of the column (6) relativities by form using column (5) as weights

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF EXCESS FACTOR (EXCLUDES HURRICANE LOSSES) - OWNERS FORMS

<u>Year</u>	(1) Reported Wind Losses	(2) Reported Total Losses	(3) Reported Non-Wind Losses (2) - (1)	(4) Wind Ratio (1) / (3)	(5) Capped Wind Ratio < (5 × Med)	(6) Capped Excess Wind Ratio (5) - Avg(5)	(7) Capped Excess Wind Losses (3) × (6)	(8) Excess Wind Ratio Above The Cap (5) - (6)	(9) Excess Wind Losses Above The Cap (8) × (3)	(10) Total Excess Wind Losses (7) + (9)
1950 ^(a)	312,200	1,388,467	4,684,567	0.067	0.067	0.000	0	0.000	0	0
1951 ^(a)	290,780	1,422,207	4,798,403	0.061	0.061	0.000	0	0.000	0	0
1952 ^(a)	792,365	1,440,159	4,858,971	0.163	0.163	0.000	0	0.000	0	0
1956 ^(a)	1,928,925	2,297,877	7,752,837	0.249	0.249	0.045	348,878	0.000	0	348,878
1957 ^(a)	839,255	2,117,102	7,142,918	0.117	0.117	0.000	0	0.000	0	0
1961	301,538	2,663,173	2,361,635	0.128	0.128	0.000	0	0.000	0	0
1962	272,921	3,126,852	2,853,931	0.096	0.096	0.000	0	0.000	0	0
1963	694,065	5,638,155	4,944,090	0.140	0.140	0.000	0	0.000	0	0
1964	607,512	6,064,576	5,457,064	0.111	0.111	0.000	0	0.000	0	0
1965	671,048	6,901,947	6,230,899	0.108	0.108	0.000	0	0.000	0	0
1966	719,568	8,005,594	7,286,026	0.099	0.099	0.000	0	0.000	0	0
1967	915,862	8,050,817	7,134,955	0.128	0.128	0.000	0	0.000	0	0
1968	498,227	10,627,905	10,129,678	0.049	0.049	0.000	0	0.000	0	0
1969	563,307	13,143,012	12,579,705	0.045	0.045	0.000	0	0.000	0	0
1970	2,479,513	17,038,702	14,559,189	0.170	0.170	0.000	0	0.000	0	0
1971	2,627,662	21,885,664	19,258,002	0.136	0.136	0.000	0	0.000	0	0
1972	1,260,381	21,914,689	20,654,308	0.061	0.061	0.000	0	0.000	0	0
1973	2,266,976	30,436,168	28,169,192	0.080	0.080	0.000	0	0.000	0	0
1974	9,401,408	43,362,415	33,961,007	0.277	0.277	0.073	2,479,154	0.000	0	2,479,154
1975	5,485,456	53,538,527	48,053,071	0.114	0.114	0.000	0	0.000	0	0
1976	2,972,442	52,540,898	49,568,456	0.060	0.060	0.000	0	0.000	0	0
1977	3,476,744	60,315,936	56,839,192	0.061	0.061	0.000	0	0.000	0	0
1978	10,628,669	70,467,546	59,838,877	0.178	0.178	0.000	0	0.000	0	0
1979	3,105,986	71,072,268	67,966,282	0.046	0.046	0.000	0	0.000	0	0
1980	6,474,397	106,691,350	100,216,953	0.065	0.065	0.000	0	0.000	0	0
1981	4,950,144	109,000,823	104,050,679	0.048	0.048	0.000	0	0.000	0	0
1982	9,654,141	118,487,782	108,833,641	0.089	0.089	0.000	0	0.000	0	0
1983	9,722,115	123,552,849	113,830,734	0.085	0.085	0.000	0	0.000	0	0

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF EXCESS FACTOR (EXCLUDES HURRICANE LOSSES) - OWNERS FORMS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Reported Wind Losses	Reported Total Losses	Reported Non-Wind Losses (2) - (1)	Wind Ratio (1) / (3)	Capped Wind Ratio < (5 × Med)	Capped Excess Wind Ratio (5) - Avg(5)	Capped Excess Wind Losses (3) × (6)	Excess Wind Ratio Above The Cap (5) - (6)	Excess Wind Losses Above The Cap (8) × (3)	Total Excess Wind Losses (7) + (9)
Year										
1984	21,436,988	140,713,231	119,276,243	0.180	0.180	0.000	0	0.000	0	0
1985	30,960,043	179,473,338	148,513,295	0.208	0.208	0.004	594,053	0.000	0	594,053
1986	16,262,975	157,609,675	141,346,700	0.115	0.115	0.000	0	0.000	0	0
1987	23,190,753	185,616,181	162,425,428	0.143	0.143	0.000	0	0.000	0	0
1988	66,411,702	243,501,978	177,090,276	0.375	0.375	0.171	30,282,437	0.000	0	30,282,437
1989	83,498,398	278,467,229	194,968,831	0.428	0.428	0.224	43,673,018	0.000	0	43,673,018
1990	37,671,988	220,252,894	182,580,906	0.206	0.206	0.002	365,162	0.000	0	365,162
1991	18,151,400	219,353,728	201,202,328	0.090	0.090	0.000	0	0.000	0	0
1992	26,654,935	222,532,035	195,877,100	0.136	0.136	0.000	0	0.000	0	0
1993	97,830,965	321,921,890	224,090,925	0.437	0.437	0.233	52,213,186	0.000	0	52,213,186
1994	28,862,821	278,066,775	249,203,954	0.116	0.116	0.000	0	0.000	0	0
1995	52,370,482	291,974,195	239,603,713	0.219	0.219	0.015	3,594,056	0.000	0	3,594,056
1996	40,901,941	332,747,529	291,845,588	0.140	0.140	0.000	0	0.000	0	0
1997	37,382,138	303,669,980	266,287,842	0.140	0.140	0.000	0	0.000	0	0
1998	120,075,356	394,840,091	274,764,735	0.437	0.437	0.233	64,020,183	0.000	0	64,020,183
1999	58,232,430	350,186,938	291,954,508	0.199	0.199	0.000	0	0.000	0	0
2000	86,652,848	447,040,839	360,387,991	0.240	0.240	0.036	12,973,968	0.000	0	12,973,968
2001	29,726,203	371,449,659	341,723,456	0.087	0.087	0.000	0	0.000	0	0
2002	46,670,010	511,786,136	465,116,126	0.100	0.100	0.000	0	0.000	0	0
2003	112,051,939	466,385,684	354,333,745	0.316	0.316	0.112	39,685,379	0.000	0	39,685,379
2004	61,608,200	394,284,296	332,676,096	0.185	0.185	0.000	0	0.000	0	0
2005	48,759,994	427,428,940	378,668,946	0.129	0.129	0.000	0	0.000	0	0
2006	94,077,678	496,085,897	402,008,219	0.234	0.234	0.030	12,060,247	0.000	0	12,060,247
2007	90,878,475	552,538,866	461,660,391	0.197	0.197	0.000	0	0.000	0	0
2008	256,718,100	756,466,619	499,748,519	0.514	0.514	0.310	154,922,041	0.000	0	154,922,041
2009	208,743,189	761,556,251	552,813,062	0.378	0.378	0.174	96,189,473	0.000	0	96,189,473
2010	289,177,645	909,422,572	620,244,927	0.466	0.466	0.262	162,504,171	0.000	0	162,504,171
2011	988,749,951	1,541,428,800	552,678,849	1.789	0.700	0.496	274,128,709	1.089	601,867,267	875,995,976

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF EXCESS FACTOR (EXCLUDES HURRICANE LOSSES) - OWNERS FORMS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Reported Wind Losses	Reported Total Losses	Reported Non-Wind Losses (2) - (1)	Wind Ratio (1) / (3)	Capped Wind Ratio < (5 × Med)	Capped Excess Wind Ratio (5) - Avg(5)	Capped Excess Wind Losses (3) × (6)	Excess Wind Ratio Above The Cap (5) - (6)	Excess Wind Losses Above The Cap (8) × (3)	Total Excess Wind Losses (7) + (9)
Year										
2012	371,441,730	884,213,049	512,771,319	0.724	0.700	0.496	254,334,574	0.024	12,306,512	266,641,086
2013	218,088,994	723,503,760	505,414,766	0.432	0.432	0.228	115,234,567	0.000	0	115,234,567
2014	220,721,970	826,110,026	605,388,056	0.365	0.365	0.161	97,467,477	0.000	0	97,467,477
2015	177,522,252	781,943,267	604,421,015	0.294	0.294	0.090	54,397,891	0.000	0	54,397,891
<u>2016</u>	<u>275,586,635</u>	<u>846,342,707</u>	<u>570,756,072</u>	<u>0.483</u>	<u>0.483</u>	<u>0.279</u>	<u>159,240,944</u>	<u>0.000</u>	<u>0</u>	<u>159,240,944</u>
Total	4,420,984,735	16,792,108,515	12,395,859,189	13.533	12.420	3.674	1,630,709,568	1.113	614,173,779	2,244,883,347
Average				0.222	0.204	0.060		0.018		
					Average of Column (5)					
					Median value of Column (4)					
					Median × 5					
					Excess Factor					
					$1.0 + [(Avg(6) + Avg(8)) / (1.0 + Avg(5) - Avg(6))]$					

^(a) Col (1) Reported Wind Losses are Dwelling E.C. Losses
 Col (2) Reported Total Losses are Dwelling E.C. Premiums
 Col (3) Reported Non-Wind Losses are calculated as:
 Dwelling E.C. Premiums × (Balance Point from last Dwelling E.C. filing / Average Wind Ratio for Years 1961-2016)

NORTH CAROLINA

HOMEOWNERS INSURANCE

DEVELOPMENT OF EXCESS LOSSES ON \$1,000 DEDUCTIBLE LEVEL - OWNERS FORMS

<u>Year</u>	(1) <u>Excess Ratio*</u>	(2) <u>Adjusted Wind Losses At \$1,000 Deductible</u>	(3) <u>(1)×(2) Adjusted Excess Losses At \$1,000 Deductible</u>
2012	0.718	322,349,975	231,447,282
2013	0.528	190,043,752	100,343,101
2014	0.442	203,551,847	89,969,916
2015	0.306	165,818,762	50,740,541
2016	0.578	269,093,859	155,536,251

* From calculation of excess factor; ratio of excess losses to reported wind losses.

NORTH CAROLINA

HOMEOWNERS INSURANCE

METHODOLOGY FOR CALCULATING WIND PROVISIONS BY TERRITORY - OWNER FORMS

In order to develop wind provisions by territory*, the statewide provision is distributed using each territory's "expected" wind losses. This procedure is illustrated in the following example. (All hurricane losses accounted for by the model have been removed. Modeled hurricane losses are not included in this procedure):

	(1)	(2)	(3)	(4)
	Long-Term** Ratio of Wind to Non-Wind Losses	Non-Wind Losses for Latest Five Years	"Expected" Wind Losses for Latest Five Years <u>(1) × (2)</u>	"Expected" Wind Distribution <u>(3) / Total (3)</u>
<u>Territory</u>		<u>Latest Five Years</u>		
A	.250	\$16,000,000	\$4,000,000	.400
B	.200	6,000,000	1,200,000	.120
C	.600	8,000,000	4,800,000	.480
			Total 10,000,000	1.000

	(5)	(6) (7) (8) "Expected" Wind Distribution			(9) (10) (11) Territory Wind Provision		
	Statewide Wind Provision***	Territory A	Territory B	Territory C	Territory A <u>(5) × (6)</u>	Territory B <u>(5) × (7)</u>	Territory C <u>(5) × (8)</u>
<u>Year</u>							
x	\$4,000,000	.400	.120	.480	\$1,600,000	\$480,000	\$1,920,000
x+1	1,000,000	.400	.120	.480	400,000	120,000	480,000
x+2	2,000,000	.400	.120	.480	800,000	240,000	960,000
x+3	3,000,000	.400	.120	.480	1,200,000	360,000	1,440,000
x+4	2,000,000	.400	.120	.480	800,000	240,000	960,000

* In calculating the five-year non-hurricane loss costs by territory shown in Column (1) on page C-7, actual non-modeled wind losses are replaced with the wind provisions by territory.

** Average of yearly ratios of non-modeled wind to non-wind losses based on territory experience for all available years.

*** Statewide Wind Provision = (Non-Hurricane Incurred Losses - Excess Losses) × Excess Factor
- (Non-Hurricane Losses - Non-Hurricane Wind Losses)

NORTH CAROLINA

HOMEOWNERS INSURANCE

MODELED HURRICANE LOSSES ^(a)

<u>Territory</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
110	28,037,654	35,862	32,078
120	27,437,383	125,938	373,633
130	6,514,015	25,260	21,569
140	72,487,851	848,421	680,791
150	13,771,334	115,228	27,502
160	13,351,292	170,935	88,226
170	417,389	3,434	1
180	9,760,986	155,672	20,536
190	3,250,515	29,902	800
200	1,815,817	11,357	18
210	2,773,826	33,045	1,200
220	7,280,661	86,750	16,573
230	2,442,801	22,408	1,416
240	7,552,351	66,057	4,275
250	3,372,019	29,491	1,064
260	1,623,893	10,632	199
270	25,228,620	485,294	105,390
280	3,338,809	49,924	20,230
290	3,105,976	23,805	10,995
300	864,557	5,297	167
310	9,926,191	145,923	45,206
320	5,105,116	48,187	9,694
330	187,953	996	120
340	14,238,902	237,239	129,062
350	2,606,450	22,022	5,533
360	3,648,269	33,645	17,159
370	148,825	523	1,781
380	422,860	2,418	1,166
390	448,564	1,691	968
Statewide	271,160,877	2,827,353	1,617,353

^(a) As provided by Aon Benfield (without trend and LAE)

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DERIVATION OF MODELED BASE-CLASS LOSS COST

<u>Territory</u>	(1) Untrended Modeled <u>Losses</u>	(2) Latest-Year House- <u>Years</u>	(3) Latest-Year Average <u>Rating Factor</u>	(4) Modeled Base Class <u>Loss Cost</u>
110	28,037,654	14,803	1.545	1,225.92
120	27,437,383	14,742	1.340	1,388.93
130	6,514,015	10,832	1.404	428.32
140	72,487,851	78,739	1.265	727.75
150	13,771,334	43,955	1.209	259.14
160	13,351,292	39,010	1.122	305.04
170	417,389	4,079	1.216	84.15
180	9,760,986	48,666	1.164	172.31
190	3,250,515	12,688	1.118	229.15
200	1,815,817	5,806	1.280	244.33
210	2,773,826	19,785	1.116	125.63
220	7,280,661	53,398	1.125	121.20
230	2,442,801	13,272	1.088	169.17
240	7,552,351	73,287	1.198	86.02
250	3,372,019	31,419	1.187	90.42
260	1,623,893	27,963	1.480	39.24
270	25,228,620	274,373	1.462	62.89
280	3,338,809	41,530	1.702	47.24
290	3,105,976	32,034	1.411	68.72
300	864,557	13,565	1.169	54.52
310	9,926,191	257,762	1.266	30.42
320	5,105,116	128,014	1.229	32.45
330	187,953	7,153	1.393	18.86
340	14,238,902	296,129	1.443	33.32
350	2,606,450	93,111	1.255	22.31
360	3,648,269	202,925	1.444	12.45
370	148,825	10,744	1.587	8.73
380	422,860	35,401	1.553	7.69
390	448,564	39,004	1.738	6.62

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS FORM

DERIVATION OF MODELED BASE-CLASS LOSS COST

<u>Territory</u>	(1) Untrended Modeled <u>Losses</u>	(2) Latest-Year House <u>Years</u>	(3) Latest-Year Average <u>Rating Factor</u>	(4) Modeled Base Class <u>Loss Cost</u>
110	35,862	307	3.935	29.69
120	125,938	855	3.656	40.29
130	25,260	436	4.526	12.80
140	848,421	12,395	3.395	20.16
150	115,228	4,199	3.903	7.03
160	170,935	5,090	3.360	9.99
170	3,434	399	4.036	2.13
180	155,672	10,573	3.348	4.40
190	29,902	1,397	3.954	5.41
200	11,357	426	4.262	6.26
210	33,045	3,089	3.532	3.03
220	86,750	9,772	3.212	2.76
230	22,408	1,488	3.735	4.03
240	66,057	7,974	3.797	2.18
250	29,491	3,215	3.822	2.40
260	10,632	2,701	3.919	1.00
270	485,294	98,538	3.341	1.47
280	49,924	11,864	3.757	1.12
290	23,805	3,708	4.074	1.58
300	5,297	1,028	4.185	1.23
310	145,923	56,352	3.480	0.74
320	48,187	16,094	3.795	0.79
330	996	489	4.400	0.46
340	237,239	90,198	3.442	0.76
350	22,022	10,338	3.828	0.56
360	33,645	26,619	4.156	0.30
370	523	491	5.013	0.21
380	2,418	2,587	4.679	0.20
390	1,691	2,190	4.523	0.17

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS FORM

DERIVATION OF MODELED BASE-CLASS LOSS COST

<u>Territory</u>	(1) Untrended Modeled <u>Losses</u>	(2) Latest-Year House <u>Years</u>	(3) Latest-Year Average <u>Rating Factor</u>	(4) Modeled Base Class <u>Loss Cost</u>
110	32,078	252	6.228	20.44
120	373,633	1,815	6.251	32.93
130	21,569	202	7.478	14.28
140	680,791	5,982	6.065	18.76
150	27,502	576	8.000	5.97
160	88,226	1,513	6.889	8.46
170	1	0	7.294	0.63
180	20,536	876	6.255	3.75
190	800	15	9.408	5.67
200	18	1	3.672	4.88
210	1,200	58	8.504	2.43
220	16,573	1,215	7.718	1.77
230	1,416	68	5.512	3.78
240	4,275	260	8.446	1.95
250	1,064	79	8.935	1.51
260	199	25	8.869	0.90
270	105,390	11,334	7.711	1.21
280	20,230	2,539	8.057	0.99
290	10,995	1,042	7.423	1.42
300	167	21	6.942	1.14
310	45,206	9,272	7.284	0.67
320	9,694	1,972	7.177	0.68
330	120	27	8.519	0.52
340	129,062	26,639	7.440	0.65
350	5,533	1,509	7.202	0.51
360	17,159	8,429	8.564	0.24
370	1,781	1,408	6.320	0.20
380	1,166	830	7.456	0.19
390	968	616	9.555	0.16

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF STATEWIDE MODELED HURRICANE BASE-CLASS LOSS COST

	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
A. Untrended Modeled Hurricane Losses	271,160,877	2,827,353	1,617,353
B. Trend Factor for Modeled Hurricane Losses	1.156	0.891	1.004
C. Hurricane Loss Adjustment Expense	1.060	1.060	1.060
D. Trended Modeled Hurricane Losses (including LAE) (A) × (B) × (C)	332,269,692	2,670,322	1,721,251
E. Latest-Year House-Years	1,924,189	384,812	78,575
F. Latest-Year Average Rating Factor	1.332	3.527	7.312
G. Latest-Year Current Amount Factor	1.024	0.967	1.005
H. Premium Projection Factor	1.019	0.974	1.004
I. Modeled Base-Class Loss Cost (D) / (E × F × G × H)	124.24	2.09	2.97

NORTH CAROLINA

HOMEOWNERS INSURANCE

ACTUAL HURRICANE LOSSES (Excluded from Experience)*

<u>Territory</u>	<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
110	2012	729,467	0	317
	2014	1,376,183	0	0
	2015	122,085	0	0
	2016	5,587,716	0	5,399
120	2012	146,899	0	0
	2014	208,840	0	0
	2015	416,940	0	3,596
	2016	2,365,881	6,499	37,888
130	2012	296,826	0	0
	2014	136,893	0	0
	2015	73,384	0	0
	2016	5,048,048	4,375	477
140	2012	390,453	4,510	0
	2014	2,015,474	0	20,926
	2015	2,106,879	2,548	11,892
	2016	14,746,056	14,354	94,191
150	2012	306,205	0	0
	2014	208,061	0	3,127
	2015	287,124	1,576	0
	2016	7,246,831	22,723	10,650
160	2012	143,837	256	0
	2014	124,661	0	0
	2015	622,246	0	1,250
	2016	8,178,460	16,442	0
170	2012	46,229	0	0
	2014	8,463	0	0
	2015	74,497	0	0
	2016	501,841	1,181	0
180	2012	260,006	1,118	2,131
	2014	189,171	450	0
	2015	467,504	0	0
	2016	18,040,494	131,062	23,778
190	2012	88,101	0	0
	2014	47,994	0	0
	2015	84,858	0	0
	2016	8,865,185	26,526	2,324
200	2012	24,159	0	0
	2014	12,747	0	0
	2015	205,472	0	0
	2016	8,581,575	35,436	0

NORTH CAROLINA

HOMEOWNERS INSURANCE

ACTUAL HURRICANE LOSSES (Excluded from Experience)*

<u>Territory</u>	<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
210	2012	82,474	0	0
	2014	51,301	126	0
	2015	179,035	0	0
	2016	4,079,886	71,920	0
220	2012	314,220	9,033	2,067
	2014	128,965	0	0
	2015	767,980	1,538	3,054
	2016	36,032,159	287,995	57,168
230	2012	38,228	0	0
	2014	10,967	0	0
	2015	128,109	0	0
	2016	16,483,620	135,063	398
240	2012	312,428	1,338	0
	2014	269,085	0	0
	2015	429,167	0	0
	2016	12,661,532	41,917	0
250	2012	107,198	0	0
	2014	63,491	7,318	0
	2015	353,224	0	0
	2016	12,616,957	100,733	0
260	2012	37,289	1,487	0
	2014	17,039	0	0
	2015	134,776	151	0
	2016	766,260	8,614	0
270	2012	854,474	42,153	54,129
	2014	856,589	9,574	38,979
	2015	2,386,151	24,966	12,424
	2016	37,406,739	177,133	286,840
280	2012	73,954	1,870	45,478
	2014	14,408	0	11,228
	2015	387,016	0	0
	2016	1,470,655	5,764	3,156
290	2012	79,331	0	0
	2014	50,733	16,442	0
	2015	226,728	0	11,463
	2016	6,358,367	47,169	27,159
300	2012	57,380	0	0
	2014	46,776	0	0
	2015	96,298	0	0
	2016	1,457,632	4,819	0

NORTH CAROLINA

HOMEOWNERS INSURANCE

ACTUAL HURRICANE LOSSES (Excluded from Experience)*

<u>Territory</u>	<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
310	2012	961,162	2,929	44,682
	2014	299,539	7,379	0
	2015	2,494,768	39,212	40,230
	2016	4,068,732	51,176	48,249
320	2012	420,770	0	3,617
	2014	287,157	3,665	0
	2015	1,277,717	1,169	0
	2016	1,703,240	444	13,003
330	2012	28,001	0	0
	2014	7,103	0	0
	2015	85,220	0	0
	2016	16,900	0	0
340	2012	1,197,349	2,402	14,182
	2014	967,908	6,684	24,593
	2015	4,795,522	26,021	27,404
	2016	6,233,928	80,889	245,404
350	2012	347,999	5,685	6,760
	2014	140,479	0	0
	2015	962,565	525	0
	2016	621,100	6,237	5,174
360	2012	1,335,596	4,190	6,433
	2014	157,658	21,596	0
	2015	1,631,414	32,035	8,489
	2016	1,013,738	20,740	17,707
370	2012	25,254	0	0
	2014	8,056	0	0
	2015	44,000	0	1,944
	2016	22,744	0	0
380	2012	112,776	6,545	0
	2014	44,511	0	0
	2015	178,270	0	0
	2016	126,516	0	0
390	2012	109,742	0	0
	2014	48,794	0	0
	2015	206,208	0	0
	2016	137,330	0	0

* There were no Hurricane Losses in year 2013. Loss amounts reflect adjustment to base deductible level and application of loss development factors.

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DERIVATION OF NET REINSURANCE COST AT BASE-CLASS LEVEL

<u>Territory</u>	(1) <u>Total</u> Reinsurance <u>Cost</u>	(2) <u>Latest-Year</u> House Years	(3) <u>Latest-Year</u> Average <u>Rating Factor</u>	(4) <u>Latest-Year</u> Current Amount <u>Factor</u>	(5) <u>Premium</u> Projection <u>Factor</u>	(6) <u>Variable</u> Expense ^(a)	(7) <u>Reinsurance</u> Cost at Base Class Level ^(b)
110	30,013,744	14,803	1.545	1.024	1.019	0.251	1,679.14
120	39,436,129	14,742	1.340	1.024	1.019	0.251	2,554.33
130	8,134,955	10,832	1.404	1.024	1.019	0.251	684.42
140	103,768,840	78,739	1.265	1.024	1.019	0.251	1,333.00
150	19,336,238	43,955	1.209	1.024	1.019	0.251	465.57
160	22,305,742	39,010	1.122	1.024	1.019	0.251	652.07
170	575,830	4,079	1.216	1.024	1.019	0.251	148.54
180	15,966,102	48,666	1.164	1.024	1.019	0.251	360.63
190	5,548,459	12,688	1.118	1.024	1.019	0.251	500.47
200	3,005,695	5,806	1.280	1.024	1.019	0.251	517.49
210	4,984,015	19,785	1.116	1.024	1.019	0.251	288.82
220	13,172,979	53,398	1.125	1.024	1.019	0.251	280.58
230	4,212,553	13,272	1.088	1.024	1.019	0.251	373.27
240	14,241,979	73,287	1.198	1.024	1.019	0.251	207.55
250	6,238,620	31,419	1.187	1.024	1.019	0.251	214.04
260	3,056,209	27,963	1.480	1.024	1.019	0.251	94.49
270	52,949,496	274,373	1.462	1.024	1.019	0.251	168.90
280	8,007,033	41,530	1.702	1.024	1.019	0.251	144.94
290	5,933,695	32,034	1.411	1.024	1.019	0.251	167.97
300	1,738,090	13,565	1.169	1.024	1.019	0.251	140.24
310	25,439,564	257,762	1.266	1.024	1.019	0.251	99.75
320	12,577,089	128,014	1.229	1.024	1.019	0.251	102.29
330	437,935	7,153	1.393	1.024	1.019	0.251	56.24
340	37,685,151	296,129	1.443	1.024	1.019	0.251	112.84
350	5,568,898	93,111	1.255	1.024	1.019	0.251	60.98
360	10,129,098	202,925	1.444	1.024	1.019	0.251	44.23
370	404,957	10,744	1.587	1.024	1.019	0.251	30.39
380	1,093,880	35,401	1.553	1.024	1.019	0.251	25.46
390	1,898,394	39,004	1.738	1.024	1.019	0.251	35.83
SW	457,861,369	1,924,189	1.332	1.024	1.019	0.251	228.57

^(a) Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

^(b) Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4) × (5)] / [(1- (6))]

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS FORM

DERIVATION OF NET REINSURANCE COST AT BASE-CLASS LEVEL

<u>Territory</u>	(1) <u>Total</u> <u>Reinsurance</u> <u>Cost</u>	(2) <u>Latest-Year</u> <u>House Years</u>	(3) <u>Latest-Year</u> <u>Average</u> <u>Rating Factor</u>	(4) <u>Latest-Year</u> <u>Current Amount</u> <u>Factor</u>	(5) <u>Premium</u> <u>Projection</u> <u>Factor</u>	(6) <u>Variable</u> <u>Expense</u> ^(a)	(7) <u>Reinsurance</u> <u>Cost at Base</u> <u>Class Level</u> ^(b)
110	31,863	307	3.935	0.967	0.974	0.251	37.39
120	144,612	855	3.656	0.967	0.974	0.251	65.58
130	25,747	436	4.526	0.967	0.974	0.251	18.50
140	983,524	12,395	3.395	0.967	0.974	0.251	33.13
150	124,015	4,199	3.903	0.967	0.974	0.251	10.73
160	221,023	5,090	3.360	0.967	0.974	0.251	18.32
170	3,195	399	4.036	0.967	0.974	0.251	2.81
180	181,594	10,573	3.348	0.967	0.974	0.251	7.27
190	37,349	1,397	3.954	0.967	0.974	0.251	9.58
200	13,966	426	4.262	0.967	0.974	0.251	10.90
210	42,291	3,089	3.532	0.967	0.974	0.251	5.49
220	109,958	9,772	3.212	0.967	0.974	0.251	4.97
230	27,679	1,488	3.735	0.967	0.974	0.251	7.06
240	87,679	7,974	3.797	0.967	0.974	0.251	4.10
250	37,606	3,215	3.822	0.967	0.974	0.251	4.34
260	12,971	2,701	3.919	0.967	0.974	0.251	1.74
270	716,541	98,538	3.341	0.967	0.974	0.251	3.09
280	88,591	11,864	3.757	0.967	0.974	0.251	2.82
290	31,348	3,708	4.074	0.967	0.974	0.251	2.94
300	7,465	1,028	4.185	0.967	0.974	0.251	2.46
310	270,430	56,352	3.480	0.967	0.974	0.251	1.95
320	89,106	16,094	3.795	0.967	0.974	0.251	2.07
330	1,749	489	4.400	0.967	0.974	0.251	1.15
340	510,596	90,198	3.442	0.967	0.974	0.251	2.33
350	38,955	10,338	3.828	0.967	0.974	0.251	1.40
360	91,125	26,619	4.156	0.967	0.974	0.251	1.17
370	1,090	491	5.013	0.967	0.974	0.251	0.63
380	4,626	2,587	4.679	0.967	0.974	0.251	0.54
390	5,881	2,190	4.523	0.967	0.974	0.251	0.84
SW	3,942,575	384,812	3.527	0.967	0.974	0.251	4.12

^(a) Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

^(b) Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4) × (5)] / [(1- (6))]

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS FORM

DERIVATION OF NET REINSURANCE COST AT BASE-CLASS LEVEL

<u>Territory</u>	(1) <u>Total</u> <u>Reinsurance</u> <u>Cost</u>	(2) <u>Latest-Year</u> <u>House Years</u>	(3) <u>Latest-Year</u> <u>Average</u> <u>Rating Factor</u>	(4) <u>Latest-Year</u> <u>Current Amount</u> <u>Factor</u>	(5) <u>Premium</u> <u>Projection</u> <u>Factor</u>	(6) <u>Variable</u> <u>Expense</u> ^(a)	(7) <u>Reinsurance</u> <u>Cost at Base</u> <u>Class Level</u> ^(b)
110	35,596	252	6.228	1.005	1.004	0.251	30.01
120	493,154	1,815	6.251	1.005	1.004	0.251	57.51
130	25,843	202	7.478	1.005	1.004	0.251	22.64
140	878,660	5,982	6.065	1.005	1.004	0.251	32.05
150	33,201	576	8.000	1.005	1.004	0.251	9.53
160	129,091	1,513	6.889	1.005	1.004	0.251	16.39
170	1	0	7.294	1.005	1.004	0.251	0.73
180	25,100	876	6.255	1.005	1.004	0.251	6.06
190	1,070	15	9.408	1.005	1.004	0.251	10.03
200	27	1	3.672	1.005	1.004	0.251	9.73
210	1,852	58	8.504	1.005	1.004	0.251	4.97
220	22,399	1,215	7.718	1.005	1.004	0.251	3.16
230	1,958	68	5.512	1.005	1.004	0.251	6.91
240	7,039	260	8.446	1.005	1.004	0.251	4.24
250	1,499	79	8.935	1.005	1.004	0.251	2.81
260	295	25	8.869	1.005	1.004	0.251	1.76
270	180,497	11,334	7.711	1.005	1.004	0.251	2.73
280	41,055	2,539	8.057	1.005	1.004	0.251	2.66
290	17,336	1,042	7.423	1.005	1.004	0.251	2.97
300	302	21	6.942	1.005	1.004	0.251	2.74
310	96,332	9,272	7.284	1.005	1.004	0.251	1.89
320	19,733	1,972	7.177	1.005	1.004	0.251	1.84
330	222	27	8.519	1.005	1.004	0.251	1.28
340	391,183	26,639	7.440	1.005	1.004	0.251	2.61
350	12,350	1,509	7.202	1.005	1.004	0.251	1.50
360	57,983	8,429	8.564	1.005	1.004	0.251	1.06
370	6,531	1,408	6.320	1.005	1.004	0.251	0.97
380	2,575	830	7.456	1.005	1.004	0.251	0.55
390	6,009	616	9.555	1.005	1.004	0.251	1.35
SW	2,488,893	78,575	7.312	1.005	1.004	0.251	5.73

^(a) Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

^(b) Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4) × (5)] / [(1- (6))]

NORTH CAROLINA
HOMEOWNERS INSURANCE
SUPPLEMENTAL MATERIAL

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North Carolina G.S. 58-36-15(h) specifies that the following information must be included in all policy form, rule and rate filings filed under Article 36. 11 NCAC 10.1105 specifies that additional detail be provided under each of these items. These materials are contained on the pages indicated.

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REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

EARNED PREMIUMS AT ACTUAL AND CURRENT RATE LEVEL

I. Earned Premium at Collected Level

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2012	1,542,137,182	41,208,063	20,647,715
2013	1,607,592,729	45,734,610	22,635,431
2014	1,714,539,599	52,438,818	25,800,092
2015	1,782,886,970	58,517,350	28,035,074
2016	1,852,574,868	63,258,937	30,779,840

II. Earned Premium at Current Level

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2012	1,932,918,046	58,124,211	25,052,502
2013	1,937,417,525	61,302,156	25,935,383
2014	1,951,269,782	64,192,147	26,873,366
2015	1,973,905,556	69,350,438	27,080,603
2016	2,017,285,314	72,370,871	29,047,171

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
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PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE

I. Paid Losses

The Rate Bureau is advised by ISO that paid loss and loss adjustment expenses are not available for the experience period of this filing.

II. Incurred Losses ^{(a)(b)}

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2012	779,425,712	19,778,939	10,212,347
2013	649,011,217	21,626,230	9,695,412
2014	761,053,784	20,027,891	12,970,076
2015	733,716,078	23,153,190	14,542,396
2016	823,618,595	22,259,351	12,544,721

(a) Incurred losses are developed, include actual wind losses and do not include loss adjustment expenses. These expenses are reflected via a factor. For the Owners, Tenant and Condominium-Unit Owners forms these factors are 14.9%, 20.4% and 18.1%, respectively. These losses are adjusted to the \$1,000 base deductible for Owners and \$500 base deductible for Tenants and Condominium Unit Owners.

(b) Hurricane Losses have been removed.

NORTH CAROLINA

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ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

The anticipated loss and LAE ratio included in the 2014 filing was 0.282. The anticipated loss and LAE ratio included in the 2012 filing was 0.288.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

EXCLUDED COMPANIES

The market shares shown are based on 2016 Statutory Page 14 Homeowners premium for licensed companies and residual market Homeowners premium reported to ISO.

The historical experience used to develop the statewide rate-level indications, territory rate-level indications, premium trend factors, loss trend factors and wind exclusion credits is based on the experience of companies and residual market entities reporting to the Insurance Services Office (full statistical plan), the Independent Statistical Service, and the National Insurance Statistical Service. The historical premium and loss experience utilized in this filing, after accounting for the premium and loss experience of reporting companies whose data were not included (as described below) accounts for 94.83% of the total North Carolina Homeowners market. The experience reported to the American Association of Insurance Services and to Insurance Services Office under the Statistical Agent Plan is excluded because it is not available in sufficient detail. This experience accounts for approximately 0.11% of the total North Carolina Homeowners market.

Premium/loss and trend experience for the following insurers is not included in the filed experience: AIG Property Casualty Company, American Automobile Insurance Company, American Fire & Casualty Company, American Home Assurance Company, Associated Indemnity Corporation, Balboa Insurance Company, Bankers Standard Insurance Company, Century-National Insurance Company, Cincinnati Insurance Company, Federal Insurance Company, Fireman's Fund Insurance Company, Grain Dealers Mutual Insurance Company, Graphic Arts Mutual Insurance Company, Lighthouse Property Insurance Corporation, Lititz Mutual Insurance Company, Merastar Insurance Company, Meritplan Insurance Company, National Surety Corporation, Ohio Casualty Insurance Company, Pacific Indemnity Company, Praetorian Insurance Company, QBE Insurance Corporation, Republic-Franklin Insurance Company, Southern Fire & Casualty Company, Southern Pilot Insurance, State Automobile Mutual Insurance Company, State Auto P&C Insurance Company, Unitrin Direct Property & Casualty Company, Universal North America Insurance Company, Utica Mutual Insurance Company, Vigilant Insurance Company and West American Insurance Company. The experience for these companies was not included pending resolution of data anomalies. Based on 2016 written premium, the premium/loss data for these companies represents 5.07% of the total North Carolina Homeowners market.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

EXCLUDED COMPANIES

The loss development factors used in the calculation of the rate level indications are based on ISO North Carolina experience and on the North Carolina experience of three major company-groups reporting to the ISS. Based on 2016 written premium, this combined experience represents 80.88% of the total North Carolina Homeowners market.

See also the prefiled testimony of P. Anderson, M. Berry and Y. Yao.

House-years by year are as follows:

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2012	1,916,971	295,191	72,783
2013	1,900,999	312,770	73,728
2014	1,900,408	331,592	75,020
2015	1,898,379	363,604	75,512
2016	1,924,189	384,812	78,575

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

ADJUSTMENTS TO PREMIUMS, LOSSES, LOSS ADJUSTMENT EXPENSES,
EXPENSES AND EXPOSURES

Adjustments made to premiums, losses, loss adjustment expenses, and expenses are set forth below and in the prefiled testimony of P. Anderson, M Berry, S. Fiete, E. Henderson and Y. Yao.

Losses reported to ISO, ISS, and NISS are adjusted to the \$1,000 base deductible level for Owners Forms and \$500 base deductible level for Tenants and Condominium Unit Owners Forms by application of loss elimination ratios. These factors are applied on a record-by-record basis and vary by cause of loss and policy form.

Losses were developed to an ultimate basis through the application of loss development factors. The derivation and application of loss development factors is described in the response to 11 NCAC 10.1105(3).

Non-hurricane wind losses for the owners forms have been smoothed using an "excess wind" procedure.

Additionally, due to the volatile nature and the catastrophic potential of hurricane losses, they have been removed from the actual data and replaced with a hurricane loss provision based on modeled hurricane losses developed by Aon Benfield.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
 REQUIREMENTS FOR A HOMEOWNERS RATE FILING
 AS PER 11 NCAC 10.1105

EARNED PREMIUM AT PRESENT RATES CALCULATION

The earned premium at present rates for data reported to ISO, ISS, and NISS is calculated in the following manner for each premium record in the database:

Premium = [(Territory Base Rate × Form Factor × Amount of Insurance Factor × Protection-Construction Factor × Age Of Dwelling Factor) + Additional Coverage C charge] × Earned Exposure

The results are then summed over all territories to generate the statewide earned premium at present rates used to calculate the average rating factors shown on pages C-2-4.

A sample calculation for a single premium record is shown below. This sample record is for Territory 150, Form HO-5, \$200,000 Coverage A, protection class 8, masonry construction, Age of Dwelling = 4 years, Additional Coverage C = \$12,000:

(1)	Base rate	\$1,278
(2)	Form factor	1.30
(3)	Coverage A factor	1.000
(4)	Protection-construction factor	1.10
(5)	Age Of Dwelling Factor	0.94
(6)	Additional Coverage C charge	\$36
(7)	Earned Exposure	0.55
(8)	Earned Premium at present rates $[(1) \times (2) \times (3) \times (4) \times (5) + (6)] \times (7)$	\$964.64

NORTH CAROLINA

HOMEOWNERS INSURANCE

TOP TEN HOMEOWNERS INSURANCE WRITERS

<u>Company Name</u>	<u>2017 Written Premium^(a)</u>	<u>2017 Written Market Share</u>	<u>2017 Earned Premium^(a)</u>	<u>2017 Earned Market Share</u>
State Farm Fire and Casualty Company	469,096,000	18.29%	465,194,000	18.55%
North Carolina FB Mutual Ins Co	320,172,000	12.48%	315,343,000	12.57%
Allstate Indemnity Company	116,034,000	4.52%	114,588,000	4.57%
Nationwide Mutual Insurance Company	103,708,000	4.04%	107,968,000	4.31%
United Services Automobile Association	101,776,000	3.97%	98,356,000	3.92%
Nationwide Mutual Fire Insurance Company	100,173,000	3.91%	100,657,000	4.01%
Erie Insurance Exchange	84,091,000	3.28%	89,503,000	3.57%
Liberty Mutual Fire Insurance Company	74,308,000	2.90%	71,550,000	2.85%
Nationwide General Insurance Company	72,223,000	2.82%	64,947,000	2.59%
USAA Casualty Insurance Company	61,295,000	2.39%	58,387,000	2.33%
Total	1,502,876,000	58.59%	1,486,493,000	59.27%
Grand Total	2,564,886,000		2,507,845,000	

^(a) 2017 Annual Statement, Statutory Page 14, Line 4.0 (Homeowners).

Notes:

The Beach and Fair plans are not included in this report.

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2016 AGGREGATE ANNUAL STATEMENT DATA
2016 TOP 50 HOMEOWNERS INSURERS

2016 UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business		Net Premiums Written	Unearned Premiums Prior Year	Unearned Premiums Current Year	Net Earned Premiums
1	Fire	1,328,456,000	689,818,000	683,094,000	1,335,176,000
2	Allied lines	1,355,374,000	642,562,000	664,302,000	1,333,635,000
3	Farmowners multiple peril	799,608,000	378,650,000	389,001,000	789,255,000
4	Homeowners multiple peril	38,056,503,000	19,667,054,000	19,912,394,000	37,811,171,000
5	Commercial multiple peril	7,766,314,000	3,753,881,000	3,701,271,000	7,818,925,000
6	Mortgage guaranty	14,657,000	13,124,000	16,316,000	11,465,000
8	Ocean marine	108,947,000	51,485,000	46,350,000	114,078,000
9	Inland marine	2,427,653,000	1,055,550,000	1,225,495,000	2,257,709,000
10	Financial guaranty	(13,000)	1,000	3,000	(15,000)
11.1	Medical professional liability - occurrence	51,610,000	22,485,000	23,619,000	50,478,000
11.2	Medical professional liability - claims-made	26,057,000	12,748,000	12,043,000	26,762,000
12	Earthquake	412,675,000	200,137,000	205,268,000	407,546,000
13	Group accident and health	268,362,000	17,029,000	14,346,000	271,045,000
14	Credit accident and health (group and individual)	12,839,000	28,000	38,000	12,829,000
15	Other accident and health	67,452,000	20,032,000	20,396,000	67,085,000
16	Workers' compensation	2,964,200,000	1,122,604,000	1,105,966,000	2,980,839,000
17.1	Other liability - occurrence	4,401,410,000	2,185,743,000	2,314,235,000	4,272,922,000
17.2	Other liability - claims-made	874,443,000	372,832,000	481,348,000	765,926,000
17.3	Excess Workers' Compensation	12,877,000	8,808,000	6,049,000	15,635,000
18.1	Products liability - occurrence	264,720,000	123,693,000	121,602,000	266,811,000
18.2	Products liability - claims-made	6,508,000	3,108,000	3,291,000	6,327,000
19.1, 19.2	Private passenger auto liability	28,930,857,000	8,378,710,000	8,891,828,000	28,417,742,000
19.3, 19.4	Commercial auto liability	3,329,669,000	1,510,534,000	1,537,619,000	3,302,582,000
21	Auto physical damage	22,615,464,000	6,853,294,000	7,145,054,000	22,323,706,000
22	Aircraft (all perils)	18,574,000	13,352,000	7,992,000	23,937,000
23	Fidelity	41,489,000	24,863,000	23,268,000	43,088,000
24	Surety	252,406,000	137,650,000	137,979,000	252,079,000
26	Burglary and theft	12,555,000	6,247,000	6,224,000	12,575,000
27	Boiler and machinery	51,588,000	21,228,000	22,432,000	50,386,000
28	Credit	39,769,000	17,434,000	29,050,000	28,156,000
29	International	298,000	116,000	41,000	373,000
30	Warranty	78,564,000	130,922,000	126,707,000	82,780,000
31	Reinsurance - Nonproportional Assumed Property	53,839,000	9,773,000	12,279,000	51,332,000
32	Reinsurance - Nonproportional Assumed Liability	32,481,000	9,786,000	10,609,000	31,658,000
33	Reinsurance - Nonproportional Assumed Financial Lines	1,474,000	100,000	1,300,000	274,000
34	Aggregate write-ins for other lines of business	14,547,000	6,464,000	6,017,000	14,993,000
35	TOTALS	116,694,215,000	47,461,861,000	48,904,810,000	115,251,269,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2017 AGGREGATE ANNUAL STATEMENT DATA
2017 TOP 50 HOMEOWNERS INSURERS

2017 UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business		Net Premiums Written	Unearned Premiums Prior Year	Unearned Premiums Current Year	Net Earned Premiums
1	Fire	1,223,628,000	645,820,000	623,186,000	1,246,260,000
2	Allied lines	1,323,610,000	631,981,000	640,015,000	1,315,576,000
3	Farmowners multiple peril	841,548,000	388,999,000	412,419,000	818,128,000
4	Homeowners multiple peril	39,215,964,000	19,903,589,000	20,633,219,000	38,486,335,000
5	Commercial multiple peril	7,718,522,000	3,688,276,000	3,688,466,000	7,718,332,000
6	Mortgage guaranty	1,000	0	0	1,000
8	Ocean marine	73,421,000	34,523,000	35,011,000	72,930,000
9	Inland marine	2,421,308,000	1,222,657,000	1,290,823,000	2,353,141,000
10	Financial guaranty	15,000	2,000	(5,000)	22,000
11.1	Medical professional liability - occurrence	47,783,000	23,020,000	23,371,000	47,431,000
11.2	Medical professional liability - claims-made	27,538,000	7,873,000	11,956,000	23,456,000
12	Earthquake	307,038,000	201,697,000	163,709,000	345,027,000
13	Group accident and health	171,483,000	2,666,000	3,864,000	170,285,000
14	Credit accident and health (group and individual)	13,643,000	38,000	40,000	13,640,000
15	Other accident and health	33,659,000	2,270,000	4,764,000	31,167,000
16	Workers' compensation	2,788,309,000	1,079,384,000	1,020,909,000	2,846,788,000
17.1	Other liability - occurrence	4,469,778,000	2,197,780,000	2,284,854,000	4,382,706,000
17.2	Other liability - claims-made	818,846,000	381,993,000	441,374,000	759,467,000
17.3	Excess Workers' Compensation	12,567,000	5,586,000	5,378,000	12,776,000
18.1	Products liability - occurrence	252,881,000	120,916,000	118,159,000	255,640,000
18.2	Products liability - claims-made	6,781,000	2,405,000	3,194,000	5,992,000
19.1, 19.2	Private passenger auto liability	30,689,839,000	8,884,642,000	9,438,127,000	30,136,351,000
19.3, 19.4	Commercial auto liability	3,419,658,000	1,525,842,000	1,561,675,000	3,383,823,000
21	Auto physical damage	23,750,907,000	7,137,745,000	7,555,428,000	23,333,225,000
22	Aircraft (all perils)	11,056,000	4,900,000	5,183,000	10,772,000
23	Fidelity	33,585,000	19,697,000	17,842,000	35,439,000
24	Surety	264,885,000	135,403,000	144,879,000	255,407,000
26	Burglary and theft	12,980,000	5,531,000	6,606,000	11,908,000
27	Boiler and machinery	48,613,000	20,703,000	20,885,000	48,431,000
28	Credit	76,599,000	28,998,000	39,535,000	66,065,000
29	International	456,000	41,000	76,000	422,000
30	Warranty	66,911,000	119,006,000	118,755,000	67,162,000
31	Reinsurance - Nonproportional Assumed Property	63,439,000	12,179,000	13,870,000	61,744,000
32	Reinsurance - Nonproportional Assumed Liability	41,996,000	10,631,000	12,254,000	40,371,000
33	Reinsurance - Nonproportional Assumed Financial Lines	5,769,000	1,300,000	6,050,000	1,018,000
34	Aggregate write-ins for other lines of business	13,346,000	6,017,000	5,753,000	13,610,000
35	TOTALS	120,268,386,000	48,454,093,000	50,351,630,000	118,370,843,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2016 AGGREGATE ANNUAL STATEMENT DATA
2016 TOP 50 HOMEOWNERS INSURERS

2016 UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid	Net Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Assumed from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported	Direct	Reinsurance Assumed	Reinsurance Ceded		
1 Fire	325,921,000	194,439,000	272,993,000	247,363,000	192,305,000	99,504,000	185,597,000	353,581,000	39,110,000
2 Allied lines	410,661,000	193,555,000	388,809,000	215,408,000	307,140,000	86,301,000	294,839,000	314,007,000	41,532,000
3 Farmowners multiple peril	68,382,000	89,351,000	25,041,000	132,693,000	34,551,000	25,174,000	8,014,000	184,402,000	46,408,000
4 Homeowners multiple peril	4,586,402,000	1,660,357,000	1,725,802,000	4,520,955,000	3,178,371,000	1,227,676,000	1,199,990,000	7,727,018,000	2,392,833,000
5 Commercial multiple peril	1,994,269,000	2,296,560,000	926,556,000	3,364,270,000	1,246,004,000	1,328,771,000	711,441,000	5,227,601,000	2,115,741,000
6 Mortgage guaranty	0	827,000	0	827,000	0	229,000	0	1,057,000	0
8 Ocean marine	19,798,000	45,730,000	30,935,000	34,594,000	11,150,000	34,254,000	16,797,000	63,201,000	14,994,000
9 Inland marine	125,501,000	73,350,000	78,674,000	120,176,000	111,601,000	108,150,000	91,167,000	248,760,000	112,614,000
10 Financial guaranty	0	0	0	0	0	11,000	8,000	3,000	0
11.1 Medical professional liability - occurrence	46,661,000	12,095,000	1,667,000	57,087,000	(1,999,000)	22,266,000	3,201,000	74,155,000	30,310,000
11.2 Medical professional liability - claims-made	816,000	49,610,000	13,277,000	37,148,000	804,000	59,359,000	14,578,000	82,731,000	24,128,000
12 Earthquake	513,000	915,000	86,000	1,341,000	2,231,000	1,784,000	898,000	4,457,000	1,147,000
13 Group accident and health	216,000	12,646,000	1,258,000	11,606,000	1,683,000	14,213,000	3,241,000	24,259,000	2,327,000
14 Credit accident and health (group and individual)	4,211,000	0	3,908,000	303,000	12,687,000	0	11,629,000	1,361,000	474,000
15 Other accident and health	3,286,000	8,384,000	471,000	11,198,000	462,000	8,430,000	464,000	19,626,000	1,061,000
16 Workers' compensation	5,063,990,000	3,702,982,000	4,298,690,000	4,468,284,000	5,557,632,000	3,672,564,000	4,806,841,000	8,891,643,000	1,344,002,000
17.1 Other liability - occurrence	2,117,782,000	2,352,849,000	1,611,225,000	2,859,409,000	3,778,534,000	3,208,591,000	2,546,089,000	7,300,441,000	1,529,584,000
17.2 Other liability - claims-made	105,279,000	414,619,000	132,879,000	387,020,000	58,539,000	953,386,000	302,594,000	1,096,351,000	419,929,000
17.3 Excess Workers' Compensation	184,406,000	77,754,000	185,125,000	77,034,000	127,588,000	119,118,000	144,981,000	178,759,000	16,752,000
18.1 Products liability - occurrence	511,086,000	316,172,000	293,243,000	534,011,000	532,613,000	596,184,000	332,145,000	1,330,661,000	578,842,000
18.2 Products liability - claims-made	25,000	12,883,000	664,000	12,243,000	3,726,000	14,469,000	5,127,000	25,313,000	5,975,000
19.1, 19.2 Private passenger auto liability	14,910,372,000	12,298,751,000	10,832,510,000	16,376,611,000	7,655,263,000	5,583,857,000	5,853,924,000	23,761,804,000	4,788,568,000
19.3, 19.4 Commercial auto liability	1,733,334,000	1,963,821,000	1,137,445,000	2,559,713,000	1,110,215,000	1,287,066,000	982,513,000	3,974,482,000	627,599,000
21 Auto physical damage	(25,023,000)	420,951,000	(34,806,000)	430,736,000	419,894,000	(21,182,000)	323,539,000	505,907,000	420,755,000
22 Aircraft (all perils)	67,261,000	55,164,000	101,881,000	20,544,000	1,211,000	12,920,000	3,514,000	31,161,000	7,251,000
23 Fidelity	5,015,000	7,962,000	1,343,000	11,633,000	16,674,000	22,632,000	8,408,000	42,534,000	8,930,000
24 Surety	(15,089,000)	20,519,000	(29,496,000)	34,925,000	24,869,000	27,814,000	11,182,000	76,425,000	29,944,000
26 Burglary and theft	958,000	1,603,000	306,000	2,256,000	388,000	1,313,000	373,000	3,581,000	603,000
27 Boiler and machinery	17,000,000	7,942,000	17,535,000	7,406,000	6,289,000	5,478,000	3,638,000	15,540,000	2,173,000
28 Credit	6,881,000	1,727,000	6,471,000	2,137,000	15,576,000	1,876,000	14,581,000	5,009,000	682,000
29 International	0	995,000	247,000	748,000	0	2,792,000	985,000	2,554,000	71,000
30 Warranty	22,000	460,000	408,000	75,000	7,272,000	8,913,000	9,019,000	7,240,000	259,000
31 Reinsurance - nonproportional assumed Property	0	25,212,000	578,000	24,634,000	0	18,535,000	(1,197,000)	44,366,000	1,179,000
32 Reinsurance - nonproportional assumed Liability	0	130,039,000	36,183,000	93,856,000	0	232,522,000	104,901,000	221,478,000	9,071,000
33 Reinsurance - nonproportional assumed Financial Lines	0	1,042,000	4,000	1,037,000	0	1,402,000	23,000	2,415,000	115,000
34 Aggregate write-ins for other lines of business	35,000	186,000	10,000	211,000	767,000	534,000	573,000	939,000	229,000
35 TOTALS	32,269,962,000	26,451,450,000	22,061,923,000	36,659,488,000	24,414,047,000	18,766,914,000	17,995,619,000	61,844,825,000	14,615,197,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2017 AGGREGATE ANNUAL STATEMENT DATA
2017 TOP 50 HOMEOWNERS INSURERS

2017 UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid	Net Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Assumed from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported	Direct	Reinsurance Assumed	Reinsurance Ceded		
1 Fire	306,017,000	178,242,000	249,485,000	234,777,000	409,755,000	115,153,000	397,980,000	361,701,000	35,720,000
2 Allied lines	1,020,288,000	339,264,000	1,108,407,000	251,147,000	408,117,000	154,562,000	396,190,000	417,639,000	66,253,000
3 Farmowners multiple peril	57,474,000	219,637,000	59,206,000	217,905,000	39,657,000	44,022,000	36,657,000	264,928,000	51,617,000
4 Homeowners multiple peril	4,719,671,000	2,361,887,000	2,001,803,000	5,079,759,000	3,882,982,000	1,634,674,000	2,080,738,000	8,516,681,000	2,484,038,000
5 Commercial multiple peril	2,075,789,000	2,638,791,000	1,218,403,000	3,496,176,000	1,294,156,000	1,550,250,000	878,273,000	5,462,309,000	2,095,815,000
6 Mortgage guaranty	0	0	0	0	0	0	0	0	0
8 Ocean marine	22,660,000	35,615,000	28,940,000	29,335,000	9,543,000	27,704,000	13,704,000	52,874,000	9,274,000
9 Inland marine	93,484,000	73,818,000	51,906,000	115,397,000	113,519,000	153,927,000	112,969,000	269,874,000	119,885,000
10 Financial guaranty	0	0	0	0	0	54,000	19,000	35,000	1,000
11.1 Medical professional liability - occurrence	48,483,000	11,672,000	524,000	59,629,000	254,000	18,301,000	346,000	77,838,000	29,963,000
11.2 Medical professional liability - claims-made	1,504,000	41,654,000	11,961,000	31,199,000	516,000	40,432,000	5,485,000	66,663,000	12,758,000
12 Earthquake	237,000	488,000	128,000	596,000	1,458,000	1,652,000	687,000	3,014,000	806,000
13 Group accident and health	208,000	4,308,000	66,000	4,451,000	2,190,000	6,128,000	1,908,000	10,859,000	1,708,000
14 Credit accident and health (group and individual)	3,472,000	0	3,171,000	301,000	14,749,000	0	13,513,000	1,537,000	444,000
15 Other accident and health	3,466,000	1,829,000	357,000	4,938,000	458,000	6,771,000	413,000	11,751,000	890,000
16 Workers' compensation	4,818,238,000	3,428,200,000	4,055,624,000	4,190,812,000	5,510,557,000	3,291,690,000	4,675,994,000	8,317,063,000	1,237,578,000
17.1 Other liability - occurrence	1,987,172,000	2,393,910,000	1,530,388,000	2,850,690,000	3,502,450,000	2,965,446,000	2,172,219,000	7,146,363,000	1,464,296,000
17.2 Other liability - claims-made	98,722,000	263,212,000	64,192,000	297,743,000	53,670,000	707,918,000	170,315,000	889,019,000	406,063,000
17.3 Excess Workers' Compensation	168,834,000	74,592,000	166,548,000	76,878,000	160,443,000	111,339,000	172,859,000	175,801,000	16,217,000
18.1 Products liability - occurrence	579,852,000	305,255,000	302,753,000	582,350,000	455,543,000	558,274,000	298,445,000	1,297,721,000	564,329,000
18.2 Products liability - claims-made	421,000	1,746,000	573,000	1,594,000	2,622,000	10,622,000	3,302,000	11,535,000	6,654,000
19.1, 19.2 Private passenger auto liability	15,193,150,000	13,048,342,000	11,474,069,000	16,767,424,000	8,072,985,000	6,041,998,000	6,402,386,000	24,480,022,000	5,038,728,000
19.3, 19.4 Commercial auto liability	1,828,301,000	2,291,281,000	1,364,912,000	2,754,669,000	1,262,546,000	1,375,718,000	1,129,116,000	4,263,813,000	667,264,000
21 Auto physical damage	(118,214,000)	350,681,000	(112,480,000)	344,945,000	574,236,000	147,528,000	433,112,000	633,593,000	480,447,000
22 Aircraft (all perils)	2,256,000	12,974,000	3,807,000	11,424,000	1,062,000	4,821,000	1,695,000	15,609,000	4,981,000
23 Fidelity	2,052,000	2,776,000	484,000	4,343,000	10,535,000	19,577,000	5,165,000	29,295,000	6,262,000
24 Surety	4,583,000	13,563,000	(12,434,000)	30,582,000	27,592,000	36,472,000	13,165,000	81,481,000	27,337,000
26 Burglary and theft	867,000	414,000	203,000	1,077,000	326,000	1,700,000	458,000	2,643,000	680,000
27 Boiler and machinery	16,017,000	4,985,000	15,550,000	5,452,000	9,385,000	7,665,000	7,707,000	14,796,000	2,661,000
28 Credit	4,455,000	(58,000)	3,831,000	566,000	17,871,000	6,449,000	15,710,000	9,178,000	1,074,000
29 International	0	994,000	271,000	723,000	0	2,434,000	1,128,000	2,029,000	128,000
30 Warranty	80,000	36,000	68,000	48,000	6,989,000	735,000	1,596,000	6,175,000	221,000
31 Reinsurance - nonproportional assumed Property	0	28,968,000	1,863,000	27,106,000	0	(49,367,000)	98,000	(22,359,000)	1,447,000
32 Reinsurance - nonproportional assumed Liability	0	127,098,000	33,687,000	93,410,000	0	219,086,000	92,296,000	220,201,000	8,667,000
33 Reinsurance - nonproportional assumed Financial Lines	0	1,672,000	8,000	1,665,000	0	1,624,000	20,000	3,269,000	148,000
34 Aggregate write-ins for other lines of business	47,000	158,000	8,000	196,000	749,000	592,000	606,000	934,000	116,000
35 TOTALS	32,939,601,000	28,258,001,000	23,628,286,000	37,569,313,000	25,846,925,000	19,215,942,000	19,536,283,000	63,095,896,000	14,844,468,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 HOMEOWNERS INSURERS

STATUTORY PAGE 14

	2016	2017
Written Premium	2,328,544,000	2,415,996,000
Earned Premium	2,280,937,000	2,365,438,000
Dividends	9,334,000	10,203,000
Unearned Prem Reserves	1,202,053,000	1,251,624,000
Losses Paid	1,211,407,000	1,207,494,000
Losses Incurred	1,312,163,000	1,171,540,000
Losses Unpaid	422,699,000	377,230,000
Defense & Cost Containment Paid	15,653,000	15,193,000
Defense & Cost Containment Incurred	15,966,000	14,957,000
Defense & Cost Containment Unpaid	28,112,000	27,482,000
Commission	280,151,000	295,756,000
Taxes	63,094,000	65,793,000

HOMEOWNERS

1. ACE American Insurance Company

- New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
- Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
- Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
- Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
- Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
- Eff. 9-1-92

2. ACE Fire Underwriters Insurance Company

- New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
- Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
- Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
- Eff. 5-1-92

3. AIU Insurance Company

- All Forms: 10%.
- Eff. 2-1-86

4. AMCO Insurance Company

- Territory Deviation, Forms HO 00 02, HO 00 03, and HO 00 05 and HO 00 04 and HO 00 06 excludes wind or hail or does not exclude wind or hail.
- Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
- Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
- Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
- Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
- Flex Check Payment Option-Installment Payment Plan, Forms HO 02, HO 03, HO 04, HO 05 and HO 06.
- Personal Status Deviation.
- Associate Discount Deviation.
- Increased Special Limits of Liability.
- Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
- Multi line Deviation.
- Eff 8-4-14 NWPC-129565318 [NCDOI](#)

5. AMEX Assurance Company

- Various downward deviation based on amount of insurance Form 3.
- Various downward deviation based on amount of insurance Form 4.
- Various downward deviation based on amount of insurance Form 6.
- Protective Device Credits: Credit varies 2% - 15%.
- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.

- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
 - No additional charge for Refrigerated Personal Property.
 - No charge for townhouse or row house.
 - Costco Discount: 2% applies to policies for member insureds of Costco.
 - HO 3, 4 & 6 base rates vary by territory.
 - Eff. 8-1-05 PC083887 [North Carolina Department of Insurance](#)
6. **Affirmative Insurance Company**
- 15% base deviation for Premier Homeowners Program.
 - 3% base deviation for Deluxe Homeowners Program.
 - 15% base deviation for Premier Tenant Program.
 - 10% base deviation for Deluxe Tenant Program.
 - 20% base deviation for Premier Condominium Program.
 - 15% base deviation for Deluxe Condominium Program.
 - Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
 - Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
 - All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
 - All Forms: Protective Device Credits: Credits vary 2%-15%.
 - Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
 - All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
 - Eff 02-15-02 PC046217 [North Carolina Department of Insurance](#)
7. **AGRI General Insurance Company**
- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
 - New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
 - All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
 - Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
 - Eff. 1-1-97
8. **Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**
- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
 - Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
 - Row and Townhouses - discount.
 - Account Discount.
 - Insurance Score Discount.
 - Newly Constructed Residences (not applicable to Forms 4 and 6).
 - Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
 - Installment Payment Plan-Electronic Funds Transfer.
 - Effective 5-1-11 AFAL-127042137 [NCDOI](#)
9. **Alliance Mutual Insurance Company**
- Flat Deductibles.
 - Higher Windstorm or Hail Deductibles – Flat deductible.
 - Protective Devices.
 - Eff 7-1-06 PC094461 [North Carolina Department of Insurance](#)
10. **Allstate Indemnity Company**
- Tier-Claim Rating Deviation.
 - Claims Free Discount.
 - New/renovated Home Discount.
 - Home and Auto Discount Deviation.
 - The Good Hands People Discount Deviation.
 - Zone Deviation.
 - Eff 11-1-14 ALSE-129687693 [NCDOI](#)

11. **Allstate Insurance Company**

- Deductible factors.
- Personal Property Replacement Cost Deviation.
- Protective devise discount.
- Year of construction-New/Renovated Home discount.
- Age 55 & Retired Discount Factor.
- Home and auto discount deviation.
- The Good Hands People discount.
- Waterbed Liability Deviation HO4 and HO6.
- Installment payment plan – Allstate Easy Payment Plan.
- Three or four family dwelling.
- Zone (Territory) Deviation.
- **Deluxe Plus**
- Deductibles
- Protective Devices.
- Year of Construction – Newly Constructed Dwellings.
- Age 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People discount.
- Zone (Territory) Deviation.
- Eff 11-1-14 ALSE-129687689 [NCDOI](#)

12. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

13. **American Automobile Insurance Company**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Deviations by territories and forms: Credit varies.
- Eff. 12-1-03 PC065125 [Filing Detail](#)

14. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 1-1-11 ASPX-G126837901 [North Carolina Department of Insurance](#)

15. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

16. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge.

Charge of 9% (7% in Beach Area) is added to basic premium.

- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

17. **American Family Home Insurance Company**

- Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Eff. 9-1-08 AMMH-125737994 [NCDOI](#)

18. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [North Carolina Department of Insurance](#)

19. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

20. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.

- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [Filing Detail](#)

21. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

22. **American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938 [North Carolina Department of Insurance](#)

23. American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-/91

24. American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

25. American Strategic Insurance Corporation

- Territory Zone Deviation
- Protection Class Construction – Forms HO 00 03, HO 00 04 and HO 00 05.
- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Age of Insured – Form HO 00 04.
- Non Smoker – All Forms.

- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Territory Definitions.
- Eff 11-1-13 AMSI-129212914 [NCDOI](#)

26. **AMICA Mutual Insurance Company**

- Waive the additional premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 rate deviation by policy amount.
- Additional Amounts of Insurance-1.00 All territories with exceptions.
- Personal Property-Increased Limit, \$1.60 for all forms.
- Premium Payment Option.
- Multi-Line Discount, Optional Rating Characteristics. Various discounts in all territories with exceptions.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 10-27-14 AMMA-129610839 [NCDOI](#)

27. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. -.99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

28. **Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10-1-94

29. **Armed Forces Insurance Exchange**

- Deductible Credits.
- Newer Home Discount; All Forms, except HO 00 04 & HO 00 06.
- Earthquake Coverage.
- Sinkhole Collapse Coverage: All Forms except HO 00 04 and HO 00 06. (Does not include basic, only increased amount)
- Base Premium Computation.
- Minimum policy premium waived.
- Protective Devices-Maximum credit.
- Personal Property Increased Limits charge per \$1000.
- Eff 7-1-13 ARMD-128953788 [NCDOI](#)

30. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%: Form 6- 20%.

- Eff. 5-15-04 PC069340 [North Carolina Department of Insurance](#)

31. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

32. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 &3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

33. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

34. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate Deviation.
- Coverage A relativity curve.
- Deductible Credits.
- Protective Device Credit.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-17-14 TRVA-129270639 [NCDOI](#)

35. **Auto-Owners Insurance Company**

- Key factors.
- Deductibles – Waiver of Minimum charges.
- Protective Device Credit.

- Protective Device Credit – alarm systems.
- Mature Homeowner Discount.
- Townhouse or row house deviation.
- Credit card, fund transfer card, forgery and counterfeit money.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Personal Injury coverage-no charge.
- Special Personal Property Coverage HO 00 05.
- Multi-Policy Discount.
- Section II liability watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy discount.
- Paid in Full discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06.
- Protection Class Relativities.
- Age of Construction Discount.
- Base Class Premium.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Eff. 10-2-14 AOIC-129620222 [NCDOI](#)

36. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963 [North Carolina Department of Insurance](#)

37. **Bankers Standard Insurance Company**

- Deviation forms HO 00 02, HO 00 03, HO 00 04, HO 00 06, HO 00 05 and HE-7.
- Key Factors Coverage A over \$750,000.
- Protective Devices maximum credit allowed is deleted.
- Optional Higher Deductibles forms HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit-Multi Policy.
- Mass Merchandising Discount.
- Eff. 2-1-13 ACEH-128729770 [NCDOI](#)

38. **Camden Fire Insurance Association, The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden

- Fire Insurance Association.
- Eff.8-15-02 PC054137 [North Carolina Department of Insurance](#)

39. **Central Mutual Insurance Company**

Owners Program

- Deviation by territory and protection class.
- Homeowners Enhancement Program – Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by amount of insurance and insurance score.
- Insurance Score Deviation.
- Customer loyalty deviation.
- Company Deductible Credits B. Optional Deductibles.
- Payment timelines deviation.
- Loss history deviation.
- Personal Property Replacement Cost.
- Accompanying schedule or boat deviation.
- Age of dwelling.
- Home buyer deviation.
- Gated community deviation.
- Non-Packaged Risk deviation.
- Wood Roof Factor.
- Residence held in trust deviation.
- Package deviation.
- Installment Payment with Electronic Transfer.
- Deviation for Waiver of Premium.
- Group Rating.
- **Condo Program**
- Deviation by territory, protection class.
- Deviation by amount of insurance.
- Deviation by insurance score.
- Customer loyalty deviation.
- Deductible Optional Higher Deductibles.
- Payment timelines deviation.
- Loss history Deviation.
- Accompanying schedule or boat deviation.
- Form HO 00 06 Coverage A Dwelling Basic and Increased Limits and Special Coverage.
- Residence held in trust.
- Package Deviation.
- Installment Payment Plan.
- Deviation for waiver of premium.
- Deviation by Group Rating.
- **Tenants Program**
- Base Class territory and protection class.
- Amount of insurance deviation.
- Insurance score deviation.
- Customer loyalty deviation.
- Deductibles B. Optional Higher Deductibles.
- Payment timelines deviation
- Loss history deviation.
- Accompanying schedule or boat deviation.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for waiver of premium.
- Deviation by Group Rating.
- Eff 8-1-14 CEMC-129472761 [NCDOI](#)

40. **The Charter Oak Fire Insurance Company**

- Base Rate Deviation.

- Coverage A relativity curve.
- Protective Devices.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-17-14 TRVA-129270673 [NCDOI](#)

41. **Chartis Property Casualty Company**

- Base Premium by Territory Form HO 00 03.
- Key Factor Deviation.
- Protective Devices.
- Eff 1-1-11 APCG-126633095 [North Carolina Department of Insurance](#)

42. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697 [North Carolina Department of Insurance](#)

43. **The Cincinnati Insurance Company**

- Year of construction-Newly Constructed Dwellings Age of Dwelling Credits.
- Base Rate Deviations by Territory.
- Installment Payment Plan.
- Homeowners Enhancement Deviation.
- Watercraft Liability deviation.
- Preferred Risk credit.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy credit – All Forms.
- Automatic Water Shut-Off System Credit.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Eff 8-1-14 CNNB-129343842 [NCDOI](#)

44. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.

- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [North Carolina Department of Insurance](#)

45. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [North Carolina Department of Insurance](#)

46. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.

- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [NCDOI](#)

47. **Electric Insurance Company**

- Protective Device Credits.
- Deductible Factors.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware and Pewterware.
- Firearms.
- Group Marketing discount.
- Eff. 3-16-13 ELEC-128801672 [NCDOI](#)

48. **EMCASC0 Insurance Company**

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount
- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670 [North Carolina Department of Insurance](#)

49. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669 [North Carolina Department of Insurance](#)

50. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Protective Devices.
- Automatic Sprinkler Systems.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 10-11-13 ALSE-129953793 [NCDOI](#)

51. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.

- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Eff 5-1-14 ERPP-129228608 [NCDOI](#)

52. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 9-1-14 ERPP-129552067 [NCDOI](#)

53. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

54. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [North Carolina Department of Insurance](#)

55. **Federal Insurance Company**

- Payment Options-Installment fees waived or Auto recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.
- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 10-6-14 CHUB-129646103 [NCDOI](#)

56. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

57. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.

- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [North Carolina Department of Insurance](#)

58. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: H0 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [North Carolina Department of Insurance](#)

59. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121 [North Carolina Department of Insurance](#)

60. **Firemen's Insurance Company of Washington D.C.**

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

61. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Experience Rating Factors.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community.

- Key Factor Table HO 00 03 Discount.
- Key Factor Table HO 00 04 Discount.
- Key Factor Table HO 00 06 Discount.
- Superior Construction-All Forms.
- Eff 12-1-13 BKIC-129103587 [NCDOI](#)

62. **Garrison Property and Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-14-14 USAA-129529717 [NCDOI](#)

63. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [North Carolina Department of Insurance](#)

64. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.

- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

65. **Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [NCDOI](#)

66. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

67. **Graphic Arts Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- -5% W.I.S.E./Affinity program discount,
- Deviation for Owners Forms for risks located in territories 7, 8, 41, 45, 46, 48, 49 and 52.
- Deviation for Owners Forms for risks located in territories 36, 44 and 60.
- Deviation for Owners Forms for risks located in territories 38 and 39.
- Deviation for Owners Forms risks located in territory 34.
- Deviation for Owners Forms for risks located in territory 57.
- Deviation for Owners Forms for risks located in territory 53.
- Deviation for Owners Forms 32.
- Deviation for Owners Forms in territory 47.
- Deviation for Non-Owners Forms for risks in territories 36, 44, 57 and 60.
- Deviation for Non-Owners Forms for risks located in territories 38 and 39.
- Deviation for Non-Owners Forms for risk located in territories 7, 8, 34, 41, 45, 46, 47, 48, 49, 52 and 53.
- Personal Lines Account Credit
- Homeowners Extension Package
- Protection Class deviation/Suburban Rating.
- Eff. 7-1-13 UTCX-G128995997 [NCDOI](#)

68. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.
- Coverage A Dwelling: Basic & Increased Limits for form HO 00 06.
- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.

- Cap on total credits/discounts.
- Territorial Deviation.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879116 [NCDOI](#)

69. Hanover Insurance Company

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6.
- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan.
- Group Modification Plan Discount (Mass Merchandising Plan)
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts
- Relativity curve deviation HO 00 03.
- Relativity Curve deviation forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879210 [NCDOI](#)

70. Harbor Specialty Insurance Company

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

71. Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.

- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

72. **Harleysville Preferred Insurance Company**

- Group Mass Marketing Discount.
- Preferred customer discount – all territories except 07, 08, 41, 48, 49, 81 and 86.
- HE-7 Enhancement Deviations by certain Territories.
- StarPak Program Discount
- Companion Credit (homeowners and private passenger auto policy).
- Newly Purchased Home Credit Forms HO 02, HO 03, HO 05, and HE 7.
- Mature Homeowner Discount (HO 03, HO 05 and HE 7 only) 55 years of age or older.
- Life Insurance Policy Discount (life insurance/annuity policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Base Premium deviation for certain Territories.
- Personal Property Increased Limit.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 7-30-14 HRLV-129513803 [NCDOI](#)

73. **Hartford Accident and Indemnity Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49, 52.
- Account Credit for all territories.
- Retiree Credit named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
- Product Factor – Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Effective 3-3-13 HART-128759763 [NCDOI](#)

74. **Hartford Casualty Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit for all territories.
- Retiree Credit, named insured is age 50 or older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor- Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Eff. 3-3-13 HART-128759773 [NCDOI](#)

75. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [North Carolina Department of Insurance](#)

76. **Hartford Insurance Company of Midwest**

- Age of Dwelling credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit all territories.
- Retirees Credit: named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: is protected 24 hours a day.
- Product Factor – Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 3-3-13 HART-128759931 [NCDOI](#)

77. **Hartford Underwriters Insurance Company**

- Age of Dwelling Credit.
- Account Credit for all territories.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors deviation.
- Insurance score.
- Prior Losses.
- Territory deviation.
- Eff. 12-7-13 HART-129001566 [NCDOI](#)

78. **Homesite Insurance Company**

- Preferred Risk Group 1 Discount on form HO 00 03 and HO 00 06.
- Preferred Risk Group 2 Discount on form HO 00 03.
- Partner Discount-Form HO 00 04.
- Eff 12-1-13 HMSS-129132804 [NCDOI](#)

79. **Horace Mann Insurance Company**

- Installment Payment Plan.
- Installment Payments - Electronic Funds Transfer.
- Eff. 4-1-14 HRMN-129256234 [NCDOI](#)

80. **Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Eff 4-1-14 HRMN-129256439 [NCDOI](#)

81. **IDS Property casualty Insurance Company**

- Form HO 00 03 – Amount of Insurance.
- Form HO 00 04 – Amount of Insurance.
- Form HO 00 06 – Amount of Insurance.
- Protective Device Credits
- Deductible Credits Forms HO 00 03, HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property

- Townhouse/Rowhouse
- Costco Discount
- Base Rates (Form HO 00 03) by territories
- Base Rates (Form HO 00 06) by territories
- Electronic Funds Transfer.
- Eff 7-1-13 PRCA-128947193 [NCDOL](#)

82. Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

83. Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

84. Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

85. Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

86. Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

87. Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

88. **Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [NCDOI](#)

89. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [North Carolina Department of Insurance](#)

90. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

91. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 deviation.
- Age of Dwelling deviation.
- Book transfer discount.
- Claim free discount.
- Companion policy discount.
- Golden age discount.
- New purchase discount.
- Secured Communities discount.
- E-Policy discount.
- Maximum discount.
- Seasonal/secondary home deviation.
- Wood burning stove deviation.
- Experience rating deviation.
- Eff 11-1-14 MERL-129692800 [NCDOI](#)

92. **Lititz Mutual Insurance Company**

- New Home Credit.
- Specified Additional Amount of Insurance.
- Optional Higher Deductibles Deviation.
- All Perils deductible.
- Eff 9-1-13 LITZ-128996481 [NCDOI](#)

93. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.

- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [North Carolina Department of Insurance](#)

94. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939 [North Carolina Department of Insurance](#)

95. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

96. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 00 06
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.

- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).
- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Territorial Deviation: All forms, except HO 00 04 and HO 00 06.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 2-1-12 HNVX-G127879161 [NCDOI](#)

97. **Max America Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit.
- Forms 1, 2, 3 & 3 w/15: New Home Credit.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03-5-02

98. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

99. **The Members Insurance Company**

- Account Credit, Forms HO 00 03 and HE 00 07 By Territories, Tier.
- Unit Owner's Building Increase Limits and Special Coverage-Form HO 00 06.
- Form HE 00 07,Coverage A Amount.
- Base Premium Form HO 00 03, By Territory and Tier.
- Base Premium Form HO 00 06, By Territory, and Tier Bronze.
- Key Factors HO 00 03,Coverage A Amount.
- Tier Bronze, Key Factors HO 00 06, Coverage C Amount.
- Form HE 00 07 Factor Deviations, By Territory.
- Home Buyer Credit, Forms HO 00 02, HO 00 03 and HE 00 07.
- Loss Free Credit, Platinum, Gold, Silver, and Bronze.
- AAA Affinity Factors.
- Protective Devices credit.
- Eff 11-6-13 CMCG-129178433 [NCDOI](#)

100. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [NCDOI](#)

101. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [North Carolina Department of Insurance](#)

102. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory deviation.
- Deductible Deviation.
- Additional Limits of Liability
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage
- Earthquake Coverage
- Platinum Coverage Package.
- Tier Program.
- Eff. 10-30-14 METX-G129672932 [NCDOI](#)

103. **Metropolitan Property & Casualty Insurance Company**

Standard Program

- Territory Deviation.
- Deductible Deviation.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation:
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

Conversion Program

- Territory Deviation.
- Deductible Deviation.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices Premium Credits for Alarm Systems: Credit applies to base premium.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount when criteria are met.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- Tier Program.
- Eff 10-30-14 METX-G129672818 [NCDOI](#)

104. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [North Carolina Department of Insurance](#)

105. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [North Carolina Department of Insurance](#)

106. **NGM Insurance Company**

- Age of Dwelling Deviation: Forms HO 00 02, HO 00 03 and HO 00 05.
- Combined Personal Protection Program.
- Deductible credits/charges, factor varies by ded amount.
- Protective device credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A Dwelling.
- Personal Property Replacement Cost.
- Personal Injury.
- Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money.
- Special Computer Coverage.
- Coverage C Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan Deviation.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Discount factor varies by Insurance Score.
- Eff. 10-1-14 NGMC-129581010 [NCDOI](#)

107. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

108. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

109. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [North Carolina Department of Insurance](#)

110. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427 [North Carolina Department of Insurance](#)

111. **Nationwide General Insurance Company**

- Territory Deviation HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Amount of Insurance – Territory Deviation.
- Optional deductible.
- Age of Construction.
- Home renovation Deviation.
- Home Purchase Deviation.
- Age of Oldest insured deviation.
- Gated community deviation.
- Supplemental Heating deviation.
- Prior insurance deviation.
- Safe home rating plan deviation.
- Protection class deviation.
- Roof age and type deviation.
- Household composition deviation.
- Associate deviation.
- Maximum deviation.
- Number of units deviation HO 00 04 and HO 00 06.
- Installment Payment Options.
- Eff 12-8-14 NWPC-129606242 [NCDOI](#)

112. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviations.
- Protective Device Deviations by territory: Credit varies.
- Safe Home Rating Plan Deviation.
- Age of Home Component.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-line deviation.
- Installment Payment Plan.
- Eff. 12-8-14 NWPC-129579107 [NCDOI](#)

113. **Nationwide Mutual Insurance Company**

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
 - Preferred Customer Discount.
 - HE-7 Deviations by certain territories.
 - Star Pak Program Discount.
 - Companion Credit.
 - Newly Purchased Home Credit.
 - Mature Homeowner Discount.
 - Life Insurance Policy Discount (homeowner and life policy).
 - Coverage A Key Factors.
 - Form HO 00 04 or HO 00 06, Rule 301.
 - Personal Property, Rule 515.A.1.
 - Other Members of a Named Insured's Household.
 - Electronic Funds Transfer (EFT) payment plan.
- Nationwide Mutual Insurance Company**
- Nationwide Territory Definitions Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
 - Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
 - Deductible Deviations.
 - Protective Device Deviation.
 - Safe Home Rating Program – Form HO 02, HO 03, HO 05 and HO 06.

- Age of oldest Insured.
- Personal Status Deviation.
- Age of construction deviation.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation.
- Home Purchase Deviation.
- Nationwide Associate Deviation.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation.
- Installment Payment Plans.
- Eff. 12-8-14 NWPC-129579207 [NCDOL](#)

114. **Netherlands Insurance Company**

Preferred Homeowners

- Personal Property Increased Limits;. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [North Carolina Department of Insurance](#)

115. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

116. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

117. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property (Coverage C) Replacement Cost.

- Deductible Credits.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Outboard Motors and Water Craft.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Value-Plus Deviation.
- Carolina Partner Plus Discount.
- Company Deviations.
- Deviation Forms HO 00 02 and HO 00 03.
- Deviations by territories 07, 08, 48, 49, 52.
- Deviations Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 7-1-13 NCFB-128969331 [NCDOI](#)

118. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

119. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955 [North Carolina Department of Insurance](#)

120. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

121. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.

- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [North Carolina Department of Insurance](#)

122. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

123. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952 [North Carolina Department of Insurance](#)

124. **Owners Insurance Company**

- Key factors.
- Deductibles - Waiver of Minimum Charges.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House discount factors.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.
- Form HO 00 06 Coverage A Dwelling Increased Limits and Special Coverage.
- Loss Assessment Coverage.
- Personal Injury coverage-no charge.
- Special Personal Property Coverage HO 00 05.
- Multi-Policy Discount.
- Section II, Liability-watercraft.
- Life-Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy discount.
- Paid in full discount.
- Personal Property Increased limits.
- All forms except HO00 04 and HO 00 06.
- Protection Class Relativities.
- Age of construction discount.
- Base Class Premium.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.

- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- .Eff 10-2-14 AOIC-129620212 [NCDOI](#)

125. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

126. **Pacific Indemnity Company**

- Base Premium Computation - Forms HO 00 04.
- Payment options – Installment fees waived for Auto recurring payments.
- Base Premium Computation by territory and forms.
- Protective Devices – Maximum Credit of \$75. is deleted.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductible.
- Additional Amount of Insurance deviation. Forms HO 00 02, HO 00 03 & HO 00 05.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Eff 10-6-14 CHUB-129646104 [NCDOI](#)

127. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [NCDOI](#)

128. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

129. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

130. **Pennsylvania National Mutual Casualty Insurance Company**

- New Home Discount: Forms HO 00 02, HO 00 03, HO 00 05 and HE 00 07.

- Deductibles – Optional Higher Deductibles.
- Personal Property A Increased Limits.
- Preferred Program territory & protection class.
- Account Credit Program.
- Outboard motors and watercraft Deviation.
- Protective Device Credits.
- Additional Amount of Insurance HO 00 02 & HO 00 03.
- Ordinance or Law Coverage.
- Preferred Advantage Program Deviation.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money Deviation.
- Loss Assessment coverage Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Personal Property - Increased Special Limits of Liability.
- Personal Property – Refrigerated personal Property.
- Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability
- Installment Charges-Recurring Payments automatically deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Eff 10-2-14 PNPR-129741337 [NCDOI](#)

131. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [North Carolina Department of Insurance](#)

132. **Phoenix Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Deductible Credits HO 00 02, HO 00 03, HO 00 07, HO 00 04 and HO 00 06.
- Protective Devices.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Eff 5-17-14 TRVA-129270680 [NCDOI](#)

133. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.

- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

134. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated
- Territory Deviation
- Coverage A Deviation
- Superior Construction Credits
- Generator Credit
- Financial Responsibility Factor
- Seasonal/Secondary Home
- Occupancy Deviation
- Multi Policy Credit (Personal Automobile)
- Multi Policy Credit (Personal Excess Liability)
- Multi Policy Credit (Jewelry & Art)
- Protective Devices
- Loss Free Credits
- Renewal Credit.
- Eff 1-3-13 PRIV-128715729 [NCDOI](#)

135. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008 [North Carolina Department of Insurance](#)

136. **Republic-Franklin Insurance Company**

Edge Program

- Protection Classification credit.
- Edge Program Tiered.
- Personal Property.
- Mass Merchandising Plan.
- Affinity Group-Wise Program.
- Personal Lines Account Credit.
- Package Additional Coverages.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.

Essentials Program

- Protection Classification credit.
- Personal Property.
- Personal Lines Account Credit.
- Homeowners Extension Package.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.
- Edge Essential Program Tiered Rating.
- Eff 11-15-12 UTCX-G128669380 [NCDOI](#)

137. Response Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

138. Safeco Insurance Company of America

- Deductible Debit/Credits.
- Account Credit: all forms certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities.
- Employee Discount Plan.
- Company Territory Definitions.
- New Buyer discount.
- Age of Roof Discount.
- Eff. 7-1-13 LBRM-128890087 [NCDOI](#)

139. Safeco Insurance Company of Indiana

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

140. Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.

- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

141. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

142. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

143. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

144. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

145. **Service Insurance Company**

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for auto smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The max allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03 PC061674 [North Carolina Department of Insurance](#)

146. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.

- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720 [North Carolina Department of Insurance](#)

147. **Southern Insurance Company of Virginia**

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.

- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191 [North Carolina Department of Insurance](#)

148. **Southern Pilot Insurance Company**

- Deviation by Territorial Relativities (HO-3 and HE-7).
- Deviation by Territorial Relativities (HO-4)
- Deviation by Territorial Relativities (HO-6).
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Reduced Rates for Outboard Motors and Watercraft Liability.
- Personal Injury Coverage At No Charge.
- Protective Devices Credit.
- Deviation for Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 5-5-13 QBEC-128993825 [NCDOI](#)

149. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6;: 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;: \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;: \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [North Carolina Department of Insurance](#)

150. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

151. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15

yrs.-3%.

- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

152. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

153. **Standard Fire Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Protective Devices.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.

- Home Buyer Credit.
- Installment Payment Plan.
- Eff. 5-17-14 TRVA-129270671 [NCDOI](#)

154. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

155. **State Automobile Mutual Insurance Company**

- Auto/Home Discount.
- Credits for Protective Devices
- Age of Dwelling Credit.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount, Age 55 and older.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Base Premium.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Eff 10-1-14 STAT-129666642 [NCDOI](#)

156. **State Auto Property & Casualty Insurance Company**

- Credits for Protective Devices
- Increased Coverage C.
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Eff. 10-1-14 STAT-129666667 [NCDOI](#)

157. **State Farm Fire & Casualty**

- Deviation by Amount of Insurance HO 00 04 and HO 00 06.
- Protective devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Homeowners 36 Discount.
- Installment Payment Plan.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount.
- Deductibles-Named Storm Percentage deductibles.
- Deductibles-Named Storm Percentage deductibles.
- Deductibles-Named Storm Percentage deductibles.
- All peril deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Eff. 7-1-13 SFMA-128957201 [NCDOI](#)

158. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowners coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

159. **Teachers Insurance Company**

- Installment Pay Plan.
- Multi-Line Discount,
- Installment Payments (EFT).
- Eff. 4-1-14 HRMN-129256524 [NCDOI](#)

160. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Deductible Credits.
- Protective Devices.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-17-14 TRVA-129270713 [NCDOI](#)

161. **Travelers Indemnity Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Deductible Credits.
- Protective Devices.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-17-14 TRVA-129270675 [NCDOI](#)

162. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A relativity curve.
- Deductible Credits.
- Protective Device Credit.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.

- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 5-17-14 TRVA-129270714 [NCDOI](#)

163. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

164. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Protective Device Credit.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 5-17-14 TRVA-129270670 [NCDOI](#)

165. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643 [North Carolina Department of Insurance](#)

166. **Twin City Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49, 52.
- Account Credit for all territories.
- Retiree Credit named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Eff. 3-3-13 HART-128761154 [NCDOI](#)

167. **USAA CASUALTY INSURANCE COMPANY**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-14-14 USAA-129529743 [NCDOI](#)

168. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-14-14 USAA-129529748 [NCDOI](#)

169. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher

& dead bolt locks.

- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

170. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
 - 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

171. **United Property & Casualty**

- Book Transfer discount.
- Companion Policy discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 4-15-13 UPCI-128951923 [NCDOI](#)

172. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Base Premium Protection Construction Factors.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-14-14 USAA-129529705 [NCDOI](#)

173. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952 [North Carolina Department of Insurance](#)

174. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

175. **Unitrin Auto and Home Insurance Company**

- Base rate by coverage Level.
- Price Level Deviation.
- Age of Dwelling.
- Mature Homeowners Credit.
- Credit Rating Variables.
- Loss Record.
- Consumer Loyalty Credit.
- Personal Property (Coverage C) RC Coverage.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Network Discount.
- Installment Payment Plans, Electronic Funds Transfer (EFT).
- Protective Devices.
- All Other Protective Devices.
- Eff 6-1-13 KEMP-128844969 [NCDOI](#)

176. **Unitrin Safeguard Insurance Company**

- Base rate by territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss record deviation.
- Age of Home.
- Roof type.
- Mature Homeowners Credit.
- Optional All other perils deductible.
- Windstorm/hail deductible.
- Seasonal/secondary deviation.
- Pool surcharge.
- Protective devices.
- Residence Safety.
- Home buyer discount.
- Personal Property (Coverage C) RC Coverage.

- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Installment Payment Plans, Electronic Funds Transfer (EFT).
- Eff 10-9-14 KEMP-129542853 [NCDOI](#)

177. **Universal North American Insurance Company**

Homeowners Choice Program

- Age of Dwelling.
- Personal Property Replacement Cost.
- Loss of Use.
- GEICO Credit.
- Costco Credit.
- Prior Claim rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Claim free discount.
- Maximum discount Rule.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 6-23-14 UNAC-129394990 [NCDOI](#)

178. **Utica Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- (W.I.S.E.)/Affinity Group Program.
- HO Extension Package.
- Personal Lines Account Credit.
- Protection Class deviation Suburban Rating.
- Eff. 4-1-12 UTCX-G127958123 [NCDOI](#)

179. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

180. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.

- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

181. **Vigilant Insurance Company.**

- Base premium computation forms HO 00 04.
- Payment Options-Installment fees waived for Auto recurring payments.
- Base premium computation by form and territory.
- Protective Devices maximum credit is deleted
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage deductible.
- Additional Amounts of Insurance discount.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community credit.
- Multi-Policy Credit - Valuable Articles Credit.
- Eff. 10-6-14 CHUB-129646126 [NCDOJ](#)

182. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

183. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

HOMEOWNERS

1. ACE American Insurance Company

- New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
- Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
- Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
- Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
- Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
- Eff. 9-1-92

2. ACE Fire Underwriters Insurance Company

- New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
- Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
- Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
- Eff. 5-1-92

3. AIG Property Casualty Company

- Base Premium by Territory Form HO 00 03.
- Key Factor Deviation.
- Protective Devices.
- Eff 1-8-16 APCG-130345258 [NCDOI](#)

4. AIU Insurance Company

- All Forms: 10%.
- Eff. 2-1-86

5. AMCO Insurance Company

- Territory Deviation, excludes wind or hail or does not exclude wind or hail.
- Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
- Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
- Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
- Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
- Flex Check Payment Option-Installment Payment Plan, Forms HO 02, HO 03, HO 04, HO 05 and HO 06.
- Personal Status Deviation.
- Associate Discount Deviation.
- Increased Special Limits of Liability.
- Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
- Multi line Deviation.
- Census Block Deviation.
- Eff 10-1-15 NWPC-130174309 [NCDOI](#)

6. AMEX Assurance Company

- Various downward deviation based on amount of insurance Form 3.
- Various downward deviation based on amount of insurance Form 4.
- Various downward deviation based on amount of insurance Form 6.
- Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887 [North Carolina Department of Insurance](#)

7. **Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217 [North Carolina Department of Insurance](#)

8. **AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. **Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137 [NCDOI](#)

10. **Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461 [North Carolina Department of Insurance](#)

11. **Allstate Indemnity Company**

- Claim Rating deviation.

- Claims Free Discount.
- New/renovated Home Discount.
- Home and Auto Discount Deviation.
- The Good Hands People Discount Deviation.
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment payment plan.
- Eff 6-1-15 ALSE-129989968 [NCDOI](#)

12. **Allstate Insurance Company**

- Deductible factors.
- Personal Property Replacement Cost Deviation.
- Protective devise discount.
- New/Renovated Home discount.
- Age 55 & Retired Discount Factor.
- Home and auto discount deviation.
- The Good Hands People discount.
- Waterbed Liability Deviation HO4 and HO6.
- Installment payment plan – Allstate Easy Payment Plan.
- Three or four family dwelling.
- Zone (Territory) Deviation.
- Rental to Others Extended Theft.

Deluxe Plus

- Deductibles
- Protective Devices.
- Newly Constructed Dwellings.
- Age 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People discount.
- Zone (Territory) Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 6-1-15 ALSE-129989192 [NCDOI](#)

13. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. **American Automobile Insurance Company**

- Protection Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOI | Property & Casualty - Filing Search](#)

15. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.

- Eff. 1-1-15 ASPX-G130195038 [NCDOI](#)

16. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. **American Family Home Insurance Company**

- Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Eff. 9-1-08 AMMH-125737994 [NCDOI](#)

19. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [North Carolina Department of Insurance](#)

20. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.

- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [Filing Detail](#)

22. American Modern Home Insurance Company

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.

- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938 [North Carolina Department of Insurance](#)

24. American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-/91

25. American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

26. American Strategic Insurance Corporation

- Territory Zone Deviation
- Protection Class Construction Factors HO 00 03, HO 00 04 and HO 00 05.

- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – All Forms.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in full discount form HO 00 04.
- Bundled coverage Credit form HO 00 04.
- Secured community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Form Factors-Form HO 00 05.
- Eff 8-15-15 AMSI-129893853 [NCDOI](#)

27. **AMICA Mutual Insurance Company**

- Waive the additional premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 rate deviation by policy amount.
- Additional Amounts of Insurance-1.00 All territories with exceptions.
- Personal Property-Increased Limit, \$1.60 for all forms.
- Premium Payment Option.
- Multi-Line Discount, Optional Rating Characteristics. Various discounts in all territories with exceptions.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 6-1-15 AMMA-129880475 [NCDOI](#)

28. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. **Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10-1-94

30. **Armed Forces Insurance Exchange**

- Optional Deductible Credits.
- Year of Construction - Newer Home Discount.
- Earthquake Coverage.
- Sinkhole Collapse Coverage.
- Base Premium Computation.
- Minimum policy premium waived.

- Protective Devices-Maximum credit.
- Eff 6-1-15 ARMD-129941707 [NCDOI](#)

31. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340 [North Carolina Department of Insurance](#)

32. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

33. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

35. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- New Home Credits.

- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152389 [NCDOI](#)

36. **Auto-Owners Insurance Company**

- Key factors.
- Deductibles – Waiver of Minimum charges.
- Protective Device Credit.
- Protective Device Credit – alarm systems.
- Mature Homeowner Discount.
- Townhouse or row house deviation.
- Credit card, fund transfer card, forgery and counterfeit money.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Personal Injury coverage-no charge.
- Special Personal Property Coverage HO 00 05.
- Multi-Policy Discount.
- Section II liability watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy discount.
- Paid in Full discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06.
- Protection Class Relativities.
- Age of Construction Discount.
- Base Class Premium.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Eff. 10-2-15 AOIC-130099363 [NCDOI](#)

37. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963 [North Carolina Department of Insurance](#)

38. **Bankers Standard Insurance Company**

- Deviation forms HO 00 02, HO 00 03, HO 00 04, HO 00 06, HO 00 05 and HE-7.
- Key Factors Coverage A over \$750,000.
- Protective Devices maximum credit allowed is deleted.
- Optional Higher Deductibles forms HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit-Multi Policy.
- Mass Merchandising Discount.
- Installment Payments.
- Electric Backup System.
- Eff. 10-1-15 ACEH-130109778 [NCDOI](#)

39. **Camden Fire Insurance Association, The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137 [North Carolina Department of Insurance](#)

40. **Central Mutual Insurance Company**

Owners Program

- Deviation by territory and protection class.
- Homeowners Enhancement Program – Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by amount of insurance and insurance score.
- Insurance Score Deviation.
- Customer loyalty deviation.
- Optional Deductibles.
- Payment timelines deviation.
- Loss history deviation.
- Personal Property Replacement Cost.
- Accompanying schedule or boat deviation.
- Age of dwelling.
- Home buyer deviation.
- Gated community deviation.
- Non-Packaged Risk deviation.
- Wood Roof Factor.
- Residence held in trust deviation.
- Package deviation.
- Installment Payment with Electronic Transfer.
- Deviation for Waiver of Premium.
- **Condo Program**
- Deviation by territory, protection class.
- Deviation by amount of insurance.
- Deviation by insurance score.
- Customer loyalty deviation.
- Deductible Optional Higher Deductibles.
- Payment timelines deviation.
- Loss history Deviation.
- Accompanying schedule or boat deviation.
- Form HO 00 06 Coverage A Dwelling Basic and Increased Limits and Special Coverage.
- Residence held in trust.
- Package Deviation.
- Installment Payment Plan.
- Deviation for waiver of premium.
- **Tenants Program**
- Base Class territory and protection class.
- Amount of insurance deviation.
- Insurance score deviation.
- Customer loyalty deviation.
- Deductibles B. Optional Higher Deductibles.
- Payment timelines deviation
- Loss history deviation.

- Accompanying schedule or boat deviation.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for waiver of premium.
- Eff 6-1-15 CEMC-129924586 [NCDOI](#)

41. **Century National Insurance Company**

- Installment Charge.
- Eff 8-1-15 CENT-130132700 [NCDOI](#)

42. **The Charter Oak Fire Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152463 [NCDOI](#)

43. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697 [North Carolina Department of Insurance](#)

44. **The Cincinnati Insurance Company**

- Year of construction-Newly Constructed Dwellings Age of Dwelling Credits.
- Base Rate Deviations by Territory.
- Installment Payment Plan.
- Homeowners Enhancement Deviation.
- Watercraft Liability deviation.
- Preferred Risk credit.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy credit – All Forms.
- Automatic Water Shut-Off System Credit.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Eff 6-1-15 CNNB-129926943 [NCDOI](#)

45. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.

- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [North Carolina Department of Insurance](#)

46. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [North Carolina Department of Insurance](#)

47. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.

- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [NCDOI](#)

48. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware and Pewterware.
- Firearms.
- Group Marketing Discount.
- Payroll Deduction Discount.
- Eff. 11-18-15 ELEC-130218355 [NCDOI](#)

49. **EMCASCO Insurance Company**

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount
- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670 [North Carolina Department of Insurance](#)

50. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669 [North Carolina Department of Insurance](#)

51. **+Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324 [NCDOI](#)

52. **Erie Insurance Company**

- Erie Base Rate Deviations.

- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.
- Eff 10-1-15 ERPP-130101422 [NCDOI](#)

53. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 10-1-15 ERPP-130101416 [NCDOI](#)

54. **Esurance Insurance Company**

- Tier deviation.
- Eff 6-8-16 ESUR-130150903 [NCDOI](#)

55. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [North Carolina Department of Insurance](#)

57. **Federal Insurance Company**

- Installment Payment Plan-recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.
- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 6-1-15 CHUB-129916441 [NCDOI](#)

58. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

59. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.

- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [North Carolina Department of Insurance](#)

60. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [North Carolina Department of Insurance](#)

61. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121 [North Carolina Department of Insurance](#)

62. **Firemen's Insurance Company of Washington D.C.**

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

63. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Experience Rating Factors.

- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community.
- Key Factor Table HO 00 03 Discount.
- Key Factor Table HO 00 04 Discount.
- Key Factor Table HO 00 06 Discount.
- Superior Construction-All Forms.
- Eff 6-1-15 BKIC-129875960 [NCDOI](#)

64. **First Protective Insurance Company**

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Eff 6-1-15 PARE-130035422 [NCDOI](#)

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406 [NCDOI](#)

65. **Garrison Property and Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 9-15-15 USAA-130073184 [NCDOI](#)

66. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.

- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-00 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [North Carolina Department of Insurance](#)

67. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

68. **Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [NCDOI](#)

69. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

70. **Graphic Arts Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- W.I.S.E./Affinity program discount,
- Territory Deviations.
- Personal Lines Account Credit
- Package Deviation.
- Protection Class deviation/Suburban Rating.
- Eff. 6-1-15 UTCX-G129910958 [NCDOI](#)

71. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.

- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.
- Cap on total credits/discounts.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 6-1-15 HNVX-G129953461 [NCDOI](#)

72. **Hanover Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6.
- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan.
- Group Modification Plan Discount (Mass Merchandising Plan)
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts
- Relativity curve deviation HO 00 03.
- Relativity Curve deviation forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879210 [NCDOI](#)

73. **Harbor Specialty Insurance Company**

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

74. **Harford Mutual Insurance Company**

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

75. **Harleysville Preferred Insurance Company**

- Group Mass Marketing Discount.
- Preferred customer discount – all territories except 07, 08, 41, 48, 49, 81 and 86.
- StarPak Program Discount
- Companion Credit (homeowners and private passenger auto policy).
- Newly Purchased Home Credit Forms HO 02, HO 03, HO 05, and HE 7.
- Mature Homeowner Discount (HO 03, HO 05 and HE 7 only) 55 years of age or older.
- Life Insurance Policy Discount (life insurance/annuity policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Base Premium deviation for certain Territories.
- Personal Property Increased Limit.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 9-13-15 HRLV-130177052 [NCDOI](#)

76. **Hartford Accident and Indemnity Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49, 52.
- Account Credit for all territories.
- Retiree Credit named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
- Product Factor – Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Effective 06-01-15 HART-129889560-[NCDOI](#)

77. **Hartford Casualty Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit for all territories.
- Retiree Credit, named insured is age 50 or older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor- Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Eff. 06-01-15 HART-129889694 [NCDOI](#)

78. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.

- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [North Carolina Department of Insurance](#)

79. **Hartford Insurance Company of Midwest**

- Age of Dwelling credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit all territories.
- Retirees Credit: named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: is protected 24 hours a day.
- Product Factor – Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 06-01-15 HART-129889569 [NCDOI](#)

80. **Hartford Underwriters Insurance Company**

- Age of Dwelling Credit.
- Account Credit for all territories.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors deviation.
- Insurance score.
- Prior Losses.
- Territory deviation.
- Eff. 06-01-15 HART-129889698-[NCDOI](#)

81. **Homesite Insurance Company**

- Preferred Risk Group 1 Discount on form HO 00 03 and HO 00 06.
- Preferred Risk Group 2 Discount on form HO 00 03.
- Partner Discount-Form HO 00 04.
- Agency Capping Rule-all forms.
- Eff 7-1-15 HMSS-130072842 [NCDOI](#)

82. **Horace Mann Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060883 [NCDOI](#)

83. **Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.

- Eff 10-1-15 HRMN-130060865 [NCDOI](#)

84. **IDS Property Casualty Insurance Company**

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 6-1-15 PRCA-129896497 [NCDOI](#)

85. **Indemnity Insurance Company of North America**

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

86. **Indiana Lumbermens Mutual Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

87. **Insurance Company of North America**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

88. **Insurance Company of the State of Pennsylvania**

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

89. **Integon General Insurance Corporation**

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.

- Eff. 5-1-92

90. **Integon Indemnity Corporation**

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

91. **Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [NCDOI](#)

92. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [North Carolina Department of Insurance](#)

93. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

94. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 deviation.
- Age of Dwelling deviation.
- Book transfer discount.
- Claim free discount.
- Companion policy discount.
- Golden age discount.
- New purchase discount.
- Secured Communities discount.
- E-Policy discount.
- Maximum discount.
- Seasonal/secondary home deviation.
- Wood burning stove deviation.
- Experience rating deviation.
- Eff 6-1-15 MERL-129957112 [NCDOI](#)

95. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LITZ-129887592 [NCDOI](#)

96. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.

- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [North Carolina Department of Insurance](#)

97. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939 [North Carolina Department of Insurance](#)

98. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

99. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.

- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 00 06
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).
- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 6-1-15 HNVX-G129953474 [NCDOJ](#)

100. **Max America Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit.
- Forms 1, 2, 3 & 3 w/15: New Home Credit.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03-5-02

101. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

102. **The Members Insurance Company**

- Account Credit, Forms HO 00 03 and HE 00 07 By Territories, Tier.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility factors.
- Home Buyer factors.
- Territory factors.
- Unit Owner's Building Increase Limits and Special Coverage-Form HO 00 06.
- Tenure Factors.
- Age of Home.
- Age of Roof factors.
- Woodstove factors.
- Protective device/controlled access security discount.
- Eff 6-1-15 CMCG-130081795 [NCDOJ](#)

103. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.

- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [NCDOI](#)

104. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [North Carolina Department of Insurance](#)

105. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory deviation.
- Deductible Deviation.
- Additional Limits of Liability
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage
- Earthquake Coverage
- Platinum Coverage Package.
- Tier Program.
- Eff. 10-30-14 METX-G129672932 [NCDOI](#)

106. **Metropolitan Property & Casualty Insurance Company**

Standard Program

- Territory Deviation.
- Deductible Deviation.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation:
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

Conversion Program

- Territory Deviation.
- Deductible Deviation.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices Premium Credits for Alarm Systems: Credit applies to base premium.
- Mature Homeowners Discount.
- Multi-Policy Discount.

- Met Rewards Claim Free Discount when criteria are met.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- Tier Program.
- Eff 10-30-14 METX-G129672818 [NCDOI](#)

107. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [North Carolina Department of Insurance](#)

108. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [North Carolina Department of Insurance](#)

109. **NGM Insurance Company**

- Combined Personal Protection Program.
- Deductible credits/charges, factor varies by ded amount.
- Protective device credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A Dwelling.
- Personal Property Replacement Cost.
- Personal Injury.
- Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money.

- Special Computer Coverage.
- Coverage C Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan Deviation.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Discount factor varies by Insurance Score.
- Territorial Base Rate Deviation.
- Eff. 10-1-15 NGMC-130179190 [NCDOI](#)

110. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

111. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

112. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [North Carolina Department of Insurance](#)

113. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.

- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427 [North Carolina Department of Insurance](#)

114. **Nationwide General Insurance Company**

- Territory Deviation.
- Amount of Insurance – Territory Deviation.
- Deductible deviations.
- Age of Construction.
- Home renovation Deviation.
- Home Purchase Deviation.
- Age of Oldest insured deviation.
- Gated community deviation.
- Supplemental Heating deviation.
- Prior insurance deviation.
- Safe home rating plan deviation.
- Protection class deviation.
- Roof age and type deviation.
- Household composition deviation.
- Associate deviation.
- Maximum deviation.
- Number of units deviation HO 00 04 and HO 00 06.
- Installment PaymentOptions.
- Miles to coast deviation.
- Census Block Deviation.
- Eff 12-20-15 NWPC-130192752 [NCDOI](#)

115. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviations.
- Protective Device Deviations by territory: Credit varies.
- Safe Home Rating Plan Deviation.
- Age of Home Component.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-line deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff. 12-20-15 NWPC-130192749 [NCDOI](#)

116. **Nationwide Mutual Insurance Company**

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- HE-7 Deviations by certain territories.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowner Discount.

- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT) payment plan.

Nationwide Mutual Insurance Company

- Nationwide Territory Definitions Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductible Deviations.
- Protective Device Deviation.
- Safe Home Rating Program – Form HO 02, HO 03, HO 05 and HO 06.
- Age of oldest Insured.
- Personal Status Deviation.
- Age of construction deviation.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation.
- Home Purchase Deviation.
- Nationwide Associate Deviation.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation.
- Installment Payment Plans.
- Census Block Deviation.
- Eff. 12-2015 NWPC-130192717 [NCDOI](#)

117. **Netherlands Insurance Company**

Preferred Homeowners

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [North Carolina Department of Insurance](#)

118. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.

- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

119. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

120. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property (Coverage C) Replacement Cost.
- Deductible Credits.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Outboard Motors and Water Craft.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Value-Plus Deviation.
- Carolina Partner Plus Discount.
- Company Deviations.
- Deviation Forms HO 00 02 and HO 00 03.
- Deviations by territories 07, 08, 48, 49, 52.
- Deviations Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 6-1-15 NCFB-129893882 [NCDOI](#)

121. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

122. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955 [North Carolina Department of Insurance](#)

123. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

124. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [North Carolina Department of Insurance](#)

125. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

126. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952 [North Carolina Department of Insurance](#)

127. **Owners Insurance Company**

- Key factors.
- Deductibles - Waiver of Minimum Charges.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House discount factors.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.
- Form HO 00 06 Coverage A Dwelling Increased Limits and Special Coverage.
- Personal Injury coverage-no charge.

- Special Personal Property Coverage HO 00 05.
- Multi-Policy Discount.
- Section II, Liability-watercraft.
- Life-Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy discount.
- Paid in full discount.
- Personal Property Increased limits.
- All forms except HO00 04 and HO 00 06.
- Protection Class Relativities.
- Age of construction discount.
- Base Class Premium.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Eff 10-2-15 AOIC-130099368 [NCDOI](#)

128. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

129. **Pacific Indemnity Company**

- Base Premium Computation - Forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base Premium Computation by territory and forms.
- Protective Devices – Maximum Credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductible.
- Additional Amount of Insurance deviation. Forms HO 00 02, HO 00 03 & HO 00 05.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Eff 6-1-15 CHUB-129916708 [NCDOI](#)

130. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [NCDOI](#)

131. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .

- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

132. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

133. **Pennsylvania National Mutual Casualty Insurance Company**

- Age New Home Discount: Forms HO 00 02, HO 00 03, HO 00 05 and HE 00 07.
- Deductibles – Optional Higher Deductibles.
- Personal Property A Increased Limits.
- Preferred Program territory & protection class.
- Account Credit Program.
- Outboard motors and watercraft Deviation.
- Protective Device Credits.
- Additional Amount of Insurance HO 00 02 & HO 00 03.
- Ordinance or Law Coverage.
- Preferred Advantage Program Deviation.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money Deviation.
- Loss Assessment coverage Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Personal Property - Increased Special Limits of Liability.
- Personal Property – Refrigerated personal Property.
- Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability
- Installment Charges-Recurring Payments automatically deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Eff 06-01-15 PNPR-129871225- [NCDOI](#)

134. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [North Carolina Department of Insurance](#)

135. **Phoenix Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.

- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152401 [NCDOI](#)

136. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

137. **Praetorian Insurance Company**

- Base rate deviation.
- Age of Home Deviation.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Specified Additional Amount of Insurance Coverage A.
- Eff 8-1-15 QBEC-130156771 [NCDOI](#)

138. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated
- Territory Deviation
- Coverage A Deviation
- Superior Construction Credits
- Generator Credit
- Financial Responsibility Factor
- Seasonal/Secondary Home
- Occupancy Deviation
- Multi Policy Credit (Personal Automobile)
- Multi Policy Credit (Personal Excess Liability)
- Multi Policy Credit (Jewelry & Art)

- Protective Devices
- Loss Free Credits
- Eff 6-1-15 PRIV-129924399 [NCDOI](#)

139. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [NCDOI](#)

140. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008 [North Carolina Department of Insurance](#)

141. **QBE Insurance Company**

- Territorial Deviations-Form HO 00 03.
- New Home Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Specified Additional Amount of Insurance Coverage A.
- Eff 8-1-15 QBEC-130156634 [NCDOI](#)

142. **Republic-Franklin Insurance Company**

Edge Program

- Protection Classification credit.
- Edge Program Tiered.
- Personal Property.
- Mass Merchandising Plan.
- Affinity Group-Wise Program.
- Personal Lines Account Credit.
- Package Additional Coverages.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.

Essentials Program

- Protection Classification credit.
- Personal Property.

- Personal Lines Account Credit.
- Homeowners Extension Package.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.
- Edge Essential Program Tiered Rating.
- Eff 11-15-12 UTCX-G128669380 [NCDOI](#)

143. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

144. **Safeco Insurance Company of America**

- Deductible Debit/Credits.
- Account Credit: all forms certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities.
- Employee Discount Plan.
- New Buyer discount.
- Age of Roof Discount.
- Umbrella Discount
- Eff. 06-01-15 LBRM-130014262 [NCDOI](#)

145. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Eff 6-1-15 RLSC-130005225 [NCDOI](#)

146. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

147. **Seaton Insurance Company**

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.

- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

148. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

149. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

150. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

151. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

152. **Service Insurance Company**

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for auto smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The max allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03 PC061674 [North Carolina Department of Insurance](#)

153. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.

- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [NCDOI](#)

154. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720 [North Carolina Department of Insurance](#)

155. **Southern Insurance Company of Virginia**

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191 [North Carolina Department of Insurance](#)

156. **Southern Pilot Insurance Company**

- Territory/Protection Class/Construction Forms HO 00 03, HO 00 05, HE-7.
- Territory/Protection Class/Construction Forms HO 00 04.
- Territory/Protection Class/Construction Forms HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Personal Property Increased Limits.
- Outboard Motors and Watercraft Liability.
- Personal Injury Coverage.
- Protective Devices Credit.
- Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 6-1-15 QBEC-130076168 [NCDOI](#)

157. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [North Carolina Department of Insurance](#)

158. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

159. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

160. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

161. **Standard Fire Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff. 11-7-15 TRVA-130152387 [NCDOI](#)

162. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

163. **State Automobile Mutual Insurance Company**

- Auto/Home Discount.
- Credits for Protective Devices
- Age of Dwelling Credit.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount, Age 55 and older.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Base Premium.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group discount Plan.
- Eff 6-1-15 STAT-129905964 [NCDOI](#)

164. **State Auto Property & Casualty Insurance Company**

- Credits for Protective Devices
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group Discount Plan.
- Base Premiums by NCRB territory codes from HO 00 03.
- Eff. 6-1-15 STAT-129906006 [NCDOI](#)

165. **State Farm Fire & Casualty**

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.

- Claim Record Rating Plan Deviation.
- Installment Payment Plan.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount.
- Deductibles-Named Storm Percentage deductibles HO 00 03, HO 00 04 and HO 00 06.
- All peril deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection class.
- Eff. 6-1-15 SFMA-129875894 [NCDOI](#)

166. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowners coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

167. **Teachers Insurance Company**

- Installment Pay Plan.
- Multi-Line Discount.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060866 [NCDOI](#)

168. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152456 [NCDOI](#)

169. **Travelers Indemnity Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152386 [NCDOI](#)

170. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-7-15 TRVA-130152382 [NCDOI](#)

171. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

172. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-7-15 TRVA-130152381 [NCDOI](#)

173. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.

- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643 [North Carolina Department of Insurance](#)

174. **Twin City Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49, 52.
- Account Credit for all territories.
- Retiree Credit named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
- Insurance Score.
- Key Factors
- Prior Losses.
- Territory Deviation.
- Eff. 06-01-15 HART-129889670-[NCDOI](#)

175. **USAA CASUALTY INSURANCE COMPANY**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 9-15-15 USAA-130073273 [NCDOI](#)

176. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-14-14 USAA-129529748 [NCDOI](#)

177. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.

- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

178. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
 - 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

179. **United Property & Casualty**

- Book Transfer discount.
- Companion Policy discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 4-15-13 UPCI-128951923 [NCDOI](#)

180. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.

- Installment Payment Plan.
- Eff 9-15-15 USAA-130073175 [NCDOI](#)

181. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952 [North Carolina Department of Insurance](#)

182. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

183. **Unitrin Auto and Home Insurance Company**

- Base rate by territory.
- Protection Class.
- Amount of Insurance.
- Tier deviation.
- Loss Record deviation.
- Age of Dwelling.
- Roof Type.
- Mature Homeowners Credit.
- Optional All Other Perils deductible.
- Windstorm/Hail deductibles.
- Seasonal/secondary deviation.
- Pool Surcharge.
- Protective Devices.
- Home Buyer Discount.
- Coverage Level discount
- Personal Property (Coverage C) RC Coverage.
- Eff 06-01-15 KEMP-129888116-[NCDOI](#)

184. **Unitrin Safeguard Insurance Company**

- Base rate by territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss record deviation.
- Age of Home.
- Roof type.
- Mature Homeowners Credit.
- Optional All other perils deductible.
- Windstorm/hail deductible.
- Seasonal/secondary deviation.

- Pool surcharge.
- Protective devices.
- Residence Safety.
- Home buyer discount.
- Personal Property (Coverage C) RC Coverage.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Installment Payment Plans, Electronic Funds Transfer (EFT).
- Eff 10-9-14 KEMP-129542853 [NCDOI](#)

185. **Universal North American Insurance Company**
Homeowners Choice Program

- Age of Dwelling.
- Personal Property Replacement Cost No Minimum Charge.
- Loss of Use.
- GEICO Credit.
- Costco Credit.
- Prior Claim Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Claim Free Discount.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 1-1-16 AGIA-130222617 [NCDOI](#)

186. **Utica Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- (W.I.S.E.)/Affinity Group Program.
- Personal Lines Account Credit.
- Extension Package.
- Protection Class deviation Suburban Rating.
- Eff. 4-1-15 UTCX-G129843575 [NCDOI](#)

187. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

188. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced

charge.

- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

189. **Vigilant Insurance Company.**

- Base premium computation forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base premium computation by form and territory.
- Protective Devices maximum credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage deductible.
- Additional Amounts of Insurance discount.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community credit.
- Multi-Policy Credit - Valuable Articles Credit.
- Eff. 6-1-15 CHUB-129916736 [NCDOJ](#)

190. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

191. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

HOMEOWNERS

1. **ACE American Insurance Company**
 - New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
 - Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
 - Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
 - Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
 - Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
 - Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
 - Eff. 9-1-92

2. **ACE Fire Underwriters Insurance Company**
 - New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
 - Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
 - Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
 - Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
 - Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
 - Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
 - Eff. 5-1-92

3. **AIG Property Casualty Company**
 - Base Premium by Territory Form HO 00 03.
 - Key Factor Deviation.
 - Protective Devices.
 - Eff 1-8-16 APCG-130345258 [SERFF Filing Access - North Carolina](#)

4. **AIU Insurance Company**
 - All Forms: 10%.
 - Eff. 2-1-86

5. **AMCO Insurance Company**
 - Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
 - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
 - Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
 - Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
 - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
 - Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
 - Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
 - Flex Check Payment Option-Installment Payment Plan.
 - Personal Status Deviation.
 - Associate Discount Deviation.
 - Increased Special Limits of Liability.
 - Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
 - Multi-Line Deviation.
 - Census Block Deviation.
 - Eff 10-1-16 NWPC-130645589 [SERFF Filing Access - North Carolina](#)

6. **AMEX Assurance Company**
 - Various downward deviation based on amount of insurance Form 3.
 - Various downward deviation based on amount of insurance Form 4.
 - Various downward deviation based on amount of insurance Form 6.
 - Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887 [NCDOI](#)

7. **Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217 [NCDOI](#)

8. **AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. **Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137 [SERFF Filing Access - North Carolina](#)

10. **Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461 [NCDOI](#)

11. **Allstate Indemnity Company**

- Claim Rating deviation.

- Claims Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount Deviation.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Eff 6-21-16 ALSE-130448409 [SERFF Filing Access - North Carolina](#)

12. **Allstate Insurance Company**

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwellings.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.
- Deluxe Plus**
- Deductibles.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 10-24-16 ALSE-130681404 [SERFF Filing Access - North Carolina](#)

13. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. **American Automobile Insurance Company**

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOI](#)

15. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.

- Eff. 1-1-15 ASPX-G130195038 [SERFF Filing Access - North Carolina](#)

16. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. **American Family Home Insurance Company**

- Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Eff. 9-1-08 AMMH-125737994 [SERFF Filing Access - North Carolina](#)

19. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [SERFF Filing Access - North Carolina](#)

20. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.

- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [NCDOI](#)

22. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. **American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.

- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

24. American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-91

25. American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

26. American Strategic Insurance Corporation

- Territory Zone Deviation
- Protection Class Construction Factors HO 00 03, HO 00 04 and HO 00 05.

- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – All Forms.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in full discount form HO 00 04.
- Bundled coverage Credit form HO 00 04.
- Secured community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Form Factors-Form HO 00 05.
- Eff 8-15-15 AMSI-129893853 [SERFF Filing Access - North Carolina](#)

27. **AMICA Mutual Insurance Company**

- Waive the Additional Premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 Rate Deviation by Policy Amount.
- Additional Amounts of Insurance-1.00 All Territories with Exceptions.
- Personal Property-Increased Limit, \$1.60 for All Forms.
- Premium Payment Option.
- Multi-Line Discount.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 7-1-16 AMMA-130376653 [SERFF Filing Access - North Carolina](#)

28. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. **Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10-1-94

30. **Armed Forces Insurance Exchange**

- Optional Deductible Credits.
- Year of Construction - Newer Home Discount.
- Earthquake Coverage.
- Sinkhole Collapse Coverage.
- Base Premium Computation.
- Minimum policy premium waived.

- Protective Devices-Maximum credit.
- Eff 6-1-15 ARMD-129941707 [SERFF Filing Access - North Carolina](#)

31. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%: Form 6- 20%.
- Eff. 5-15-04 PC069340 [NCDOI](#)

32. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

33. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

35. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- New Home Credits.

- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152389 [SERFF Filing Access - North Carolina](#)

36. Auto-Owners Insurance Company

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II Liability Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Eff. 10-2-16 AOIC-130633231 [SERFF Filing Access - North Carolina](#)

37. Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963 [SERFF Filing Access - North Carolina](#)

38. Bankers Standard Insurance Company

- Deviation forms HO 00 02, HO 00 03, HO 00 04, HO 00 06, HO 00 05 and HE-7.
- Key Factors Coverage A over \$750,000.
- Protective Devices maximum credit allowed is deleted.
- Optional Higher Deductibles forms HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit-Multi Policy.
- Mass Merchandising Discount.

- Installment Payments.
- Electric Backup System.
- Eff. 10-1-15 ACEH-130109778 [SERFF Filing Access - North Carolina](#)

39. **Camden Fire Insurance Association, The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137 [NCDOI](#)

40. **Central Mutual Insurance Company**

Owners Program

- Deviation by Territory and Protection Class.
- Homeowners Enhancement Program – Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Optional Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Personal Property Replacement Cost.
- Accompanying Schedule or Boat Deviation.
- Age of Dwelling.
- Home Buyer Deviation.
- Gated Community Deviation.
- Non-Packaged Risk Deviation.
- Deviation of Wood Roofs.
- Superior Protection Credits.
- Residence Held in Trusts.
- Package Deviation.
- Installment Payment with Electronic Transfer.
- Deviation for Waiver of Premium.

Condo Program

- Deviation by Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Form HO 00 06 Coverage A.
- Residence Held in Trust – All Forms except HO 00 04.
- Package Deviation.
- Installment Payment Plan.
- Deviation for Waiver of Premium.

Tenants Program

- Base Class Territory and Protection Class.
- Amount of Insurance Deviation.

- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductibles B. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.
- Eff 4-1-16 CEMC-130-398255 [SERFF Filing Access - North Carolina](#)

41. **Century National Insurance Company**

- Installment Charge.
- Eff 8-1-15 CENT-130132700 [SERFF Filing Access - North Carolina](#)

42. **The Charter Oak Fire Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152463 [SERFF Filing Access - North Carolina](#)

43. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697 [NCDOI](#)

44. **The Cincinnati Insurance Company**

- Dwellings Age of Dwelling Credits.
- Base Rate Deviation by Territory.
- Installment Payment Plan.
- Homeowners Enhancement Deviation.
- Watercraft Liability Deviation.
- Preferred Risk Credit.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Advance Quote Discout.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.

- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protection Devices.
- Eff 8-1-16 CNNB-130401287 [SERFF Filing Access - North Carolina](#)

45. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [NCDOI](#)

46. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.

- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [NCDOI](#)

47. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [SERFF Filing Access - North Carolina](#)

48. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 6-6-16 ELEC-130556205 [SERFF Filing Access - North Carolina](#)

49. **EMCASCO Insurance Company**

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount
- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670 [NCDOI](#)

50. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.

- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669 [NCDOI](#)

51. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324 [SERFF Filing Access - North Carolina](#)

52. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.
- Eff 10-1-15 ERPP-130101422 [SERFF Filing Access - North Carolina](#)

53. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.

- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 10-1-15 ERPP-130101416 [SERFF Filing Access - North Carolina](#)

54. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903 [SERFF Filing Access - North Carolina](#)

55. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [NCDOI](#)

57. **Federal Insurance Company**

- Installment Payment Plan-recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.

- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 6-1-15 CHUB-129916441 [SERFF Filing Access - North Carolina](#)

58. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

59. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [NCDOI](#)

60. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: H0 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [NCDOI](#)

61. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

62. Firemen's Insurance Company of Washington D.C.

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

63. First Community Insurance Company

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Experience Rating Factors.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community.
- Key Factor Table HO 00 03 Discount.
- Key Factor Table HO 00 04 Discount.
- Key Factor Table HO 00 06 Discount.
- Superior Construction-All Forms.
- Eff 6-1-15 BKIC-129875960 [SERFF Filing Access - North Carolina](#)

64. First Protective Insurance Company

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Eff 6-1-15 PARE-130035422 [SERFF Filing Access - North Carolina](#)

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406 [SERFF Filing Access - North Carolina](#)

65. Garrison Property and Casualty Insurance Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.

- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-13-16 USAA-130760267 [SERFF Filing Access - North Carolina](#)

66. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [NCDOI](#)

67. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

68. **Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [SERFF Filing Access - North Carolina](#)

69. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

70. **Graphic Arts Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- W.I.S.E./Affinity program discount,
- Territory Deviations.
- Personal Lines Account Credit
- Package Deviation.
- Protection Class deviation/Suburban Rating.
- Eff. 6-1-15 UTCX-G129910958 [SERFF Filing Access - North Carolina](#)

71. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.
- Cap on total credits/discounts.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 6-1-15 HNVX-G129953461 [SERFF Filing Access - North Carolina](#)

72. **Hanover Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6.
- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan.
- Group Modification Plan Discount (Mass Merchandising Plan)
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts
- Relativity curve deviation HO 00 03.
- Relativity Curve deviation forms HO 00 04 and HO 00 06.

- Eff. 2-1-12 HNVX-G127879210 [SERFF Filing Access - North Carolina](#)

73. Harbor Specialty Insurance Company

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

74. Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

75. Harleysville Preferred Insurance Company

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715 [SERFF Filing Access - North Carolina](#)

76. Hartford Accident and Indemnity Company

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.

- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 7-21-16 HART-130619858 [SERFF Filing Access - North Carolina](#)

77. **Hartford Casualty Insurance Company**

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-21-16 HART-130619874 [SERFF Filing Access - North Carolina](#)

78. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [SERFF Filing Access - North Carolina](#)

79. **Hartford Insurance Company of Midwest**

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 7-21-16 HART-130619882 [SERFF Filing Access - North Carolina](#)

80. **Hartford Underwriters Insurance Company**

- Age of Dwelling Credit.
- Account Credit for all territories.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors deviation.
- Insurance score.
- Prior Losses.
- Territory Deviation.
- Eff. 6-01-15 HART-129889698 [SERFF Filing Access - North Carolina](#)

81. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Key Factors above \$200,000.
- Eff 9-1-16 HPCI-130585698 [SERFF Filing Access - North Carolina](#)

82. **Homesite Insurance Company**

- Preferred Risk Group 1 Discount on form HO 00 03 and HO 00 06.
- Preferred Risk Group 2 Discount on form HO 00 03.
- Partner Discount-Form HO 00 04.
- Agency Capping Rule-all forms.
- Eff 7-1-15 HMSS-130072842 [SERFF Filing Access - North Carolina](#)

83. **Horace Mann Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060883 [SERFF Filing Access - North Carolina](#)

84. **Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan – Waive \$3 installment Fee on Installment Pay Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff 11-15-16 HRMN-130592796 [SERFF Filing Access - North Carolina](#)

85. **IDS Property Casualty Insurance Company**

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount

- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 6-1-15 PRCA-129896497 [SERFF Filing Access - North Carolina](#)

86. Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

87. Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

88. Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

89. Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

90. Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

91. Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

92. Integon National Insurance Company

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.

- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [SERFF Filing Access - North Carolina](#)

93. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [SERFF Filing Access - North Carolina](#)

94. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

95. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 Deviation.
- Age of Dwelling Deviation.
- Book Transfer Discount Deviation.
- Claim Free Discount Deviation.
- Companion Policy Discount Deviation.
- Golden Age Discount Deviation.
- New Purchase Discount Deviation.
- Secured Communities Discount Deviation.
- E-Policy Discount Deviation.
- Maximum Discount Deviation.
- Seasonal/Secondary Home Deviation.
- Wood Burning Stove Deviation.
- Experience Rating Deviation.
- Affinity Discount.
- Partial Hip Roof Discount.
- Eff 5-1-16 MERL-130484445 [SERFF Filing Access - North Carolina](#)

96. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592 [SERFF Filing Access - North Carolina](#)

97. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%: Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.

- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [NCDOJ](#)

98. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939 [NCDOJ](#)

99. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

100. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 00 06
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).

- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 6-1-15 HNVX-G129953474 [SERFF Filing Access - North Carolina](#)

101. **Max America Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit.
- Forms 1, 2, 3 & 3 w/15: New Home Credit.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03-5-02

102. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

103. **The Members Insurance Company**

- Account Credit, Forms HO 00 03 and HE 00 07 By Territories, Tier.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory factors.
- Unit Owner.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Protective Device/Controlled Access Security Discount.
- Eff 6-1-16 CMCG-130464643 [SERFF Filing Access - North Carolina](#)

104. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [SERFF Filing Access - North Carolina](#)

105. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [SERFF Filing Access - North Carolina](#)

106. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage
- Earthquake Coverage
- Platinum Coverage Package.
- Tier Program.
- Eff. 4-15-16 METX-G130521794 [SERFF Filing Access - North Carolina](#)

107. **Metropolitan Property & Casualty Insurance Company**

Standard Program

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation:
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

Conversion Program

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 4-15-16 METX-G130521751 [SERFF Filing Access - North Carolina](#)

108. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [NCDOI](#)

109. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [NCDOI](#)

110. **NGM Insurance Company**

- Age of Home Discount.
- Multi-Line Discount.
- Deductible Credits/Charges and Theft Deductible.
- Protective Device Credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.

- Coverage A Relativities.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Eff. 4-1-16 NGMC-130274383 [SERFF Filing Access - North Carolina](#)

111. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

112. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

113. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [NCDOL](#)

114. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.

- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427

115. **Nationwide General Insurance Company**

- Territory Deviation.
- Amount of Insurance – Territory Deviation.
- Deductible deviations.
- Age of Construction.
- Home renovation Deviation.
- Home Purchase Deviation.
- Age of Oldest insured deviation.
- Gated community deviation.
- Supplemental Heating deviation.
- Prior insurance deviation.
- Safe home rating plan deviation.
- Protection class deviation.
- Roof age and type deviation.
- Household composition deviation.
- Associate deviation.
- Maximum deviation.
- Number of units deviation HO 00 04 and HO 00 06.
- Installment Payment Options.
- Miles to coast deviation.
- Census Block Deviation.
- Eff 12-20-15 NWPC-130192752 [SERFF Filing Access - North Carolina](#)

116. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff. 12-20-16 NWPC-130625945 [SERFF Filing Access - North Carolina](#)

117. **Nationwide Mutual Insurance Company**

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Companion Discount (Star Pak).
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowner Discount.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.

- Electronic Funds Transfer (EFT).
- **Nationwide Mutual Insurance Company**
- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductible Deviations.
- Protective Device Deviation.
- Safe Home Rating Program – Form HO 02, HO 03, HO 05 and HO 06.
- Age of Oldest Insured Deviation.
- Personal Status Deviation.
- Age of Construction Deviation.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation.
- Home Purchase Deviation.
- Nationwide Associate Deviation.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation.
- Installment Payment Plans.
- Census Block Deviation.
- Eff. 12-2-16 HRLV-130691685 [SERFF Filing Access - North Carolina](#)

118. **Netherlands Insurance Company**

Preferred Homeowners

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [NCDOI](#)

119. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

120. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.

- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

121. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property (Coverage C) Replacement Cost.
- Deductible Credits.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Outboard Motors and Water Craft.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Value-Plus Deviation.
- Carolina Partner Plus Discount.
- Company Deviations.
- Deviation Forms HO 00 02 and HO 00 03.
- Deviations by territories 07, 08, 48, 49, 52.
- Deviations Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 6-1-15 NCFB-129893882 [SERFF Filing Access - North Carolina](#)

122. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

123. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955 [NCDOI](#)

124. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

125. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [NCDOL](#)

126. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

127. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952

128. **Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II, Liability Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.

- Personal Property Increased limits.
- All Forms Except HO00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Eff 10-1-16 AOIC-130633311 [SERFF Filing Access - North Carolina](#)

129. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

130. **Pacific Indemnity Company**

- Base Premium Computation - Forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base Premium Computation by territory and forms.
- Protective Devices – Maximum Credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductible.
- Additional Amount of Insurance deviation. Forms HO 00 02, HO 00 03 & HO 00 05.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Eff 6-1-15 CHUB-129916708 [SERFF Filing Access - North Carolina](#)

131. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [SERFF Filing Access - North Carolina](#)

132. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.

- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

133. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

134. **Pennsylvania National Mutual Casualty Insurance Company**

- Age Discount Applicable to HO 00 02, HO 00 03, HO 00 05 and HE 00 07.
- Deductibles – Optional Higher Deductibles.
- Personal Property A Increased Limit.
- Preferred Program Protection Class and Territory.
- Account Credit Forms.
- Outboard Motors and Watercraft.
- Protective Device Credits.
- Additional Amount of Insurance HO 00 02 and HO 00 03.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Loss Assessment Coverage.
- Personal Property.
- Refrigerated Personal Property.
- Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Eff 06-01-16 PNPR-130357959 [SERFF Filing Access - North Carolina](#)

135. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [SERFF Filing Access - North Carolina](#)

136. **Phoenix Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.

- Eff 11-7-15 TRVA-130152401 [SERFF Filing Access - North Carolina](#)

137. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

138. **Praetorian Insurance Company**

- Base rate deviation.
- Age of Home Deviation.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Specified Additional Amount of Insurance Coverage A.
- Eff 8-1-15 QBEC-130156771 [SERFF Filing Access - North Carolina](#)
- **Tenant Homeowners**
- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311 [SERFF Filing Access - North Carolina](#)

139. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.

- Multi Policy Credit – Auto Campion.
- Multi Policy Credit (Personal Excess Liability).
- Multi Policy Credit (Jewelry & Art).
- Protective Devices.
- Loss Free Credits.
- Renewal Credit.
- Eff 9-7-16 PRIV-130463720 [SERFF Filing Access - North Carolina](#)

140. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [SERFF Filing Access - North Carolina](#)

141. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

142. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- New Home Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Specified Additional Amount of Insurance Coverage A.
- Eff 8-1-15 QBEC-130156634 [SERFF Filing Access - North Carolina](#)

143. **Republic-Franklin Insurance Company**

Edge Program

- Protection Classification Credit.
- Edge Program Tiered.
- Mass Merchandising Plan.
- Affinity Group-Wise Program.
- Personal Lines Account Credit.
- Package Additional Coverages.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.

Essentials Program

- Protection Classification Credit.
- Personal Lines Account Credit.
- Package Additional Coverages.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit Rule.
- Edge Essentials Program Tiered.
- Eff 9-16-15 UTCX-G130232812 [SERFF Filing Access - North Carolina](#)

144. Response Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

145. Safeco Insurance Company of America

- Deductible Debit/Credits.
- Account Credit: all forms certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities.
- Employee Discount Plan.
- New Buyer discount.
- Age of Roof Discount.
- Umbrella Discount
- Eff. 06-01-15 LBPM-130014262 [SERFF Filing Access - North Carolina](#)

146. RLI Insurance Company

- Year of Construction-Newly Constructed Dwellings.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Eff 6-1-15 RLSC-130005225 [SERFF Filing Access - North Carolina](#)

147. Safeco Insurance Company of Indiana

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

148. Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher

& dead bolt locks.

- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

149. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

150. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

151. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

152. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

153. **Service Insurance Company**

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for auto smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The max allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03 PC061674 [NCDOI](#)

154. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [SERFF Filing Access - North Carolina](#)

155. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

156. **Southern Insurance Company of Virginia**

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage

- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

157. **Southern Pilot Insurance Company**

- Territory/Protection Class/Construction Forms HO 00 03, HO 00 05, HE-7.
- Territory/Protection Class/Construction Forms HO 00 04.
- Territory/Protection Class/Construction Forms HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Personal Property Increased Limits.
- Outboard Motors and Watercraft Liability.
- Personal Injury Coverage.
- Protective Devices Credit.
- Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 6-1-15 QBEC-130076168 [SERFF Filing Access - North Carolina](#)

158. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3:- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.

- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [NCDOJ](#)

159. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

160. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

161. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.

- Eff. 3-1-95

162. **Standard Fire Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff. 11-7-15 TRVA-130152387 [SERFF Filing Access - North Carolina](#)

163. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

164. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Credits for Protective Devices
- Age of Home.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums by Territory.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group discount Plan.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff 12-12-16 STAT-130670626 [SERFF Filing Access - North Carolina](#)

165. **State Auto Property & Casualty Insurance Company**

- Credits for Protective Devices
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group Discount Plan.
- Base Premiums by NCRB territory codes from HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff. 12-12-16 STAT-130670678 [SERFF Filing Access - North Carolina](#)

166. **State Farm Fire & Casualty**

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installment Payment Plan.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount.
- Deductibles-Named Storm Percentage deductibles HO 00 03, HO 00 04 and HO 00 06.
- All peril deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection class.
- Eff. 6-1-15 SFMA-129875894 [SERFF Filing Access - North Carolina](#)

167. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

168. **Teachers Insurance Company**

- Installment Pay Plan – Waive \$3.00 Installment Fee on Installment Payment Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 11-15-16 HRMN-130592798 [SERFF Filing Access - North Carolina](#)

169. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152456 [SERFF Filing Access - North Carolina](#)

170. **Travelers Indemnity Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.

- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 11-7-15 TRVA-130152386 [SERFF Filing Access - North Carolina](#)

171. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-7-15 TRVA-130152382 [SERFF Filing Access - North Carolina](#)

172. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

173. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A relativity curve.
- Account Credit HO policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit HO policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 11-7-15 TRVA-130152381 [SERFF Filing Access - North Carolina](#)

174. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.

- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

175. **Twin City Fire Insurance Company**

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-21-16 HART-130619951 [SERFF Filing Access - North Carolina](#)

176. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-13-16 USAA-130760264 [SERFF Filing Access - North Carolina](#)

177. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-19-16 USAA-130760324 [SERFF Filing Access - North Carolina](#)

178. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

179. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

180. **United Property & Casualty**

- Base Rate Deviation.
- Book Transfer Discount.
- Companion Policy Discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 6-1-16 UPCI-130516496 [SERFF Filing Access - North Carolina](#)

181. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.

- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-13-16 USAA-130760261 [SERFF Filing Access - North Carolina](#)

182. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952

183. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

184. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record Deviation.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 11-1-16 KEMP-130714725 [SERFF Filing Access - North Carolina](#)

185. **Unitrin Safeguard Insurance Company**

- Base Rate by Territory.

- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record Deviation.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Eff 10-1-16 KEMP-130622935 [SERFF Filing Access - North Carolina](#)

186. **Universal North American Insurance Company**

Homeowners Choice Program

- Age of Dwelling.
- Personal Property Replacement Cost No Minimum Charge.
- Loss of Use.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Year of Construction Factors.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 11-10-16 UNAC-130733412 [SERFF Filing Access - North Carolina](#)

187. **Utica Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- (W.I.S.E.)/Affinity Group Program.
- Personal Lines Account Credit.
- Extension Package.
- Protection Class deviation Suburban Rating.
- Eff. 4-1-15 UTCX-G129843575 [SERFF Filing Access - North Carolina](#)

188. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.

- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

189. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

190. **Vigilant Insurance Company.**

- Base premium computation forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base premium computation by form and territory.
- Protective Devices maximum credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage deductible.
- Additional Amounts of Insurance discount.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community credit.
- Multi-Policy Credit - Valuable Articles Credit.
- Eff. 6-1-15 CHUB-129916736 [SERFF Filing Access - North Carolina](#)

191. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

192. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

HOMEOWNERS

1. **ACE American Insurance Company**
 - New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
 - Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
 - Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
 - Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
 - Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
 - Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
 - Eff. 9-1-92

2. **ACE Fire Underwriters Insurance Company**
 - New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
 - Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
 - Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
 - Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
 - Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
 - Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
 - Eff. 5-1-92

3. **AIG Property Casualty Company**
 - Base Premium by Territory Form HO 00 03.
 - Key Factor Deviation.
 - Protective Devices.
 - Eff 1-8-16 APCG-130345258 [SERFF Filing Access - North Carolina](#)

4. **AIU Insurance Company**
 - All Forms: 10%.
 - Eff. 2-1-86

5. **AMCO Insurance Company**
 - Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
 - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
 - Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
 - Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
 - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
 - Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
 - Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
 - Flex Check Payment Option-Installment Payment Plan.
 - Personal Status Deviation.
 - Associate Discount Deviation.
 - Increased Special Limits of Liability.
 - Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
 - Multi-Line Deviation.
 - Census Block Deviation.
 - Eff 10-5-17 NWPC-131127261 [SERFF Filing Access - North Carolina](#)

6. **AMEX Assurance Company**
 - Various downward deviation based on amount of insurance Form 3.
 - Various downward deviation based on amount of insurance Form 4.
 - Various downward deviation based on amount of insurance Form 6.
 - Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887 [NCDOI](#)

7. **Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217 [NCDOI](#)

8. **AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. **Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137 [SERFF Filing Access - North Carolina](#)

10. **Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461 [NCDOI](#)

11. **Allstate Indemnity Company**

- Claim Rating Deviation.

- Claims Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount Deviation.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Eff 9-26-2017 ALSE-131038986 [SERFF Filing Access - North Carolina](#)

12. **Allstate Insurance Company**

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwellings.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.

Deluxe Plus

- Deductibles.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 10-24-16 ALSE-130681404 [SERFF Filing Access - North Carolina](#)

13. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. **American Automobile Insurance Company**

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOI](#)

15. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.

- Eff. 1-1-15 ASPX-G130195038 [SERFF Filing Access - North Carolina](#)

16. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. **American Family Home Insurance Company**

- Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Eff. 9-1-08 AMMH-125737994 [SERFF Filing Access - North Carolina](#)

19. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [SERFF Filing Access - North Carolina](#)

20. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.

- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [NCDOI](#)

22. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. **American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.

- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

24. American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-91

25. American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

26. American Strategic Insurance Corporation

- Territory Zone Deviation
- Protection Class Construction Factors HO 00 03, HO 00 04 and HO 00 05.

- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – All Forms.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in full discount form HO 00 04.
- Bundled coverage Credit form HO 00 04.
- Secured community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Form Factors-Form HO 00 05.
- Eff 8-15-15 AMSI-129893853 [SERFF Filing Access - North Carolina](#)

27. AMICA Mutual Insurance Company

- Waive the Additional Premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 Rate Deviation by Policy Amount.
- Additional Amounts of Insurance-1.00 All Territories with Exceptions.
- Personal Property-Increased Limit, \$1.60 for All Forms.
- Premium Payment Option.
- Multi-Line Discount.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 7-1-17 AMMA-130841442 [SERFF Filing Access - North Carolina](#)

28. Amerisure Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. Amerisure Mutual Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10-1-94

30. Armed Forces Insurance Exchange

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- Minimum Policy Premium Waived.
- Protective Devices-Maximum Credit.
- Eff 1-9-17 ARMD-130691188 [SERFF Filing Access - North Carolina](#)

31. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340 [NCDOI](#)

32. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

33. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

35. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.

- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833231 [SERFF Filing Access - North Carolina](#)

36. Auto-Owners Insurance Company

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II Liability Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Eff. 10-2-17 AOIC-131062080 [SERFF Filing Access - North Carolina](#)

37. Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963 [SERFF Filing Access - North Carolina](#)

38. Bankers Standard Insurance Company

- Deviation forms HO 00 02, HO 00 03, HO 00 04, HO 00 06, HO 00 05 and HE-7.
- Key Factors Coverage A over \$750,000.
- Protective Devices maximum credit allowed is deleted.
- Optional Higher Deductibles forms HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible.
- Additional Amounts of Insurance.
- Gated Community Credit.

- Valuable Articles Credit-Multi Policy.
- Mass Merchandising Discount.
- Installment Payments.
- Electric Backup System.
- Eff. 10-1-15 ACEH-130109778 [SERFF Filing Access - North Carolina](#)

39. **Camden Fire Insurance Association, The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137 [NCDOL](#)

40. **Central Mutual Insurance Company**

Owners Program

- Deviation by Territory and Protection Class.
- Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Optional Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Personal Property Replacement Cost.
- Accompanying Schedule or Boat Deviation.
- Age of Dwelling.
- Home Buyer Deviation.
- Gated Community Deviation.
- Non-Packaged Risk Deviation.
- Deviation of Wood Roofs.
- Superior Protection Credits.
- Swimming Pool.
- Solid Fuel Heating Device.
- Deviation for Trampolines.
- Deviation for Underwriter Accommodations.
- Residence Held in Trusts.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

Condo Program

- Deviation by Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Form HO 00 06 Coverage A.

- Residence Held in Trust – All Forms except HO 00 04.
 - Package Deviation.
 - Installment Payment Plan.
 - Deviation for Waiver of Premium.
 - **Tenants Program**
 - Base Class Territory and Protection Class.
 - Amount of Insurance Deviation.
 - Insurance Score Deviation.
 - Customer Loyalty Deviation.
 - Deductibles B. Optional Higher Deductibles.
 - Payment Timeliness Deviation.
 - Loss History Deviation.
 - Accompanying Schedule or Boat Deviation.
 - Superior Protection Credits.
 - Package Deviation.
 - Installment Payment Plan with Electronic Transfer.
 - Deviation for Waiver of Premium.
 - Eff 8-1-17 CEMC-131011197 [SERFF Filing Access - North Carolina](#)
41. **Century National Insurance Company**
- Installment Charge.
 - Eff 8-1-15 CENT-130132700 [SERFF Filing Access - North Carolina](#)
42. **The Charter Oak Fire Insurance Company**
- Base Rate Deviation.
 - Coverage A Relativity.
 - Coverage C Relativity.
 - Account Credit.
 - Loss Free Customer Credit.
 - Loss History.
 - Insurance Score.
 - New Home Credits.
 - Home Buyer Credit.
 - Installment Payment Plan.
 - Eff 5-25-17 TRVA-130833204 [SERFF Filing Access - North Carolina](#)
43. **Cincinnati Indemnity Company**
- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
 - Installment Payment Plan: Delete the \$3 charge for each installment.
 - Homeowners Enhancement Deviation.
 - Eff 4-1-04 PC065697 [NCDOI](#)
44. **The Cincinnati Insurance Company**
- Dwellings Age of Dwelling Credits.
 - Base Rate Deviation by Territory.
 - Installment Payment Plan.
 - Homeowners Enhancement Deviation.
 - Watercraft Liability Deviation.
 - Preferred Risk Credit.
 - Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
 - Insurance Score Factor – All Forms.
 - Package Credit-Multi Policy Credit – All Forms.
 - Automatic Water Shut-Off System Credit.
 - Mature Homeowners Discount – All Forms.
 - Secured Community Credit.
 - Wood Burning or Solid Fuel Heating Appliances.
 - Earthquake Coverage.

- Wood Roof.
- Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protective Devices.
- Book Roll Transition Factor.
- Eff 12-1-17 CNNB-131124039 [SERFF Filing Access - North Carolina](#)

45. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [NCDOI](#)

46. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4

- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [NCDOI](#)

47. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [SERFF Filing Access - North Carolina](#)

48. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 9-27-17 ELEC-131120276 [SERFF Filing Access - North Carolina](#)

49. **EMCASCO Insurance Company**

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount

- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670 [NCDOI](#)

50. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669 [NCDOI](#)

51. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324 [SERFF Filing Access - North Carolina](#)

52. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.

- Eff 10-1-15 ERPP-130101422 [SERFF Filing Access - North Carolina](#)

53. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 10-1-15 ERPP-130101416 [SERFF Filing Access - North Carolina](#)

54. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903 [SERFF Filing Access - North Carolina](#)

55. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.

- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [NCDOI](#)

57. **Federal Insurance Company**

- Installment Payment Plan-recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.
- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 6-1-15 CHUB-129916441 [SERFF Filing Access - North Carolina](#)

58. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

59. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [NCDOI](#)

60. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.

- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [NCDOL](#)

61. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

62. **Firemen's Insurance Company of Washington D.C.**

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

63. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Eff 12-4-17 BKIC-131215588 [SERFF Filing Access - North Carolina](#)

64. **First Protective Insurance Company**

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Deductible for all forms except HO 00 04 and HO 00 06.
- Eff 10-28-17 PARE-131175964 [SERFF Filing Access - North Carolina](#)

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.

- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406 [SERFF Filing Access - North Carolina](#)

65. **Garrison Property and Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130978964 [SERFF Filing Access - North Carolina](#)

66. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [NCDOI](#)

67. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.

- Eff. 3-1-95

68. **Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [SERFF Filing Access - North Carolina](#)

69. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

70. **Graphic Arts Mutual Insurance Company**

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Various for HO 00 02, HO 00 03, HO 00 05, and HO 00 08.
- Various for HO 00 04 and HO 00 06.
- Eff. 8-28-17 UTCX-G13099470 [SERFF Filing Access - North Carolina](#)

71. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.
- Cap on total credits/discounts.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 6-1-15 HNVX-G129953461 [SERFF Filing Access - North Carolina](#)

72. **Hanover Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6.

- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan.
- Group Modification Plan Discount (Mass Merchandising Plan)
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts
- Relativity curve deviation HO 00 03.
- Relativity Curve deviation forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879210 [SERFF Filing Access - North Carolina](#)

73. Harbor Specialty Insurance Company

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

74. Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

75. Harleysville Preferred Insurance Company

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.

- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715 [SERFF Filing Access - North Carolina](#)

76. **Hartford Accident and Indemnity Company**

- Age of Home Credit.
- Account Credit.
- Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154611 [SERFF Filing Access - North Carolina](#)

77. **Hartford Casualty Insurance Company**

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-21-17 HART-131154619 [SERFF Filing Access - North Carolina](#)

78. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [SERFF Filing Access - North Carolina](#)

79. **Hartford Insurance Company of Midwest**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154729 [SERFF Filing Access - North Carolina](#)

80. **Hartford Underwriters Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-22-17 HART-131034435 [SERFF Filing Access - North Carolina](#)

81. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Eff 6-1-17 HPCI-131012373 [SERFF Filing Access - North Carolina](#)

82. **Homesite Insurance Company**

- Partner Discount.
- Book Transfer Rule.
- Eff 4-27-17 HMSS-13958667 [SERFF Filing Access - North Carolina](#)

83. **Horace Mann Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060883 [SERFF Filing Access - North Carolina](#)

84. **Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan – Waive initial \$3.00 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff 11-15-16 HRMN-130973920 [SERFF Filing Access - North Carolina](#)

85. **IDS Property Casualty Insurance Company**

- Protective Device Credits

- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 6-1-15 PRCA-129896497 [SERFF Filing Access - North Carolina](#)

86. Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

87. Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

88. Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

89. Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

90. Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

91. Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.

- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

92. **Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [SERFF Filing Access - North Carolina](#)

93. **Liberty Insurance Corporation**

- Liberty Mutual Advantage.
- Multi Policy Discount.
- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916 [SERFF Filing Access - North Carolina](#)
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94. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [SERFF Filing Access - North Carolina](#)

95. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

96. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 Deviation.
- Age of Dwelling Deviation.
- Book Transfer Discount Deviation.
- Claim Free Discount Deviation.
- Companion Policy Discount Deviation.
- Golden Age Discount Deviation.
- New Purchase Discount Deviation.
- Secured Communities Discount Deviation.
- E-Policy Discount Deviation.
- Maximum Discount Deviation.
- Seasonal/Secondary Home Deviation.
- Wood Burning Stove Deviation.
- Experience Rating Deviation.
- Affinity Discount.
- Partial Hip Roof Discount.

- Eff 5-1-16 MERL-130484445 [SERFF Filing Access - North Carolina](#)

97. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592 [SERFF Filing Access - North Carolina](#)

98. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [NCDOI](#)

99. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939 [NCDOI](#)

100. **Markel American Insurance Company**

- Key Factors
- Eff. 1-21-17 MRKA-130756063 [SERFF Filing Access - North Carolina](#)

101. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.

- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

102. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 00 06
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).
- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 6-1-15 HNVX-G129953474 [SERFF Filing Access - North Carolina](#)

103. **Max America Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit.
- Forms 1, 2, 3 & 3 w/15: New Home Credit.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03-5-02

104. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

105. **The Members Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.

- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 12-1-17 CMCG-131039815 [SERFF Filing Access - North Carolina](#)

106. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [SERFF Filing Access - North Carolina](#)

107. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [SERFF Filing Access - North Carolina](#)

108. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571 [SERFF Filing Access - North Carolina](#)

109. **Metropolitan Property & Casualty Insurance Company**
Standard Program

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Small Employer Group Program.
- Claim Free Discount.

- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

Conversion Program

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692 [SERFF Filing Access - North Carolina](#)

110. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [NCDOI](#)

111. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.

- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [NCDOI](#)

112. **NGM Insurance Company**

- Age of Home Discount.
- Multi-Line Discount.
- Deductible Credits/Charges and Theft Deductible.
- Protective Device Credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage A Relativities.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Eff. 4-1-16 NGMC-130274383 [SERFF Filing Access - North Carolina](#)

113. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

114. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.

- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

115. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [NCDQI](#)

116. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427

117. **Nationwide General Insurance Company**

- Territory Deviation.
- Amount of Insurance.
- Deductible Deviations - Forms HO 02, HO 03, and HO 05.
- Age of Construction - Forms HO 02, HO 03, HO 05, and HO 06.
- Home Renovation Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Gated Community Deviation - Forms HO 02, HO 03, and HO 05.
- Supplemental Heating Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Safe Home Rating Plan Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Protection Class Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Roof Rating Deviation - Forms HO 02, HO 03, and HO 05.
- Household Composition Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Associate Discount Deviation.
- Maximum Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan Deviation.
- Miles to Coast Deviation.
- Census Block Deviation.
- Eff 6-20-17 NWPC-130829487 [SERFF Filing Access - North Carolina](#)

118. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.

- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff. 6-20-17 NWPC-130879566 [SERFF Filing Access - North Carolina](#)

119. **Nationwide Mutual Insurance Company**

Nationwide Mutual Insurance Company

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms Ho 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, and HO 05.
- Installment Payment Plans.
- Census Block Deviation.

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 06-20-17 NWCP – 130879545 [SERFF Filing Access - North Carolina](#)

120. **Netherlands Insurance Company**

Preferred Homeowners

- Personal Property Increased Limits;. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.

- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [NCDOI](#)

121. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

122. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

123. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property (Coverage C) Replacement Cost.
- Deductible Credits.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Outboard Motors and Water Craft.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Value-Plus Deviation.
- Carolina Partner Plus Discount.
- Company Deviations.
- Deviation Forms HO 00 02 and HO 00 03.
- Deviations by territories 07, 08, 48, 49, 52.
- Deviations Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 6-1-15 NCFB-129893882 [SERFF Filing Access - North Carolina](#)

124. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased

Coverage C.

- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

125. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955 [NCDOI](#)

126. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

127. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [NCDOI](#)

128. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

129. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.

- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952

130. **Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II, Liability Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- All Forms Except HO00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Backup Generator Discount.
- Eff 10-2-17 AOIC-133066467 [SERFF Filing Access - North Carolina](#)

131. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.

- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

132. **Pacific Indemnity Company**

- Base Premium Computation - Forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base Premium Computation by territory and forms.
- Protective Devices – Maximum Credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductible.
- Additional Amount of Insurance deviation. Forms HO 00 02, HO 00 03 & HO 00 05.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Eff 6-1-15 CHUB-129916708 [SERFF Filing Access - North Carolina](#)

133. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [SERFF Filing Access - North Carolina](#)

134. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

135. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

136. **Pennsylvania National Mutual Casualty Insurance Company**

- Year of Construction – Newly Constructed Dwellings.
- Deductibles – Optional Higher Deductibles.
- Personal Property Increased Limit.
- Preferred Program Protection Class and Territory.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Devices Credit.
- Additional Safety Device by Territory Credit.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.

- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- Age of Home.
- Eff 11-15-17 PNPR-131110184 [SERFF Filing Access - North Carolina](#)

137. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [SERFF Filing Access - North Carolina](#)

138. **Phoenix Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833159 [SERFF Filing Access - North Carolina](#)

139. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.

- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

140. **Praetorian Insurance Company**

- HO 03 Base Rate Deviation.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Additional Amounts of Insurance.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 5-1-17 QBEC-130888091 [SERFF Filing Access - North Carolina](#)
- **Tenant Homeowners**
- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311 [SERFF Filing Access - North Carolina](#)

141. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Renewal Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Eff 9-6-17 PRIV-130982475 [SERFF Filing Access - North Carolina](#)

142. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.

- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [SERFF Filing Access - North Carolina](#)

143. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

144. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Specified Additional Amount of Insurance Coverage A.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 5-1-17 QBEC-130888729 [SERFF Filing Access - North Carolina](#)

145. **Republic-Franklin Insurance Company**

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO4 and HO6).
- Program Tiered Rating.
- Account Credit.
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all forms except HO4 and HO6)
- New Home Buyer Credit.
- ACV Loss Settlement – Roof Surfacing.
- Distance To Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO 2 HO 3 HO 5 and HO 6 forms).
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.
- Eff 10-1-17 UTCX-G131004121 [SERFF Filing Access - North Carolina](#)

146. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

147. **Safeco Insurance Company of America**

- Deductible Debit/Credits.
- Account Credit: all forms certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities.
- Employee Discount Plan.
- New Buyer discount.
- Age of Roof Discount.
- Umbrella Discount
- Eff. 06-01-15 LBPM-130014262 [SERFF Filing Access - North Carolina](#)

148. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Eff 6-1-15 RLSC-130005225 [SERFF Filing Access - North Carolina](#)

149. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

150. **Seaton Insurance Company**

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

151. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

152. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.

- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

153. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

154. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

155. **Service Insurance Company**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

HS 03 Deviations

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 12-4-17 OCCD-131295121 [NCDOI](#)

156. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [SERFF Filing Access - North Carolina](#)

157. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

158. **Southern Insurance Company of Virginia**

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.

- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

159. **Southern Pilot Insurance Company**

- Territory/Protection Class/Construction Forms HO 00 03, HO 00 05, HE-7.
- Territory/Protection Class/Construction Forms HO 00 04.
- Territory/Protection Class/Construction Forms HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Personal Property Increased Limits.
- Outboard Motors and Watercraft Liability.
- Personal Injury Coverage.
- Protective Devices Credit.
- Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 6-1-15 QBEC-130076168 [SERFF Filing Access - North Carolina](#)

160. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6;: 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;: \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;: \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [NCDOI](#)

161. **Spinnaker Insurance Company**

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.

- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106 [SERFF Filing Access - North Carolina](#)

162. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

163. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

164. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.

- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

165. **Standard Fire Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff. 5-25-17 TRVA-130833207 [SERFF Filing Access - North Carolina](#)

166. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

167. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Credits for Protective Devices
- Age of Home.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums by Territory.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group discount Plan.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff 12-12-16 STAT-130670626 [SERFF Filing Access - North Carolina](#)

168. **State Auto Property & Casualty Insurance Company**

- Credits for Protective Devices
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.

- Watercraft Membership Credit.
- Payment Plan.
- Employee Group Discount Plan.
- Base Premiums by NCRB territory codes from HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff. 12-12-16 STAT-130670678 [SERFF Filing Access - North Carolina](#)

169. **State Farm Fire & Casualty**

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installment Payment Plan.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount.
- Deductibles-Named Storm Percentage deductibles HO 00 03, HO 00 04 and HO 00 06.
- All peril deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection class.
- Eff. 6-1-15 SFMA-129875894 [SERFF Filing Access - North Carolina](#)

170. **Stillwater Property & Casualty Insurance Company**

- Base Rate Deviation by Territory HO 00 03, HO 00 04 and HO 00 06.
- HO 00 03, HO 00 04 and HO 00 06 Amount of Insurance Factors by Territory.
- HO 00 04 Amount of Insurance by Territory.
- HO 00 03 Townhouse/Rowhouse.
- HO 00 03 Optional Deductible Credits, Hurricane Deductibles and Windstorm or Hail Deductibles.
- HO 00 04 and HO 00 06 Optional Deductible Credits.
- Rules 601, 602 and 604 Number of Families.
- Coverage C Increased Limits.
- HO 00 04 and HO 00 06 Replacement Cost on Contents.
- Homeowners Renewal Discount.
- Protective Devices – Automatic Sprinkler Discount.
- Ordinance of Law Coverage.
- Affinity Discount.
- Home-Auto Discount.
- Newly Acquired Home.
- HO 00 06 Coverage A Increased Limits.
- HO 00 03 Coverage D Increased Limits.
- Insurance Bureau Score.
- Eff 2-15-08 PC106949

171. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.

- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

172. **Teachers Insurance Company**

- Installment Pay Plan – Waive \$3.00 Installment Fee on Installment Payment Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 11-15-17 HRMN-130973924horace [SERFF Filing Access - North Carolina](#)

173. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833223 [SERFF Filing Access - North Carolina](#)

174. **Travelers Indemnity Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833225 [SERFF Filing Access - North Carolina](#)

175. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833143 [SERFF Filing Access - North Carolina](#)

176. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

177. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 5-25-17 TRVA-130833110 [SERFF Filing Access - North Carolina](#)

178. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

179. **Twin City Fire Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-21-17 HART-131154815 [SERFF Filing Access - North Carolina](#)

180. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979001 [SERFF Filing Access - North Carolina](#)

181. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979049 [SERFF Filing Access - North Carolina](#)

182. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

183. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

184. **United Property & Casualty**

- Base Rate Deviation.
- Book Transfer Discount.
- Companion Policy Discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 6-1-16 UPCI-130516496 [SERFF Filing Access - North Carolina](#)

185. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979007 [SERFF Filing Access - North Carolina](#)

186. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.

- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952
-

187. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

188. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 12-1-17 KEMP-131209961 [SERFF Filing Access - North Carolina](#)

189. **Unitrin Safeguard Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record Deviation.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Eff 12-1-17 KEMP-131209878 [SERFF Filing Access - North Carolina](#)

190. **Universal Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 7-5-17 CMCG-131039953 [SERFF Filing Access - North Carolina](#)

191. **Universal North American Insurance Company**
Homeowners Choice Program

- Age of Dwelling.
- Personal Property Replacement Cost No Minimum Charge.
- Loss of Use.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Year of Construction Factors.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.

Eff 5-1-17 AGIA-130882806 [SERFF Filing Access - North Carolina](#)

192. **Utica Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- (W.I.S.E.)/Affinity Group Program.
- Personal Lines Account Credit.
- Extension Package.
- Protection Class deviation Suburban Rating.
- Eff. 4-1-15 UTCX-G129843575 [SERFF Filing Access - North Carolina](#)

193. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.

- Protective Device Credit.
- Eff 7-1-98

194. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

195. **Vigilant Insurance Company.**

- Base premium computation forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base premium computation by form and territory.
- Protective Devices maximum credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage deductible.
- Additional Amounts of Insurance discount.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community credit.
- Multi-Policy Credit - Valuable Articles Credit.
- Eff. 6-1-15 CHUB-129916736 [SERFF Filing Access - North Carolina](#)

196. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

197. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

HOMEOWNERS

1. **ACE American Insurance Company**
 - New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
 - Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
 - Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
 - Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
 - Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
 - Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
 - Eff. 9-1-92

2. **ACE Fire Underwriters Insurance Company**
 - New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
 - Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
 - Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
 - Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
 - Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
 - Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
 - Eff. 5-1-92

3. **AIG Property Casualty Company**
 - Base Premium by Territory Form HO 00 03.
 - Key Factor Deviation.
 - Protective Devices.
 - Eff 1-8-16 APCG-130345258 [SERFF Filing Access - North Carolina](#)

4. **AIU Insurance Company**
 - All Forms: 10%.
 - Eff. 2-1-86

5. **AMCO Insurance Company**
 - Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
 - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
 - Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
 - Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
 - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
 - Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
 - Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
 - Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
 - Flex Check Payment Option-Installment Payment Plan.
 - Personal Status Deviation.
 - Associate Discount Deviation.
 - Increased Special Limits of Liability.
 - Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
 - Multi-Line Deviation.
 - Census Block Deviation.
 - Eff 4-1-18 NWPC-131252758 [SERFF Filing Access - North Carolina](#)

6. **AMEX Assurance Company**
 - Various downward deviation based on amount of insurance Form 3.
 - Various downward deviation based on amount of insurance Form 4.
 - Various downward deviation based on amount of insurance Form 6.
 - Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887 [NCDOI](#)

7. **Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217 [NCDOI](#)

8. **AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. **Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137 [SERFF Filing Access - North Carolina](#)

10. **Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461 [NCDOI](#)

11. **Allstate Indemnity Company**

- Claim Rating Deviation.

- Claim Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Home Buyer Discount.
- Early Signing Discount.
- Rule 404 Protective Device Discount Deviation.
- Allstate eSmart Discount.
- Eff 7-16-18 ALSE-131442096 [SERFF Filing Access - North Carolina](#)

12. **Allstate Insurance Company**

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwelling.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.
- **Deluxe Plus**
- Rule 406 Deductibles.
- Rule 404 Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 7-16-18 ALSE-131442235 [SERFF Filing Access - North Carolina](#)

13. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. **American Automobile Insurance Company**

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOI](#)

15. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.

- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 3-1-18 ASPX-G131106166 [SERFF Filing Access - North Carolina](#)

16. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. **American Family Home Insurance Company**

- EFT Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Key Factors.
- Eff. 4-1-18 AMMH-131341926 [SERFF Filing Access - North Carolina](#)

19. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [SERFF Filing Access - North Carolina](#)

20. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [NCDOI](#)

22. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. **American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.

- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

24. American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-91

25. American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.

- Eff. 10-30-97

26. **American Strategic Insurance Corporation**

- Zone Deviation
- Protection Class Construction Factors HO 00 03 and HO 00 05.
- Protection Class Construction Factors HO 00 04.
- Key Factors – Forms HO 00 03 and HO 00 05.
- Key Factors – Forms HO 00 04.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – Forms HO 00 03 and HO 00 05.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in Full Discount Form HO 00 04.
- Bundled Coverage Credit Form HO 00 04.
- Secured Community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- HO 00 05 Deviated Form Factor Deviation.
- Windstorm or Hail Exclusion Credits.
- Eff 3-1-18 AMSI-131243397 [SERFF Filing Access - North Carolina](#)

27. **AMICA Mutual Insurance Company**

- Personal Property, Additional Premium for 75% of Coverage A waived.
- Key Factor, Form HO 00 04, Coverage C Deviation by Policy Amount.
- Additional Amounts of Insurance-25% at 1.00w/Territorial Exceptions.
- Personal Property-Increased Limit.
- Installment Payment Plan.
- Multi-Line Discount.
- Preferred Risk Deviation.
- AutoPay Installment Discount.
- Eff. 4-1-18 AMMA-131249838 [SERFF Filing Access - North Carolina](#)

28. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. **Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.

- Eff. 10-1-94

30. **Armed Forces Insurance Exchange**

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- HO3 Key Factor Table.
- Minimum Premium Waived.
- Protective Devices-Maximum Credit.
- Eff 4-1-18 ARMD-131191395 [SERFF Filing Access - North Carolina](#)

31. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340 [NCDOJ](#)

32. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

33. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

35. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 3-1-18 TRVA-131238607 [SERFF Filing Access - North Carolina](#)

36. **Auto-Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- All Forms Except HO 00 04 and HO 00 06 Coverage A Deviation.
- Eff. 4-1-18 AOIC-131251967 [SERFF Filing Access - North Carolina](#)

37. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.

- Eff. 5-1-09 BALB-126027963 [SERFF Filing Access - North Carolina](#)

38. **Bankers Standard Insurance Company**

- Windstorm or Hail Exclusions.
- Windstorm Mitigation Program.
- Base Premium Computation HO 00 04 & HO 00 06; HO2, HO3, HO5 & HE7 Territory Exceptions.
- Key Factors Coverage A over \$1,000,000.
- Protection Construction Factors, HO2, HO3, HO5, HE7.
- Protection Construction Factors, HO4 & HO6.
- Protective Devices Maximum Credit.
- Deductibles – Optional Higher Deductibles.
- Deductibles – Names Storm Percentage Deductibles.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit – Multi Policy
- Mass Merchandising Discount.
- Payment Option: Bank Account Debit Installment Payments.
- Electric Backup System.
- Special Coverage – Coverage A HO6 Only.
- Eff. 4-1-18 ACEH-131192901 [SERFF Filing Access - North Carolina](#)

39. **Camden Fire Insurance Association, The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137 [NCDOI](#)

40. **Central Mutual Insurance Company**

Owners Program

- Deviation by Territory and Protection Class.
- Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Optional Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Personal Property Replacement Cost.
- Accompanying Schedule or Boat Deviation.
- Age of Dwelling.
- Home Buyer Deviation.
- Gated Community Deviation.
- Non-Packaged Risk Deviation.
- Deviation of Wood Roofs.
- Superior Protection Credits.
- Swimming Pool.
- Solid Fuel Heating Device.
- Deviation for Trampolines.

- Deviation for Underwriter Accommodations.
- Residence Held in Trusts.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

Tenants Program

- Base Class Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

Condo Program

- Base Class Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Form HO 00 06 Coverage A.
- Residence Held in Trust – all forms except HO 00 04.
- Package Deviation.
- Installment Payment Plan.
- Deviation for Waiver of Premium.
- Eff 4-1-18 CEMC-131278612 [SERFF Filing Access - North Carolina](#)

41. **The Charter Oak Fire Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 3-1-18 TRVA-131238634 [SERFF Filing Access - North Carolina](#)

42. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697 [NCDOI](#)

43. **The Cincinnati Insurance Company**

- Dwellings Age of Dwelling Credits.
- Base Rate Deviation by Territory.

- Installment Payment Plan.
- Homeowners Enhancement Deviation.
- Watercraft Liability Deviation.
- Preferred Risk Credit.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protective Devices.
- Book Roll Transition Factor.
- NC Protection Class Factor.
- Eff 4-1-18 CNNB-131198182 [SERFF Filing Access - North Carolina](#)

44. City National Insurance Company

- Modified Base Rate.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Mature Homeowners Discount.
- New Purchase Discount.
- Secured Communities Discount.
- Maximum Discount Rule.
- Supplemental Heat Factor.
- Experience Rating Factor.
- 10-1-18 STNA-131486088 [SERFF Filing Access - North Carolina](#)

45. Continental Indemnity Company

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.

- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [NCDOI](#)

46. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [NCDOI](#)

47. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.

- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [SERFF Filing Access - North Carolina](#)

48. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 9-27-17 ELEC-131120276 [SERFF Filing Access - North Carolina](#)

49. **EMCASCOS Insurance Company**

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount
- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670 [NCDOI](#)

50. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669 [NCDOI](#)

51. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.

- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324 [SERFF Filing Access - North Carolina](#)

52. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit Deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting Tier Deviation.
- Claims Tier Deviation.
- Occupancy Deviation.
- Home Age/Policy Age Deviation.
- Townhouse and Row House Deviation.
- Business Pursuits.
- Waterbed Liability Deviation.
- Refrigerated Personal Property Coverage.
- Rented Personal Property Deviation.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage Deviation.
- Windstorm Mitigation Credits.
- Eff 4-1-18 ERPP-131291754 [SERFF Filing Access - North Carolina](#)

53. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors Deviation.
- Protective Device Credits.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7).
- Personal Property Replacement Cost.
- Townhouse or Row House Charge Eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04.
- Seasonal Dwelling Factors.
- Rented Personal Property (HO 32 21).
- Business Pursuits.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage (HO 0498).
- Personal Property Increased Limits; HE 7.
- Premium Payment Plan Service Charge – Installment Payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.

- Windstorm Mitigation Credits.
- Eff. 4-1-18 ERPP-131293863 [SERFF Filing Access - North Carolina](#)

54. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903 [SERFF Filing Access - North Carolina](#)

55. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [NCDOI](#)

57. **Federal Insurance Company**

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Effective 4-1-18 ACEH - 131193182 [SERFF Filing Access - North Carolina](#)

58. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.

- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

59. Fidelity & Guaranty Insurance Company

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [NCDOI](#)

60. Fidelity & Guaranty Insurance Underwriters

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [NCDOI](#)

61. Firemans Fund Insurance Company

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

62. Firemen's Insurance Company of Washington D.C.

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

63. First Community Insurance Company

- Base Premium HO 00 03.

- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Water Leak Detection Discount.
- Eff 10-1-18 BKIC-131596653 [SERFF Filing Access - North Carolina](#)

64. First Protective Insurance Company

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Deductible for all forms except HO 00 04 and HO 00 06.
- Eff 10-28-17 PARE-131175964 [SERFF Filing Access - North Carolina](#)

WIND ONLY Policy

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406 [SERFF Filing Access - North Carolina](#)

65. Garrison Property and Casualty Insurance Company

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496762 [SERFF Filing Access - North Carolina](#)

66. General Insurance Company of America

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.

- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [NCDOL](#)

67. Government Employees Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

68. Grain Dealers Mutual Insurance Company

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [SERFF Filing Access - North Carolina](#)

69. Granite State Insurance Company

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

70. Graphic Arts Mutual Insurance Company

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.

- Eff. 4-1-18 UTCX-G131185770 [SERFF Filing Access - North Carolina](#)

71. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.
- Cap on total credits/discounts.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 6-1-15 HNVX-G129953461 [SERFF Filing Access - North Carolina](#)

72. **Hanover Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6.
- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan.
- Group Modification Plan Discount (Mass Merchandising Plan)
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts
- Relativity curve deviation HO 00 03.
- Relativity Curve deviation forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879210 [SERFF Filing Access - North Carolina](#)

73. **Harbor Specialty Insurance Company**

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.

- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

74. Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

75. Harleysville Preferred Insurance Company

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715 [SERFF Filing Access - North Carolina](#)

76. Hartford Accident and Indemnity Company

- Age of Home Credit.
- Account Credit.
- Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154611 [SERFF Filing Access - North Carolina](#)

77. Hartford Casualty Insurance Company

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.

- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131583914 [SERFF Filing Access - North Carolina](#)

78. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [SERFF Filing Access - North Carolina](#)

79. **Hartford Insurance Company of Midwest**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-20-18 HART-131583924 [SERFF Filing Access - North Carolina](#)

80. **Hartford Underwriters Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-22-17 HART-131034435 [SERFF Filing Access - North Carolina](#)

81. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.

- Clear Space Discount.
 - Eff 6-1-17 HPCI-131012373 [SERFF Filing Access - North Carolina](#)
82. **Homesite Insurance Company**
- Partner Discount.
 - Book Transfer Rule.
 - Eff 4-27-17 HMSS-13958667 [SERFF Filing Access - North Carolina](#)
83. **Horace Mann Insurance Company**
- Installment Payment Plan Waive initial \$3 installment fee.
 - Installment Payments - EFT.
 - Multi-Line Deviation.
 - Credit Rating Tier/Insurance Score.
 - Educator Deviation.
 - Claims Deviation.
 - Territorial Deviation Form 3.
 - Eff. 4-1-18 HRMN-130864887 [SERFF Filing Access - North Carolina](#)
84. **Horace Mann Property & Casualty Insurance Company**
- Installment Payment Plan – Waive initial \$3.00 installment fee.
 - Multi-Line Deviation.
 - Credit Rating Tier/Insurance Score.
 - Installment Payments - EFT.
 - Educator Deviation.
 - Claims Deviation Form 3.
 - Territorial Deviation.
 - Eff 4-1-18 HRMN-131224364 [SERFF Filing Access - North Carolina](#)
85. **IDS Property Casualty Insurance Company**
- Protective Device Credits
 - Deductible Credits Forms HO 00 04 HO 00 06.
 - Home and Auto Discount.
 - Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
 - Condo Coverage A increased limits.
 - Newly Constructed Dwellings-Utilities Rating Plan.
 - Coverage C Increased Limits.
 - Refrigerated Personal Property
 - Townhouse/Rowhouse
 - Costco Discount
 - Territories Base Rates (Form HO 00 04).
 - Installment Electronic Funds Transfer.
 - Eff 1-1-18 PRCA-131110328 [SERFF Filing Access - North Carolina](#)
86. **Indemnity Insurance Company of North America**
- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
 - All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
 - Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
 - Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
 - Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
 - Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
 - Eff. 9-1-99
87. **Indiana Lumbermens Mutual Insurance Company**
- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
 - Eff. 9-1-85

88. Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

89. Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

90. Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

91. Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

92. Integon National Insurance Company

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [SERFF Filing Access - North Carolina](#)

93. Liberty Insurance Corporation

- Liberty Mutual Advantage.
- Multi Policy Discount.
- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916 [SERFF Filing Access - North Carolina](#)
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94. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [SERFF Filing Access - North Carolina](#)

95. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

96. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 Deviation.
- Age of Dwelling Deviation.
- Book Transfer Discount Deviation.
- Claim Free Discount Deviation.
- Companion Policy Discount Deviation.
- Golden Age Discount Deviation.
- New Purchase Discount Deviation.
- Secured Communities Discount Deviation.
- E-Policy Discount Deviation.
- Maximum Discount Deviation.
- Seasonal/Secondary Home Deviation.
- Wood Burning Stove Deviation.
- Experience Rating Deviation.
- Affinity Discount.
- Partial Hip Roof Discount.
- Eff 2-1-18 MERL-131277284 [SERFF Filing Access - North Carolina](#)

97. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592 [SERFF Filing Access - North Carolina](#)

98. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.

- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [NCDOJ](#)

99. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939 [NCDOJ](#)

100. **Markel American Insurance Company**

- Key Factors
- Eff. 4-1-18 MRKA-131338370 [SERFF Filing Access - North Carolina](#)

101. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

102. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 00 06
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan Discount.

- Group Modification Plan (Mass Merchandising Plan).
- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 6-1-15 HNVX-G129953474 [SERFF Filing Access - North Carolina](#)

103. **Max America Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit.
- Forms 1, 2, 3 & 3 w/15: New Home Credit.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03-5-02

104. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

105. **The Members Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 12-1-17 CMCG-131039815 [SERFF Filing Access - North Carolina](#)

106. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [SERFF Filing Access - North Carolina](#)

107. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.

- Eff 11-5-10 BALB-126700430 [SERFF Filing Access - North Carolina](#)

108. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571 [SERFF Filing Access - North Carolina](#)

109. **Metropolitan Property & Casualty Insurance Company**

Standard Program

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

Conversion Program

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692 [SERFF Filing Access - North Carolina](#)

110. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [NCDOI](#)

111. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [NCDOI](#)

112. **NGM Insurance Company**

- Age of Home Discount.
- Multi-Line Discount.
- Deductible Credits/Charges and Theft Deductible.
- Protective Device Credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.

- Territorial Base Rate Deviation.
- Coverage A Relativities.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Policy Form Relativities.
- Windstorm or Hail Exclusion Credits.
- Eff. 4-1-18 NGMC-131235374 [SERFF Filing Access - North Carolina](#)

113. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

114. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

115. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [NCDOL](#)

116. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.

- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427

117. **Nationwide General Insurance Company**

- Territory Deviation.
- Amount of Insurance.
- Deductible Deviations - Forms HO 02, HO 03, and HO 05.
- Age of Construction - Forms HO 02, HO 03, HO 05, and HO 06.
- Home Renovation Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Gated Community Deviation - Forms HO 02, HO 03, and HO 05.
- Supplemental Heating Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Safe Home Rating Plan Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Protection Class - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Roof Rating Deviation - Forms HO 02, HO 03, and HO 05.
- Household Composition Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Associate Discount Deviation.
- Maximum Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan Deviation.
- Miles to Coast Deviation.
- Census Block Deviation.
- Eff 5-26-18 NWPC-131345714 [SERFF Filing Access - North Carolina](#)

118. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff. 6-20-18 NWPC-131345731 [SERFF Filing Access - North Carolina](#)

119. **Nationwide Mutual Insurance Company**

Nationwide Mutual Insurance Company

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms HO 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06.
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.

- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Installment Payment Plans.
- Census Block Deviation.

Nationwide Mutual Insurance Company (Harleysville Operations)

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 6-20-18 NWCP – 131345734 [SERFF Filing Access - North Carolina](#)

120. **Netherlands Insurance Company**

Preferred Homeowners

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [NCDOI](#)

121. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

122. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

123. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property Replacement Cost.
- Deductibles.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Watercraft – Outboard Motors.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Company Deviations.
- Deviations - Forms HO 00 02 and HO 00 03.
- Deviations by Territories 110,120,130,140,150,160.
- Deviations on Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Value-Plus Deviation.
- Carolina Partner Plus Discount – Form HO 00 03.
- Eff. 4-1-18 NCFB-131245241 [SERFF Filing Access - North Carolina](#)

124. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

125. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955 [NCDOI](#)

126. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.

- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

127. **Occidental Fire & Casualty Company of North Carolina**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

Form HS 03 Deviations

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 10-1-18 OCCD-131605587

128. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [NCDOI](#)

129. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.

- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

130. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952 [SERFF Filing Access - North Carolina](#)

131. **Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Backup Generator Discount.
- Company Deviation.
- All Forms Except HO 00 04 and HO 00 06 Coverage A Deviation.

- Eff 4-1-18 AOIC-131252140 [SERFF Filing Access - North Carolina](#)

132. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

133. **Pacific Indemnity Company**

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- House Key Factors.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Base Rate Territory Discount.
- Eff 4-1-18 CHUB-131193183 [SERFF Filing Access - North Carolina](#)

134. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [SERFF Filing Access - North Carolina](#)

135. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

136. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

137. **Pennsylvania National Mutual Casualty Insurance Company**

- Year of Construction – Newly Constructed Dwellings.
- Deductibles – Optional Higher Deductibles.
- Personal Property Increased Limit.

- Preferred Program Protection Class and Territory.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Devices Credit.
- Additional Safety Device by Territory Credit.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.
- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- Age of Home.
- Eff 11-15-17 PNPR-131110184 [SERFF Filing Access - North Carolina](#)

138. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [SERFF Filing Access - North Carolina](#)

139. **Phoenix Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Eff 3-1-18 TRVA-131238578 [SERFF Filing Access - North Carolina](#)

140. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.

- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

141. **Praetorian Insurance Company**

- HO 03 Base Rate Deviation.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Additional Amounts of Insurance.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 5-1-17 QBEC-130888091 [SERFF Filing Access - North Carolina](#)
- **Tenant Homeowners**
- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311 [SERFF Filing Access - North Carolina](#)

142. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Mortgage Free Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Cost Per Square Foot Factor.
- Eff 4-1-18 PRIV-131270755 [SERFF Filing Access - North Carolina](#)

143. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [SERFF Filing Access - North Carolina](#)

144. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

145. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Specified Additional Amount of Insurance Coverage A.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 5-1-17 QBEC-130888729 [SERFF Filing Access - North Carolina](#)

146. **Republic-Franklin Insurance Company**

Personal Edge Homeowners

- Base Rate Deviations.
- Coverage A Key Factor Curve
- Program Tiered Rating.
- Account Credit.
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (All policy forms except HO4 and HO6)
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO 3, HO5 and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.

- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.
Personal Edge Homeowners Essential
- Base Rate Deviations.
- Coverage A Key Factor Curve.
- Program Tiered Rating.
- Account Credit.
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all policy forms except HO4 or HO6).
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO3, HO5, and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Eff 6-25-18 UTCX-131471368 [SERFF Filing Access - North Carolina](#)

147. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

148. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Age of Dwelling.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Windstorm or Hail Exclusion.
- Eff 10-1-18 RLSC-131596324 [SERFF Filing Access - North Carolina](#)

149. **Safeco Insurance Company of America**

- Deductible Factors.
- Account Credit.
- Credit Card, Fund Transfer Card, Forgery.
- Medical Payments/Other Exposures/Higher Limits Deviation.
- Other Insured Locations.
- Special Personal Property Coverage – HO 54 and HO 6.
- Tier Relativities – Credit Scoring.
- Employee Discount Plan.
- Territory Relativities.
- Renewal Credit.
- Age of Roof Discount.
- Umbrella Account Credit.
- Roof Type.
- Protection Class Relativity.
- Coverage A per Square Footage.
- Advance Quote Discount.
- Coverage C Amount.
- New Buyer Credit.
- Eff. 4-1-18 LBPM-131139287 [SERFF Filing Access - North Carolina](#)

150. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

151. **Seaton Insurance Company**

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

152. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

153. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

154. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

155. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

156. **Service Insurance Company**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.

- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

HS 03 Deviations

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 10-1-18 OCCD-131605605 [NCDOI](#)

157. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [SERFF Filing Access - North Carolina](#)

158. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

159. **Southern Insurance Company of Virginia**

PREFERRED

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.

- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

STANDARD

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

160. **Southern Pilot Insurance Company**

- Territory/Protection Class/Construction Forms HO 00 03, HO 00 05, HE-7.
- Territory/Protection Class/Construction Forms HO 00 04.
- Territory/Protection Class/Construction Forms HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Personal Property Increased Limits.
- Outboard Motors and Watercraft Liability.
- Personal Injury Coverage.
- Protective Devices Credit.
- Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 6-1-15 QBEC-130076168 [SERFF Filing Access - North Carolina](#)

161. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6;: 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;: -\$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;: \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [NCDOI](#)

162. **Spinnaker Insurance Company**

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.
- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106 [SERFF Filing Access - North Carolina](#)

163. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

164. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15

yrs.-3%.

- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

165. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

166. **Standard Fire Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.

- Eff. 3-1-18 TRVA-131238635 [SERFF Filing Access - North Carolina](#)

167. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

168. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Protective Devices – Maximum Credit.
- Year of Construction.
- Age of Home Credit.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Installment Payment Plan, E-Pay.
- Employee Group Discount Plan.
- Home Purchase Discount.
- Advance Quote Discount.
- Key Factors – Policy Size Relativity.
- Eff 4-16-18 STAT-131387601 [SERFF Filing Access - North Carolina](#)

169. **State Auto Property & Casualty Insurance Company**

- Protective Devices Credits.
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan Options.
- Employee Group Discount Plan.
- Base Premiums - Form HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Base Premium Key Factor Relativity.
- Eff. 4-16-18 STAT-131387603 [SERFF Filing Access - North Carolina](#)

170. **State Farm Fire & Casualty**

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective Devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installments Payment Plan.
- Refrigerated Personal Property.

- Home and Auto Discount.
- Deductibles-Named Storm Percentage Deductibles HO 00 03, HO 00 04 and HO 00 06.
- All Perils Deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection Class.
- Construction and Protection Class – Form 3
- Construction and Protection Class Forms 4 and 6.
- Rule 301 Amount Form 3.
- Eff. 4-1-18 SFMA-131277631 [SERFF Filing Access - North Carolina](#)

171. **Stillwater Property & Casualty Insurance Company**

- Base Rate Deviation by Territory HO 00 03, HO 00 04 and HO 00 06.
- HO 00 03, HO 00 04 and HO 00 06 Amount of Insurance Factors by Territory.
- HO 00 04 Amount of Insurance by Territory.
- HO 00 03 Townhouse/Rowhouse.
- HO 00 03 Optional Deductible Credits, Hurricane Deductibles and Windstorm or Hail Deductibles.
- HO 00 04 and HO 00 06 Optional Deductible Credits.
- Rules 601, 602 and 604 Number of Families.
- Coverage C Increased Limits.
- HO 00 04 and HO 00 06 Replacement Cost on Contents.
- Homeowners Renewal Discount.
- Protective Devices – Automatic Sprinkler Discount.
- Ordinance of Law Coverage.
- Affinity Discount.
- Home-Auto Discount.
- Newly Acquired Home.
- HO 00 06 Coverage A Increased Limits.
- HO 00 03 Coverage D Increased Limits.
- Insurance Bureau Score.
- Eff 2-15-08 PC106949

172. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

173. **Teachers Insurance Company**

- Installment Pay Plan – Waive \$3.00 Installment Fee on Installment Payment Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 4-1-18 HRMN-131224488 [SERFF Filing Access - North Carolina](#)

174. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 3-1-18 TRVA-131238662 [SERFF Filing Access - North Carolina](#)

175. **Travelers Indemnity Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 3-1-18 TRVA-131238630 [SERFF Filing Access - North Carolina](#)

176. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Eff 3-1-18 TRVA-131238577 [SERFF Filing Access - North Carolina](#)

177. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.

- Eff. 11-1-96

178. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.

- Eff 5-25-17 TRVA-130833110 [SERFF Filing Access - North Carolina](#)

179. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

180. **Twin City Fire Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131584002 [SERFF Filing Access - North Carolina](#)

181. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.

- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496766 [SERFF Filing Access - North Carolina](#)

182. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131214663 [SERFF Filing Access - North Carolina](#)

183. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

184. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

185. **United Property & Casualty**

- Base Rate Deviation.
- Book Transfer Discount.
- Companion Policy Discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 6-1-16 UPCI-130516496 [SERFF Filing Access - North Carolina](#)

186. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496781 [SERFF Filing Access - North Carolina](#)

187. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952

188. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

189. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 4-1-18 KEMP-131257628 [SERFF Filing Access - North Carolina](#)

190. **Unitrin Safeguard Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record Deviation.
- Year of Construction.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Eff 4-1-18 KEMP-131257624 [SERFF Filing Access - North Carolina](#)

191. **Universal Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.

- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 4-1-18 CMCG-131333746 [SERFF Filing Access - North Carolina](#)

192. **Universal North American Insurance Company**

Homeowners Choice Program

- Age of Home.
- Personal Property Replacement Cost No Minimum Charge.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

Homeowners Advantage

- Age of Home.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 10-1-18 AGIA-131505415 [SERFF Filing Access - North Carolina](#)

193. **Utica Mutual Insurance Company**

- Personal Lines Account Credit.
- W.I.S.E./Affinity Group Program.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 4-1-18 UTCX-G131185768 [SERFF Filing Access - North Carolina](#)

194. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

195. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or

older & is not employed outside the home.

- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

196. **Vigilant Insurance Company.**

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Base Premium Factors.
- Key Factors.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Multi-Policy Discount – Valuable Articles Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Eff. 4-1-18 CHUB-131193189 [SERFF Filing Access - North Carolina](#)

197. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

198. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

<u>Year</u>	<u>Deviations</u> ^(a)				
	<u>Written Premium Of Companies W/Deviations</u> ^(b)	<u>Percentage Of Written Premiums Of Companies W/Deviations To Total Written Premiums</u> ^(c)	<u>Amount Of Deviations</u>	<u>Average Percentage Deviation For Deviating Companies</u> ^(d)	<u>Average Percentage Deviations For All Companies</u> ^(e)
2013	1,564,938,386	72.5%	209,879,602	13.4%	9.7%
2014	1,469,356,979	64.5%	206,668,950	14.1%	9.1%
2015	1,420,689,148	60.7%	195,284,967	13.7%	8.3%
2016	1,408,198,958	58.0%	200,398,529	14.2%	8.3%
2017	1,428,910,353	56.6%	197,024,879	13.8%	7.8%

Notes:

- (a) The Beach and Fair plans do not report the NCRB Special Call for Homeowners and are therefore are not included in this report.
- (b) Estimated premium written at deviated rates is not available. This column reflects the premium written at manual or deviated rates of those companies reporting some premium at deviated rates.
- (c) The estimated percentage of statewide premium written at deviated rates is not available. This column reflects item (ii) as a percentage of the total reported statewide written premium.
- (d) This column reflects the amount of deviations as a percentage of premium written at deviated or manual rates of those companies reporting some premium at deviated rates.
- (e) This column reflects the amount of deviations as a percentage of total reported statewide written premium.

Companies Paying Homeowners Insurance Dividends

2012

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2013

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2014

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2015

Affiliated FM Insurance Company
Metropolitan Property & Casualty Insurance Company
United Services Automobile Association

2016

Affiliated FM Insurance Company
Amica Mutual Insurance Company
United Services Automobile Association

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
 REQUIREMENTS FOR A HOMEOWNERS RATE FILING
 AS PER 11 NCAC 10.1105

DIVIDENDS

<u>Year</u>	<u>Written Premium Of Companies W/Dividends</u>	<u>Percentage Of Written Premiums Of Companies W/Dividends To Total Written Premiums</u>	<u>Dividends</u>	<u>Percentage Dividends of Companies w/Dividends</u>	<u>Overall Percentage of Dividends</u>
2012	93,178,022	4.72%	7,621,372	8.18%	0.39%
2013	108,646,018	5.07%	9,201,345	8.47%	0.43%
2014	123,674,110	5.43%	9,525,783	7.70%	0.42%
2015	132,247,663	5.66%	10,331,019	7.81%	0.44%
2016	127,336,223	5.26%	9,333,581	7.33%	0.39%

Source: Annual Statements, Statutory Page 14

NORTH CAROLINA

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The data required by 11 NCAC 10.1105(1)(i)(i,ii) were not being collected or reported in the experience period. The response to 11 NCAC 10.1105(1), page E-4, provides incurred loss and loss adjustment expense information for property and liability losses. The response to 11 NCAC 10.1105(1)(l) provides non-hurricane incurred loss data by cause-of-loss. Additional information concerning loss development is provided in the response to 11 NCAC 10.1105(3). Additional information concerning loss adjustment expenses is provided in the response to 11 NCAC 10.1105(7). Additional information concerning loss trend is provided in Section D and in the pre-filed testimony of P. Anderson, M. Berry and Y. Yao.

(iii) to (vi)

Applied Loss Development Factor			
<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
2012	1.000	1.000	1.000
2013	0.999	1.001	1.001
2014	0.999	1.001	0.994
2015	1.001	1.008	0.995
2016	1.025	1.013	0.994

Loss Adjustment Expense Factor			
	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
Non-Hurricane	1.149	1.204	1.181
Hurricane	1.060	1.060	1.060

Applied Loss Trend Factor			
<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
2012	1.197	0.812	0.916
2013	1.177	0.826	0.931
2014	1.160	0.848	0.956
2015	1.147	0.869	0.980
2016	1.156	0.891	1.004

Trended Incurred Losses and LAE			
<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
2012	\$1,128,525,438	\$21,315,374	\$12,532,450
2013	1,113,059,445	23,634,438	12,205,172
2014	1,275,852,782	22,725,328	16,261,713
2015	1,282,528,676	26,730,276	18,481,802
2016	1,279,987,650	26,549,352	16,595,829

(vii) This information is given in the response to 11 NCAC 10.1105(1), page E-5.

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See prefiled testimony of P. Anderson, M. Berry, S. Fiete, E. Henderson and Y. Yao.

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CAUSE OF LOSS DATA

Non-hurricane loss experience by cause of loss is provided on the attached Exhibit (1)(l).

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	110	Fire, Lightning and Removal	2012	193,755	24	8,026	0.35	28.34
			2013	1,118,773	18	63,243	0.25	155.39
			2014	1,264,172	40	31,707	0.49	155.97
			2015	11,203,737	61	185,033	0.51	937.00
			2016	2,475,681	42	59,071	0.28	167.24
		Wind and Hail	2012	237,828	41	5,791	0.60	34.79
			2013	307,573	62	4,962	0.86	42.72
			2014	178,189	35	5,039	0.44	21.99
			2015	325,628	60	5,437	0.50	27.23
			2016	515,579	82	6,266	0.56	34.83
		Water Damage and Freezing	2012	836,712	58	14,552	0.84	122.40
			2013	436,849	64	6,814	0.89	60.67
			2014	1,583,182	79	19,942	0.98	195.33
			2015	3,341,268	201	16,586	1.68	279.44
			2016	2,612,759	128	20,352	0.87	176.50
		Theft	2012	27,945	9	3,031	0.13	4.09
			2013	4,355	2	2,167	0.03	0.60
			2014	2,214	3	724	0.04	0.27
			2015	45,590	14	3,213	0.12	3.81
			2016	76,728	17	4,433	0.12	5.18
		Other Physical Damage	2012	74,732	9	8,001	0.14	10.93
			2013	31,493	9	3,480	0.13	4.37
			2014	42,989	6	7,476	0.07	5.30
			2015	116,833	22	5,291	0.18	9.77
			2016	152,254	18	8,444	0.12	10.29
		Liability	2012	107,493	4	28,589	0.06	15.72
			2013	174,489	9	18,563	0.13	24.23
			2014	45,968	12	3,762	0.15	5.67
			2015	20,151	10	1,949	0.09	1.69
			2016	71,010	9	7,554	0.06	4.80
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	1,878	1	1,998	0.01	0.27
			2013	10,019	4	2,665	0.05	1.39
			2014	844	2	449	0.02	0.10
			2015	3,939	2	2,095	0.02	0.33
			2016	6,737	3	2,389	0.02	0.46
		Total	2012	1,480,343	146	10,141	2.14	216.55
			2013	2,083,551	168	12,401	2.33	289.38
2014	3,117,558		178	17,561	2.19	384.65		
2015	15,057,146		370	40,653	3.10	1,259.27		
2016	5,910,748		300	19,694	2.03	399.29		

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	120	Fire, Lightning and Removal	2012	667,648	33	20,177	0.31	63.00
			2013	1,452,667	35	41,707	0.31	129.75
			2014	1,188,334	36	33,037	0.30	100.46
			2015	1,461,516	44	33,552	0.31	103.60
			2016	1,788,875	58	30,663	0.40	121.35
		Wind and Hail	2012	465,885	64	7,297	0.60	43.96
			2013	467,384	58	8,039	0.52	41.75
			2014	342,983	75	4,593	0.63	29.00
			2015	587,712	103	5,687	0.73	41.66
			2016	373,127	65	5,737	0.44	25.31
		Water Damage and Freezing	2012	817,398	65	12,529	0.62	77.13
			2013	1,464,051	87	16,803	0.78	130.77
			2014	1,106,301	88	12,566	0.74	93.52
			2015	1,666,123	116	14,322	0.82	118.11
			2016	1,843,977	132	14,012	0.89	125.08
		Theft	2012	78,017	16	4,885	0.15	7.36
			2013	40,190	17	2,361	0.15	3.59
			2014	89,493	18	4,840	0.16	7.57
			2015	122,577	25	4,955	0.18	8.69
			2016	110,145	20	5,518	0.14	7.47
		Other Physical Damage	2012	100,492	28	3,601	0.26	9.48
			2013	128,837	16	7,823	0.15	11.51
			2014	137,280	26	5,186	0.22	11.61
			2015	161,397	29	5,614	0.20	11.44
			2016	220,889	21	10,509	0.14	14.98
		Liability	2012	99,106	4	26,358	0.04	9.35
			2013	65,929	9	7,014	0.08	5.89
			2014	224,100	10	21,673	0.09	18.94
			2015	184,255	13	14,001	0.09	13.06
			2016	97,589	15	6,489	0.10	6.62
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	12,683	6	2,249	0.05	1.20
2013	4,960		3	1,759	0.03	0.44		
2014	2,814		3	998	0.02	0.24		
2015	13,159		5	2,800	0.03	0.93		
2016	3,850		2	2,048	0.01	0.26		
Total	2012	2,241,229	215	10,402	2.03	211.48		
	2013	3,624,018	226	16,049	2.02	323.69		
	2014	3,091,305	257	12,038	2.17	261.33		
	2015	4,196,739	335	12,543	2.37	297.49		
	2016	4,438,452	313	14,186	2.12	301.08		

NORTH CAROLINA
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LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	130	Fire, Lightning and Removal	2012	1,865,783	63	29,517	0.62	183.10
			2013	3,059,983	54	56,708	0.43	241.29
			2014	2,795,972	59	47,245	0.38	177.87
			2015	2,895,479	39	74,262	0.28	211.19
			2016	2,838,799	58	49,353	0.53	262.08
		Wind and Hail	2012	272,632	56	4,892	0.55	26.75
			2013	290,024	63	4,572	0.50	22.87
			2014	126,322	47	2,710	0.30	8.04
			2015	187,819	42	4,522	0.30	13.70
			2016	284,907	75	3,782	0.70	26.30
		Water Damage and Freezing	2012	616,319	83	7,426	0.81	60.48
			2013	1,397,263	119	11,751	0.94	110.18
			2014	2,668,450	141	18,947	0.90	169.76
			2015	1,531,504	107	14,337	0.78	111.71
			2016	990,048	91	10,875	0.84	91.40
		Theft	2012	112,093	24	4,708	0.23	11.00
			2013	102,443	27	3,821	0.21	8.08
			2014	61,936	14	4,504	0.09	3.94
			2015	24,024	8	2,996	0.06	1.75
			2016	26,913	10	2,683	0.09	2.48
		Other Physical Damage	2012	54,675	26	2,098	0.26	5.37
			2013	209,712	28	7,560	0.22	16.54
			2014	165,582	35	4,736	0.22	10.53
			2015	240,448	24	9,940	0.18	17.54
			2016	186,395	23	8,244	0.21	17.21
		Liability	2012	22,961	10	2,221	0.10	2.25
			2013	76,448	15	5,083	0.12	6.03
			2014	13,786	8	1,630	0.05	0.88
			2015	79,818	17	4,717	0.12	5.82
			2016	87,736	19	4,667	0.17	8.10
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	2,747	3	974	0.03	0.27
2013	14,038		6	2,489	0.04	1.11		
2014	8,301		3	2,944	0.02	0.53		
2015	13,159		4	3,500	0.03	0.96		
2016	7,974		4	2,121	0.03	0.74		
Total	2012	2,947,210	265	11,123	2.60	289.23		
	2013	5,149,911	312	16,530	2.46	406.08		
	2014	5,840,349	307	19,047	1.95	371.55		
	2015	4,972,251	240	20,698	1.75	362.67		
	2016	4,422,772	279	15,847	2.58	408.31		

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LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	140	Fire, Lightning and Removal	2012	9,682,472	268	36,149	0.30	109.80
			2013	9,953,013	218	45,732	0.26	120.81
			2014	15,016,541	341	44,003	0.42	186.39
			2015	8,771,651	310	28,312	0.38	108.65
			2016	15,943,849	316	50,532	0.40	202.49
		Wind and Hail	2012	1,930,063	313	6,170	0.35	21.89
			2013	2,689,564	449	5,993	0.54	32.64
			2014	1,993,391	360	5,543	0.45	24.74
			2015	7,846,237	902	8,702	1.12	97.19
			2016	5,318,412	827	6,427	1.05	67.54
		Water Damage and Freezing	2012	6,489,964	627	10,350	0.71	73.60
			2013	5,265,529	568	9,272	0.69	63.91
			2014	8,272,025	863	9,586	1.07	102.67
			2015	9,962,369	781	12,757	0.97	123.40
			2016	6,926,380	671	10,324	0.85	87.97
		Theft	2012	928,712	235	3,954	0.27	10.53
			2013	890,502	238	3,746	0.29	10.81
			2014	656,195	190	3,449	0.24	8.14
			2015	744,069	183	4,064	0.23	9.22
			2016	517,188	106	4,862	0.14	6.57
		Other Physical Damage	2012	868,089	146	5,966	0.16	9.84
			2013	1,089,575	148	7,376	0.18	13.22
			2014	2,952,616	275	10,740	0.34	36.65
			2015	1,346,489	200	6,731	0.25	16.68
			2016	3,009,832	149	20,229	0.19	38.23
		Liability	2012	494,536	65	7,563	0.07	5.61
			2013	1,022,815	59	17,351	0.07	12.41
			2014	912,510	73	12,538	0.09	11.33
			2015	1,436,266	92	15,639	0.11	17.79
			2016	1,250,437	78	16,027	0.10	15.88
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	39,268	31	1,277	0.03	0.45
2013	66,350		26	2,521	0.03	0.81		
2014	53,656		28	1,903	0.04	0.67		
2015	48,378		22	2,238	0.03	0.60		
2016	58,166		24	2,475	0.03	0.74		
Total	2012	20,433,104	1,684	12,132	1.91	231.71		
	2013	20,977,348	1,705	12,304	2.07	254.61		
	2014	29,856,934	2,130	14,018	2.64	370.59		
	2015	30,155,459	2,489	12,115	3.08	373.51		
	2016	33,024,264	2,171	15,215	2.76	419.41		

NORTH CAROLINA
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LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	150	Fire, Lightning and Removal	2012	7,231,784	225	32,148	0.55	175.84
			2013	8,378,229	217	38,542	0.46	178.54
			2014	4,053,787	158	25,683	0.33	85.70
			2015	6,523,668	163	40,057	0.37	149.99
			2016	5,274,865	218	24,158	0.50	120.01
		Wind and Hail	2012	3,841,388	706	5,438	1.72	93.40
			2013	1,239,574	290	4,272	0.62	26.41
			2014	13,296,357	1,649	8,063	3.49	281.11
			2015	919,641	256	3,586	0.59	21.14
			2016	1,476,117	431	3,423	0.98	33.58
		Water Damage and Freezing	2012	3,077,977	371	8,294	0.90	74.84
			2013	2,824,230	369	7,649	0.79	60.18
			2014	3,434,443	388	8,846	0.82	72.61
			2015	3,755,371	446	8,426	1.02	86.34
			2016	3,185,468	382	8,343	0.87	72.47
		Theft	2012	356,814	121	2,948	0.29	8.68
			2013	357,752	114	3,150	0.24	7.62
			2014	263,800	80	3,312	0.17	5.58
			2015	323,854	58	5,626	0.13	7.45
			2016	196,241	70	2,798	0.16	4.46
		Other Physical Damage	2012	324,416	139	2,332	0.34	7.89
			2013	442,835	115	3,844	0.25	9.44
			2014	553,855	167	3,319	0.35	11.71
			2015	607,187	91	6,699	0.21	13.96
			2016	534,001	100	5,354	0.23	12.15
		Liability	2012	651,716	57	11,366	0.14	15.85
			2013	283,159	41	6,846	0.09	6.03
			2014	826,716	49	16,913	0.10	17.48
			2015	736,872	57	12,851	0.13	16.94
			2016	236,644	63	3,757	0.14	5.38
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	23,863	16	1,493	0.04	0.58
2013	20,500		13	1,558	0.03	0.44		
2014	24,333		19	1,294	0.04	0.51		
2015	33,210		17	1,963	0.04	0.76		
2016	26,834		9	2,855	0.02	0.61		
Total	2012	15,507,958	1,636	9,479	3.98	377.07		
	2013	13,546,279	1,160	11,676	2.47	288.67		
	2014	22,453,291	2,509	8,948	5.31	474.70		
	2015	12,899,803	1,087	11,862	2.50	296.59		
	2016	10,930,170	1,274	8,582	2.90	248.67		

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LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	160	Fire, Lightning and Removal	2012	3,483,076	124	28,160	0.31	87.84
			2013	2,814,043	91	30,927	0.24	75.05
			2014	4,452,652	128	34,678	0.36	123.12
			2015	5,223,724	150	34,776	0.40	140.73
			2016	5,338,831	150	35,554	0.38	136.86
		Wind and Hail	2012	611,732	154	3,979	0.39	15.43
			2013	737,160	186	3,961	0.50	19.66
			2014	834,347	170	4,911	0.47	23.07
			2015	869,995	210	4,151	0.56	23.44
			2016	1,323,728	289	4,586	0.74	33.93
		Water Damage and Freezing	2012	2,067,826	253	8,159	0.64	52.15
			2013	2,129,960	243	8,771	0.65	56.80
			2014	2,580,670	315	8,204	0.87	71.36
			2015	3,054,181	348	8,767	0.94	82.28
			2016	2,700,606	282	9,573	0.72	69.23
		Theft	2012	409,027	105	3,898	0.26	10.32
			2013	420,391	111	3,781	0.30	11.21
			2014	236,490	78	3,034	0.22	6.54
			2015	396,494	105	3,782	0.28	10.68
			2016	425,943	83	5,142	0.21	10.92
		Other Physical Damage	2012	430,297	68	6,327	0.17	10.85
			2013	350,599	75	4,703	0.20	9.35
			2014	679,720	147	4,615	0.41	18.80
			2015	605,272	94	6,440	0.25	16.31
			2016	435,082	77	5,675	0.20	11.15
		Liability	2012	558,701	37	15,072	0.09	14.09
			2013	515,927	34	15,125	0.09	13.76
			2014	591,655	41	14,445	0.11	16.36
			2015	344,677	52	6,632	0.14	9.29
			2016	797,018	37	21,741	0.09	20.43
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	26,622	13	1,982	0.03	0.67
2013	21,968		8	2,597	0.02	0.59		
2014	26,063		11	2,311	0.03	0.72		
2015	27,936		12	2,286	0.03	0.75		
2016	20,733		8	2,757	0.02	0.53		
Total	2012	7,587,281	754	10,059	1.90	191.35		
	2013	6,990,048	748	9,342	2.00	186.41		
	2014	9,401,597	890	10,560	2.46	259.97		
	2015	10,522,279	971	10,834	2.62	283.48		
	2016	11,041,941	925	11,942	2.37	283.05		

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Owners	170	Fire, Lightning and Removal	2012	340,571	31	10,986	0.67	73.56
			2013	500,893	23	21,378	0.54	114.91
			2014	388,114	18	21,829	0.42	91.84
			2015	392,744	23	16,720	0.58	96.24
			2016	725,525	26	27,430	0.65	177.87
		Wind and Hail	2012	171,083	46	3,752	0.98	36.95
			2013	228,833	48	4,797	1.09	52.50
			2014	247,296	50	4,914	1.19	58.52
			2015	206,395	48	4,262	1.19	50.57
			2016	351,160	77	4,533	1.90	86.09
		Water Damage and Freezing	2012	201,359	38	5,328	0.82	43.49
			2013	238,166	33	7,156	0.76	54.64
			2014	304,249	38	7,931	0.91	71.99
			2015	241,785	33	7,233	0.82	59.25
			2016	118,858	26	4,657	0.63	29.14
		Theft	2012	44,808	17	2,709	0.36	9.68
			2013	63,415	17	3,676	0.40	14.55
			2014	75,589	21	3,617	0.49	17.89
			2015	61,182	21	2,879	0.52	14.99
			2016	65,473	12	5,263	0.30	16.05
		Other Physical Damage	2012	31,232	15	2,071	0.33	6.75
			2013	28,432	9	3,216	0.20	6.52
			2014	21,715	10	2,225	0.23	5.14
			2015	40,389	12	3,257	0.30	9.90
			2016	79,088	10	8,128	0.24	19.39
		Liability	2012	36,618	6	6,598	0.12	7.91
			2013	39,419	12	3,358	0.27	9.04
			2014	61,963	7	9,166	0.16	14.66
			2015	113,078	11	10,123	0.27	27.71
			2016	44,927	11	4,015	0.27	11.01
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	2,771	3	997	0.06	0.60
			2013	1,347	2	543	0.06	0.31
			2014	1,876	2	998	0.04	0.44
			2015	3,600	3	1,364	0.06	0.88
			2016	6,494	5	1,382	0.12	1.59
		Total	2012	828,442	154	5,368	3.33	178.93
			2013	1,100,505	145	7,604	3.32	252.47
2014	1,100,802		146	7,552	3.45	260.48		
2015	1,059,173		153	6,931	3.74	259.54		
2016	1,391,525		167	8,308	4.11	341.14		

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Owners	180	Fire, Lightning and Removal	2012	5,265,894	240	21,909	0.47	102.65
			2013	7,724,760	194	39,915	0.40	158.83
			2014	7,437,892	229	32,429	0.47	153.97
			2015	4,926,278	180	27,298	0.38	102.48
			2016	6,347,195	223	28,431	0.46	130.42
		Wind and Hail	2012	5,944,343	985	6,036	1.92	115.88
			2013	2,965,533	612	4,847	1.26	60.97
			2014	7,388,410	979	7,548	2.03	152.95
			2015	1,550,289	297	5,211	0.62	32.25
			2016	3,002,633	575	5,223	1.18	61.70
		Water Damage and Freezing	2012	3,005,374	479	6,273	0.93	58.59
			2013	3,394,557	475	7,151	0.98	69.80
			2014	3,712,354	494	7,516	1.02	76.85
			2015	4,953,447	605	8,186	1.26	103.05
			2016	3,890,721	496	7,851	1.02	79.95
		Theft	2012	622,869	202	3,084	0.39	12.14
			2013	612,860	203	3,021	0.42	12.60
			2014	537,893	158	3,401	0.33	11.14
			2015	523,689	135	3,891	0.28	10.89
			2016	449,703	141	3,179	0.29	9.24
		Other Physical Damage	2012	536,085	177	3,022	0.35	10.45
			2013	567,777	133	4,263	0.27	11.67
			2014	530,942	147	3,600	0.31	10.99
			2015	733,240	149	4,931	0.31	15.25
			2016	413,119	120	3,435	0.25	8.49
		Liability	2012	606,594	72	8,474	0.14	11.82
			2013	749,333	68	11,090	0.14	15.41
			2014	292,309	63	4,675	0.13	6.05
			2015	1,721,161	68	25,412	0.14	35.81
			2016	683,806	77	8,862	0.16	14.05
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	43,898	23	1,883	0.05	0.86
2013	29,851		22	1,349	0.05	0.61		
2014	19,035		13	1,424	0.03	0.39		
2015	28,002		16	1,734	0.03	0.58		
2016	35,857		17	2,119	0.03	0.74		
Total	2012	16,025,057	2,179	7,356	4.25	312.39		
	2013	16,044,671	1,706	9,406	3.51	329.89		
	2014	19,918,835	2,084	9,560	4.31	412.35		
	2015	14,436,106	1,450	9,954	3.02	300.31		
	2016	14,823,034	1,649	8,987	3.39	304.59		

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Owners	190	Fire, Lightning and Removal	2012	1,618,568	86	18,759	0.60	112.53
			2013	2,090,601	70	29,994	0.52	155.00
			2014	1,250,802	71	17,587	0.53	93.97
			2015	1,777,350	72	24,631	0.56	136.82
			2016	3,964,314	55	72,052	0.43	312.45
		Wind and Hail	2012	961,584	181	5,316	1.26	66.86
			2013	552,796	127	4,342	0.94	40.98
			2014	499,865	113	4,421	0.85	37.55
			2015	584,913	146	4,013	1.12	45.03
			2016	1,262,949	249	5,077	1.96	99.54
		Water Damage and Freezing	2012	980,749	154	6,386	1.07	68.19
			2013	752,490	127	5,928	0.94	55.79
			2014	1,203,478	149	8,067	1.12	90.41
			2015	1,261,769	171	7,387	1.31	97.13
			2016	946,310	149	6,347	1.18	74.58
		Theft	2012	186,574	72	2,584	0.50	12.97
			2013	198,399	55	3,581	0.41	14.71
			2014	113,265	35	3,222	0.26	8.51
			2015	219,587	61	3,594	0.47	16.90
			2016	148,739	46	3,260	0.36	11.72
		Other Physical Damage	2012	168,353	47	3,588	0.33	11.70
			2013	113,257	30	3,723	0.23	8.40
			2014	211,775	53	4,024	0.40	15.91
			2015	363,695	60	6,089	0.46	28.00
			2016	114,357	18	6,428	0.14	9.01
		Liability	2012	149,595	27	5,510	0.19	10.40
			2013	591,307	40	14,928	0.29	43.84
			2014	99,807	14	7,280	0.10	7.50
			2015	315,402	31	10,119	0.24	24.28
			2016	270,516	24	11,511	0.19	21.32
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	18,515	10	1,939	0.07	1.29
2013	25,757		12	2,174	0.09	1.91		
2014	12,454		5	2,501	0.04	0.94		
2015	4,284		3	1,525	0.02	0.33		
2016	19,249		6	3,413	0.04	1.52		
Total	2012	4,083,938	577	7,083	4.01	283.94		
	2013	4,324,607	461	9,376	3.42	320.63		
	2014	3,391,446	440	7,710	3.30	254.79		
	2015	4,527,000	544	8,329	4.18	348.50		
	2016	6,726,434	545	12,332	4.30	530.14		

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Owners	200	Fire, Lightning and Removal	2012	1,700,682	65	26,016	0.97	253.23
			2013	1,625,571	34	48,108	0.54	258.48
			2014	3,039,830	43	70,139	0.70	493.32
			2015	1,838,618	47	39,540	0.78	308.08
			2016	3,370,870	70	48,004	1.21	580.58
		Wind and Hail	2012	332,574	61	5,461	0.91	49.52
			2013	447,198	76	5,882	1.21	71.11
			2014	419,077	67	6,209	1.10	68.01
			2015	524,922	81	6,520	1.35	87.96
			2016	689,038	119	5,790	2.05	118.68
		Water Damage and Freezing	2012	204,107	29	7,134	0.43	30.39
			2013	181,349	29	6,350	0.45	28.84
			2014	473,120	109	4,341	1.77	76.78
			2015	297,297	41	7,223	0.69	49.82
			2016	373,506	43	8,632	0.75	64.33
		Theft	2012	154,563	42	3,644	0.63	23.01
			2013	231,487	56	4,127	0.89	36.81
			2014	154,213	39	4,001	0.63	25.03
			2015	80,855	27	3,051	0.44	13.55
			2016	76,497	24	3,140	0.42	13.18
		Other Physical Damage	2012	108,293	16	6,587	0.24	16.12
			2013	17,533	10	1,838	0.15	2.79
			2014	215,397	56	3,822	0.91	34.96
			2015	42,079	9	4,604	0.15	7.05
			2016	132,111	10	13,158	0.17	22.75
		Liability	2012	175,713	8	22,498	0.12	26.16
			2013	267,004	6	47,174	0.09	42.46
			2014	24,772	4	5,708	0.07	4.02
			2015	11,998	8	1,504	0.13	2.01
			2016	263,318	8	35,016	0.13	45.35
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	23,932	7	3,484	0.10	3.56
2013	7,188		3	2,066	0.06	1.14		
2014	938		1	998	0.02	0.15		
2015	7,520		4	2,000	0.06	1.26		
2016	4,812		1	5,119	0.02	0.83		
Total	2012	2,699,864	228	11,820	3.40	402.00		
	2013	2,777,330	213	13,030	3.39	441.62		
	2014	4,327,347	320	13,523	5.19	702.26		
	2015	2,803,289	216	13,005	3.61	469.72		
	2016	4,910,152	275	17,832	4.74	845.70		

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Owners	210	Fire, Lightning and Removal	2012	3,455,321	134	25,823	0.67	172.04
			2013	2,316,498	121	19,213	0.61	118.06
			2014	2,372,530	100	23,816	0.51	122.21
			2015	3,533,902	103	34,154	0.53	181.79
			2016	2,450,105	118	20,744	0.60	123.84
			Wind and Hail	2012	3,660,866	488	7,499	2.43
		2013		1,886,832	396	4,759	2.02	96.16
		2014		1,736,513	359	4,837	1.85	89.45
		2015		865,285	193	4,483	0.99	44.51
		2016		1,348,577	283	4,764	1.43	68.16
		Water Damage and Freezing		2012	847,709	150	5,670	0.74
			2013	886,542	152	5,844	0.77	45.18
			2014	1,322,455	187	7,066	0.96	68.12
			2015	1,369,012	182	7,540	0.93	70.43
			2016	1,060,975	194	5,480	0.98	53.63
			Theft	2012	436,269	145	3,005	0.72
		2013		415,609	106	3,911	0.54	21.18
		2014		321,245	87	3,682	0.45	16.55
		2015		279,241	88	3,166	0.45	14.36
		2016		253,356	71	3,547	0.36	12.81
		Other Physical Damage		2012	234,406	62	3,808	0.31
			2013	388,002	60	6,488	0.30	19.77
			2014	194,788	61	3,203	0.31	10.03
			2015	443,634	87	5,112	0.45	22.82
			2016	309,450	60	5,155	0.30	15.64
			Liability	2012	372,828	29	12,865	0.14
		2013		53,795	24	2,229	0.12	2.74
		2014		90,597	27	3,358	0.14	4.67
		2015		57,671	25	2,353	0.13	2.97
		2016		533,166	37	14,544	0.19	26.95
		Credit Card		2012	0	0	0	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
			Medical Payments	2012	20,743	16	1,301	0.08
		2013		17,367	13	1,340	0.07	0.89
		2014		8,891	6	1,588	0.03	0.46
		2015		11,889	7	1,748	0.03	0.61
		2016		13,727	11	1,301	0.05	0.69
		Total		2012	9,028,142	1,023	8,824	5.09
			2013	5,964,645	872	6,841	4.44	303.99
2014	6,047,019		826	7,317	4.26	311.48		
2015	6,560,634		684	9,587	3.52	337.50		
2016	5,969,356		773	7,718	3.91	301.71		

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Owners	220	Fire, Lightning and Removal	2012	9,679,185	336	28,817	0.58	167.71
			2013	5,970,262	229	26,065	0.41	107.90
			2014	7,771,718	255	30,437	0.47	144.00
			2015	6,594,448	248	26,587	0.47	123.83
			2016	7,545,642	234	32,190	0.44	141.31
		Wind and Hail	2012	32,610,436	4,332	7,528	7.51	565.04
			2013	6,259,599	1,090	5,744	1.97	113.12
			2014	12,387,137	1,619	7,652	3.00	229.52
			2015	5,575,681	840	6,640	1.58	104.70
			2016	10,167,895	1,378	7,377	2.58	190.42
		Water Damage and Freezing	2012	4,412,919	631	6,995	1.09	76.46
			2013	4,925,448	715	6,890	1.29	89.01
			2014	5,614,266	721	7,788	1.34	104.03
			2015	6,131,725	707	8,671	1.33	115.14
			2016	4,989,997	627	7,965	1.17	93.45
		Theft	2012	2,238,837	642	3,485	1.11	38.79
			2013	1,744,562	491	3,555	0.89	31.53
			2014	1,640,289	410	4,004	0.76	30.39
			2015	1,025,867	294	3,495	0.55	19.26
			2016	890,815	230	3,868	0.43	16.68
		Other Physical Damage	2012	1,219,517	248	4,923	0.43	21.13
			2013	910,104	221	4,125	0.40	16.45
			2014	1,640,917	319	5,148	0.59	30.40
			2015	1,595,818	313	5,094	0.59	29.97
			2016	1,245,470	237	5,259	0.44	23.32
		Liability	2012	940,990	71	13,319	0.12	16.30
			2013	982,484	78	12,541	0.14	17.76
			2014	442,252	61	7,264	0.11	8.19
			2015	306,354	64	4,801	0.12	5.75
			2016	841,155	156	5,391	0.29	15.75
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	46,464	18	2,590	0.03	0.81
			2013	39,520	15	2,600	0.03	0.71
			2014	34,762	15	2,392	0.03	0.64
			2015	28,723	11	2,546	0.02	0.54
			2016	31,734	15	2,110	0.03	0.59
		Total	2012	51,148,348	6,278	8,148	10.88	886.25
			2013	20,831,979	2,839	7,339	5.13	376.48
2014	29,531,341		3,399	8,689	6.30	547.19		
2015	21,258,616		2,477	8,583	4.65	399.20		
2016	25,712,708		2,878	8,936	5.39	481.53		

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Owners	230	Fire, Lightning and Removal	2012	1,549,053	80	19,385	0.54	105.16
			2013	2,326,597	77	30,298	0.56	169.34
			2014	2,868,970	70	40,741	0.53	214.58
			2015	1,691,584	68	24,946	0.52	129.41
			2016	3,093,955	75	41,330	0.56	233.12
		Wind and Hail	2012	664,136	128	5,195	0.87	45.08
			2013	758,871	160	4,737	1.17	55.23
			2014	750,002	125	6,012	0.93	56.10
			2015	452,815	114	3,967	0.87	34.64
			2016	1,296,520	233	5,575	1.75	97.69
		Water Damage and Freezing	2012	441,998	71	6,202	0.48	30.00
			2013	540,402	82	6,610	0.60	39.33
			2014	800,083	101	7,929	0.75	59.84
			2015	1,147,938	131	8,742	1.00	87.82
			2016	508,254	82	6,185	0.62	38.30
		Theft	2012	303,760	96	3,150	0.65	20.62
			2013	322,835	97	3,334	0.70	23.50
			2014	224,613	76	2,945	0.57	16.80
			2015	309,995	92	3,366	0.70	23.71
			2016	325,955	108	3,017	0.81	24.56
		Other Physical Damage	2012	164,843	35	4,707	0.24	11.19
			2013	142,825	29	4,850	0.21	10.40
			2014	205,541	49	4,179	0.37	15.37
			2015	165,355	48	3,416	0.37	12.65
			2016	242,747	38	6,396	0.29	18.29
		Liability	2012	319,847	17	19,233	0.11	21.71
			2013	69,066	16	4,327	0.12	5.03
			2014	169,253	11	15,818	0.08	12.66
			2015	65,772	27	2,456	0.20	5.03
			2016	411,760	36	11,527	0.27	31.02
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	16,106	12	1,350	0.08	1.09
2013	6,392		7	932	0.05	0.47		
2014	9,137		6	1,620	0.04	0.68		
2015	13,612		8	1,810	0.06	1.04		
2016	14,205		8	1,679	0.06	1.07		
Total	2012	3,459,743	439	7,880	2.98	234.86		
	2013	4,166,988	468	8,907	3.41	303.30		
	2014	5,027,599	438	11,482	3.28	376.04		
	2015	3,847,071	488	7,882	3.73	294.30		
	2016	5,893,396	580	10,165	4.37	444.05		

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Owners	240	Fire, Lightning and Removal	2012	9,569,102	410	23,353	0.56	131.20
			2013	12,204,934	359	34,043	0.50	168.94
			2014	7,583,333	281	26,989	0.39	104.44
			2015	7,423,134	299	24,816	0.41	102.25
			2016	12,556,154	358	35,027	0.49	171.33
		Wind and Hail	2012	6,148,619	958	6,418	1.31	84.30
			2013	6,362,618	1,091	5,832	1.51	88.07
			2014	4,003,985	705	5,679	0.97	55.14
			2015	32,662,277	2,974	10,982	4.10	449.92
			2016	8,070,219	1,140	7,077	1.56	110.12
		Water Damage and Freezing	2012	4,163,419	567	7,339	0.78	57.08
			2013	4,991,730	589	8,477	0.82	69.10
			2014	5,270,788	620	8,497	0.85	72.59
			2015	6,591,792	723	9,111	1.00	90.80
			2016	5,958,372	692	8,612	0.94	81.30
		Theft	2012	1,206,683	353	3,416	0.48	16.54
			2013	1,136,257	327	3,479	0.45	15.73
			2014	902,145	252	3,574	0.35	12.42
			2015	931,183	237	3,930	0.33	12.83
			2016	619,606	177	3,495	0.24	8.45
		Other Physical Damage	2012	902,384	189	4,766	0.26	12.37
			2013	1,226,654	200	6,138	0.28	16.98
			2014	904,068	187	4,834	0.26	12.45
			2015	1,250,022	218	5,736	0.30	17.22
			2016	915,676	242	3,788	0.33	12.49
		Liability	2012	791,014	107	7,411	0.15	10.85
			2013	354,988	92	3,846	0.13	4.91
			2014	862,450	80	10,758	0.11	11.88
			2015	612,783	99	6,164	0.14	8.44
			2016	784,560	131	6,005	0.18	10.71
Credit Card	2012	0	0	0	0.00	0.00		
	2013	0	0	0	0.00	0.00		
	2014	0	0	0	0.00	0.00		
	2015	0	0	0	0.00	0.00		
	2016	0	0	0	0.00	0.00		
Medical Payments	2012	55,544	34	1,614	0.05	0.76		
	2013	50,087	32	1,587	0.04	0.69		
	2014	50,502	30	1,689	0.04	0.70		
	2015	56,116	31	1,819	0.04	0.77		
	2016	54,473	24	2,244	0.03	0.74		
Total	2012	22,836,765	2,619	8,720	3.59	313.12		
	2013	26,327,268	2,689	9,792	3.72	364.42		
	2014	19,577,271	2,156	9,081	2.97	269.61		
	2015	49,527,307	4,582	10,809	6.31	682.24		
	2016	28,959,060	2,765	10,474	3.77	395.15		

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Owners	250	Fire, Lightning and Removal	2012	3,750,725	160	23,391	0.52	121.49
			2013	4,349,234	140	31,055	0.46	142.35
			2014	5,047,609	145	34,845	0.47	164.20
			2015	2,657,308	135	19,690	0.44	86.24
			2016	7,410,935	196	37,788	0.62	235.87
		Wind and Hail	2012	2,539,968	421	6,039	1.36	82.27
			2013	2,490,050	443	5,624	1.45	81.50
			2014	2,125,193	369	5,757	1.20	69.13
			2015	1,953,937	356	5,496	1.15	63.41
			2016	4,205,783	593	7,091	1.89	133.86
		Water Damage and Freezing	2012	1,775,655	236	7,532	0.76	57.52
			2013	2,157,992	259	8,347	0.85	70.63
			2014	2,561,049	304	8,425	0.99	83.31
			2015	3,018,266	335	9,009	1.09	97.96
			2016	3,109,538	341	9,130	1.08	98.97
		Theft	2012	771,698	215	3,596	0.70	25.00
			2013	674,333	195	3,455	0.64	22.07
			2014	557,321	169	3,291	0.55	18.13
			2015	433,952	136	3,198	0.44	14.08
			2016	350,083	113	3,111	0.36	11.14
		Other Physical Damage	2012	366,004	108	3,380	0.35	11.86
			2013	431,700	121	3,572	0.40	14.13
			2014	682,127	149	4,582	0.48	22.19
			2015	707,018	145	4,877	0.47	22.95
			2016	505,862	166	3,051	0.53	16.10
		Liability	2012	679,098	41	16,640	0.13	22.00
			2013	331,601	40	8,374	0.13	10.85
			2014	698,810	41	17,242	0.13	22.73
			2015	243,336	46	5,256	0.15	7.90
			2016	229,731	55	4,214	0.17	7.31
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	25,219	12	2,079	0.04	0.82
2013	21,181		13	1,648	0.04	0.69		
2014	34,099		15	2,324	0.05	1.11		
2015	26,305		15	1,804	0.05	0.85		
2016	22,646		10	2,349	0.03	0.72		
Total	2012	9,908,367	1,193	8,309	3.86	320.95		
	2013	10,456,091	1,210	8,643	3.96	342.23		
	2014	11,706,208	1,191	9,825	3.88	380.81		
	2015	9,040,122	1,167	7,746	3.79	293.40		
	2016	15,834,578	1,472	10,755	4.69	503.98		

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Owners	260	Fire, Lightning and Removal	2012	6,297,369	154	40,961	0.58	239.29
			2013	4,318,790	128	33,643	0.49	165.81
			2014	4,104,906	117	35,013	0.45	158.19
			2015	6,286,091	152	41,440	0.57	236.51
			2016	1,682,034	121	13,871	0.43	60.15
		Wind and Hail	2012	3,948,707	603	6,553	2.29	150.04
			2013	1,528,569	282	5,429	1.08	58.69
			2014	2,252,430	351	6,422	1.35	86.80
			2015	3,826,595	560	6,837	2.11	143.98
			2016	11,055,653	1,358	8,140	4.86	395.37
		Water Damage and Freezing	2012	1,725,782	168	10,292	0.64	65.58
			2013	1,486,747	182	8,173	0.70	57.08
			2014	2,233,749	251	8,888	0.97	86.08
			2015	2,485,812	221	11,269	0.83	93.53
			2016	1,485,467	177	8,408	0.63	53.12
		Theft	2012	589,263	158	3,732	0.60	22.39
			2013	432,103	148	2,928	0.57	16.59
			2014	347,699	93	3,740	0.36	13.40
			2015	560,954	104	5,413	0.39	21.11
			2016	369,343	86	4,290	0.31	13.21
		Other Physical Damage	2012	592,468	80	7,436	0.30	22.51
			2013	269,695	64	4,228	0.24	10.35
			2014	455,368	123	3,715	0.47	17.55
			2015	446,864	81	5,515	0.30	16.81
			2016	446,646	78	5,706	0.28	15.97
		Liability	2012	306,847	42	7,287	0.16	11.66
			2013	150,662	44	3,389	0.17	5.78
			2014	136,672	37	3,664	0.14	5.27
			2015	224,727	28	7,952	0.11	8.46
			2016	388,921	27	14,632	0.10	13.91
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	18,980	10	1,943	0.04	0.72
2013	9,322		9	992	0.04	0.36		
2014	27,557		16	1,724	0.06	1.06		
2015	26,128		12	2,138	0.05	0.98		
2016	21,257		8	2,827	0.03	0.76		
Total	2012	13,479,416	1,213	11,109	4.61	512.19		
	2013	8,195,888	857	9,563	3.29	314.67		
	2014	9,558,381	988	9,673	3.81	368.34		
	2015	13,857,171	1,157	11,976	4.35	521.38		
	2016	15,449,321	1,855	8,330	6.63	552.49		

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Owners	270	Fire, Lightning and Removal	2012	24,506,087	1,036	23,647	0.39	92.88
			2013	21,954,584	659	33,327	0.25	82.28
			2014	26,517,966	718	36,951	0.27	97.98
			2015	26,916,084	785	34,286	0.29	98.80
			2016	24,150,262	848	28,489	0.31	88.02
		Wind and Hail	2012	38,562,986	5,424	7,110	2.06	146.16
			2013	23,309,634	3,389	6,878	1.27	87.36
			2014	25,273,980	3,798	6,654	1.40	93.38
			2015	19,551,063	2,985	6,550	1.10	71.77
			2016	86,233,693	9,594	8,988	3.50	314.29
		Water Damage and Freezing	2012	32,667,482	3,271	9,986	1.24	123.82
			2013	31,025,098	3,478	8,920	1.30	116.28
			2014	41,313,371	4,056	10,186	1.50	152.64
			2015	47,128,014	4,370	10,785	1.60	173.00
			2016	45,667,695	4,253	10,738	1.55	166.44
		Theft	2012	4,232,289	1,258	3,364	0.48	16.04
			2013	4,463,931	1,307	3,416	0.49	16.73
			2014	3,969,140	1,106	3,588	0.41	14.66
			2015	3,576,382	989	3,617	0.36	13.13
			2016	2,351,732	648	3,627	0.24	8.57
		Other Physical Damage	2012	3,803,270	717	5,308	0.27	14.42
			2013	3,862,579	823	4,695	0.31	14.48
			2014	5,365,672	927	5,787	0.34	19.82
			2015	5,562,067	987	5,638	0.36	20.42
			2016	5,312,656	869	6,113	0.32	19.36
		Liability	2012	3,275,538	274	11,959	0.10	12.41
			2013	2,342,093	282	8,293	0.11	8.78
			2014	3,056,198	275	11,111	0.10	11.29
			2015	2,817,240	292	9,664	0.11	10.34
			2016	3,287,329	373	8,815	0.14	11.98
		Credit Card	2012	470	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	114,163	73	1,565	0.03	0.43
2013	119,780		64	1,882	0.02	0.45		
2014	120,628		64	1,879	0.02	0.45		
2015	88,615		65	1,362	0.02	0.33		
2016	105,014		54	1,960	0.02	0.38		
Total	2012	107,162,285	12,053	8,891	4.57	406.16		
	2013	87,077,699	10,002	8,706	3.75	326.36		
	2014	105,616,955	10,945	9,650	4.04	390.22		
	2015	105,639,465	10,471	10,088	3.84	387.78		
	2016	167,108,381	16,639	10,043	6.06	609.06		

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Owners	280	Fire, Lightning and Removal	2012	8,823,437	185	47,813	0.47	226.57
			2013	2,566,074	99	25,795	0.25	65.51
			2014	4,393,008	110	39,770	0.28	111.54
			2015	6,249,076	146	42,943	0.36	155.86
			2016	4,161,539	134	31,056	0.32	100.21
		Wind and Hail	2012	4,656,518	537	8,674	1.38	119.57
			2013	1,942,745	302	6,433	0.77	49.60
			2014	1,678,444	294	5,709	0.75	42.62
			2015	2,250,863	312	7,221	0.78	56.14
			2016	6,459,735	725	8,915	1.74	155.54
		Water Damage and Freezing	2012	3,236,547	307	10,553	0.79	83.11
			2013	2,854,881	343	8,317	0.88	72.89
			2014	4,625,922	505	9,164	1.28	117.45
			2015	5,406,178	429	12,609	1.07	134.84
			2016	4,254,990	376	11,331	0.90	102.46
		Theft	2012	657,977	196	3,351	0.50	16.90
			2013	836,737	183	4,561	0.47	21.36
			2014	433,413	140	3,103	0.35	11.00
			2015	736,943	154	4,779	0.38	18.38
			2016	408,570	100	4,066	0.24	9.84
		Other Physical Damage	2012	593,698	116	5,119	0.30	15.24
			2013	566,854	112	5,071	0.29	14.47
			2014	1,362,900	392	3,475	1.00	34.60
			2015	643,638	120	5,348	0.30	16.05
			2016	1,026,936	96	10,657	0.23	24.73
		Liability	2012	388,462	45	8,690	0.11	9.97
			2013	725,928	50	14,423	0.13	18.53
			2014	523,631	45	11,521	0.12	13.29
			2015	606,655	38	15,802	0.10	15.13
			2016	396,651	59	6,777	0.14	9.55
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	23,044	17	1,333	0.04	0.59
2013	20,619		14	1,435	0.04	0.53		
2014	37,546		13	2,913	0.03	0.95		
2015	9,654		5	1,778	0.01	0.24		
2016	13,475		7	2,048	0.02	0.32		
Total	2012	18,379,683	1,402	13,106	3.60	471.95		
	2013	9,513,838	1,105	8,612	2.82	242.89		
	2014	13,054,864	1,500	8,706	3.81	331.46		
	2015	15,903,007	1,204	13,204	3.00	396.65		
	2016	16,721,896	1,496	11,177	3.60	402.65		

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Owners	290	Fire, Lightning and Removal	2012	4,096,379	175	23,399	0.56	130.42
			2013	3,756,757	122	30,851	0.39	120.33
			2014	4,181,552	133	31,384	0.43	133.92
			2015	5,912,965	141	42,046	0.45	187.41
			2016	5,260,651	156	33,765	0.49	164.22
		Wind and Hail	2012	16,767,331	1,448	11,578	4.61	533.82
			2013	3,221,239	459	7,023	1.47	103.18
			2014	2,717,856	371	7,335	1.19	87.04
			2015	1,866,115	250	7,473	0.79	59.15
			2016	2,250,051	276	8,141	0.86	70.24
		Water Damage and Freezing	2012	2,813,354	232	12,137	0.74	89.57
			2013	2,251,007	253	8,912	0.81	72.10
			2014	2,565,274	315	8,143	1.01	82.16
			2015	2,932,749	302	9,724	0.96	92.95
			2016	2,689,882	278	9,679	0.87	83.97
		Theft	2012	436,644	137	3,181	0.44	13.90
			2013	400,803	102	3,937	0.33	12.84
			2014	435,508	111	3,934	0.35	13.95
			2015	200,548	64	3,143	0.20	6.36
			2016	190,086	56	3,399	0.17	5.93
		Other Physical Damage	2012	486,814	87	5,564	0.28	15.50
			2013	511,014	120	4,249	0.39	16.37
			2014	637,538	112	5,679	0.36	20.42
			2015	495,321	104	4,751	0.33	15.70
			2016	463,144	98	4,715	0.31	14.46
		Liability	2012	197,391	36	5,526	0.11	6.28
			2013	372,906	33	11,366	0.11	11.94
			2014	509,764	35	14,737	0.11	16.33
			2015	45,049	23	1,935	0.07	1.43
			2016	368,956	28	13,084	0.09	11.52
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	15,998	11	1,480	0.03	0.51
2013	16,768		9	1,803	0.03	0.54		
2014	15,989		11	1,468	0.03	0.51		
2015	5,958		6	998	0.02	0.19		
2016	10,188		7	1,409	0.02	0.32		
Total	2012	24,813,911	2,126	11,670	6.77	790.00		
	2013	10,530,494	1,097	9,598	3.51	337.30		
	2014	11,063,481	1,087	10,176	3.48	354.33		
	2015	11,458,705	889	12,886	2.82	363.18		
	2016	11,232,958	900	12,485	2.81	350.66		

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Owners	300	Fire, Lightning and Removal	2012	1,497,994	97	15,501	0.67	104.33
			2013	1,141,584	73	15,638	0.52	82.00
			2014	1,964,519	69	28,438	0.51	143.84
			2015	2,274,446	73	30,991	0.55	169.25
			2016	1,773,917	69	25,594	0.51	130.77
		Wind and Hail	2012	2,533,741	384	6,598	2.67	176.47
			2013	3,217,483	494	6,508	3.55	231.11
			2014	739,678	150	4,933	1.10	54.16
			2015	751,676	144	5,211	1.07	55.94
			2016	1,498,495	229	6,555	1.69	110.47
		Water Damage and Freezing	2012	574,195	82	7,015	0.57	39.99
			2013	1,103,798	106	10,416	0.76	79.28
			2014	1,018,218	127	8,040	0.93	74.55
			2015	1,032,904	122	8,491	0.91	76.86
			2016	951,611	111	8,537	0.82	70.15
		Theft	2012	330,224	93	3,546	0.65	23.00
			2013	236,375	70	3,353	0.51	16.98
			2014	318,490	72	4,410	0.53	23.32
			2015	173,214	54	3,217	0.40	12.89
			2016	234,200	58	4,046	0.43	17.27
		Other Physical Damage	2012	214,260	37	5,797	0.26	14.92
			2013	273,068	53	5,115	0.38	19.61
			2014	265,968	71	3,759	0.52	19.47
			2015	235,641	36	6,470	0.27	17.54
			2016	125,979	35	3,649	0.25	9.29
		Liability	2012	35,711	17	2,111	0.12	2.49
			2013	195,447	27	7,170	0.20	14.04
			2014	370,766	20	18,782	0.14	27.15
			2015	73,994	28	2,624	0.21	5.51
			2016	93,462	27	3,429	0.20	6.89
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	4,327	4	1,151	0.03	0.30
2013	3,294		4	876	0.03	0.24		
2014	14,632		7	2,224	0.05	1.07		
2015	5,919		4	1,574	0.03	0.44		
2016	4,328		4	1,151	0.03	0.32		
Total	2012	5,190,452	713	7,277	4.97	361.50		
	2013	6,171,049	828	7,451	5.95	443.26		
	2014	4,692,271	515	9,112	3.77	343.55		
	2015	4,547,794	462	9,854	3.43	338.43		
	2016	4,681,992	533	8,787	3.93	345.15		

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Owners	310	Fire, Lightning and Removal	2012	26,924,859	1,206	22,320	0.46	102.67
			2013	28,250,974	883	31,998	0.34	109.31
			2014	28,249,967	764	36,967	0.30	110.09
			2015	27,551,375	828	33,271	0.33	108.49
			2016	32,115,181	914	35,120	0.35	124.59
		Wind and Hail	2012	28,898,138	4,771	6,057	1.82	110.19
			2013	28,234,675	4,755	5,938	1.84	109.24
			2014	17,601,590	3,522	4,998	1.37	68.59
			2015	16,111,153	3,178	5,069	1.25	63.44
			2016	33,483,306	5,759	5,814	2.23	129.90
		Water Damage and Freezing	2012	18,926,703	2,468	7,668	0.94	72.17
			2013	19,738,884	2,503	7,885	0.97	76.37
			2014	31,465,868	4,131	7,617	1.61	122.62
			2015	27,579,499	3,084	8,943	1.21	108.60
			2016	24,202,038	2,787	8,683	1.08	93.89
		Theft	2012	4,564,141	1,512	3,019	0.58	17.40
			2013	3,854,537	1,228	3,139	0.48	14.91
			2014	3,495,118	1,103	3,169	0.43	13.62
			2015	3,133,435	915	3,426	0.36	12.34
			2016	2,581,409	762	3,386	0.30	10.01
		Other Physical Damage	2012	3,097,488	702	4,412	0.27	11.81
			2013	4,350,904	804	5,413	0.31	16.83
			2014	13,051,610	3,464	3,768	1.35	50.86
			2015	4,011,872	728	5,508	0.29	15.80
			2016	4,939,206	719	6,874	0.28	19.16
		Liability	2012	2,449,202	429	5,705	0.16	9.34
			2013	3,189,862	482	6,622	0.19	12.34
			2014	3,786,939	364	10,415	0.14	14.76
			2015	2,113,935	425	4,971	0.17	8.32
			2016	3,107,157	350	8,884	0.14	12.05
		Credit Card	2012	886	2	471	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	134,504	107	1,261	0.04	0.51
			2013	148,727	105	1,417	0.04	0.58
			2014	152,025	92	1,653	0.04	0.59
			2015	110,206	80	1,385	0.03	0.43
			2016	116,171	71	1,639	0.03	0.45
		Total	2012	84,995,921	11,197	7,591	4.27	324.11
			2013	87,768,563	10,759	8,157	4.16	339.58
2014	97,803,117		13,439	7,277	5.24	381.14		
2015	80,611,475		9,238	8,726	3.64	317.43		
2016	100,544,468		11,363	8,849	4.41	390.07		

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Owners	320	Fire, Lightning and Removal	2012	11,075,675	585	18,928	0.43	82.09
			2013	17,146,135	590	29,078	0.44	126.56
			2014	14,412,856	478	30,178	0.36	107.22
			2015	16,363,671	446	36,719	0.34	124.81
			2016	18,983,109	544	34,875	0.43	148.29
		Wind and Hail	2012	18,149,496	2,611	6,950	1.94	134.52
			2013	16,651,060	2,672	6,231	1.97	122.91
			2014	9,377,571	1,655	5,666	1.23	69.76
			2015	13,101,568	2,118	6,185	1.62	99.93
			2016	15,977,563	2,293	6,966	1.79	124.81
		Water Damage and Freezing	2012	9,091,505	1,183	7,682	0.88	67.38
			2013	9,937,309	1,287	7,721	0.95	73.35
			2014	14,138,803	1,841	7,679	1.37	105.18
			2015	11,632,764	1,381	8,421	1.05	88.72
			2016	10,672,261	1,204	8,861	0.94	83.37
		Theft	2012	2,131,716	677	3,147	0.50	15.80
			2013	1,724,414	546	3,157	0.40	12.73
			2014	1,391,128	438	3,179	0.33	10.35
			2015	1,307,119	371	3,524	0.28	9.97
			2016	1,125,077	312	3,602	0.24	8.79
		Other Physical Damage	2012	1,546,175	339	4,567	0.25	11.46
			2013	2,012,013	387	5,202	0.29	14.85
			2014	5,322,929	1,406	3,787	1.05	39.60
			2015	2,493,108	348	7,173	0.27	19.02
			2016	2,594,245	345	7,511	0.27	20.27
		Liability	2012	2,420,958	226	10,690	0.17	17.94
			2013	1,805,671	235	7,679	0.17	13.33
			2014	2,026,879	202	10,028	0.15	15.08
			2015	1,338,605	212	6,300	0.16	10.21
			2016	1,520,626	171	8,918	0.13	11.88
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	7,351	1	7,351	0.00	0.06
		Medical Payments	2012	103,030	64	1,622	0.05	0.76
			2013	84,958	52	1,643	0.04	0.63
			2014	74,736	51	1,474	0.04	0.56
			2015	84,683	52	1,619	0.04	0.65
			2016	51,221	39	1,330	0.03	0.40
		Total	2012	44,518,555	5,686	7,830	4.21	329.95
			2013	49,361,560	5,769	8,557	4.26	364.36
2014	46,744,902		6,070	7,701	4.52	347.76		
2015	46,321,518		4,928	9,399	3.76	353.30		
2016	50,931,453		4,910	10,373	3.84	397.86		

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Owners	330	Fire, Lightning and Removal	2012	1,110,041	45	24,867	0.64	158.65
			2013	348,787	38	9,232	0.55	50.33
			2014	1,673,839	21	78,658	0.31	245.36
			2015	551,025	32	17,236	0.47	80.41
			2016	999,090	34	29,153	0.48	139.67
		Wind and Hail	2012	594,405	106	5,593	1.52	84.95
			2013	1,194,948	176	6,801	2.54	172.43
			2014	472,570	106	4,447	1.56	69.27
			2015	278,834	52	5,375	0.76	40.69
			2016	1,265,313	263	4,811	3.68	176.89
		Water Damage and Freezing	2012	328,853	46	7,110	0.66	47.00
			2013	268,699	46	5,868	0.66	38.77
			2014	555,222	75	7,399	1.10	81.39
			2015	343,377	57	6,046	0.83	50.11
			2016	431,922	58	7,478	0.81	60.38
		Theft	2012	74,488	29	2,596	0.41	10.65
			2013	110,551	32	3,440	0.46	15.95
			2014	84,106	24	3,473	0.36	12.33
			2015	79,590	21	3,777	0.31	11.61
			2016	31,955	9	3,429	0.13	4.47
		Other Physical Damage	2012	53,643	17	3,169	0.24	7.67
			2013	68,293	21	3,223	0.31	9.85
			2014	285,404	41	6,944	0.60	41.84
			2015	62,454	23	2,682	0.34	9.11
			2016	68,884	23	3,032	0.32	9.63
		Liability	2012	25,999	10	2,478	0.15	3.72
			2013	201,143	26	7,869	0.37	29.02
			2014	318,140	15	20,944	0.22	46.63
			2015	126,739	9	14,720	0.13	18.49
			2016	19,302	8	2,567	0.11	2.70
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	9,056	5	1,903	0.07	1.29
2013	2,803		2	1,468	0.03	0.40		
2014	3,772		4	995	0.06	0.55		
2015	5,247		5	1,109	0.07	0.77		
2016	12,512		5	2,662	0.07	1.75		
Total	2012	2,196,485	258	8,512	3.69	313.92		
	2013	2,195,224	340	6,455	4.91	316.77		
	2014	3,393,053	287	11,827	4.21	497.37		
	2015	1,447,266	198	7,297	2.89	211.19		
	2016	2,828,978	399	7,084	5.58	395.50		

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Owners	340	Fire, Lightning and Removal	2012	34,566,451	1,386	24,934	0.45	113.29
			2013	36,356,766	1,028	35,365	0.34	120.88
			2014	36,059,761	1,047	34,439	0.35	119.18
			2015	39,186,173	1,016	38,571	0.34	132.25
			2016	42,709,057	1,163	36,735	0.39	144.22
		Wind and Hail	2012	81,671,448	10,166	8,034	3.33	267.67
			2013	55,099,312	7,836	7,031	2.61	183.20
			2014	79,355,379	7,872	10,081	2.60	262.27
			2015	33,351,578	4,413	7,557	1.49	112.56
			2016	43,803,089	6,174	7,095	2.08	147.92
		Water Damage and Freezing	2012	29,779,469	3,535	8,424	1.16	97.60
			2013	31,035,812	3,796	8,175	1.26	103.19
			2014	40,431,276	4,395	9,200	1.45	133.63
			2015	41,363,432	4,413	9,372	1.49	139.60
			2016	41,405,784	4,177	9,913	1.41	139.82
		Theft	2012	4,963,085	1,449	3,425	0.47	16.27
			2013	4,090,454	1,198	3,416	0.40	13.60
			2014	3,114,113	935	3,331	0.31	10.29
			2015	3,460,840	945	3,662	0.32	11.68
			2016	3,354,690	865	3,879	0.29	11.33
		Other Physical Damage	2012	5,291,977	966	5,479	0.32	17.34
			2013	5,415,080	1,060	5,110	0.35	18.00
			2014	7,777,679	1,201	6,478	0.40	25.71
			2015	7,586,109	1,046	7,254	0.35	25.60
			2016	7,020,624	1,086	6,466	0.37	23.71
		Liability	2012	3,502,314	454	7,715	0.15	11.48
			2013	3,741,033	478	7,833	0.16	12.44
			2014	4,189,973	419	10,006	0.14	13.85
			2015	2,919,618	469	6,230	0.16	9.85
			2016	3,577,903	425	8,426	0.14	12.08
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	3,582	1	3,582	0.00	0.01
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	174,802	125	1,399	0.04	0.57
2013	194,540		107	1,816	0.04	0.65		
2014	130,891		93	1,405	0.03	0.43		
2015	131,144		69	1,907	0.02	0.44		
2016	189,079		82	2,296	0.03	0.64		
Total	2012	159,949,546	18,081	8,846	5.93	524.22		
	2013	135,932,997	15,503	8,768	5.15	451.97		
	2014	171,062,654	15,962	10,717	5.28	565.37		
	2015	127,998,894	12,371	10,347	4.18	431.99		
	2016	142,060,226	13,971	10,168	4.72	479.72		

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Owners	350	Fire, Lightning and Removal	2012	9,067,146	439	20,635	0.48	99.17
			2013	10,890,419	397	27,409	0.44	119.97
			2014	10,701,696	373	28,662	0.41	118.09
			2015	12,477,041	315	39,649	0.35	136.92
			2016	15,930,204	385	41,341	0.41	171.09
		Wind and Hail	2012	10,775,126	1,445	7,457	1.58	117.86
			2013	6,600,444	1,044	6,322	1.15	72.71
			2014	3,962,012	683	5,799	0.75	43.72
			2015	5,092,130	891	5,712	0.98	55.88
			2016	8,493,920	1,264	6,719	1.36	91.22
		Water Damage and Freezing	2012	5,600,439	721	7,769	0.79	61.26
			2013	5,844,007	776	7,532	0.85	64.38
			2014	7,863,245	945	8,321	1.04	86.77
			2015	8,918,174	1,030	8,661	1.13	97.87
			2016	7,659,861	875	8,759	0.94	82.27
		Theft	2012	1,486,531	414	3,586	0.45	16.26
			2013	985,600	280	3,524	0.31	10.86
			2014	824,260	224	3,683	0.25	9.10
			2015	932,085	235	3,970	0.26	10.23
			2016	842,133	225	3,746	0.24	9.04
		Other Physical Damage	2012	1,269,991	209	6,083	0.23	13.89
			2013	1,312,088	234	5,606	0.26	14.45
			2014	1,717,920	316	5,444	0.35	18.96
			2015	1,957,003	269	7,265	0.30	21.48
			2016	1,635,054	260	6,301	0.28	17.56
		Liability	2012	927,692	147	6,322	0.16	10.15
			2013	716,992	127	5,639	0.14	7.90
			2014	1,301,416	109	11,963	0.12	14.36
			2015	1,235,460	121	10,195	0.13	13.56
			2016	1,635,524	122	13,446	0.13	17.57
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	61,687	42	1,471	0.05	0.67
2013	48,605		30	1,617	0.03	0.54		
2014	63,290		47	1,349	0.05	0.70		
2015	46,885		24	1,930	0.03	0.51		
2016	49,636		32	1,557	0.03	0.53		
Total	2012	29,188,612	3,417	8,542	3.74	319.26		
	2013	26,398,155	2,888	9,140	3.18	290.80		
	2014	26,433,839	2,697	9,803	2.98	291.69		
	2015	30,658,778	2,885	10,625	3.17	336.45		
	2016	36,246,332	3,162	11,464	3.40	389.28		

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Owners	360	Fire, Lightning and Removal	2012	22,370,160	945	23,666	0.49	114.90
			2013	19,443,999	781	24,906	0.41	101.06
			2014	20,781,619	684	30,386	0.36	109.08
			2015	25,451,841	648	39,250	0.33	131.40
			2016	24,358,981	760	32,069	0.37	120.04
		Wind and Hail	2012	41,444,495	6,035	6,867	3.10	212.87
			2013	16,825,295	3,015	5,580	1.57	87.45
			2014	10,932,410	1,949	5,610	1.02	57.38
			2015	11,404,806	1,650	6,913	0.85	58.88
			2016	15,413,929	2,557	6,028	1.26	75.96
		Water Damage and Freezing	2012	13,264,527	1,578	8,409	0.81	68.13
			2013	12,687,830	1,616	7,851	0.84	65.95
			2014	24,980,274	2,210	11,302	1.16	131.12
			2015	20,702,871	2,080	9,953	1.07	106.88
			2016	14,514,514	1,600	9,072	0.79	71.53
		Theft	2012	2,606,614	749	3,480	0.38	13.39
			2013	1,989,360	599	3,319	0.31	10.34
			2014	1,748,104	497	3,520	0.26	9.18
			2015	1,682,767	422	3,988	0.22	8.69
			2016	1,642,647	418	3,930	0.21	8.09
		Other Physical Damage	2012	2,501,987	532	4,702	0.27	12.85
			2013	2,963,460	556	5,332	0.29	15.40
			2014	3,398,281	594	5,724	0.31	17.84
			2015	3,185,718	547	5,819	0.28	16.45
			2016	4,016,803	508	7,901	0.25	19.79
		Liability	2012	2,404,865	346	6,943	0.18	12.35
			2013	2,744,653	301	9,123	0.16	14.27
			2014	3,185,653	277	11,515	0.15	16.72
			2015	2,527,127	256	9,861	0.13	13.05
			2016	2,048,406	249	8,234	0.12	10.09
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	161,866	97	1,669	0.05	0.83
2013	127,389		77	1,644	0.04	0.66		
2014	126,042		66	1,903	0.03	0.66		
2015	102,155		58	1,767	0.03	0.53		
2016	130,789		64	2,044	0.03	0.64		
Total	2012	84,754,514	10,282	8,243	5.28	435.32		
	2013	56,781,986	6,946	8,175	3.61	295.14		
	2014	65,152,383	6,276	10,381	3.29	341.98		
	2015	65,057,285	5,662	11,491	2.92	335.86		
	2016	62,126,069	6,156	10,092	3.03	306.15		

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Owners	370	Fire, Lightning and Removal	2012	1,457,768	56	26,139	0.62	162.73
			2013	1,253,477	37	33,560	0.43	142.81
			2014	2,300,287	32	72,404	0.37	264.40
			2015	1,873,765	28	66,849	0.29	195.10
			2016	2,524,352	31	82,630	0.28	234.95
		Wind and Hail	2012	1,371,976	195	7,020	2.18	153.16
			2013	526,629	108	4,868	1.23	60.00
			2014	325,988	69	4,757	0.79	37.47
			2015	174,986	36	4,807	0.38	18.22
			2016	480,049	83	5,809	0.77	44.68
		Water Damage and Freezing	2012	840,143	80	10,494	0.89	93.79
			2013	615,866	74	8,377	0.84	70.17
			2014	1,802,329	116	15,473	1.34	207.16
			2015	1,609,626	137	11,716	1.43	167.60
			2016	1,850,980	68	27,248	0.63	172.28
		Theft	2012	109,751	20	5,433	0.23	12.25
			2013	38,716	12	3,107	0.14	4.41
			2014	48,941	12	4,226	0.13	5.63
			2015	199,162	17	11,667	0.18	20.74
			2016	255,355	11	23,151	0.10	23.77
		Other Physical Damage	2012	123,475	24	5,052	0.27	13.78
			2013	72,004	21	3,416	0.24	8.20
			2014	180,164	23	7,916	0.26	20.71
			2015	208,758	37	5,589	0.39	21.74
			2016	109,631	19	5,816	0.18	10.20
		Liability	2012	68,679	14	4,864	0.16	7.67
			2013	97,220	9	11,060	0.10	11.08
			2014	5,656	5	1,124	0.06	0.65
			2015	56,320	13	4,397	0.13	5.86
			2016	75,105	16	4,605	0.15	6.99
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	7,890	4	1,943	0.05	0.88
2013	5,753		3	1,738	0.04	0.66		
2014	1,065		1	986	0.01	0.12		
2015	9,944		6	1,735	0.06	1.04		
2016	9,083		7	1,380	0.06	0.85		
Total	2012	3,979,682	394	10,098	4.40	444.26		
	2013	2,609,665	265	9,859	3.02	297.33		
	2014	4,664,430	257	18,133	2.96	536.14		
	2015	4,132,561	275	15,040	2.86	430.30		
	2016	5,304,555	234	22,680	2.18	493.72		

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Owners	380	Fire, Lightning and Removal	2012	6,238,778	187	33,398	0.57	189.31
			2013	3,059,844	138	22,150	0.43	94.28
			2014	6,154,462	139	44,172	0.43	191.63
			2015	7,846,291	127	61,992	0.38	236.29
			2016	7,691,336	143	53,658	0.40	217.26
		Wind and Hail	2012	5,404,778	737	7,330	2.24	164.00
			2013	1,616,449	309	5,226	0.95	49.81
			2014	1,224,665	216	5,679	0.67	38.13
			2015	1,526,906	259	5,889	0.78	45.98
			2016	1,618,111	239	6,778	0.67	45.71
		Water Damage and Freezing	2012	2,464,957	253	9,729	0.77	74.80
			2013	1,899,333	251	7,573	0.77	58.52
			2014	3,654,487	377	9,688	1.17	113.79
			2015	5,210,081	388	13,424	1.17	156.90
			2016	3,639,993	255	14,248	0.72	102.82
		Theft	2012	292,669	86	3,391	0.26	8.88
			2013	404,025	96	4,215	0.30	12.45
			2014	379,510	87	4,353	0.27	11.82
			2015	205,642	57	3,607	0.17	6.19
			2016	346,389	68	5,084	0.19	9.78
		Other Physical Damage	2012	476,709	86	5,564	0.26	14.47
			2013	692,743	101	6,841	0.31	21.34
			2014	584,826	95	6,131	0.30	18.21
			2015	596,731	107	5,561	0.32	17.97
			2016	584,662	93	6,287	0.26	16.52
		Liability	2012	190,949	43	4,415	0.13	5.79
			2013	476,933	29	16,514	0.09	14.70
			2014	431,929	34	12,626	0.11	13.45
			2015	307,001	39	7,862	0.12	9.25
			2016	179,394	30	5,966	0.08	5.07
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	99	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	14,476	13	1,099	0.04	0.44
			2013	33,927	18	1,878	0.06	1.05
			2014	13,315	6	2,288	0.02	0.41
			2015	28,310	15	1,908	0.04	0.85
			2016	33,546	14	2,379	0.04	0.95
		Total	2012	15,083,316	1,406	10,728	4.27	457.69
			2013	8,183,254	942	8,684	2.90	252.14
2014	12,443,293		955	13,033	2.97	387.44		
2015	15,720,962		992	15,845	2.99	473.44		
2016	14,093,431		843	16,721	2.38	398.11		

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Owners	390	Fire, Lightning and Removal	2012	4,888,659	190	25,680	0.55	140.35
			2013	7,719,663	156	49,526	0.44	216.52
			2014	6,161,940	161	38,323	0.45	174.25
			2015	10,658,067	194	54,933	0.52	287.70
			2016	8,386,753	152	55,158	0.39	215.02
		Wind and Hail	2012	7,177,693	638	11,249	1.83	206.07
			2013	2,391,661	313	7,646	0.88	67.08
			2014	1,308,207	158	8,258	0.45	36.99
			2015	1,416,943	208	6,807	0.56	38.25
			2016	1,374,308	199	6,895	0.51	35.24
		Water Damage and Freezing	2012	2,513,185	242	10,365	0.70	72.15
			2013	2,649,472	252	10,501	0.71	74.31
			2014	5,544,489	415	13,345	1.17	156.79
			2015	5,708,141	429	13,295	1.16	154.08
			2016	2,772,719	237	11,713	0.61	71.09
		Theft	2012	432,020	98	4,412	0.28	12.40
			2013	383,475	98	3,905	0.28	10.76
			2014	483,021	92	5,224	0.26	13.66
			2015	638,611	93	6,845	0.25	17.24
			2016	416,425	95	4,376	0.24	10.68
		Other Physical Damage	2012	303,614	78	3,915	0.22	8.72
			2013	544,465	81	6,691	0.23	15.27
			2014	923,142	95	9,693	0.27	26.10
			2015	846,284	106	7,947	0.29	22.84
			2016	1,063,525	77	13,853	0.20	27.27
		Liability	2012	171,890	26	6,629	0.07	4.93
			2013	210,744	37	5,738	0.10	5.91
			2014	539,752	23	23,175	0.07	15.26
			2015	205,537	29	7,112	0.08	5.55
			2016	266,657	28	9,456	0.07	6.84
		Credit Card	2012	0	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	30,484	12	2,441	0.04	0.88
			2013	26,119	11	2,289	0.03	0.73
			2014	20,711	10	2,162	0.03	0.59
			2015	24,618	12	1,976	0.03	0.66
			2016	19,566	10	1,892	0.03	0.50
		Total	2012	15,517,545	1,285	12,078	3.69	445.51
			2013	13,925,599	949	14,679	2.66	390.59
2014	14,981,262		955	15,683	2.70	423.64		
2015	19,498,201		1,073	18,177	2.90	526.32		
2016	14,299,953		799	17,907	2.05	366.63		

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Owners	SW	Fire, Lightning and Removal	2012	222,974,422	8,966	24,869	0.47	116.32
			2013	224,093,911	7,007	31,981	0.37	117.88
			2014	234,190,634	6,822	34,327	0.36	123.23
			2015	256,513,052	6,872	37,329	0.36	135.12
			2016	271,852,061	7,653	35,521	0.40	141.28
		Wind and Hail	2012	322,349,975	44,034	7,321	2.30	168.16
			2013	190,043,752	30,306	6,271	1.59	99.97
			2014	203,551,847	27,914	7,292	1.47	107.11
			2015	165,818,762	23,678	7,003	1.25	87.35
			2016	269,093,859	37,431	7,189	1.95	139.85
		Water Damage and Freezing	2012	153,766,626	17,978	8,553	0.94	80.21
			2013	154,985,301	18,872	8,212	0.99	81.53
			2014	223,099,440	24,358	9,159	1.28	117.40
			2015	230,377,469	23,371	9,857	1.23	121.35
			2016	201,415,486	20,789	9,688	1.08	104.68
		Theft	2012	30,786,081	9,173	3,356	0.48	16.06
			2013	27,166,471	7,955	3,415	0.42	14.29
			2014	22,909,252	6,564	3,490	0.35	12.05
			2015	22,409,451	5,923	3,784	0.31	11.80
			2016	18,683,396	4,945	3,778	0.26	9.71
		Other Physical Damage	2012	25,939,387	5,302	4,892	0.28	13.53
			2013	28,993,595	5,640	5,141	0.30	15.25
			2014	50,468,713	10,546	4,786	0.55	26.56
			2015	36,750,444	6,043	6,082	0.32	19.36
			2016	37,904,328	5,592	6,778	0.29	19.70
		Liability	2012	22,373,307	2,664	8,400	0.14	11.67
			2013	22,549,051	2,703	8,343	0.14	11.86
			2014	25,740,316	2,360	10,907	0.12	13.54
			2015	20,847,601	2,603	8,008	0.14	10.98
			2016	23,568,766	2,665	8,845	0.14	12.25
		Credit Card	2012	1,356	2	721	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	3,681	1	3,681	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	7,351	1	7,351	0.00	0.00
		Medical Payments	2012	1,234,560	788	1,567	0.04	0.64
			2013	1,179,129	686	1,719	0.04	0.62
			2014	1,089,904	637	1,711	0.03	0.57
			2015	999,298	570	1,752	0.03	0.53
			2016	1,093,356	547	1,999	0.03	0.57
		Total	2012	779,425,714	88,905	8,767	4.64	406.59
			2013	649,011,210	73,170	8,870	3.85	341.41
2014	761,053,787		79,203	9,609	4.17	400.47		
2015	733,716,077		69,060	10,624	3.64	386.50		
2016	823,618,603		79,624	10,344	4.14	428.03		

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Tenants	SW	Fire, Lightning and Removal	2012	5,357,424	756	7,091	0.26	18.15
			2013	6,036,096	660	9,149	0.21	19.30
			2014	4,558,404	696	6,550	0.21	13.75
			2015	6,033,088	762	7,914	0.21	16.59
			2016	6,390,184	1,015	6,296	0.26	16.61
		Wind and Hail	2012	198,750	71	2,794	0.02	0.67
			2013	255,007	91	2,804	0.03	0.82
			2014	185,272	89	2,090	0.03	0.56
			2015	141,898	63	2,247	0.02	0.39
			2016	269,180	107	2,517	0.03	0.70
		Water Damage and Freezing	2012	1,625,810	509	3,197	0.17	5.51
			2013	1,756,072	516	3,404	0.16	5.61
			2014	3,161,070	860	3,675	0.26	9.53
			2015	3,460,562	916	3,776	0.25	9.52
			2016	2,249,075	641	3,507	0.17	5.84
		Theft	2012	7,482,619	3,076	2,433	1.04	25.35
			2013	7,348,021	3,032	2,424	0.97	23.49
			2014	6,056,882	2,573	2,354	0.78	18.27
			2015	6,238,847	2,607	2,394	0.72	17.16
			2016	6,784,930	2,717	2,497	0.71	17.63
		Other Physical Damage	2012	1,159,569	463	2,503	0.16	3.93
			2013	1,268,886	493	2,574	0.16	4.06
			2014	1,619,083	1,025	1,580	0.31	4.88
			2015	1,537,595	627	2,454	0.17	4.23
			2016	1,491,094	615	2,423	0.16	3.87
		Liability	2012	3,880,499	466	8,320	0.16	13.15
			2013	4,857,714	516	9,418	0.16	15.53
			2014	4,365,784	521	8,383	0.16	13.17
			2015	5,648,304	570	9,905	0.16	15.53
			2016	4,992,856	545	9,169	0.14	12.97
		Credit Card	2012	21	0	0	0.00	0.00
			2013	0	0	0	0.00	0.00
			2014	0	0	0	0.00	0.00
			2015	0	0	0	0.00	0.00
			2016	0	0	0	0.00	0.00
		Medical Payments	2012	74,247	61	1,210	0.02	0.25
2013	104,433		73	1,426	0.02	0.33		
2014	81,400		55	1,468	0.02	0.25		
2015	92,894		64	1,443	0.02	0.26		
2016	82,025		55	1,480	0.01	0.21		
Total	2012	19,778,939	5,402	3,661	1.83	67.00		
	2013	21,626,229	5,380	4,019	1.72	69.14		
	2014	20,027,895	5,819	3,442	1.75	60.40		
	2015	23,153,188	5,610	4,127	1.54	63.68		
	2016	22,259,344	5,696	3,908	1.48	57.84		

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Condominium Unit Owners	SW	Fire, Lightning and Removal	2012	1,720,103	215	7,992	0.30	23.63
			2013	1,330,378	159	8,382	0.22	18.04
			2014	1,525,648	186	8,198	0.25	20.34
			2015	1,722,607	188	9,155	0.25	22.81
			2016	1,196,445	174	6,880	0.22	15.23
		Wind and Hail	2012	72,651	33	2,205	0.05	1.00
			2013	211,407	63	3,359	0.09	2.87
			2014	145,217	63	2,310	0.08	1.94
			2015	317,624	45	6,987	0.06	4.21
			2016	241,505	53	4,595	0.07	3.07
		Water Damage and Freezing	2012	5,884,834	1,218	4,831	1.67	80.85
			2013	6,149,714	1,283	4,793	1.74	83.41
			2014	8,827,295	1,649	5,352	2.20	117.67
			2015	9,894,325	1,733	5,711	2.29	131.03
			2016	8,972,479	1,513	5,929	1.93	114.19
		Theft	2012	830,367	324	2,566	0.44	11.41
			2013	705,341	279	2,528	0.38	9.57
			2014	525,520	202	2,599	0.27	7.01
			2015	422,307	199	2,123	0.26	5.59
			2016	531,412	187	2,847	0.24	6.76
		Other Physical Damage	2012	804,656	207	3,896	0.28	11.06
			2013	644,195	187	3,438	0.25	8.74
			2014	1,060,950	274	3,868	0.37	14.14
			2015	1,058,817	273	3,883	0.36	14.02
			2016	1,008,069	223	4,515	0.28	12.83
		Liability	2012	887,609	173	5,123	0.24	12.20
			2013	642,351	156	4,107	0.21	8.71
2014	873,257		157	5,550	0.21	11.64		
2015	1,117,856		178	6,273	0.24	14.80		
2016	578,307		173	3,338	0.22	7.36		
Credit Card	2012	0	0	0	0.00	0.00		
	2013	0	0	0	0.00	0.00		
	2014	0	0	0	0.00	0.00		
	2015	0	0	0	0.00	0.00		
	2016	0	0	0	0.00	0.00		
Medical Payments	2012	12,130	9	1,363	0.01	0.17		
	2013	12,024	6	2,024	0.01	0.16		
	2014	12,186	8	1,539	0.01	0.16		
	2015	8,856	5	1,789	0.01	0.12		
	2016	16,501	5	3,334	0.01	0.21		
Total	2012	10,212,350	2,179	4,688	2.99	140.31		
	2013	9,695,410	2,134	4,544	2.89	131.50		
	2014	12,970,073	2,540	5,106	3.39	172.89		
	2015	14,542,392	2,621	5,548	3.47	192.58		
	2016	12,544,718	2,328	5,389	2.96	159.65		

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of statewide rate level indications which depend, in part, on the determination of the weighted statewide trended loss cost.

The statewide credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Pure Premium" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 5% maximum departure from the expected value, translated to house year standards. Partial credibility (Z_p) is calculated using the square root rule:

$$Z_p = \sqrt{\frac{\text{Five Year House Years}}{\text{Full Credibility Standard}}} \quad (\text{truncated to one decimal place})$$

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for Tenant Form, and 190,000 house years for Condo Unit Form.

To distribute the statewide change by territory, a credibility procedure was used on the non-hurricane loss costs. The credibility standard used was based on the same model as statewide credibility. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 10% maximum departure from the expected value, translated to house years. The full credibility standards are 60,000 for Owners' Forms, 75,000 for Tenant Form and 50,000 for Condo Unit Form. Partial credibility (Z_p) is calculated using the square root rule:

$$Z_p = \sqrt{\frac{\text{Five Year House Years}}{\text{Full Credibility Standard}}} \quad (\text{truncated to one decimal place})$$

The Rate Bureau has not considered alternative credibility procedures in the last three years.

See Section D and prefiled testimony of P. Anderson, M. Berry and Y. Yao.

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
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3. LOSS DEVELOPMENT FACTOR DERIVATION AND APPLICATION ON BOTH PAID AND INCURRED BASES AND IN BOTH NUMBERS AND DOLLARS OF CLAIMS
- (a) See pages D-3-4, pages D-12-14, and prefiled testimony of P. Anderson, M. Berry and Y. Yao. The methodology used to calculate loss development factors has been changed to calculate separate factors by policy form group. In previous years, the loss development factors were calculated for all forms combined.
 - (b) See attached Exhibit (3)(b). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.
 - (c) See attached Exhibit (3)(c). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.
 - (d) See attached Exhibit (3)(d). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.
 - (e) See attached Exhibit (3)(e). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.
 - (f) The Rate Bureau is advised by ISO that loss and claim development information is not available by cause of loss.
 - (g) Responses provided in connection with items (3)(g) and (7)(c) are attached as Exhibits (3)(g) and (7)(c).

NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Paid Losses, All Forms Combined

Accident <u>Year</u>	Paid Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	175,355,799	194,368,267	198,473,893	199,003,709	199,877,291
2006	204,261,184	224,598,249	227,517,957	228,741,034	229,047,610
2007	232,745,365	253,233,060	257,438,517	259,202,770	260,237,423
2008	320,717,570	361,954,791	368,368,660	370,811,569	371,771,526
2009	329,017,946	359,188,645	363,584,144	365,857,614	366,177,409
2010	388,923,763	426,250,842	431,398,639	432,813,801	433,804,128
2011	777,565,967	826,094,169	832,802,895	835,514,551	835,672,353
2012	384,329,513	429,874,057	437,867,900	440,845,382	440,722,549
2013	316,802,568	347,831,271	352,021,690	353,559,029	
2014	360,309,570	395,617,557	401,835,883		
2015	341,900,670	370,416,159			
2016	467,702,795				

Accident <u>Year</u>	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	1.108	1.021	1.003	1.004
2006	1.100	1.013	1.005	1.001
2007	1.088	1.017	1.007	1.004
2008	1.129	1.018	1.007	1.003
2009	1.092	1.012	1.006	1.001
2010	1.096	1.012	1.003	1.002
2011	1.062	1.008	1.003	1.000
2012	1.119	1.019	1.007	1.000
2013	1.098	1.012	1.004	
2014	1.098	1.016		
2015	1.083			
Average	<u>27:15</u> 1.098	<u>39:27</u> 1.015	<u>51:39</u> 1.005	<u>63:51</u> 1.002

Loss Development Factors

<u>15:63</u> 1.122	<u>27:63</u> 1.022	<u>39:63</u> 1.007	<u>51:63</u> 1.002	<u>63:63</u> 1.000
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NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Paid Losses, All Forms Combined

Accident <u>Year</u>	Paid Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2008	320,717,570	361,954,791	368,368,660	370,811,569	371,771,526
2009	329,017,946	359,188,645	363,584,144	365,857,614	366,177,409
2010	388,923,763	426,250,842	431,398,639	432,813,801	433,804,128
2011	777,565,967	826,094,169	832,802,895	835,514,551	835,672,353
2012	384,329,513	429,874,057	437,867,900	440,845,382	440,722,549
2013	316,802,568	347,831,271	352,021,690	353,559,029	
2014	360,309,570	395,617,557	401,835,883		
2015	341,900,670	370,416,159			
2016	467,702,795				

Accident <u>Year</u>	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2008	1.129	1.018	1.007	1.003
2009	1.092	1.012	1.006	1.001
2010	1.096	1.012	1.003	1.002
2011	1.062	1.008	1.003	1.000
2012	1.119	1.019	1.007	1.000
2013	1.098	1.012	1.004	
2014	1.098	1.016		
2015	1.083			
5-Year Average	<u>27:15</u> 1.092	<u>39:27</u> 1.013	<u>51:39</u> 1.005	<u>63:51</u> 1.001

Loss Development Factors

<u>15:63</u> 1.113	<u>27:63</u> 1.019	<u>39:63</u> 1.006	<u>51:63</u> 1.001	<u>63:63</u> 1.000
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NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT

ISO-Only Incurred Losses, All Forms Combined

Accident <u>Year</u>	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	199,883,474	200,214,201	200,673,728	200,319,957	200,066,142
2006	230,344,301	230,831,949	230,212,567	229,671,398	229,709,170
2007	261,953,469	262,853,852	261,837,987	261,133,859	260,778,083
2008	354,191,687	373,576,309	373,792,493	372,466,013	372,265,609
2009	366,030,555	369,796,791	369,317,765	369,359,546	368,690,015
2010	435,367,197	436,585,256	435,846,943	435,098,022	434,215,301
2011	826,758,354	839,116,424	839,392,212	836,930,544	836,172,835
2012	418,698,738	438,815,280	442,159,423	442,623,895	441,347,422
2013	351,616,835	357,858,232	356,135,734	354,651,524	
2014	395,185,988	404,785,793	405,315,311		
2015	376,882,088	383,184,349			
2016	520,841,018				

Accident <u>Year</u>	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	1.002	1.002	0.998	0.999
2006	1.002	0.997	0.998	1.000
2007	1.003	0.996	0.997	0.999
2008	1.055	1.001	0.996	0.999
2009	1.010	0.999	1.000	0.998
2010	1.003	0.998	0.998	0.998
2011	1.015	1.000	0.997	0.999
2012	1.048	1.008	1.001	0.997
2013	1.018	0.995	0.996	
2014	1.024	1.001		
2015	1.017			
Average	<u>27:15</u> 1.018	<u>39:27</u> 1.000	<u>51:39</u> 0.998	<u>63:51</u> 0.999

Loss Development Factors

<u>15:63</u> 1.015	<u>27:63</u> 0.997	<u>39:63</u> 0.997	<u>51:63</u> 0.999	<u>63:63</u> 1.000
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NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT

ISO-Only Incurred Losses, All Forms Combined

Accident <u>Year</u>	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2008	354,191,687	373,576,309	373,792,493	372,466,013	372,265,609
2009	366,030,555	369,796,791	369,317,765	369,359,546	368,690,015
2010	435,367,197	436,585,256	435,846,943	435,098,022	434,215,301
2011	826,758,354	839,116,424	839,392,212	836,930,544	836,172,835
2012	418,698,738	438,815,280	442,159,423	442,623,895	441,347,422
2013	351,616,835	357,858,232	356,135,734	354,651,524	
2014	395,185,988	404,785,793	405,315,311		
2015	376,882,088	383,184,349			
2016	520,841,018				

Accident <u>Year</u>	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2008	1.055	1.001	0.996	0.999
2009	1.010	0.999	1.000	0.998
2010	1.003	0.998	0.998	0.998
2011	1.015	1.000	0.997	0.999
2012	1.048	1.008	1.001	0.997
2013	1.018	0.995	0.996	
2014	1.024	1.001		
2015	1.017			
5-Year Average	<u>27:15</u> 1.024	<u>39:27</u> 1.000	<u>51:39</u> 0.998	<u>63:51</u> 0.998

Loss Development Factors

<u>15:63</u> 1.020	<u>27:63</u> 0.996	<u>39:63</u> 0.996	<u>51:63</u> 0.998	<u>63:63</u> 1.000
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NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Paid Claims, All Forms Combined

Accident <u>Year</u>	Paid Claims as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	39,627	40,762	40,971	41,033	41,051
2006	46,237	47,888	48,094	48,176	48,201
2007	44,200	45,636	45,910	46,019	46,043
2008	58,893	63,143	63,613	63,726	63,748
2009	56,124	59,274	60,002	60,084	60,104
2010	64,515	68,320	68,642	68,718	68,752
2011	116,491	122,281	122,890	123,110	123,156
2012	57,297	63,272	64,204	64,448	64,481
2013	50,437	54,082	54,548	54,679	
2014	53,643	57,314	57,717		
2015	45,954	48,527			
2016	73,057				

Accident <u>Year</u>	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	1.029	1.005	1.002	1.000
2006	1.036	1.004	1.002	1.001
2007	1.032	1.006	1.002	1.001
2008	1.072	1.007	1.002	1.000
2009	1.056	1.012	1.001	1.000
2010	1.059	1.005	1.001	1.000
2011	1.050	1.005	1.002	1.000
2012	1.104	1.015	1.004	1.001
2013	1.072	1.009	1.002	
2014	1.068	1.007		
2015	1.056			
Average	<u>27:15</u> 1.058	<u>39:27</u> 1.008	<u>51:39</u> 1.002	<u>63:51</u> 1.000

Claim Development Factors

<u>15:63</u> 1.069	<u>27:63</u> 1.010	<u>39:63</u> 1.002	<u>51:63</u> 1.000	<u>63:63</u> 1.000
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NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT
ISO-Only Paid Claims, All Forms Combined

Accident Year	Paid Claims as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2008	58,893	63,143	63,613	63,726	63,748
2009	56,124	59,274	60,002	60,084	60,104
2010	64,515	68,320	68,642	68,718	68,752
2011	116,491	122,281	122,890	123,110	123,156
2012	57,297	63,272	64,204	64,448	64,481
2013	50,437	54,082	54,548	54,679	
2014	53,643	57,314	57,717		
2015	45,954	48,527			
2016	73,057				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2008	1.072	1.007	1.002	1.000
2009	1.056	1.012	1.001	1.000
2010	1.059	1.005	1.001	1.000
2011	1.050	1.005	1.002	1.000
2012	1.104	1.015	1.004	1.001
2013	1.072	1.009	1.002	
2014	1.068	1.007		
2015	1.056			
5-Year Average	<u>27:15</u> 1.070	<u>39:27</u> 1.008	<u>51:39</u> 1.002	<u>63:51</u> 1.000

Claim Development Factors

<u>15:63</u> 1.081	<u>27:63</u> 1.010	<u>39:63</u> 1.002	<u>51:63</u> 1.000	<u>63:63</u> 1.000
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NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT

ISO-Only Outstanding Claims, All Forms Combined

Accident <u>Year</u>	Outstanding Claims as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	828	149	57	35	15
2006	1,180	179	66	23	14
2007	1,118	251	153	86	63
2008	1,939	292	104	25	5
2009	2,548	748	84	22	9
2010	3,147	215	77	33	14
2011	3,747	368	146	31	10
2012	2,712	396	137	40	11
2013	2,329	339	107	25	
2014	2,198	304	99		
2015	2,141	333			
2016	3,861				

Accident <u>Year</u>	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	0.180	0.383	0.614	0.429
2006	0.152	0.369	0.348	0.609
2007	0.225	0.610	0.562	0.733
2008	0.151	0.356	0.240	0.200
2009	0.294	0.112	0.262	0.409
2010	0.068	0.358	0.429	0.424
2011	0.098	0.397	0.212	0.323
2012	0.146	0.346	0.292	0.275
2013	0.146	0.316	0.234	
2014	0.138	0.326		
2015	0.156			
Average	<u>27:15</u> 0.159	<u>39:27</u> 0.357	<u>51:39</u> 0.355	<u>63:51</u> 0.425

Claim Development Factors

<u>15:63</u> 0.009	<u>27:63</u> 0.054	<u>39:63</u> 0.151	<u>51:63</u> 0.425	<u>63:63</u> 1.000
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NORTH CAROLINA
HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

LOSS DEVELOPMENT

ISO-Only Outstanding Claims, All Forms Combined

Accident Year	Outstanding Claims as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2008	1,939	292	104	25	5
2009	2,548	748	84	22	9
2010	3,147	215	77	33	14
2011	3,747	368	146	31	10
2012	2,712	396	137	40	11
2013	2,329	339	107	25	
2014	2,198	304	99		
2015	2,141	333			
2016	3,861				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2008	0.151	0.356	0.240	0.200
2009	0.294	0.112	0.262	0.409
2010	0.068	0.358	0.429	0.424
2011	0.098	0.397	0.212	0.323
2012	0.146	0.346	0.292	0.275
2013	0.146	0.316	0.234	
2014	0.138	0.326		
2015	0.156			
5-Year Average	<u>27:15</u> 0.137	<u>39:27</u> 0.349	<u>51:39</u> 0.286	<u>63:51</u> 0.326

Claim Development Factors

<u>15:63</u> 0.004	<u>27:63</u> 0.033	<u>39:63</u> 0.093	<u>51:63</u> 0.326	<u>63:63</u> 1.000
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NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

The Rate Bureau is advised by ISO that loss and claim development information by cause of loss is not available.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

Responses provided in connection with items (3)(g) and (7)(c) are enclosed herewith.

HOMEOWNERS 2018

Reserve Strengthening and Expense Cutting Activities

**Karen Ott
12/4/18**



November 15, 2018

Mr. Andy Montano
Personal Lines Director
2910 Sumner Boulevard
Raleigh, NC 27616

Corporate Headquarters
One State Farm Plaza, D-4
Bloomington, IL 61710
Fax 309 766 0225

IN REPLY PLEASE REFER TO: HO-MISC-11152018

RE: Insurance Department Regulations
Reserve Strengthening and Expense Cutting Activities

Your letter of November 2, 2018 requested two items required from the largest writers of Homeowners Insurance in North Carolina.

The first item concerned reserves. In response to your questions, State Farm has not made any changes in the past five years that have a material impact on the reserves established in North Carolina.

The second item concerned expenses. State Farm continues to review every aspect of our company's operation in an effort to further streamline workflow and processes and to invest in technological advances where appropriate while striving to improve the service provided to our customers. We believe that our historical experience is an appropriate basis for determining the expense provisions in the rate calculations and that no special adjustments are necessary.

In an effort to work with you as promptly as possible, please direct any questions to:

Adam Swope	(309) 766-2471	adam.swope.hdbi@statefarm.com
Marty Wietfeldt	(309) 763-4063	marty.wietfeldt.no5q@statefarm.com

Please send paper correspondence to the attention of the State Filings Unit at the address shown above.

Sincerely,

A handwritten signature in black ink that reads "Adam Swope".

Adam Swope
Assistant Vice President and Actuary

MS/bp
Attachment



North Carolina Farm Bureau Insurance Group

Telephone 919.782.1705 - Post Office Box 27427 - Raleigh, NC 27611

November 2, 2018

Mrs. Karen Ott
N.C. Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27616

RE: North Carolina Farm Bureau Mutual Insurance Company, Inc.
Insurance Department Regulations
North Carolina Homeowners Reserve Strengthening
Expense Cutting Activities

Karen:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know.

Roger Batdorff
Senior Executive/AR&R

RB/kb



Reserve Strengthening and Expense Cutting Activities

North Carolina Personal Lines Field Product

Per the request of Andy Montano with the North Carolina Rate Bureau:

Reserve Strengthening: With regards to reserve strengthening within the state of North Carolina, there is little discuss with regards to changes in process. Nothing has changed materially with regards to our internal process for establishing case reserves within the past five years.

Expense Cutting Activities: The biggest point to be made with regards to expense cutting for Personal Lines in North Carolina would be a reduction in the commission rate. The personal lines base commission for renewals decreased from 12% to 10% around the beginning of 2017. There are also minor changes in cost synergies and workforce reductions, but these are much more difficult to quantify. As far as putting a best estimate of the change in overall expense levels, we would expect the commission expenses to decrease by 10% or so, but we have seen no material difference in expense ratios thus far.

The notes above apply to Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company, and Nationwide General Insurance Company.

Thanks,



Nationwide[®]
is on your side

Nicholas Sizemore

Product Manager

Field Product – North Carolina

W 614-435-8485 | C 765-993-8577

sizemn1@nationwide.com

December 4, 2018



December 4, 2018

Matthew Berry
Assistant Actuary

Andy Montano
Personal Lines Director
North Carolina Rate Bureau

Dear Andy,

Included below are Allstate Insurance Company's response to issues regarding reserve strengthening and expense cutting initiatives for the Allstate Insurance Company and Allstate Indemnity Company Homeowners Programs in North Carolina.

11 N.C.A.C. 10.1105 (3)(g) requires:

Statements regarding any changes in reserve adequacy that have occurred in the latest five years from each of the ten largest writers of the line affected by the filing.

Allstate's response to this is that there have been no material changes with regard to Allstate's reserving practices for homeowners insurance in the state of North Carolina over the past five years.

11 N.C.A.C. 10.1105 (7)(c) requires:

Statements regarding any activities affecting expense or service levels undertaken in the last five years by each of the ten largest writers of the line affected by the filing.

Allstate did not make any changes in the past five years that would be expected to materially impact our anticipated expense or service levels in North Carolina.

Please contact me if you have any questions or require further details.

Sincerely,

Matthew Berry, FCAS CSPA MAAA
Manager, Southeast Region (NC) – Auto & Home Pricing
Allstate Insurance Company
matthew.berry@allstate.com
847-402-0301



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Kevin L. Russell
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Corporate Actuarial Department
Erie Insurance Group
100 Erie Insurance Place
Erie, Pennsylvania 16530
Telephone: (814)870-3395
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kevin.russell@erieinsurance.com

November 19, 2018

To: Karen Ott
Executive Assistant
North Carolina Rate Bureau
2910 Sumner Boulevard
Raleigh NC 27619-6010
Telephone: (919) 582-1025

RE: RESERVE STRENGTHENING & EXPENSE CUTTING ACTIVITIES

1. RESERVE STRENGTHENING

The Erie Insurance Group implemented a new claims management system for homeowners in December, 2017. We have not observed any significant change in the relative adequacy of the case reserves to date. We conclude the criteria used in North Carolina for establishing case basis reserves for the accident year ending December 31, 2017 has not changed materially from the criteria used over the latest five years.

2. EXPENSE CUTTING ACTIVITIES

We are not aware of any expense cutting activities over the last five years on Homeowners coverages that would materially impact the anticipated expense levels in North Carolina. Some expense allocations were changed in the past. Homeowners is now allocated a slightly higher share of company overhead for adjusting and other loss adjustment expense as well as general expense. The data in the most recent annual statements (2013 through 2017) is most representative of what to expect in the future. Please note that the adjusting and other loss adjustment expense ratio in the 2011 annual statement is unusually high; ERIE recorded the largest volume of catastrophe claims and greatest utilization of independent adjusters in company history in 2011.

Sincerely,

Kevin L. Russell, FCAS, MAAA



We know what it means to serve.SM

INSURANCE • BANKING • INVESTMENTS • RETIREMENT • ADVICE

November 9, 2018

Karen Ott
North Carolina Rate Bureau
Fax: (919) 719-7402

RE: United Services Automobile Association
Insurance Department Regulations
North Carolina Homeowners
Reserve Strengthening and Expense Cutting

Ms. Ott:

United Services Automobile Association and USAA Casualty Insurance Company have not materially changed their procedures for establishing case loss reserves over the last 5 years.

In addition, United Services Automobile Association has not undertaken any expense cutting activities over the last 5 years that would materially affect the expense levels in North Carolina.

If I can be of further assistance, let me know. I can be reached at (210) 544-7001.

Matt Veibell, FCAS
Director, P&C Property Pricing



AUTO | HOME | LIFE

Liberty Mutual Insurance

Global Retail Markets
Product Compliance
c/o Presidential Service Team
175 Berkeley Street
Boston, MA 02116
Phone: (617) 357-9500
Fax: (857) 224-8832

November 19, 2018

Karen Ott
North Carolina Rate Bureau
2910 Sumner Boulevard
Raleigh, NC 27616

Dear Ms. Ott,

This letter is in response to your November 2, 2018 request for statements regarding Liberty Mutual Fire Insurance Company's reserve strengthening and expense cutting activities.

Reserve Strengthening

In 2017, Liberty changed its reserve philosophy countrywide. We started estimating reserves at the beginning of the claim process instead of stair-stepping reserve. This resulted in reserves that are more adequate at the time of settlement. We have not engaged in any specific initiatives for North Carolina over the past five years.

Expense Cutting

As part of our ongoing strategic initiatives, Liberty seeks to reduce its cost base through organizational efficiencies and productivity gains. We are actively managing our expenses holistically and have not engaged in any specific initiatives for North Carolina over the past five years.

If you have any questions or need any additional information, please feel free to contact me directly. I'll be more than happy to assist you.

Sincerely,

Danielle Rice
Compliance Analyst
425-519-5092
Danielle.Rice@LibertyMutual.com

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

- (a) See Section D and pre-filed testimony of P. Anderson, M. Berry and Y. Yao. The Rate Bureau has not considered alternative loss trend methodologies in the last three years.
- (b) See prefiled testimony of P. Anderson, M. Berry and Y. Yao.
- (c) This information, based on companies reporting to ISO, ISS and NISS, is provided in the response to 11 NCAC 10.1105 (1)(1).

NORTH CAROLINA

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5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS

- (a) See Section D and prefiled testimony of P. Anderson, M. Berry and Y. Yao. The Rate Bureau has not considered an alternative exposure trend methodology in the last three years.
- (b) The Rate Bureau is advised by ISO that the exposure and premium distributions by policy term are not available for the latest five years. Past analysis for the years 1992-1996 indicated that 100% of the written premium was for a policy term of one year. No significant change in the policy term distribution is expected.

NORTH CAROLINA

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6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

- (a) No limitations were applied to the losses.
- (b) Limitations were applied to the rate level change by form. No limitations were applied to the rate level change by coverage, protection class, construction or deductible.
- (c) Limitations were applied to the rate level change by territory.
- (d) No other limitations were applied.

NORTH CAROLINA

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STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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7. OVERHEAD EXPENSE DEVELOPMENT AND APPLICATION OF COMMISSION AND
BROKERAGE, OTHER ACQUISITION EXPENSES, GENERAL EXPENSES, TAXES,
LICENSES, AND FEES

(a) Exhibit (7)(a) provides all information relating to expense provisions contained in the filing. The Rate Bureau has not considered an alternative expense methodology in the last three years.

(b) Page D-29 shows earned premium for 2014-2016 and page D-30 shows loss adjustment expense for 2012-2016. The earned premium figures for 2012 and 2013 are as follows:

	2012	2013
Earned Premium	\$ 1,927,490,417	\$ 1,969,119,220

(c) See the response to 11 NCAC 10.1105 (3)(g).

NORTH CAROLINA
HOMEOWNERS INSURANCE
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The following provides a description of the derivation of Homeowners expense provisions. The underlying historical expense data are provided by the North Carolina Rate Bureau and are displayed on pages D-29-30.

The filed expense provision methodology makes a distinction between those provisions which require trending and those that do not. For example, since commission and tax expenses vary directly with premium, no additional consideration of trend is needed. In contrast, general expenses, other acquisition expenses, and loss adjustment expenses do not vary directly with premium or losses and, as a percentage of premium or losses, are subject to the effects of trend.

The filed provision for commission and brokerage expenses, 12.0% of written premium, and the provision for taxes, licenses, and fees, 2.7% of written premium, are based on the historical data shown on page D-29 for the latest three years.

Since the general expense and other acquisition expense percentages are relative to earned premiums and the loss adjustment expense percentage is relative to losses, separate trend factors are required for premiums, losses, and expenses. See information provided below, pages D-6-7, pages D-31-33 and the pre-filed testimony of P. Anderson, M. Berry and Y. Yao.

General Expense and Other Acquisition Expense - Based on the 2014-2016 experience on page D-29, general expense averages 4.4% of earned premium and other acquisition expense averages 6.6% of earned premium. The average date of payment of the 2014-2016 expenses is 7/1/2015. Similarly, the average date represented in the 2014-2016 premiums is 7/1/2015. Since the average date of writing of policies under the proposed rates, and the average date of payment of the expenses on these policies, is six months after the assumed effective date of 10/1/2019, or 4/1/2020, the historical general and other acquisition expense ratios need to be trended to the 4/1/2020 level.

The trend factor for the expenses represented in the numerator is based on the indices displayed on pages D-27-28. This index is constructed by weighting the Compensation Cost Index with the Consumer Price Index. These two sources receive equal weights. Based on these data, an average annual change of 2.5% is selected. This average annual change is projected 57.0 months (from 7/1/2015 to 4/1/2020).

To trend the premiums in the denominator, two multiplicative factors are applied. The first is the 2015 Current Amount Factor shown on pages D-21, D-23, and D-25. The second is the Premium Projection Factor shown on pages D-21, D-23 and D-25.

Once the percentage provision for general and other acquisition expenses is trended, it is converted to a corresponding dollar value which can be incorporated into the pure-premium ratemaking methodology utilized in this filing. The dollar value is obtained by multiplying the trended percentage by the trended average rate at current-manual level. Distinct dollar values are generated for the Owners, Tenant and Condominium Unit Owner forms. These values by form reflect the judgment that the premium for a single Tenant or Condominium Unit Owner policy requires a dollar loading that is 50% of the dollar loading required by the premium for a single Owners policy.

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Loss Adjustment Expense - Based on the 2012-2016 experience shown on page D-30, loss adjustment expenses (both allocated and unallocated) average 14.8% of incurred losses, after excluding the high- and low-valued years. The average date of loss represented in these data is 7/1/2014. Both the numerator and denominator are therefore trended 75 months, from 7/1/2014 to 10/1/2020 (12 months beyond the anticipated effective date of 10/1/2019).

The trend factor used for expenses in the numerator is determined in a similar way as for general and other acquisition expenses. The 2.5% selected average annual change is projected 75 months (from 7/1/2014 to 10/1/2020).

To trend the losses in the denominator, quantities that are calculated in the loss trend procedure are used. To adjust losses from the 7/1/2014 (average) level to 5/15/2018, the 2014 Current Cost Factors shown on pages D-15 and D-17 are applied. To adjust losses from 5/15/2018 to 10/1/2020 (12 months beyond the anticipated effective date of 10/1/2019) the product of the Loss Projection, First Dollar and Loss Trend Adjustment factors (pages D-21, D-23 and D-25) are applied.

No alternate expense trend methodology has been considered within the last three years.

NORTH CAROLINA

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8. PERCENT RATE CHANGE

The overall statewide rate change and the rate changes by territory are shown on pages A-2-3.

The proposed rate changes are dependent on the actual implementation date of the new rates, because any such change will affect all of the trending periods used in the filing. Any change in the trending periods will affect all of the losses, fixed expenses, and average rating factors used in the calculation of the rate level indication. The proposed rate changes have been calculated based on an assumed effective date of 10/1/2019.

If the effective date were to be changed, advance notice of one hundred five (105) days is required for an orderly implementation of the change in rates. This is the amount of time required to calculate the new rates based on the new effective date and distribute the necessary information to member companies.

NORTH CAROLINA

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STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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9. FINAL PROPOSED RATES

The proposed rates are shown in Section A.

NORTH CAROLINA

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STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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10. INVESTMENT EARNINGS, CONSISTING OF INVESTMENT INCOME AND REALIZED PLUS UNREALIZED CAPITAL GAINS, FROM LOSS, LOSS EXPENSE AND UNEARNED PREMIUM RESERVES

See attached Exhibits (10)(a), (b) and (c) and the pre-filed testimony of Y. Yao and D. Appel. The experience provides the best estimate of the future.

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve		
1.	Direct Earned Premium for Accident Year Ended 12/31/16	2,380,556,917
2.	Mean Unearned Premium Reserve, $(1) \times 0.517$	1,230,747,926
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	11.89%
	Taxes, Licenses and Fees	2.24%
	1/2 General Expenses	2.19%
	1/2 Other Acquisition	3.59%
	Total	19.91%
4.	$(2) \times (3)$	245,041,912
5.	Net Subject to Investment $(2) - (4)$	985,706,014
B. Delayed Remission of Premium (Agents' Balances)		
1.	Direct Earned Premium (A-1)	2,380,556,917
2.	Average Agents' Balances	0.163
3.	Delayed Remission $(1) \times (2)$	387,554,666
C. Loss Reserve		
1.	Direct Earned Premium (A-1)	2,380,556,917
2.	Expected Incurred Losses and Loss Adjustment Expense, $(1) \times 0.6192$	1,474,040,843
3.	Expected Mean Loss Reserves $(2) \times 0.317$	467,270,947
D.	Net Subject to Investment $(A-5)-(B-3)+(C-3)$	1,065,422,295
E.	Average Rate of Return	3.01%
F.	Investment Earnings on Net Subject to Investment $(D) \times (E)$	32,069,211
G.	Average Rate of Return as a Percent of Direct Earned Premium $(F) / (A-1)$	1.35%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes $(G) \times 0.779$	1.05%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/16 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/16	2,380,556,917
2. Unearned Premium Reserve as of 12/31/15	1,209,132,555
3. Unearned Premium Reserve as of 12/31/16	1,252,262,384
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	1,230,697,470
5. Ratio (4) \div (1)	0.5170

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/16.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	15.95%
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) \times (2)	0.163

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/16.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2016 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2016	1,356,857,801
2. Loss Reserves as of 12/31/15	345,437,165
3. Loss Reserves as of 12/31/16	444,413,633
4. Mean Loss Reserve 2016: 1/2 [(2) + (3)]	394,925,399
5. Ratio (4) ÷ (1)	0.291
6. Ratio of LAE Reserves to Loss Reserves (a)	0.261
7. Ratio of Incurred LAE to Incurred Losses (a)	0.158
8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))]	0.317

(a) Based on 2016 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2016	48,019,546	1,597,666,208	3.01%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	3.01%	0.221

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2016 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	22,730,939	0.350
	Non-Taxable	10,564,051	
	Sub-Total	33,294,990	0.239
Stocks	Taxable (a)	7,489,366	0.105
	Non-Taxable	1,972,096	
	Sub-Total	9,461,462	0.083
Mortgage Loans		665,613	
Real Estate		1,810,152	
Contract Loans		780	
Cash on Deposit		378,097	
Short Term Investments		(17,642)	
All Other		7,536,112	
Sub-Total		10,373,112	0.350
Total		53,129,564	0.233
Investment Deductions		5,107,215	0.350
Net Investment Income Earned		48,022,349	0.221

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve		
1.	Direct Earned Premium for Accident Year Ended 12/31/15	2,294,237,985
2.	Mean Unearned Premium Reserve, $(1) \times 0.5177$	1,187,727,005
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.05%
	Taxes, Licenses and Fees	2.30%
	1/2 General Expenses	2.43%
	1/2 Other Acquisition	3.53%
	Total	20.31%
4.	$(2) \times (3)$	241,227,355
5.	Net Subject to Investment $(2) - (4)$	946,499,650
B. Delayed Remission of Premium (Agents' Balances)		
1.	Direct Earned Premium (A-1)	2,294,237,985
2.	Average Agents' Balances	0.158
3.	Delayed Remission $(1) \times (2)$	361,342,483
C. Loss Reserve		
1.	Direct Earned Premium (A-1)	2,294,237,985
2.	Expected Incurred Losses and Loss Adjustment Expense, $(1) \times 0.613$	1,406,367,885
3.	Expected Mean Loss Reserves $(2) \times 0.366$	514,730,646
D.	Net Subject to Investment $(A-5)-(B-3)+(C-3)$	1,099,887,813
E.	Average Rate of Return	3.15%
F.	Investment Earnings on Net Subject to Investment $(D) \times (E)$	34,646,466
G.	Average Rate of Return as a Percent of Direct Earned Premium $(F) / (A-1)$	1.51%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes $(G) \times 0.777$	1.17%

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HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/15 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/15	2,294,237,985
2. Unearned Premium Reserve as of 12/31/14	1,166,168,203
3. Unearned Premium Reserve as of 12/31/15	1,209,132,555
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	1,187,650,379
5. Ratio (4) \div (1)	0.5177

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/15.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	15.43%
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) \times (2)	0.158

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/15.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2015 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2015	1,000,022,353
2. Loss Reserves as of 12/31/14	329,397,212
3. Loss Reserves as of 12/31/15	345,437,165
4. Mean Loss Reserve 2015: 1/2 [(2) + (3)]	337,417,189
5. Ratio (4) ÷ (1)	0.337
6. Ratio of LAE Reserves to Loss Reserves (a)	0.269
7. Ratio of Incurred LAE to Incurred Losses (a)	0.167
8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))]	0.366

(a) Based on 2015 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2015	49,322,923	1,567,857,478	3.15%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	3.15%	0.223
<p>The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2015 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.</p>		
Bonds		
Taxable	22,250,842	0.350
Non-Taxable	11,053,799	
Sub-Total	33,304,641	0.234
Stocks		
Taxable (a)	7,417,666	0.105
Non-Taxable	1,536,107	
Sub-Total	8,953,773	0.087
Mortgage Loans	559,969	
Real Estate	1,696,990	
Contract Loans	730	
Cash on Deposit	176,196	
Short Term Investments	80,094	
All Other	9,524,324	
Sub-Total	12,038,303	0.350
Total	54,296,717	0.235
Investment Deductions	4,970,931	0.350
Net Investment Income Earned	49,325,786	0.223

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve		
1.	Direct Earned Premium for Accident Year Ended 12/31/14	2,222,938,350
2.	Mean Unearned Premium Reserve, $(1) \times 0.5131$	1,140,589,667
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.13%
	Taxes, Licenses and Fees	2.25%
	1/2 General Expenses	2.45%
	1/2 Other Acquisition	3.53%
	Total	20.36%
4.	$(2) \times (3)$	232,224,056
5.	Net Subject to Investment $(2) - (4)$	908,365,611
B. Delayed Remission of Premium (Agents' Balances)		
1.	Direct Earned Premium (A-1)	2,222,938,350
2.	Average Agents' Balances	0.166
3.	Delayed Remission $(1) \times (2)$	369,674,648
C. Loss Reserve		
1.	Direct Earned Premium (A-1)	2,222,938,350
2.	Expected Incurred Losses and Loss Adjustment Expense, $(1) \times 0.6125$	1,361,549,739
3.	Expected Mean Loss Reserves $(2) \times 0.363$	494,242,555
D.	Net Subject to Investment $(A-5)-(B-3)+(C-3)$	1,032,933,518
E.	Average Rate of Return	3.57%
F.	Investment Earnings on Net Subject to Investment $(D) \times (E)$	36,875,727
G.	Average Rate of Return as a Percent of Direct Earned Premium $(F) / (A-1)$	1.66%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes $(G) \times 0.806$	1.34%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/14 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/14	2,222,938,350
2. Unearned Premium Reserve as of 12/31/13	1,114,932,263
3. Unearned Premium Reserve as of 12/31/14	1,166,168,203
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	1,140,550,233
5. Ratio (4) \div (1)	0.5131

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/14.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	16.29%
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) \times (2)	0.166

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/14.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2014 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2014	1,010,474,078
2. Loss Reserves as of 12/31/13	343,770,197
3. Loss Reserves as of 12/31/14	329,397,212
4. Mean Loss Reserve 2014: 1/2 [(2) + (3)]	336,583,705
5. Ratio (4) ÷ (1)	0.333
6. Ratio of LAE Reserves to Loss Reserves (a)	0.272
7. Ratio of Incurred LAE to Incurred Losses (a)	0.166
8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))]	0.363

(a) Based on 2014 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2014	55,183,053	1,544,247,308	3.57%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	3.57%	0.194
The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2014 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.		
Bonds		
Taxable	22,519,990	0.350
Non-Taxable	11,525,764	
Sub-Total	34,045,754	0.232
Stocks		
Taxable (a)	6,953,405	0.105
Non-Taxable	8,144,461	
Sub-Total	15,097,866	0.048
Mortgage Loans	443,946	
Real Estate	1,666,885	
Contract Loans	546	
Cash on Deposit	128,144	
Short Term Investments	(94,467)	
All Other	8,802,986	
Sub-Total	10,948,040	0.350
Total	60,091,660	0.207
Investment Deductions	4,905,839	0.350
Net Investment Income Earned	55,185,821	0.194

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve		
1.	Direct Earned Premium for Accident Year Ended 12/31/13	2,061,461,224
2.	Mean Unearned Premium Reserve, (1) × 0.521	1,074,021,298
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.20%
	Taxes, Licenses and Fees	2.24%
	1/2 General Expenses	2.47%
	1/2 Other Acquisition	3.70%
	Total	20.61%
4.	(2) × (3)	221,355,790
5.	Net Subject to Investment (2) - (4)	852,665,508
B. Delayed Remission of Premium (Agents' Balances)		
1.	Direct Earned Premium (A-1)	2,061,461,224
2.	Average Agents' Balances	0.164
3.	Delayed Remission (1) × (2)	337,048,910
C. Loss Reserve		
1.	Direct Earned Premium (A-1)	2,061,461,224
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) × 0.608	1,253,368,424
3.	Expected Mean Loss Reserves (2) × 0.411	515,134,422
D.	Net Subject to Investment (A-5)-(B-3)+(C-3)	1,030,751,020
E.	Average Rate of Return	3.36%
F.	Investment Earnings on Net Subject to Investment (D) × (E)	34,633,234
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	1.68%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes (G) × 0.781	1.31%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/13 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/13	2,061,461,224
2. Unearned Premium Reserve as of 12/31/12	1,032,968,637
3. Unearned Premium Reserve as of 12/31/13	1,114,932,263
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	1,073,950,450
5. Ratio (4) \div (1)	0.5210

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/13.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	16.01%
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) \times (2)	0.164

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/13.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2013 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2013	923,815,924
2. Loss Reserves as of 12/31/12	365,163,276
3. Loss Reserves as of 12/31/13	343,770,197
4. Mean Loss Reserve 2013: 1/2 [(2) + (3)]	354,466,737
5. Ratio (4) ÷ (1)	0.384
6. Ratio of LAE Reserves to Loss Reserves (a)	0.262
7. Ratio of Incurred LAE to Incurred Losses (a)	0.178
8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))]	0.411

(a) Based on 2013 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2013	49,505,066	1,473,714,329	3.36%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	3.36%	0.219

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2013 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	23,173,274	0.350
	Non-Taxable	12,013,292	
	Sub-Total	35,186,566	0.231
Stocks	Taxable (a)	5,966,410	0.105
	Non-Taxable	2,281,398	
	Sub-Total	8,247,808	0.076
Mortgage Loans		361,347	
Real Estate		1,747,559	
Contract Loans		1,277	
Cash on Deposit		150,173	
Short Term Investments		(46,327)	
All Other		8,675,240	
Sub-Total		10,889,269	0.350
Total		54,323,643	0.231
Investment Deductions		4,818,514	0.350
Net Investment Income Earned		49,505,129	0.219

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve		
1.	Direct Earned Premium for Accident Year Ended 12/31/12	1,941,165,945
2.	Mean Unearned Premium Reserve, (1) \times 0.5239	1,016,976,839
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.57%
	Taxes, Licenses and Fees	2.16%
	1/2 General Expenses	2.57%
	1/2 Other Acquisition	3.59%
	Total	20.89%
4.	(2) \times (3)	212,446,462
5.	Net Subject to Investment (2) - (4)	804,530,377
B. Delayed Remission of Premium (Agents' Balances)		
1.	Direct Earned Premium (A-1)	1,941,165,945
2.	Average Agents' Balances	0.157
3.	Delayed Remission (1) \times (2)	305,345,403
C. Loss Reserve		
1.	Direct Earned Premium (A-1)	1,941,165,945
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) \times 0.6056	1,175,570,096
3.	Expected Mean Loss Reserves (2) \times 0.45	529,006,543
D.	Net Subject to Investment (A-5)-(B-3)+(C-3)	1,028,191,517
E.	Average Rate of Return	3.57%
F.	Investment Earnings on Net Subject to Investment (D) \times (E)	36,706,437
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)	1.89%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes (G) \times 0.775	1.47%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/12 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/12	1,941,165,945
2. Unearned Premium Reserve as of 12/31/11	1,001,111,981
3. Unearned Premium Reserve as of 12/31/12	1,032,968,637
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	1,017,040,309
5. Ratio (4) \div (1)	0.5239

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/12.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	15.39%
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.022
3. Factor for agents' balances (1) \times (2)	0.157

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/12.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2012 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2012	1,014,159,928
2. Loss Reserves as of 12/31/11	487,833,721
3. Loss Reserves as of 12/31/12	365,163,276
4. Mean Loss Reserve 2012: 1/2 [(2) + (3)]	426,498,499
5. Ratio (4) ÷ (1)	0.421
6. Ratio of LAE Reserves to Loss Reserves (a)	0.237
7. Ratio of Incurred LAE to Incurred Losses (a)	0.158
8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))]	0.450

(a) Based on 2012 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2012	50,037,747	1,400,853,503	3.57%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	3.57%	0.225
<p>The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2012 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.</p>		
Bonds		
Taxable	24,977,541	0.350
Non-Taxable	12,612,195	
Sub-Total	37,589,736	0.233
Stocks		
Taxable (a)	5,584,401	0.105
Non-Taxable	1,362,545	
Sub-Total	6,946,946	0.084
Mortgage Loans	307,795	
Real Estate	1,782,002	
Contract Loans	1,080	
Cash on Deposit	176,119	
Short Term Investments	(18,711)	
All Other	8,213,612	
Sub-Total	10,461,897	0.350
Total	54,998,579	0.236
Investment Deductions	4,960,809	0.350
Net Investment Income Earned	50,037,770	0.225

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA

HOMEOWNERS INSURANCE

AVERAGE NUMBER OF MONTHS FROM OCCURRENCE TO CLAIM SETTLEMENT

(Based on ISO North Carolina experience for accident years 2008-2010)

(1)	(2)	(3)
Average Payment Month	Losses Paid	Portion of All Losses Paid <u>= (2) / Total (2)</u>
1.5	483,219,514	0.402
4.5	403,186,453	0.335
7.5	123,414,243	0.103
10.5	69,690,064	0.058
13.5	46,641,069	0.039
16.5	24,338,699	0.020
19.5	12,723,564	0.011
22.5	8,249,955	0.007
25.5	7,875,809	0.007
28.5	3,909,372	0.003
31.5	3,579,126	0.003
34.5	4,016,652	0.003
37.5	3,582,166	0.003
40.5	1,510,368	0.001
43.5	912,607	0.001
46.5	1,527,800	0.001
49.5	606,625	0.001
52.5	924,840	0.001
55.5	155,447	0.000
58.5	1,675,226	0.001
61.5	113,287	0.000
64.5	120,858	0.000
67.5	305,978	0.000
70.5	238,414	0.000
73.5	52,367	0.000
76.5	56,367	0.000
	1,202,626,870	

The average number of months to payment from the beginning of the accident year is 5.64, i.e., the sum of [Column (1) × Column (3)].

The average number of months to payment from the average date of occurrence is 4.14.

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2016 AGGREGATE ANNUAL STATEMENT DATA
2016 TOP 50 HOMEOWNERS INSURERS

	Net Admitted Assets
1 Bonds (Schedule D)	145,973,584,000
2 Stocks (Schedule D):	
2.1 Preferred stocks	782,435,000
2.2 Common stocks	66,975,898,000
3 Mortgage loans on real estate (Schedule B):	
3.1 First liens	2,332,837,000
3.2 Other than first liens	0
4 Real estate (Schedule A):	
4.1 Properties occupied by the company (less \$15,087,000 encumbrances)	2,377,485,000
4.2 Properties held for the production of income (less \$660,000 encumbrances)	250,557,000
4.3 Properties held for sale (less \$0 encumbrances)	20,085,000
5 Cash (-\$1,015,211,000, Schedule E-Part 1), cash equivalents (\$1,196,921,000, Schedule E-Part 2) and short-term investments (\$4,777,788,000, Schedule DA)	4,959,502,000
6 Contract loans (including \$0 premium notes)	0
7 Derivatives (Schedule DB)	40,326,000
8 Other invested assets (Schedule BA)	12,985,728,000
9 Receivables for securities	212,035,000
10 Securities lending reinvested collateral assets (Schedule DL)	297,507,000
11 Aggregate write-ins for invested assets	79,948,000
12 Subtotals, cash and invested assets (Lines 1 to 11)	237,287,930,000
13 Title plants less \$0 charged off (for Title insurers only)	0
14 Investment income due and accrued	1,388,737,000
15 Premiums and considerations:	
15.1 Uncollected premiums and agents' balances in the course of collection	7,312,111,000
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$71,373,000 earned but unbilled premiums)	22,070,430,000
15.3 Accrued retrospective premiums	160,403,000
16 Reinsurance:	
16.1 Amounts recoverable from reinsurers	1,927,612,000
16.2 Funds held by or deposited with reinsured companies	385,093,000
16.3 Other amounts receivable under reinsurance contracts	23,963,000
17 Amounts receivable relating to uninsured plans	9,000
18.1 Current federal and foreign income tax recoverable and interest thereon	429,465,000
18.2 Net deferred tax asset	7,057,172,000
19 Guaranty funds receivable or on deposit	14,328,000
20 Electronic data processing equipment and software	1,593,286,000
21 Furniture and equipment, including health care delivery assets (\$0)	656,588,000
22 Net adjustment in assets and liabilities due to foreign exchange rates	1,000
23 Receivables from parent, subsidiaries and affiliates	2,325,234,000
24 Health care (\$0) and other amounts receivable	341,000
25 Aggregate write-ins for other than invested assets	5,648,043,000
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	288,280,737,000
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0
28 Total (Lines 26 and 27)	288,280,737,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2017 AGGREGATE ANNUAL STATEMENT DATA
2017 TOP 50 HOMEOWNERS INSURERS

	Net Admitted Assets
1 Bonds (Schedule D)	148,849,968,000
2 Stocks (Schedule D):	
2.1 Preferred stocks	785,396,000
2.2 Common stocks	72,333,145,000
3 Mortgage loans on real estate (Schedule B):	
3.1 First liens	2,673,298,000
3.2 Other than first liens	0
4 Real estate (Schedule A):	
4.1 Properties occupied by the company (less \$11,915,000 encumbrances)	2,352,972,000
4.2 Properties held for the production of income (less \$495,000 encumbrances)	258,644,000
4.3 Properties held for sale (less \$0 encumbrances)	25,249,000
5 Cash (-\$1,472,909,000, Schedule E-Part 1), cash equivalents (\$2,941,128,000, Schedule E-Part 2) and short-term investments (\$2,610,159,000, Schedule DA)	4,078,381,000
6 Contract loans (including \$0 premium notes)	0
7 Derivatives (Schedule DB)	26,972,000
8 Other invested assets (Schedule BA)	14,934,140,000
9 Receivables for securities	195,265,000
10 Securities lending reinvested collateral assets (Schedule DL)	1,014,003,000
11 Aggregate write-ins for invested assets	44,520,000
12 Subtotals, cash and invested assets (Lines 1 to 11)	247,571,954,000
13 Title plants less \$0 charged off (for Title insurers only)	0
14 Investment income due and accrued	1,367,156,000
15 Premiums and considerations:	
15.1 Uncollected premiums and agents' balances in the course of collection	7,479,971,000
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$73,415,000 earned but unbilled premiums)	23,283,077,000
15.3 Accrued retrospective premiums	75,650,000
16 Reinsurance:	
16.1 Amounts recoverable from reinsurers	2,276,078,000
16.2 Funds held by or deposited with reinsured companies	151,552,000
16.3 Other amounts receivable under reinsurance contracts	35,030,000
17 Amounts receivable relating to uninsured plans	7,000
18.1 Current federal and foreign income tax recoverable and interest thereon	903,415,000
18.2 Net deferred tax asset	4,085,622,000
19 Guaranty funds receivable or on deposit	15,763,000
20 Electronic data processing equipment and software	1,755,015,000
21 Furniture and equipment, including health care delivery assets (\$0)	674,578,000
22 Net adjustment in assets and liabilities due to foreign exchange rates	239,000
23 Receivables from parent, subsidiaries and affiliates	2,773,994,000
24 Health care (\$0) and other amounts receivable	361,000
25 Aggregate write-ins for other than invested assets	6,005,526,000
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	298,454,984,000
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0
28 Total (Lines 26 and 27)	298,454,984,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2016 AGGREGATE ANNUAL STATEMENT DATA
2016 TOP 50 HOMEOWNERS INSURERS

	Liabilities
1 Losses (Part 2A, Line 35, Column 8)	61,844,825,000
2 Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	1,871,869,000
3 Loss adjustment expenses (Part 2A, Line 35, Column 9)	14,615,197,000
4 Commissions payable, contingent commissions and other similar charges	1,384,221,000
5 Other expenses (excluding taxes, licenses and fees)	7,372,162,000
6 Taxes, licenses and fees (excluding federal and foreign income taxes)	754,842,000
7.1 Current federal and foreign income taxes (including \$881,000) on realized capital gains (losses)	953,517,000
7.2 Net deferred tax liability	443,559,000
8 Borrowed money \$250,500,000 and interest thereon \$1,494,000	251,994,000
9 Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$23,053,691,000 and including warranty reserves of \$1,011,983,000 and accrued accident and health experience rating including \$0 for medical loss ratio rebate per the Public Health Service Act)	49,036,350,000
10 Advance premium	1,042,848,000
11 Dividends declared and unpaid:	
11.1 Stockholders	100,649,000
11.2 Policyholders	54,803,000
12 Ceded reinsurance premiums payable (net of ceding commissions)	5,651,301,000
13 Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	604,920,000
14 Amounts withheld or retained by company for account of others	1,672,090,000
15 Remittances and items not allocated	340,132,000
16 Provision for reinsurance (Schedule F, Part 7)	118,202,000
17 Net adjustments in assets and liabilities due to foreign exchange rates	16,833,000
18 Drafts outstanding	899,464,000
19 Payable to parent, subsidiaries and affiliates	1,660,528,000
20 Derivatives	65,743,000
21 Payable for securities	721,906,000
22 Payable for securities lending	880,431,000
23 Liability for amounts held under uninsured plans	0
24 Capital notes \$0 and interest thereon \$0	0
25 Aggregate write-ins for liabilities	3,508,339,000
26 Total liabilities excluding protected cell liabilities (Lines 1 through 25)	155,866,729,000
27 Protected cell liabilities	0
28 Total liabilities (Lines 26 and 27)	155,866,729,000
29 Aggregate write-ins for special surplus funds	3,191,765,000
30 Common capital stock	173,791,000
31 Preferred capital stock	315,000,000
32 Aggregate write-ins for other than special surplus funds	18,500,000
33 Surplus notes	2,589,181,000
34 Gross paid in and contributed surplus	15,603,773,000
35 Unassigned funds (surplus)	103,252,528,000
36 Less treasury stock, at cost:	
36.1 0 Shares common (value included in Line 30 \$0)	0
36.2 0 Shares preferred (value included in Line 31 \$0)	0
37 Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	125,144,537,000
38 Totals (Page 2, Line 28, Col. 3)	281,011,267,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2017 AGGREGATE ANNUAL STATEMENT DATA
2017 TOP 50 HOMEOWNERS INSURERS

	Liabilities
1 Losses (Part 2A, Line 35, Column 8)	63,095,896,000
2 Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	2,070,185,000
3 Loss adjustment expenses (Part 2A, Line 35, Column 9)	14,844,468,000
4 Commissions payable, contingent commissions and other similar charges	1,380,813,000
5 Other expenses (excluding taxes, licenses and fees)	7,888,717,000
6 Taxes, licenses and fees (excluding federal and foreign income taxes)	767,860,000
7.1 Current federal and foreign income taxes (including \$-82,518,000) on realized capital gains (losses)	261,378,000
7.2 Net deferred tax liability	564,891,000
8 Borrowed money \$552,189,000 and interest thereon \$1,705,000	553,894,000
9 Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$23,962,020,000 and including warranty reserves of \$129,948,000 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	50,488,607,000
10 Advance premium	1,135,974,000
11 Dividends declared and unpaid:	
11.1 Stockholders	100,824,000
11.2 Policyholders	55,208,000
12 Ceded reinsurance premiums payable (net of ceding commissions)	6,104,837,000
13 Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	345,355,000
14 Amounts withheld or retained by company for account of others	2,122,487,000
15 Remittances and items not allocated	185,526,000
16 Provision for reinsurance (Schedule F, Part 7)	106,184,000
17 Net adjustments in assets and liabilities due to foreign exchange rates	28,000
18 Drafts outstanding	1,021,739,000
19 Payable to parent, subsidiaries and affiliates	1,523,200,000
20 Derivatives	60,218,000
21 Payable for securities	506,218,000
22 Payable for securities lending	1,638,733,000
23 Liability for amounts held under uninsured plans	0
24 Capital notes \$0 and interest thereon \$0	0
25 Aggregate write-ins for liabilities	3,622,368,000
26 Total liabilities excluding protected cell liabilities (Lines 1 through 25)	160,445,621,000
27 Protected cell liabilities	0
28 Total liabilities (Lines 26 and 27)	160,445,621,000
29 Aggregate write-ins for special surplus funds	4,419,675,000
30 Common capital stock	171,291,000
31 Preferred capital stock	321,000,000
32 Aggregate write-ins for other than special surplus funds	18,500,000
33 Surplus notes	2,598,395,000
34 Gross paid in and contributed surplus	15,027,394,000
35 Unassigned funds (surplus)	108,468,779,000
36 Less treasury stock, at cost:	
36.1 0 Shares common (value included in Line 30 \$0)	0
36.2 0 Shares preferred (value included in Line 31 \$0)	0
37 Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	131,025,033,000
38 Totals (Page 2, Line 28, Col. 3)	291,470,655,000

NORTH CAROLINA
HOMEOWNERS MULTIPLE PERIL
2016 AGGREGATE ANNUAL STATEMENT DATA
2016 TOP 50 HOMEOWNERS INSURERS

2016 STATEMENT OF INCOME

UNDERWRITING INCOME	
1 Premiums earned (Part 1, Line 35, Column 4)	115,258,604,000
DEDUCTIONS:	
2 Losses incurred (Part 2, Line 35, Column 7)	72,314,738,000
3 Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	11,875,650,000
4 Other underwriting expenses incurred (Part 3, Line 25, Column 2)	30,247,070,000
5 Aggregate write-ins for underwriting deductions	109,000
6 Total underwriting deductions (Lines 2 through 5)	114,437,567,000
7 Net income of protected cells	0
8 Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	821,037,000
INVESTMENT INCOME	
9 Net investment income earned (Exhibit of Net Investment Income, Line 17)	6,705,696,000
10 Net realized capital gains (losses) less capital gains tax of \$746,275,000 (Exhibit of Capital Gains (Losses))	646,891,000
11 Net investment gain (loss) (Lines 9 + 10)	7,352,586,000
OTHER INCOME	
12 Net gain (loss) from agents' or premium balances charged off (amount recovered \$46,019,000 amount charged off \$364,885,000)	(318,869,000)
13 Finance and service charges not included in premiums	609,817,000
14 Aggregate write-ins for miscellaneous income	84,302,000
15 Total other income (Lines 12 through 14)	375,253,000
16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15)	8,548,876,000
17 Dividends to policyholders	986,984,000
18 Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	7,561,894,000
19 Federal and foreign income taxes incurred	1,267,506,000
20 Net income (Line 18 minus Line 19) (to Line 22)	6,294,384,000
CAPITAL AND SURPLUS ACCOUNT	
21 Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	118,929,886,000
22 Net income (from Line 20)	6,294,384,000
23 Net transfers (to) from Protected Cell accounts	0
24 Change in net unrealized capital gains or (losses) less capital gains tax of \$410,656,000	2,826,172,000
25 Change in net unrealized foreign exchange capital gain (loss)	(26,910,000)
26 Change in net deferred income tax	367,921,000
27 Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(224,813,000)
28 Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	1,789,000
29 Change in surplus notes	21,414,000
30 Surplus (contributed to) withdrawn from protected cells	0
31 Cumulative effect of changes in accounting principles	(44,526,000)
32 Capital changes:	
32.1 Paid in	0
32.2 Transferred from surplus (Stock dividend)	0
32.3 Transferred to surplus	0
33 Surplus adjustments:	
33.1 Paid in	478,269,000
33.2 Transferred to capital (Stock dividend)	0
33.3 Transferred from capital	0
34 Net remittances from or (to) Home office	0
35 Dividends to stockholders	(3,486,419,000)
36 Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0
37 Aggregate write-ins for gains and losses in surplus	7,365,000
38 Change in surplus as regards policyholders for the year (Lines 22 through 37)	6,214,647,000
39 Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	125,144,537,000

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2017 STATEMENT OF INCOME

UNDERWRITING INCOME	
1 Premiums earned (Part 1, Line 35, Column 4)	118,392,332,000
DEDUCTIONS:	
2 Losses incurred (Part 2, Line 35, Column 7)	76,394,870,000
3 Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	12,246,415,000
4 Other underwriting expenses incurred (Part 3, Line 25, Column 2)	30,961,379,000
5 Aggregate write-ins for underwriting deductions	1,900,000
6 Total underwriting deductions (Lines 2 through 5)	119,604,568,000
7 Net income of protected cells	0
8 Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(1,212,234,000)
INVESTMENT INCOME	
9 Net investment income earned (Exhibit of Net Investment Income, Line 17)	7,635,703,000
10 Net realized capital gains (losses) less capital gains tax of \$636,822,000 (Exhibit of Capital Gains (Losses))	787,491,000
11 Net investment gain (loss) (Lines 9 + 10)	8,423,195,000
OTHER INCOME	
12 Net gain (loss) from agents' or premium balances charged off (amount recovered \$48,708,000 amount charged off \$398,707,000)	(349,999,000)
13 Finance and service charges not included in premiums	595,224,000
14 Aggregate write-ins for miscellaneous income	204,189,000
15 Total other income (Lines 12 through 14)	449,412,000
16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15)	7,660,370,000
17 Dividends to policyholders	1,087,115,000
18 Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	6,573,256,000
19 Federal and foreign income taxes incurred	198,853,000
20 Net income (Line 18 minus Line 19) (to Line 22)	6,374,405,000
CAPITAL AND SURPLUS ACCOUNT	
21 Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	124,215,787,000
22 Net income (from Line 20)	6,374,405,000
23 Net transfers (to) from Protected Cell accounts	0
24 Change in net unrealized capital gains or (losses) less capital gains tax of -\$740,958,000	6,556,158,000
25 Change in net unrealized foreign exchange capital gain (loss)	280,596,000
26 Change in net deferred income tax	(3,888,842,000)
27 Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	263,240,000
28 Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	7,258,000
29 Change in surplus notes	5,414,000
30 Surplus (contributed to) withdrawn from protected cells	0
31 Cumulative effect of changes in accounting principles	(15,560,000)
32 Capital changes:	
32.1 Paid in	4,000,000
32.2 Transferred from surplus (Stock dividend)	0
32.3 Transferred to surplus	0
33 Surplus adjustments:	
33.1 Paid in	337,704,000
33.2 Transferred to capital (Stock dividend)	0
33.3 Transferred from capital	0
34 Net remittances from or (to) Home office	0
35 Dividends to stockholders	(2,815,362,000)
36 Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0
37 Aggregate write-ins for gains and losses in surplus	(299,765,000)
38 Change in surplus as regards policyholders for the year (Lines 22 through 37)	6,809,249,000
39 Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	131,025,033,000

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2016 TOP 50 HOMEOWNERS INSURERS

PART II - 2016 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

Homeowners Multiple Peril

1 Premiums Written	38,056,503,000
2 Premiums Earned	37,811,171,000
3 Dividends to Policyholders	327,535,000
4 Incurred Loss	21,737,816,000
5 Defense and Cost Containment Expenses Incurred	500,005,000
6 Adjusting and Other Expenses Incurred	2,999,774,000
7 Unpaid Losses	7,727,018,000
8 Defense and Cost Containment Expenses Unpaid	775,640,000
9 Adjusting and Other Expenses Unpaid	1,617,190,000
10 Unearned Premium Reserves	19,912,394,000
11 Agents' Balances	6,481,870,000
12 Commission and Brokerage Expenses Incurred	4,040,552,000
13 Taxes, Licenses & Fees Incurred	1,052,325,000
14 Other Acquisitions, Field Supervision, and Collection Expenses Incurred	3,327,744,000
15 General Expenses Incurred	1,584,926,000
16 Other Income Less Other Expenses	114,922,000
17 Pre-Tax Profit or Loss Excluding All Investment Gain	2,355,418,000
18 Investment Gain on Funds Attributable to Insurance Transactions	662,900,000
19 Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus	3,018,314,000
20 Investment Gain Attributable to Capital and Surplus	1,405,745,000
21 Total Profit or Loss	4,424,059,000

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2017 TOP 50 HOMEOWNERS INSURERS

PART II - 2017 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

Homeowners Multiple Peril

1 Premiums Written	39,215,965,000
2 Premiums Earned	38,486,334,000
3 Dividends to Policyholders	345,442,000
4 Incurred Loss	25,845,379,000
5 Defense and Cost Containment Expenses Incurred	540,718,000
6 Adjusting and Other Expenses Incurred	3,014,483,000
7 Unpaid Losses	8,516,682,000
8 Defense and Cost Containment Expenses Unpaid	821,566,000
9 Adjusting and Other Expenses Unpaid	1,662,471,000
10 Unearned Premium Reserves	20,633,219,000
11 Agents' Balances	6,946,870,000
12 Commission and Brokerage Expenses Incurred	4,066,440,000
13 Taxes, Licenses & Fees Incurred	1,075,284,000
14 Other Acquisitions, Field Supervision, and Collection Expenses Incurred	3,509,408,000
15 General Expenses Incurred	1,643,431,000
16 Other Income Less Other Expenses	159,596,000
17 Pre-Tax Profit or Loss Excluding All Investment Gain	(1,394,656,000)
18 Investment Gain on Funds Attributable to Insurance Transactions	772,005,000
19 Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus	(622,650,000)
20 Investment Gain Attributable to Capital and Surplus	1,588,843,000
21 Total Profit or Loss	966,193,000

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11. IDENTIFICATION OF APPLICABLE STATISTICAL PLANS AND PROGRAMS AND A CERTIFICATION OF COMPLIANCE WITH THEM
- (a) ISO Personal Lines Statistical Plan (Other than Automobile)
ISO Personal Lines Statistical Agent Plan (Other than Automobile)
ISO 2016 Call for Homeowners Statistics
ISO 2016 Call for Homeowners Statistical Agent Plan Statistics
ISS Personal Lines Statistical Plans - All Coverages
ISS 2016 Homeowners Call
AAIS Personal Lines Statistical Plan
AAIS 2016 Call for Homeowners Statistics
NISS Statistical Plan - All Coverages - Part IV, North Carolina
NISS 2016 Quarterly Call
NISS 2016 Calendar Year Annual Statement
NISS 2016 Financial Reconciliation Call
Annual Statement for Calendar Year 2016
Insurance Expense Exhibit for Calendar Year 2016
RB Calls for 2016 North Carolina Expense Experience
- (b) The North Carolina Rate Bureau certifies that there is no evidence known to it or, insofar as it is aware following reasonable inquiry, to the statistical agencies involved that the data which were collected under the statistical plans identified in response (11)(a) above and used in the filing are not materially true and accurate representations of the experience of the companies whose data underlie such experience. While the Rate Bureau is aware that the collected data sometimes require corrections or adjustments, the Rate Bureau's review of the data, the data collection process, and the ratemaking process indicates that the aggregate data are reasonable and reliable for ratemaking purposes. See also the prefiled testimony of P. Anderson, Y. Yao and M. Berry.
- (c) The attached Exhibit (11)(c) contains general descriptions of the editing procedures used to ensure data were collected in accordance with the applicable statistical plans.

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ISO Editing Procedures

1. Upon receipt of the data from each reporting company, checks are made to ensure that each record (i.e., the data reported for each exposure) has valid and readable information. This includes a check that the appropriate alpha-numeric codes have been utilized.
2. The records are then checked to ensure that each of the fields has a valid code in it (e.g., company numbers must be entered as four-digit numerals).
3. Relationship edits which evaluate the interrelationship between codes are then performed. For example, if a record indicates North Carolina, Homeowners, Form 3, checks are made to ascertain that applicable interrelationships are maintained.
4. Distributional edits are performed to make sure that the reporting company has not erred in miscoding its data into a single class, territory, or other rating criteria due a systems problem or other error.
5. The resulting combined data from all the company records are reconciled with Statutory Page 14 Annual Statement data for that company.
6. After all of the ISO data are aggregated, a consolidated review of the data is conducted to determine overall reasonableness and accuracy. In this procedure the data are compared with previous statewide and territory figures. Areas of concern are identified and results are verified by checking back to the source data.

ISS Editing Procedures

The following narrative sets forth a general description of the editing procedures utilized by ISS to review North Carolina statistical data. All North Carolina experience submitted to the ISS by affiliated companies undergoes standard procedures to ensure that the data is reported in accordance with the ISS's approved statistical plans.

ISS's review of the data takes place on two levels: analysis of individual company data and analysis of the aggregate data of all the companies combined. These two separate functions will be treated in that order.

Analysis of Company Data

Analysis of company data includes: completeness checks, editing for valid coding and checking the distribution of data among the various data elements.

1. Completeness Checks (Balancing and Reconciliation):

Balancing and reconciliation procedures are used to determine completeness of reporting. Completeness means that the ISS has received and processed all of the data due to be filed with the ISS. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that ISS has processed completely the experience included in the company's submission of data and that no errors occur during this processing. As a

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second check for completeness, the reported statistical data is reconciled to Statutory Page 14 totals from the company's Annual Statement. It is a useful procedure in determining completeness because the annual statement represents an independent source of information.

2. Editing of Codes:

Format and Readability

Statistical data reported by affiliated companies must be filed in accordance with ISS's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for ISS to properly read and process these submissions. The initial edit is a test of each company's submission to ensure it has been reported using the proper record format and that it meets certain technical requirements for the line of insurance being reported. Key fields are tested to ensure that only numeric information has been reported in fields defined as numeric, and that the fields have been reported in the proper position in the record.

Relational Edits

The data items of information filed with the insurance company's experience are reported by using codes defined under ISS's statistical plans. For example, the various types of Policy Forms written on Homeowners policies in North Carolina are defined in the Personal Lines Statistical Plan. Each definition for each data element has a unique code assigned to it which distinguishes it from other definitions. All data items applicable to North Carolina are defined in a similar manner in each of ISS's statistical plans and have codes assigned to properly identify each definition.

All records reported to ISS are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined ISS Statistical Plan codes for North Carolina experience.

The purpose of the edit is to validate the statistical codes reported in each record. This validation is called a Relation Edit. A relational edit verifies that a reported code is valid in combination with one or more related data items. Relational edit tests are accomplished primarily through the use of specific edit tables applicable to each line of insurance.

In most cases, the experience data in the record is used in conjunction with the related codes and compared to an establishment or discontinued date for the code being validated. This ensures that specific codes are not being utilized beyond the range of time during which they are valid.

An example of a relational edit involves territory coding. Many territory code numbers are available under each statistical plan for various states, with various effective dates. However, only codes defined for North Carolina for the specific line being processed are valid in combination with North Carolina reported experience. Further, if a new code is erected, that code will be considered valid only if the date reported in the statistical record is equal or subsequent to the establishment date of the code.

3. Distributional Analysis:

The validation of the codes is not by itself sufficient to assure the credibility of company data. Having assured the reporting of valid codes, the statistical agent must verify that valid entries are indeed reliable. Therefore, the data is also reviewed for reasonable distributions. The primary focus of this review is to establish that the statistical data reported by the company is a credible reflection of the company's experience.

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The distribution of company experience by specific data elements such as state, territory, policy form, and construction, for example, for the current reporting period is compared to company profiles of prior periods. In addition, ratios relevant to the line of insurance such as average premium, average loss, volume, loss ratio and loss frequency are compared to industry averages. This historical comparison can highlight changes in the pattern of reporting.

The distributional analysis serves as an additional verification that systematic errors are not introduced during the production of data files submitted to ISS by our affiliated companies. Disproportionate amounts of premiums and/or losses in a particular class or territory, for example, can be detected using this technique.

4. Validation of Aggregate Data

After the individual company has been reviewed, the data for all reporting companies is compiled to produce aggregate reports. The aggregate data represents the combined experience of many companies. This data is also subjected to similar review procedures. To ensure completeness, run to run control techniques are applied. This involves balancing the totals of the aggregate runs to previously verified control totals. In this manner the aggregate data is monitored to ensure the inclusion of the appropriate company data.

The aggregate data is also reviewed for credibility through distributional analysis similar to that performed on the individual company data. Earned exposures (where applicable) and premiums and incurred losses and claims are used to calculate pure premiums, claim frequencies and claim costs for comparison to past averages. The analysis of the aggregate data centers on determining consistency over time by comparing several years of experience, by coverage and class, or territory, for example. Through the application of these techniques, ISS is able to provide reliable insurance statistical data in North Carolina.

NISS Editing Procedures

- a. Every report received is checked for completeness. Every submission must include (1) an affidavit; (2) a letter of transmittal setting forth company control totals for the data being sent; (3) the data being reported on tape, cartridge, diskette or form to be keyed.
- b. Individual company submissions are balanced to the company letter of transmittal to ensure that all data have been received and processed. After all four quarters of data have been received, the company reports are reconciled to the Annual Statement Statutory Page 14 amounts. The NISS Financial Reconciliation identifies any amounts needed to reconcile any differences between the company reported data and Annual Statement amounts.
- c. Every company record submitted to NISS is verified through NISS edit software for its coding accuracy and conformance with NISS record layouts and instructions. NISS edits verify the accuracy of each code for each data element. Where possible, each data element is subjected to a relational edit whereby it will be checked for accuracy in conjunction with another field.
- d. Individual company submissions are also subjected to a series of reasonability tests to determine that the current submission is consistent with previous company submissions, known changes in this line

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of business and statewide trends. NISS compares current quarter data to the previous quarter. This comparison is performed and analyzed by grouping data.

- e. After all of the NISS data are combined, a review of this consolidated data is also performed. The aggregate data is compared on a year to year basis to again verify its reasonableness, similar to those checks employed on an individual company submission.

AAIS Editing Procedures

The American Association of Insurance Services functions as an official statistical agent in the State of North Carolina for a number of lines of insurance, including Homeowners. In this capacity, it provides for the administration of statistical programs in accordance with approved statistical plans on behalf of the Commissioner of Insurance. These plans, which were filed according to the requirements of the State of North Carolina, serve to insure a high quality of data reliability.

1. All statistical plans constitute permanent calls for data, which is due at AAIS within 60 days following the close of the period covered by the report.
2. The AAIS data collection procedure consists of several consecutive steps in order to further verify receipt of accurate and complete data from each company and ultimately aggregate the data into the final experience format.
3. The data collection procedure begins with the company uploading their data file into the AAIS secure online Statistical Data Management Application (SDMA). The SDMA verifies certain key fields, calculates transmittal totals for verification, and houses the edit program. The key fields are company number, line of insurance, transaction code and report period (quarter and year). All invalid key fields must be corrected before the data proceeds to the next step. Once all key fields have been validated, the data moves on to the edit program.
4. The edit program has several functions and reports. They are:
 - a. Data is balanced to transmittal totals and submitting companies are verifying this upon submission of their data using our Statistical Data Management Application (SDMA).
 - b. Each statistical field is edited to the valid codes in the statistical plan for the line being processed. Many fields are also cross edited. An example is deductible type and amount. All invalid codes are identified with an asterisk to the right of the code.
 - c. Edit reports consist of a listing of invalid records, error summary report, month report, state report and field error detail report.
 - d. Data distributions are monitored by the Statistical Reporting staff in conjunction with AAIS Actuaries. Material quality problems are logged by the Data Governance Steering Committee and the offending affiliate is notified of the error.
 - e. Along with the edit and distribution reports, there are additional review procedures in place to identify procedural reporting errors that may exist (e.g., cancellations and coverage changes). A great deal of time is spent on this item because of its importance to the validity of the reported data.
 - f. The Statistical Data Management Application (SDMA) performs analysis of a company's data and provides the company with a customized letter stating that their data was accepted by AAIS. Throughout the submission and editing process, the SDMA provides a status for the submission

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AS PER 11 NCAC 10.1105

indicating the type of action required. Depending on the severity of errors, companies are requested to make corrections or resubmit data.

5. AAIS provides assistance to all of its affiliated companies to ensure a continued high level of data quality. Statistical coding seminars designed to instruct company coders and respond to questions are scheduled annually. In addition to the seminars, AAIS has developed Statistical Training Manuals for some lines and pre-edit programs for company in-house use. Technical Services staff is available to train company personnel in all aspects of data collection, coding, statistical reporting and data processing.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Given the selected underwriting profit provision contained in the filing, the pro forma statutory return on net worth (equity capital), is shown in the filing and the pre-filed testimony of D. Appel. Also shown therein is the ratio of net worth to surplus of 1.14. Accordingly, the corresponding return on statutory capital and surplus would be 7.81% for homeowners insurance. Based on data from A.M. Best's Aggregates and Averages, the 5-year average ratio of net worth to assets is .422. Accordingly, the corresponding return on assets would be 2.89% for homeowners insurance.

See also pre-filed testimony of D. Appel and J. Vander Weide.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

13. LEVEL OF CAPITAL AND SURPLUS NEEDED TO SUPPORT PREMIUM WRITINGS
WITHOUT ENDANGERING THE SOLVENCY OF MEMBER COMPANIES

- (a) The aggregate premium to surplus ratios for the calendar years 2008-2017 for the company groups which have written North Carolina homeowners insurance during that entire period are as follows:

<u>Year</u>	<u>Homeowners Insurance</u>
2017	0.91
2016	0.88
2015	0.90
2014	0.89
2013	0.90
2012	0.97
2011	1.02
2010	0.93
2009	0.97
2008	1.04

Note: These data are available from Best's Data Service and Best's Aggregate and Averages.

- (b) The experience provides the best estimate of the future. See the prefiled testimony of D. Appel.
- (c) The actual premium to surplus ratio for the property and casualty industry on a countrywide basis (based upon the latest A. M. Best data available at this time) is as follows:
(000's omitted)

STATUTORY CAPITAL AND SURPLUS, 2017	786,896,032
STATUTORY CAPITAL AND SURPLUS, 2016	734,973,294
AVERAGE STATUTORY CAPITAL AND SURPLUS	760,934,663
NET PREMIUMS EARNED, 2017	550,118,322
PREMIUM:SURPLUS RATIO	0.723

The actual level of capital and surplus needed to support premium writings without endangering the solvency of a company is dependent upon (among others) the financial structure and investments unique to each company, the relationship of the company with affiliated companies as a group (and the experience of the affiliated companies), the mix of business of each company, and the conditions of the economy as they affect each company's individual circumstances. The Rate Bureau is advised that the National Association of Insurance Commissioners, as one of several criteria, generally considers that a premium to surplus ratio for an individual company of 3 to 1 warrants close regulatory attention and monitoring with respect to the company's solvency position.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

- (d) The Rate Bureau has not allocated surplus by state and by line in preparing this filing. The Rate Bureau has treated surplus in this manner because each dollar of surplus is available to cover losses in excess of premium for each and every line.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

14 (a) See pre-filed testimony of P. Anderson, D. Appel, Y. Yao, M. Berry, E. Henderson, S. Fiete and J. Vander Weide.

14 (b) See attached exhibit 14 (b).

14 (c) See attached exhibit 14 (c).

14 (d) See attached exhibit 14 (d).

Governing Committee

Meeting Agenda

Date: July 24, 2018

Time: 10:00 AM (ET)

Type: In-Person Meeting

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1 – 3)
4. Report of Staff
 - a. Organization Update
 - b. Operations Update
5. Report of Counsel
6. Report of Committees
 - a. Workers Compensation Committee
 - i. NCCI will present the 2018 Workers Compensation Rate/Loss Cost Review (Exhibit 4)
The committee will be asked to consider a recommendation from the Workers Compensation Committee related to the Workers Compensation rate review.
 - b. Property Committee
 - i. Clarification regarding Mobile Home rates written on Dwelling Forms (Exhibit 5)
The committee will be asked to consider a recommendation from Staff to file an amendment to the recent Dwelling filing to clarify rating rules on Mobile Homes.
 - ii. Status of 2018 Homeowner Review
 - iii. Status of Mobile Home Review
 - iv. Status of Flood Program

c. Automobile Committee

i. HB 382 (Exhibit 6)

The committee will be asked to consider a recommendation from the Auto Committee related to updated language for the Auto Manual as required by HB 382.

ii. Actuarial Consultant for 2019 Auto Rate Review

7. Appointment of Nominating Committee

a. There are four companies whose terms expire this year:

- National General Insurance Corporation
- Liberty Mutual Insurance Company
- Unitrin Auto & Home Insurance Company
- United Services Automobile Association

Of these companies, Unitrin Auto & Home Insurance Company and United Services Automobile Association are not eligible for re-election.

8. Upcoming Meetings

October 10, 2018	8:30 am	Annual Meeting at the Grandover Hotel
December 4, 2018	10:00 am	2019 Budget Discussion

9. Other Business

10. Adjournment

The meeting will commence at 10:00 am at the office of the North Carolina Rate Bureau
2910 Sumner Boulevard, Raleigh, NC
Lunch will be served.



MINUTES OF THE MEETING OF THE GOVERNING COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD JULY 24, 2018

MEMBERS PRESENT

Allstate Insurance Company
 American Home Assurance Company
 Erie Insurance Exchange
 Hartford First Insurance Company
 Liberty Mutual Insurance Company
 National General Insurance
 Nationwide Mutual Insurance Company
 NC Farm Bureau Mutual Insurance Company
 State Farm Mutual Automobile Insurance Company
 Travelers Indemnity Company
 Unitrin Auto and Home Insurance Company
 United Services Automobile Association

Public Members

John Wei*

Others Present

Young Moore and Henderson, P.A.

National Council on Compensation Insurance, Inc.
 Staff

REPRESENTED BY

Jennifer Jabben*
 Ira Feuerlicht
 Jon Bloom*
 Eric Mize*
 Mark Ford
 Art Lyon
 Tom Souder*
 Roger Batdorff
 Alan Bentley
 Bob Aaron*
 Kimberly Flint*
 Lisa Sukow*

Mickey Spivey
 Glenn Raynor
 Brett Foster
 Joanna Biliouris
 Brittany Blackwell
 Jarred Chappell
 Terry Collins
 Ray Evans
 Edith Davis
 Keri Johnson
 Andy Montano
 Rebecca Williams

*Participated by phone

The meeting convened as scheduled, Ms. Jennifer Jabben of Allstate Insurance Company, Chair of the Governing Committee, presiding. Attention was directed to the Rate Bureau's Antitrust, Conflict of Interest and Code of Ethics and Standards of Conduct Statements.

1. Report of Staff

Mr. Evans provided an overview of strategies that the Bureau is focused on this year. He advised (1) progress has been made toward achieving adequate rates in the homeowner

and dwelling programs through settlements of 4.8% rate increases for both of these lines; (2) there is continued emphasis on creating a customer friendly environment through technology offerings; (3) efforts concentrated on effective operations, vendor and committee management, and succession planning are also ongoing.

Ms. Biliouris reported that (1) Jarred Chappell was hired as the Workers Compensation Director on May 1, 2018 and is supporting operational activities; (2) Betty Hurst, Regulatory Manager for the Rate Bureau, will retire in January 2019 after 37 years of service; (3) Betty's replacement has been hired and will join the Bureau in September to allow for cross training prior to Betty's retirement; (4) the Bureau is launching a refreshed website in the fourth quarter; (5) enhancements to our ManageOwnership application were completed in May; and (6) an automated payment platform for assigned risk applications will roll out in fourth quarter.

2. Report of Counsel

Mr. Spivey stated that (1) settlements were finalized on the Dwelling and Homeowner filings with the Department of Insurance; (2) the Automobile filing made on February 1, 2018 was a review only, and that an Other than Clean rate filing was made by the NC Reinsurance Facility for a 7.6% rate increase; (3) HB 382 was enacted in June 2018 and includes provisions regarding consent to rate procedures for private passenger auto and residential property insurance and with certain exceptions, companies must obtain records of convictions for moving traffic violations prior to the sale of a new policy; (4) HB 382 has ambiguous language related to consent to rate applicability to auto liability coverage which the Department of Insurance addressed in recent bulletins; and (5) the work of the Department of Insurance Task Force on statute modernization will likely result in proposed legislation in 2019.

3. 2017 Workers Compensation Prospective Loss Cost and Residual Market Rate Review

Ms. Biliouris introduced Brett Foster as NCCI's lead Actuary assigned to North Carolina and noted that Sean Cooper has taken on a new role at NCCI and will no longer be supporting North Carolina. Attention was directed to Exhibit 4 distributed with the agenda, which summarized the components of the loss cost and assigned risk rate level review prepared by the Workers Compensation Committee and showed a comparison to the filed components in 2017.

Mr. Foster summarized the selections and recommendations of the Workers Compensation Committee for both the prospective loss cost review and the assigned risk rate review. He reported that (1) the Committee recommended continuing the methodology used in the previous filings of using an average of paid and paid plus case indications; (2) revisions were last effective April 1, 2018; (3) three years of experience were reviewed and the Committee recommends using the experience of the two most recent policy years to develop the indications; and (4) based on the experience and various selections by the Committee, the overall indication for the voluntary market loss costs is -15.9% and for the residual market rates is -17.2%, with both to be effective April 1, 2019.

Following discussion, a motion was made, seconded and passed unanimously to adopt the recommendation of the Workers Compensation Committee and instruct staff to prepare filings to be submitted on or before September 1, 2018.

4. Property Committee Report

Mr. Montano directed the committee to Exhibit 5 which outlined a rule clarification proposal on the Dwelling Program Rule 103, Rule 404 and Rule 301 to more clearly identify how mobile homes are to be rated when insured on a Dwelling policy.

Following discussion, a motion was made, seconded and passed to approve the rule revisions as presented and to file the revisions with the Commissioner of Insurance.

Mr. Montano provided an update on the 2018 Homeowner rate review noting that (1) the Governing Committee directed staff to prepare a Homeowner rate review after the 2017 Homeowner rate filing was settled in April; (2) staff has started the review, working with the Bureau's consultants and subcommittees; (3) ISO is in the data processing phase of the review, including coordinating and validating data from the various stat agents; (4) the Bureau has provided ISO with expense data for review by the Property Rating Subcommittee in mid-August; and (5) the goal is to have indications in late Fall and be prepared to file with the Commissioner of Insurance, if so directed, in December with a 10/1/19 effective date.

Mr. Montano provided an update on the 2018 Mobile Home rate review noting that (1) the Governing Committee directed staff to complete a full review of the two Mobile Home programs; (2) many mobile home writers encouraged staff to "modernize" the mobile home program; (3) the Property Rating Subcommittee has suggested changes to the AOI curve and deductibles and the possibility of adding new rating variables to better price the risk; and (4) staff has engaged Milliman in place of ISO to prepare this review to meet our goal for a filing in December 2018.

Mr. Montano provided an update on the status on the Flood Program noting that (1) private flood is within the jurisdiction of the Rate Bureau; (2) the current National Flood Insurance Program (NFIP) does not segment well or match price to risk; (3) Milliman had conducted a feasibility study concluding that flood can be priced more accurately in certain NFIP areas; (4) the Flood Subcommittee has identified coverage gaps in the current NFIP program that they believe are critical options that would be needed in a new flood program; (5) NFIP plans to release a new flood rating program in April 2019 with an April 2020 effective date that better matches risk with price; (6) the Bureau has sent letters to our NC representatives and the FEMA leadership requesting NC flood data; and (7) the Flood Subcommittee has decided to move forward with a forms review to review the current gaps in coverage.

5. Automobile Committee Report

Mr. Montano directed the committee to Exhibit 6 which outlined a proposed revision to the Automobile Manual to comply with HB 382 requiring companies to obtain records of convictions for moving traffic violations before the sale of a new automobile insurance policy.

Following discussion, a motion was made, seconded and passed to approve the Automobile Manual revisions as presented and to file the revisions with the Department of Insurance.

Ms. Williams reported that (1) the Bureau's automobile consultant, Claudine Modlin with Towers Watson, has moved to a job with an insurance company; (2) staff recommends engaging Paul Anderson with Milliman as our actuarial consultant for the 2019 automobile rate review; and (3) the Bureau's experience with Mr. Anderson has been positive and he could fill this role with a smooth transition.

Following discussion, the committee agreed to engage Paul Anderson with Milliman as the actuarial consultant for the next automobile rate review.

6. Appointment of Nominating Committee

Ms. Jabben reported that a Nominating Committee is needed for the Governing Committee elections that will be held at the Annual Meeting. Nationwide Mutual Insurance Company, American Home Assurance Company, National General Insurance Corporation and State Farm Mutual Automobile Insurance Company volunteered to serve on the committee.

7. 2018 Meeting Schedule

The scheduled Governing Committee meetings for 2018 were noted. It was noted that the next meetings are the Annual Meeting scheduled for October 10, 2018 and a budget meeting in early December.

8. Other Business

Attention was directed to an exhibit that was distributed during the meeting. Mr. Evans stated that (1) with regard to the year-to-date expenses, the Bureau is overall slightly below budget; (2) there are budget deficiencies in legal and advisory expenses due to the complexity of some activities year to date; (3) the Governing Committee had directed staff to perform a full Mobile Home review and to prepare a Homeowner rate review; (4) neither of these activities were budgeted in 2018; and (5) based on this information, it is staff's recommendation that an amendment be made to increase the budget by \$2,000,000 which would be included in the fourth quarter assessment to Bureau members.

Following discussion, a motion was made, seconded and passed unanimously to adopt an amendment to the 2018 budget of an additional \$2,000,000.

9. Adjournment

There being no further business, the meeting was adjourned.

Respectfully Submitted,



Joanna Biliouris
Chief Operating Officer
North Carolina Rate Bureau

JB:ko

9/11/18

GC-18-11

Property Rating Subcommittee

Agenda

Date: August 16, 2018 **Time: 9:00 AM (ET)** **Type: Meeting**

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (**Exhibits 1, 2, 3**)
4. Assumptions for Catastrophe Model Runs (**Exhibit 4**)
Staff will review the Assumptions document from AON Benfield which provides the assumptions for running exposures through the two catastrophe models.
5. Net Cost of Reinsurance
Staff will present a proposal for the Net Cost of Reinsurance analysis for the 2018 Homeowners Rate Review.
6. Profit Review
Counsel will present a proposal related to the Profit analysis for the 2018 Homeowners Rate Review.
7. 2018 Homeowners Rate Review (**Exhibit 5, 6**)
ISO will present the first package relevant to the 2018 Homeowners Rate Review. The Committee will be called upon to take action regarding various selections, including:
Data
Trend
Loss Development
Expense
Deviation
Dividend
8. Report of Staff and Counsel
9. Other Business
10. Adjournment

Lunch will be served.

MINUTES OF THE MEETING OF THE PROPERTY RATING SUBCOMMITTEE OF THE
NORTH CAROLINA RATE BUREAU HELD AUGUST 16, 2018

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Insurance Company of Florida

American Modern Home Insurance Company
Foremost Insurance Company
Horace Mann Insurance Company
Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
Travelers Indemnity Company
United Services Automobile Association

REPRESENTED BY

Matthew Berry
Elena Ageeb*
Jonathan Deutsch*
Diana Matalka
Julie McAuliffe*
Brad Melton
Sarah Behrend*
Roger Batdorff
Marty Weitfeldt*
Lois Cappellano*
Matt Veibell

OTHERS PRESENT

Insurance Services Office

Milliman
Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Steve Conover
YanJun Yao
Paul Anderson
Brian Beverly
Mickey Spivey
Joanna Biliouris
Keri Johnson
Andy Montano
Rebecca Williams

*Participated by telephone.

The telephone conference commenced at approximately 9:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. Assumptions for Catastrophe Model Runs

Attention was directed to an exhibit prepared by Aon Benfield (Aon) and previously distributed with the agenda regarding the assumptions for catastrophe model runs. Ms. Williams opened the discussion and reviewed the assumptions used in the models, as well as the perils that were included.

During discussion, the Subcommittee raised several questions and requested the Rate Bureau staff to research and present their findings on those questions at a future meeting.

2. Net Cost of Reinsurance

Ms. Williams opened the discussion of the Net Cost of Reinsurance (NCOR), giving the Subcommittee a brief history of its role in past filings, including the use of Milliman's analysis in older filings and the use of Aon's current market analysis in recent filings and this rate review. In addition, Ms. Williams noted that the most recent filings included both Milliman's and Aon's analyses and that staff recommends moving forward with just the NCOR analysis presented by Aon.

Following discussion, the Subcommittee came to a consensus to proceed with the NCOR analysis presented by Aon.

3. Profit Review

Mr. Spivey advised that Dr. David Appel, who has historically provided the underwriting profit analysis for property rate filings, is retiring. Mr. Spivey also advised that the Rate Bureau is considering working with Dr. George Zanjani, who has excellent credentials and is a highly recommended economist. Mr. Spivey advised that he would continue discussions with Dr. Appel and Dr. Zanjani and advise the Subcommittee of the next steps.

4. 2018 Homeowners Rate Review Trend Selections

Attention was directed to trend exhibits prepared by ISO and distributed with the agenda regarding the 2018 Homeowners rate review. Mr. Conover reviewed the exhibit in detail including a summary of the underlying methodology, pointing out that there has been an increase in loss trend over the past year primarily related to severity. Mr. Conover further stated that the rate review assumes an effective date of October 1, 2019.

Following discussion, the Subcommittee made preliminary loss and expense trend selections for the homeowners rate review. The Subcommittee also agreed to delay discussions regarding compensation for assessment risk, profit, contingencies, policyholder dividends, and deviations until a future meeting.

5. Report of Staff

Mr. Montano reported that the Rate Bureau will begin performing homeowners rate reviews on an annual basis as directed by the Governing Committee. He also noted that Milliman will provide the actuarial services for a mobile home rate review, which will be performed along a similar schedule with the homeowners rate review, with any resulting filings to be ready by the end of the year. Rate Bureau staff also scheduled meetings for the Subcommittee for the remainder of the year.

6. Report of Counsel

Mr. Spivey reported that the (1) Rate Bureau did not make an automobile filing this year due to the 2017 settlement agreement with the Department of Insurance (Department): (2) the Rate Bureau had settled the 2017 Homeowners filing in the spring at +4.8%, to be effective October 1, 2018; and (3) after working through Department concerns about potential inclusion of commercial dwelling data in the 2018 Dwelling filing, the Rate Bureau had settled that filing at +4.8%, to be effective February 1, 2019.

Mr. Spivey further reported that the legislature met this year for its short session and that House Bill 382, the Department's agency bill, was enacted. He stated that, among other things, that bill requires that a motor vehicle report be obtained at the point of sale for new auto business and that it changed the consent to rate laws for both auto and property business. He summarized the changes, including the elimination of the signature requirement, and noted that these changes are to be effective January 1, 2019.

7. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-18-3
11/30/18

Property Rating Subcommittee

Agenda

Date: September 25, 2018

Time: 10:00 AM (ET)

Web/Teleconference

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)
4. 2018 Homeowners Rate Review
The Committee will continue with the 2018 Homeowners rate review. The remaining indications to be reviewed are as follows:
 - Excess Wind Factor (Exhibit 4)
 - Contingencies
 - Net Cost of Reinsurance – Tower*
 - Compensation for Assessment Risk*
 - Profit Selection
5. 2018 Mobile Home Rate Review
The Committee will continue with the 2018 Mobile Home rate review. The following items are included in the review:
 - Rate Review Assumptions (Exhibit 5)
 - Catastrophe Model Assumptions*
6. Report of Staff and Counsel
Rate Bureau Staff and Counsel will update the Committee on any pertinent items
7. Other Business
8. Adjournment

*The Exhibit for these items will be provided separately.

PRS-18-4 Agenda
9/20/18



MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF THE
NORTH CAROLINA RATE BUREAU HELD SEPTEMBER 25, 2018

MEMBERS PRESENT

Allstate Insurance Company
 American Bankers Insurance Company of Florida
 American Modern Home Insurance Company

 Farmers Insurance Exchange
 Horace Mann Insurance Company
 Nationwide Mutual Insurance Company
 NC Farm Bureau Mutual Insurance Company
 State Farm Mutual Automobile Insurance Company
 Travelers Indemnity Company
 United Services Automobile Association

OTHERS PRESENT

AON Benfield

 Insurance Services Office

 Milliman

 Consultant
 Young Moore and Henderson, P.A.

 Staff

REPRESENTED BY

Matthew Berry
 Mabel Morrison
 Brianne Lisena
 Diana Matalka
 Chris Perry
 Pam Burrell
 Brad Melton
 Sarah Behrend
 Roger Batdorff
 Marty Weitfeldt
 Lois Cappellano
 Matt Veibell

REPRESENTED BY

Steve Fiete
 Elizabeth Henderson
 Eric Nuss
 Katie Shukla
 Steve Conover
 Anna Levkova
 Yanjun Yao
 Paul Anderson
 Dave Appel
 Eric Krafcheck
 George Zanjani
 Glenn Raynor
 Mickey Spivey
 Joanna Biliouris
 Ray Evans
 Keri Johnson
 Andy Montano
 Rebecca Williams

The telephone conference commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. 2018 Homeowners Rate Review

Mr. Spivey introduced Dr. George Zanjani, who would be taking over portions of the profit analysis as a result of Dr. Appel's retirement.

Attention was then directed to the excess wind losses exhibit prepared by ISO and previously distributed with the agenda. Mr. Conover reviewed the exhibit in detail, indicating that the updated exhibit includes 2016 data, which did not move the overall excess factor. Mr. Conover advised the Subcommittee that data for the exhibit begins in 1950, but is split by territory as far back as 1966. The Subcommittee directed ISO to prepare the excess wind exhibit narrowing the data set to 30 years at both statewide and territory levels for review at a future meeting.

Ms. Williams opened the discussion regarding contingencies, indicating that the Subcommittee has included a 1% provision in prior years. Following discussion, it was agreed to use a 1% contingency provision as a placeholder and that staff would work with consultants to provide more documentation to the Subcommittee on the potential contingency provision at a future meeting.

Attention was then directed to an exhibit prepared by Aon Benfield (Aon) and previously distributed with respect to the proposed reinsurance tower to be used in the calculation of the net cost of reinsurance (NCOR). Ms. Henderson reviewed the exhibit in detail, indicating that the exhibit was based on a 50/50 blend of the AIR and RMS models, and describing Aon's reinsurance design process and treaty layering details. Ms. Henderson summarized the year-to-year changes for both the data and the modeling results and Aon's suggested reinsurance treaty, including the attachment point decreasing to \$.6 Billion and the exhaustion point increasing to \$11 Billion and the proposed total reinsurance limit increasing to \$10.4 Billion. Following discussion, the Subcommittee selected the tower as presented.

Attention was then directed to an exhibit prepared by Milliman regarding compensation for assessment risk (CAR). Mr. Anderson opened the discussion with a brief summary of the provision and the purpose of the CAR calculation. Mr. Anderson then reviewed the exhibit in detail, including the use of the Beach Plan's and Fair Plan's reinsurance structures, the blended results of the AIR and RMS models, and catastrophe bond profit multiples. Mr. Anderson advised that the resulting CAR was 2.8% of manual premium, a decline from 3.8% last year. Following discussion, the Committee selected the CAR as presented.

Attention was then directed to the underwriting profit array as prepared by Dr. Appel. Dr. Appel reviewed some history of the analysis with the Subcommittee, and reported the cost of capital range developed by Dr. Vander Weide. Following a review and discussion of the returns generated by a variety of different underwriting profit provisions, the Subcommittee selected an underwriting profit provision of 9% as a placeholder until Dr. Appel completes the remaining updates to his analysis.

2. 2018 Mobile Home Rate Review

The Subcommittee agreed to defer this topic to a future meeting due to lack of time.

3. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-18-4
11/30/18

Property Rating Subcommittee

Agenda

Date: October 3, 2018

Time: 2:00 PM (ET)

Web/Teleconference

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)
4. 2018 Mobile Home Rate Review
The Committee will continue with the 2018 Mobile Home rate review. The following items are included in the review:
 - Rate Review Assumptions (Exhibit 4)
 - Catastrophe Model Assumptions* (Exhibit 5)
5. Report of Staff and Counsel
Rate Bureau Staff and Counsel will update the Committee on any pertinent items
6. Other Business
7. Adjournment

*The Exhibit for this item will be provided separately.

AM:ko

PRS-18-5 Agenda

9/27/18

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD OCTOBER 3, 2018

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Insurance Company of Florida

American Modern Home Insurance Company

Horace Mann Insurance Company
Nationwide Mutual Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
Travelers Indemnity Company
United Services Automobile Association

OTHERS PRESENT

Aon Benfield

Milliman

Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Matthew Berry
Jonathan Deutsch
Jason Powell
Brianna Lisena
Diana Matalka
Chris Perry
Brad Melton
Sarah Behrend
Roger Batdorff
Marty Weitfeldt
Lois Cappellano
Matt Veibell

REPRESENTED BY

Steve Fiete
Elizabeth Henderson
Katie Shukla
Paul Anderson
Eric Krafcheck
Glenn Raynor
Mickey Spivey
Joanna Biliouris
Keri Johnson
Andy Montano
Rebecca Williams

The telephone conference commenced at approximately 2:00 P.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. 2018 Mobile Home Rate Review

Attention was directed to an exhibit prepared by Milliman and previously distributed with the agenda regarding the Mobile Home rate review. Mr. Anderson reviewed the exhibit in detail, indicating that it would allow the Subcommittee to compare industry based trends to the index based trends before a trend selection is made. Mr. Anderson next reviewed the mobile home details by various rating variables, including amount of insurance and tie downs. Ms.

Williams advised that the current Mobile Home program has underlying data based on twenty territories that are grouped into three different groups for ratemaking, but that Staff and consultants are exploring an option to modify the current territories to more closely align with territories currently used for other property programs. Mr. Anderson then reviewed the deductible distributions for both the MH(C) and the MH(F), noting that the distribution for MH(C) reflects the fact that it is a cafeteria program.

Mr. Anderson then reviewed both the index and industry methodologies for trend. The index based trends use a similar methodology to the Homeowners program. Mr. Anderson then reviewed trend based upon industry data, indicating that the data reflects adjustments for catastrophes, but it may not capture all of the data for Hurricane Matthew.

Upon discussion, it was agreed that Milliman will present both index and industry based trend methods, along with expense and premium trends, for consideration by the Subcommittee at a future meeting.

Mr. Anderson reviewed the additional exhibits in the filing package and indicated that selections were needed from the Subcommittee. A motion was seconded and passed to select: Five years of data for loss development excluding high and low values, 3 year average for underwriting expenses, average loss adjustment expense excluding high and low values, 6% loss adjustment expense for catastrophes, 5% for deviations and 0.4% on dividends.

Attention was then directed to an exhibit prepared by AON Benfield (AON) and previously distributed with the agenda regarding the catastrophe model assumptions for Mobile Home. Ms. Shukla reviewed the exhibit in detail, indicating that the results will be provided on a blended basis, using RMS and AIR models both including and excluding demand surge/ loss amplification, and that the models contemplate an insurance to value provision of 100% and a flat \$500 deductible. Ms. Williams advised that Rate Bureau staff is still working with consultants to determine how the mobile home program should include rating for flood. Following discussion, the Subcommittee agreed to move forward with the model assumptions as presented by AON.

2. Other Business - Homeowners Excess Wind

Attention was then directed to exhibits previously distributed with the agenda regarding the excess wind provision for the Homeowners rate review. It was noted that, in response to the Subcommittee's request, ISO had prepared exhibits showing the excess wind analysis with a 30-year data set and with the longer-term data set (1950 to present). The Subcommittee reviewed and discussed the exhibits. Following discussion, a motion was seconded and passed to move forward with no changes to the current number of years used in the excess procedure, resulting in an excess wind provision of 1.068. The Committee noted that it would do a further review of the excess wind procedure at the next property rate review.

3. Report of Counsel and Staff

No report at this time.

4. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-18-5
11/30/18

Property Rating Subcommittee Agenda

Date: October 18, 2018 **Time: 9:00 AM (ET)** **In Person Meeting**

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct (Exhibits 1, 2, 3)
4. 2018 Homeowners Rate Review
The Committee will continue discussion on the 2018 Homeowner Rate Review, including finalizing selections for Net Cost of Reinsurance, Profit, and Contingencies (Exhibit 4). The Committee will be called upon to make a recommendation to the Property Committee.
5. 2018 Mobile Home Rate Review
The Committee will continue with the 2018 Mobile Home rate review discussion, including making various selections relevant to the assumptions to be included in the rate filing (Exhibit 5). In addition, the Committee will be called upon to review various ways to modernize the program, including review of the following items. The Committee will also need to revisit the effective date for any changes (previously, 10/1/2019 was discussed).
 - Loss, Premium, and Expense Trend Selections
 - Amount of Insurance Analysis
 - Deductible Analysis
 - Age of Home Analysis
 - Summary of Current and Proposed Territories
 - Other Items
6. 2018 Homeowners Review – Rule Changes
The Committee will review a proposal for making changes to contents related rules in the Homeowners program. In addition to the full homeowners policy, these changes will impact policies excluding wind, and wind only policies. See Exhibit 6 for the complete proposal. The Committee will be called upon to make a recommendation to the Property Committee.

7. Report of Staff and Counsel

Rate Bureau Staff and Counsel will update the Committee on any pertinent items.

8. Other Business

9. Adjournment

PRS-18-6 Agenda
10/15/18

MINUTES OF THE MEETING OF THE PROPERTY RATING SUBCOMMITTEE OF THE
NORTH CAROLINA RATE BUREAU HELD OCTOBER 18, 2018

MEMBERS PRESENT

Allstate Insurance Company
American Bankers Insurance Company of Florida
American Modern Home Insurance Company
Farmers Insurance Exchange
Foremost Insurance Company
Horace Mann Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
Travelers Indemnity Company
United Services Automobile Association

OTHERS PRESENT

Aon Benfield

ISO

Milliman

Consultant

Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Matthew Berry
Jonathan Deutsch *
Diana Matalka *
Pam Burrel
Julie McAuliffe
Brad Melton *
Roger Batdorff
Marty Weitfeldt
Lois Cappellano *
Aaron Cornett *

REPRESENTED BY

Steve Fiete
Elizabeth Henderson
Katie Shukla*
Yanjun Yao
Steve Conover
Dave Appel
Paul Anderson
Eric Krafcheck
George Zanjani
Bill Trott
Mickey Spivey
Joanna Biliouris
Ray Evans
Andy Montano
Rebecca Williams
Ellen Holloway

*Participated by phone.

The meeting commenced at approximately 9:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. 2018 Homeowners Rate Review

Attention was directed to an exhibit prepared by Insurance Services Office and previously distributed with the agenda regarding the 2018 Homeowners Rate Review. Mr. Conover reviewed the exhibit in detail, indicating that they include the previous selections of 9% for profit, 1% contingency factor and the net cost of reinsurance as presented by AON Benfield (AON). There was discussion of the catastrophe models and the increase in the net cost of reinsurance. It was noted that the allocation of reinsurance costs to form was performed by Aon this year, and that overall that change has a minimal impact but that there is a significant decrease to the amount allocated to tenants and condos and an increase for owners. Ms. Henderson also pointed out the growth in exposures and PML and the small changes in the attachment and exhaustion points as contributing to the increase.

On the profit provision, Dr. Appel confirmed that he had completed his updates and that the selected placeholder provision of 9.0% continued to generate returns comparable to those discussed previously and that there was no reason to change the selection. Mr. Anderson described some work he had done regarding delay in the ratemaking process as potential support for the contingency provision.

Following discussion, a motion was seconded and passed to recommend the homeowner's indications as presented to the Property Committee.

2. 2018 Mobile Home Rate and Rating Plan Review

Attention was directed to an exhibit prepared by Milliman and previously sent with the agenda with respect the 2018 Mobile Home rate review. Mr. Anderson and Mr. Krafcheck reviewed the exhibit in detail, including many potential rating variable changes, such as adding a variable for age of home. The committee also discussed and provided direction to Milliman on how to consider potential changes in territory definitions. Milliman and Staff agreed to send a survey to member companies to help prioritize which items would be included in the upcoming rate review.

The committee then reviewed numerous exhibits with regard to trend, loss development, and expenses. Following discussion, a motion was seconded and passed with regard to selected premium, loss, and expense trends and trend periods for use in the Mobile Home rate review. It was noted that modeled losses, profit, and reinsurance costs would be reviewed in a future meeting.

3. 2018 Homeowners Review – Rule Changes

Ms. Yao opened the discussion on proposed Homeowners rule changes, advising that a question had been raised by a member company regarding the Coverage C limit reduction calculation related to Rule 515 of the Homeowners Manual and the potential for a double charge or double credit when an insured purchases both a homeowners ex-wind policy and a separate wind only policy. Attention was then directed to an exhibit prepared by ISO and previously distributed with the agenda regarding rules that are potentially affected.

Following discussion, a motion was seconded and passed to propose changes to clarify rules 501, 502, 507 and 513 and to remove rule 522 on landlord furnishings (which is also

addressed in rule 15.I) and to revisit rules identified in “Issue type” 2A, 2B, and 3 as part of a future homeowners review.

4. Report of Staff and Counsel

No report at this time.

5. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-18-6
11/30/18

Property Committee

Agenda

Date: November 12, 2018

Time: 2:00 PM (ET)

Web/Teleconference

1. Welcome/Roll Call/Review of the Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)
2. 2018 Homeowner Rate Review Indication
The Committee will review the 2018 Homeowner indications as recommended by the Property Rating subcommittee (Exhibit 4).

The Property Committee will be asked to make a recommendation to the Governing Committee.

3. Homeowner Manual Clarification
 - a. 500 Rules (Exhibit 5) – The Property Rating Subcommittee recommends proposed changes to clarify rules 501, 502, 507 and 513 and to remove rule 522 on Landlord Furnishings (because Landlord Furnishings are currently also located in rule 515.I)
 - b. Beach Plan (Exhibit 6) – The Property Forms Subcommittee has recommended proposed changes to rules A1 and A3 to properly reference the Beach Plan.
4. 2014 ISO Multi-State Dwelling Program
ISO will present their 2014 multi-state Dwelling program.
The Property committee will be asked to determine if this committee would like to send this to the Property Forms subcommittee for more detailed review and recommendation.
5. Report of Staff and Counsel
Staff and Counsel will update the Subcommittee on relevant topics.
6. Other Business
The Subcommittee will schedule the next meeting and discuss any other business
7. Adjournment

AM:ko
11/6/18
PC-18-2 Agenda



MINUTES OF THE TELEPHONE CONFERENCE OF THE PROPERTY COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD NOVEMBER 12, 2018

MEMBERS PRESENT

Allstate Insurance Company
 Amica Mutual Insurance Company
 Erie Insurance
 Hartford Fire Insurance Company
 NC Farm Bureau Mutual Ins Co
 Nationwide Mutual Insurance Company
 Penn National Mutual Casualty Ins Co
 State Farm Fire & Casualty
 The Members Insurance Company
 Travelers Indemnity Company
 Unitrin Auto and Home Insurance Co
 United Services Automobile Association

REPRESENTED BY

Matthew Berry
 Jim Sherring
 Darren Birtciel
 Eric Mize
 Holly Reston
 Nick Sizemore
 Justin Hays
 Bob Messier
 Jason Ivers
 Lois Cappellano
 Robert Zarter
 Albert Soto

OTHERS PRESENT

Milliman
 ISO

Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Paul Anderson
 Stephen Conover
 Rob Curry
 Anna Levkova
 Chuck Schlager
 Mickey Spivey
 Bill Trott
 Joanna Biliouris
 Keri Johnson
 Andy Montano
 Rebecca Williams

The telephone conference commenced at approximately 2:00 P.M., Mr. Messier presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. 2018 Homeowners Rate Review Indication

Attention was directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed with the agenda regarding the 2018 Homeowners rate level

indication. Mr. Conover reviewed the exhibit in detail, stating that the overall indication is a +26.2% and uses five years of accident data. Mr. Conover noted that, in this review, loss development had been calculated separately by policy form and net cost of reinsurance had been allocated separately to policy form by AON Benfield. Mr. Conover then compared summaries of the 2017 and 2018 rate filings, including a comparison of selections made for each year, and he described the primary drivers of the changes in the indications from the 2017 filing. Mr. Conover also noted that the indications did not contain claims from Hurricanes Florence or Harvey.

Following discussion, during which it was noted that it is typically left to the Governing Committee to decide whether any capping will be applied to the indications, a motion was seconded and passed to recommend that the Governing Committee adopt and file the indications as presented.

2. Homeowners Manual Changes

Attention was directed to an exhibit prepared by staff regarding clarifications to various rules in the Homeowners Manual. Ms. Williams advised that several manual rules need to be revised to clarify what key premiums to use with a policy which excludes wind. Ms. Williams further advised that the Property Rating Subcommittee will continue to look at all rules for possible changes in the future.

Ms. Johnson then reported that additional rules needed to be modified to correctly cite the North Carolina Joint Underwriting Association (FAIR Plan) rather than the North Carolina Insurance Underwriting Association (Beach Plan). In addition, the language in the rules regarding cancellation has been updated to match the most current Plan of Operations for the Beach Plan.

Following discussion, a motion was seconded and passed to recommend that the Governing Committee adopt the changes as presented.

3. 2014 ISO Multi-State Dwelling Program

Mr. Schlager reviewed a presentation with regard to changes contained in the ISO 2014 Multi State Dwelling Program, advising that many of the changes align with the 2011 Multi-State Homeowners changes. Mr. Montano noted that the Rate Bureau may want to consider these changes as part of its next Dwelling review.

Following discussion, the Committee agreed to send this topic to the Property Forms Subcommittee for further review and recommendation.

4. Report of Staff and Counsel

Mr. Spivey reported that the 2017 Homeowner and 2018 Dwelling rate filings had been settled earlier this year, both for 4.8% increases, and that new homeowner and mobile home rate reviews are currently underway. He also described the various statute changes resulting from the enactment of the DOI agency bill, HB 382, earlier this year, including changes to the consent to rate process. Finally, he reported on various potential legislative proposals that the DOI is preparing for next year's legislative session as a

result of the work of the DOI's task force that is considering possible ways to modernize the Rate Bureau and Reinsurance Facility statutes.

Mr. Montano reported that this Committee has asked the Property Forms Subcommittee to review a definition of actual cash value (ACV) for property. He provided an update on the Subcommittee's work, reporting that: (1) at the Subcommittee's request, staff had surveyed the committee members on possible options for such language; (2) the results were split; (3) a favorable North Carolina Business Court opinion had been published recently; and (4) that case is being monitored to see if an appeal is filed.

5. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PC-18-2
11/30/18

Governing Committee

Meeting Agenda

Date: November 15, 2018

Time: 10:00 AM (ET)

Type: Web Teleconference

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1 – 3)
4. Homeowner Rate Level Review (Exhibit 4 on page 5)
The committee will be asked to consider a recommendation from the Property Committee related to the Homeowner rate level review.
5. Homeowner Manual Changes
 - a. 500 Rules (Exhibit 5 on page 34) – The Property Committee recommends proposed changes to clarify rules 501, 502, 507 and 513 and to remove rule 522 on Landlord Furnishings (because Landlord Furnishings are currently also located in rule 515.I)
 - b. Beach Plan (Exhibit 6 on page 40) – The Property Committee recommends proposed changes to rules A1 and A3 to properly reference the Beach Plan.
6. Report of Staff
7. Report of Counsel
8. Upcoming Meetings
December 4, 2018 10:00 am 2019 Budget Discussion and Mobile Home program review
9. Other Business
10. Adjournment

11/12/18
GC-18-16

MINUTES OF THE WEB TELECONFERENCE OF THE GOVERNING COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD NOVEMBER 15, 2018

MEMBERS PRESENT

Allstate Insurance Company
American Home Assurance Company
Erie Insurance Exchange
Builders Mutual Insurance Company
National General Insurance
Liberty Mutual Insurance Company
Travelers Indemnity Company
Nationwide Mutual Insurance Company
Progressive Casualty Insurance Company
Hartford Fire Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company

Public Member

Others Present

Insurance Services Organization

Young Moore and Henderson, P.A.

Milliman Inc.
Staff

REPRESENTED BY

Jennifer Jabben
Wavel Howell
Jon Bloom
Chris Wetzel
Art Lyon
Mark Ford
Bob Aaron
Tom Souder
Kevin McGee
Eric Mize
Roger Batdorff
Alan Bentley

John Wei

Jared Smollik
YanJun Yao
Steve Conover
Mickey Spivey
Bill Trott
Paul Anderson
Joanna Biliouris
Ray Evans
Keri Johnson
Andy Montano
Rebecca Williams

The meeting convened as scheduled, Ms. Jabben of Allstate Insurance Company, Chair of the Governing Committee, presiding. Attention was directed to the Rate Bureau's Antitrust, Conflict of Interest and Code of Ethics and Standards of Conduct Statements.

1. Homeowner Rate Level Review

Attention was directed to an exhibit prepared by ISO and previously distributed reflecting the homeowner rate indications. Mr. Conover reviewed the indication exhibit in detail advising among other things that (1) this review is based on 5 accident-years of data ending 12/31/2016; (2) loss development was calculated separately by policy form; and (3) net cost of reinsurance was allocated to policy form by AON Benfield. He also pointed out the primary drivers of the changes in the indications from last year's filing.

Ms. Williams then presented the committee with options for capping the indications to limit policyholder impact by territory.

Following discussion, a motion was made, seconded and passed to prepare a filing based on the indications as presented; to include varying caps on the filed changes by territory, in the manner discussed today, to achieve an overall indication of between 17%-18%; and to instruct staff to prepare the final capping information and present it at the next Governing Committee meeting on December 4, 2018 before submitting the filing later in December.

2. Homeowner Manual Changes

Ms. Williams referred the committee to the homeowner manual changes set forth in Exhibits 5 and 6 in the agenda. She described the reasons for the proposed changes and reported that the Property Committee recommends the proposed changes.

Following brief discussion, a motion was made, seconded and passed to approve and file the proposed homeowner manual changes.

3. Report of Staff

Mr. Evans reported that (1) an in-depth update of activity was presented at last month's Governing Committee; and (2) the 2019 budget is being finalized for presentation to the Governing Committee on December 4, 2018.

4. Report of Counsel

Mr. Spivey reported briefly that (1) the Department of Insurance and its rate modernization task force are continuing work on potential proposed legislative changes for 2019 and (2) staff and counsel are working to finalize the Homeowner rate filing and the Mobile Home rate review in December.

5. 2018-2019 Meeting Schedule

Ms. Jabben noted that the next scheduled Governing Committee meeting will be an in-person meeting on December 4, 2018 to review the Mobile Home indications and the 2019 proposed NCRB budget.

6. Adjournment

There being no further business, the meeting was adjourned.

Respectfully Submitted,



Joanna Biliouris
Chief Operating Officer
North Carolina Rate Bureau

JB:ko
GC-18-16
11/30/18

Governing Committee

Meeting Agenda

Date: December 4, 2018

Time: 10:00 AM (ET)

In-Person Meeting

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)
4. Report of Staff
5. Report of Counsel
6. Compensation Committee - Executive Session
The Compensation Committee will present a recommendation regarding 2019 compensation and benefits during an executive session. The committee will be called upon to take action with respect to the recommendation.
7. 2019 Budget Discussion
The 2019 NCRB Budget recommendation will be presented. A budget package will be sent under separate cover for review prior to the meeting. The committee will be called upon to take action with respect to the recommendation.
8. Homeowner Rate Filing (Exhibit 4 will be sent under separate cover from counsel)
The committee will be asked to approve the final capping methodology to be included with the 2018 Homeowner Rate Filing.
9. Property Committee Update
The committee will be provided with an update on the filing status of the Homeowner Rate Filing and the status of the Mobile Home Program review.

10. 2019 Meeting Schedule:

January 16, 2019	10:00 am	Private Passenger Automobile Rate Review
April 9, 2019	10:00 am	Miscellaneous Matters
July 23, 2019	10:00 am	Workers Compensation Rate Review
October 2019 (TBD)	8:30 am	Annual Meeting
December 3, 2019	10:00 am	2020 Budget Discussion

Note: Teleconferences may be called on an as-needed basis

11. Other Business

12. Adjournment

The meeting will commence at 10:00 am at the office of the North Carolina Rate Bureau
2910 Sumner Boulevard, Raleigh, NC

Lunch will be served

MINUTES OF THE MEETING OF THE GOVERNING COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD DECEMBER 4, 2018

MEMBERS PRESENT

Allstate Insurance Company
American Home Assurance Company
National General Insurance
Liberty Mutual Insurance Company
Travelers Indemnity Company
Erie Insurance Exchange
Builder Mutual Insurance Company
Hartford Fire Insurance Company
NC Farm Bureau Mutual Insurance Company
Progressive Casualty Insurance Company
State Farm Mutual Automobile Insurance Company

Others Present

Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Jennifer Jabben*
Ira Feuerlicht
Art Lyon*
Cara Mazzuco*
Bob Aaron*
Jon Bloom
Chris Wetzel
John Bergen*
Roger Batdorff
Kevin McGee*
Alan Bentley*

Mickey Spivey
Bill Trott^
Joanna Biliouris
Brittany Blackwell
Shelley Chandler
Jarred Chappell
Terry Collins
Edith Davis
Ray Evans
Vicki Godbold
Andy Montano
Rebecca Williams^

*Attended via web conference

^Attended a portion of the meeting

The meeting convened as scheduled, Ms. Jabben of Allstate Insurance Company, Chair of the Governing Committee, presiding. Attention was directed to the Rate Bureau's Antitrust, Conflict of Interest and Code of Ethics and Standards of Conduct Statements.

1. Report of Staff

Mr. Evans reported that (1) the Bureau has made 22 filings with the Department of Insurance this year; (2) the Homeowner Rate filing was settled for an overall rate increase of 4.8% effective October 1, 2018; (3) the Dwelling Rate filing was settled for an overall rate increase of 4.8% effective February 1, 2019; (4) there were two filings in Workers Compensation for rate decreases; and (5) staff is working on the Private Passenger Automobile review and Mobile Home Program review to be presented to the Governing Committee in January. Mr. Evans also recognized the contributions of several staff members.

2. Report of Counsel

Mr. Spivey stated that (1) the Automobile rate review is in progress; (2) there are several new expert witnesses providing testimony on the upcoming Homeowner filing; (3) the long session of the legislature will convene in January; (4) various legislative proposals are being considered for the coming year by the Department's task force on modernizing the Bureau statutes.

3. Executive Session

The Governing Committee went into executive session to discuss Bureau staff compensation matters. Following the executive session, the meeting reconvened in general session.

4. 2019 Budget Discussion

Mr. Evans summarized the process to prepare the 2019 budget, historical expense information and major costs for the upcoming year. He noted that the 2019 expenses will be approximately 4.86% more than the 2018 Rate Bureau projected expenses and the 2019 proposed budget for the Rate Bureau is \$16,942,048.

Ms. Biliouris stated that (1) based on projected 2018 expenses, the Bureau will be under budget by \$546,394 (3.3%); (2) goals and objectives for 2019 centered around ensuring adequate rates and effective programs, supporting regulatory changes and cooperating with legislative activity, increasing efficiencies using new technology and advanced metrics, making it easier for customers to work with the Bureau, and working with vendors, including advisory, for more favorable terms; and (3) major drivers to the proposed budget increase in 2019 were advisory, legal, associate, and IT expenses which were due to increased filing activity and several large IT projects in 2019.

Ms. Biliouris also outlined key activities planned in 2019 to support the Bureau's goals and objectives including (1) five filings anticipated in 2019 (Homeowners, Dwelling, Automobile, Workers Compensation, Flood Program); (2) support and monitoring of the long session of the legislature with several insurance changes being proposed; (3) implementation of a new online data reporting tool allowing real time processing of workers compensation data; (4) improved KPI monitoring through real time automated reporting; (5) roll out e-payment platform for Workers Compensation Assigned Risk applications; and (6) contract negotiations with ISO and Workers Compensation Servicing Carriers for renewal in January 2020.

Attention was directed to the 2019 proposed budget details. Ms. Davis reviewed the proposed 2019 NC Rate Bureau budget in detail as well as highlighted allocation of shared services. It was noted that only half of the projected property filing expenses are included in the budget due to some uncertainty on timing of all the filings, and that, if additional budget funds are needed to complete all the anticipated filings, a budget amendment will be proposed at that time. After discussion, a motion was made, seconded and passed unanimously to approve the 2019 Rate Bureau budget as presented.

5. Homeowner Rate Filing

Ms. Williams presented the committee with a capping scenario to be included with the 2018 Homeowner rate filing as requested by the Governing Committee at the November 15, 2018 web conference. After discussion, a motion was made, seconded and passed unanimously to approve the capping scenario as presented.

6. Property Committee Update

Mr. Montano reported on activities of the Property Committee noting that 1) the 2018 Homeowner rate filing is expected to be filed on December 14, 2018 and a meeting with the

Department of Insurance to present an overview of the filing is scheduled for December 6, 2018; (2) the Property Rating Subcommittee requested more time to review the initial Mobile Home indications and the Mobile Home Program review will be presented to the Governing Committee at the January 16, 2019 meeting; and (3) the Flood Subcommittee has finalized a recommendation on policy forms and is now focused on developing a rating strategy.

7. 2019 Meeting Schedule

The schedule of Governing Committee meetings for 2019 was noted and the next in-person meeting will be on January 16, 2019.

8. Adjournment

There being no further business, the meeting was adjourned.

Respectfully Submitted,



Joanna Biliouris

Chief Operating Officer
North Carolina Rate Bureau

DRAFT

Property Rating Subcommittee

Agenda

Date: December 11, 2018

Time: 10:00 AM (ET)

Web/Teleconference

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)
4. 2018 Mobile Home Review
The committee will continue to review the Mobile Home Indication package (Exhibit 4).
5. Report of Staff and Counsel
6. Other Business
7. Adjournment

AM:ko

PRS-18-9 Agenda

12/5/18

MINUTES OF THE TELECONFERENCE OF THE PROPERTY RATING SUBCOMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD DECEMBER 11, 2018

MEMBERS PRESENT

Allstate Insurance Company
American Modern Home Insurance Company

Farmers Insurance Exchange
Foremost Insurance Company
Horace Mann Insurance Company
NC Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
Travelers Indemnity Company
United Services Automobile Association

OTHERS PRESENT

Milliman

Insurance Services Office

Young Moore and Henderson, P.A.

Staff

*Attended a portion of the teleconference

REPRESENTED BY

Matthew Berry
Brienne Lisena
Diana Matalka
Chris Perry
Pam Burrell
Julie McAuliffe
Chris Skorcz
Roger Batdorff
Marty Weitfeldt
Lois Cappellano
Matt Veibell

REPRESENTED BY

Paul Anderson
Eric Krafcheck
Yanjun Yao*
Stephen Conover*
Mickey Spivey
Bill Trott
Joanna Biliouris
Keri Johnson
Andy Montano
Rebecca Williams

The telephone conference commenced at approximately 10:00 A.M., Mr. Berry presiding.

Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. Update on 2018 Homeowners Rate Filing

Attention was directed to an exhibit prepared by Insurance Services Office regarding an update to the Homeowners rate filing that is in progress. Mr. Conover advised that in preparation for the filing, ISO discovered minor changes that need to be made to the

trending of loss adjustment expenses and fixed expenses. Mr. Conover further advised that the adjustment results in a slight decrease in the indicated rate changes, while the changes to loss adjustment expense factors result in slight increases for tenants and condos.

Following discussion, a motion was seconded and passed to recommend to the Property Committee that the revised indications be adopted and filed as presented.

2. 2018 Mobile Home Rate Review

Attention was directed to an exhibit prepared by Milliman and previously distributed with the agenda with respect to the 2018 Mobile Home Rate Review. Mr. Anderson reviewed the exhibit in detail, indicating that the indications were recalculated using the selected profit factor of 6.5% rather than the original placeholder of 9%, which resulted in an overall decrease. Mr. Anderson further stated that the base class loss cost did not change with the new calculation.

Mr. Montano noted that there had been significant discussion regarding the number of territory groupings in the previous meeting. He noted that Milliman had prepared additional exhibits, including a solution using six territory groupings.. The Subcommittee discussed strategies to mitigate market disruption while working towards the actuarially sound rates.

Following discussion, there was a consensus to select the solution using six territory groupings. In addition, the Subcommittee requested that Milliman flatten the AOI curves for MH(C) adjacent structures and personal effects, and for MH(F) owners forms. The Subcommittee noted that, due to the complexity of the proposed filings, it might be appropriate for the Subcommittee to deviate from its normal practice of not engaging in capping recommendations, and it requested Milliman to prepare one and two year analyses, with an overall +35% for one year or 17.5% per year for two years on MH(C) and an overall +45% for one year or 22.5% per year for two years on MH(F). The Subcommittee agreed to review these possible capping scenarios in a future meeting. Finally, the Subcommittee recommended that the Rate Bureau perform rate reviews more frequently on the mobile home line of business.

3. Report of Counsel and Staff

No report at this time.

4. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Andy Montano

Director, Personal Lines

AM:ko
PRS-18-9
12/20/18

With regard to the information requested under Item (14) (c) the Rate Bureau submits the following:

2018 Homeowners Rate Filing

Insurance Services Office:

ISO has billed the Rate Bureau approximately \$422,479 for services rendered directly in connection with preparation of the 2018 homeowners rate filing.

Young Moore and Henderson, P.A.:

The firm has billed the Rate Bureau approximately \$77,060 for services rendered directly in connection with preparation of the 2018 homeowners rate filing.

Milliman USA:

The firm has billed the Rate Bureau approximately \$109,697 for services rendered in connection with preparation of the 2018 homeowners rate filing.

Aon:

The firm has billed the Rate Bureau \$275,000 for services rendered in connection with preparation of the 2018 homeowners rate filing.

Financial Strategy Associates:

The firm has billed the Rate Bureau \$9,338 in connection with preparation of the 2018 homeowners rate filing.

2017 Homeowners Rate Filing

Insurance Services Office:

ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings and reviews. While the assessment covers all of basic required services for developing rates and preparing the filing, the assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the cost of each insurance line and service by the premium volume of all insurers affiliated with ISO for each representative line and service. During 2017, ISO billed the Rate Bureau approximately \$1,454,732 for charges relating to homeowners insurance services, including forms, rules, public protection grading and other services unrelated to this homeowners rate filing.

Young Moore and Henderson, P.A.:

The firm has billed the Rate Bureau approximately \$192,597 for services rendered directly in connection with preparation of the 2017 homeowners rate filing.

Milliman USA:

The firm has billed the Rate Bureau approximately \$146,640 for services rendered in connection with preparation of the 2017 homeowners rate filing.

Aon:

The firm has billed the Rate Bureau \$275,000 for services rendered in connection with preparation of the 2017 homeowners rate filing.

Financial Strategy Associates:

The firm has billed the Rate Bureau \$4,930 in connection with preparation of the 2017 homeowners rate filing.

The following are changes in methodology or presentation used in this filing as compared to the methodologies or presentation used in the November 17, 2017 filing:

1. In this filing, the loss development factors were calculated separately by policy form group. In the previous filing, the loss development factors were calculated for all forms combined.
2. In this filing, the net cost of reinsurance was determined by Aon using its loss-on-line method. In the previous filing, Aon determined the net cost of reinsurance using the blended results of its loss-on-line and technical pricing models.
3. In this filing, the net cost of reinsurance provisions by territory were provided by policy form group by Aon. In the previous filing, Aon provided the reinsurance provisions by territory for all forms combined, and then the territory provisions were allocated to individual policy form groups using latest-year earned premium at manual level as weights.

See also the prefiled testimony of P. Anderson, D. Appel, M. Berry, S. Fiete, E. Henderson and Y. Yao.



Notice to Manualholders

PERSONAL LINES

HOMEOWNERS POLICY PROGRAM MANUAL – MULTISTATE RULES

NOTICE HO-MU-2011-RU-001

CAUTION

Refer to state Notices for announcement of the use of this revision in individual jurisdictions.

INSTRUCTIONS TO MANUALHOLDERS

Revised manual pages are enclosed. If your company has adopted this revision, you should insert these pages into your manual.

EFFECTIVE DATE

Refer to individual state Notices for effective date language.

CHANGE(S)

This notice presents the 2011 revisions to the Homeowners Policy Program Manual – General Rules. The following rules were revised:

- Rule **102**. Description Of Coverages has been revised to more closely reflect coverages provided by the individual Homeowners policy forms.
- Rule **104**. Eligibility, Paragraph **H**. Residence Held In Trust has been revised to provide that a Homeowners policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or condominium unit when legal title to the dwelling or unit is held in trust and one of the occupants is the grantor/settlor of the trust.
- Rule **106**. Protection Classification Information has been revised to refer manual users to the ISO Community Mitigation Classification (CMC) Manual when determining the ISO public protection classification information.
- Rule **210**. Refer To Company has been revised to introduce a facultative reinsurance rule.
- Rule **409**. Replacement Cost Loss Settlement For Certain Non-building Structures has been revised to indicate that replacement cost loss settlement applies to certain inground or semi-inground swimming pools, therapeutic baths and hot tubs, and to introduce a new rating factor for this option.
- Rule **410**. Building Code Effectiveness Grading has been revised to include references to the Community Mitigation Classification Manual.
- Rule **503**. Business Property – Increased Limit, Paragraph **B**. Off-premises, has been revised to reflect an increase in coverage for property away from the residence premises used primarily for business purposes from \$500 to \$1,500.
- Rule **511**. Supplemental Loss Assessment Coverage has been revised to add "supplemental" to the title of the rule.
- Rule **515**. Personal Property has been revised to reflect the introduction of Paragraph **C**. Increased Limit – Self-storage Facilities and the new description of limits for Electronic Apparatus in Paragraph **E**. Increased Special Limits Of Liability.
- Rule **521**. Limited Water Back-up And Sump Discharge Or Overflow Coverage has been revised to reflect that increased limits of coverage are now available.
- Rule **526**. Residence Held In Trust has been revised to reflect changes as a result of the introduction of new Trust Endorsement **HO 06 15**.

- Rule **610**. Personal Injury Coverage has been revised to accommodate a new Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 24 10** and to specify that Personal Injury Coverage Endorsement **HO 24 82** provides coverage with a limit of liability on an "any one offense" basis.
- Rule **611**. Incidental Low Power Recreational Motor Vehicles has been revised to delete text in Paragraph **A.** that is reflected in the policy and recognize the newly added reference to coverage not applying to motorized scooters in Incidental Low Power Recreational Motor Vehicle Endorsement **HO 24 13**.
- Rule **616**. Optional Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages has been revised to reflect changes in the standards for lead safe level and remove reference to Rating Information For Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Endorsement **HO 05 83**.

The following rules are being introduced :

- Rule **531**. Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction is being introduced to accommodate new Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction Endorsement **HO 06 07**.
- Rule **617**. Canine Liability Exclusion is being introduced to accommodate new Canine Liability Exclusion Endorsement **HO 24 77**.

The following rule was withdrawn:

- Rule **529**. Modified Other Insurance And Service Agreement Condition was withdrawn to complement the withdrawal of Unit-owners Modified Other Insurance And Service Agreement Condition Endorsement **HO 17 34**.

Additional Rules were previously filed and implemented on an individual state basis for eventual multistate application. Now that the Additional Rules apply in most states, they are being relocated to the following General Rules:

- Rule **305**. Loss History Rating Plan
- Rule **529**. Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage
- Rule **530**. Identity Fraud Expense Coverage

Exceptions to the General Rules were previously filed and implemented on an individual state basis for eventual multistate application. Now that the exceptions apply in most states, they are being relocated to the following General Rules:

- Rule **303**. Ordinance Or Law Coverage, Paragraph **2**.
- Rule **406**. Deductibles, multistate text in Paragraphs **A.** through **C.3**.
- Rule **505**. Earthquake Coverage, Paragraphs **D.6.** and **D.7**.
- Rule **513**. Ordinance Or Law Increased Amount Of Coverage, Paragraph **B**.

The following rules have been revised to make minor editorial revisions:

- Rule **101**. Limits Of Liability And Coverage Relationships
- Rule **204**. Multiple Company Insurance
- Rule **407**. Additional Amount Of Insurance
- Rule **518**. Sinkhole Collapse Coverage
- Rule **527**. Student Away From Home
- Rule **528**. Home Business Insurance Coverage
- Rule **605**. Other Structures Rented To Others – Residence Premises

COMPANION REVISION

We are simultaneously revising our forms, which are being distributed under a separate Notice.

REVISED PAGE(S)

HO-i thru HO-xii

HO-1 thru HO-43

PAGE CHECKLIST

Included in this distribution is a page checklist displaying the latest page numbers and edition dates.

REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- Refer to individual state notices for the approval/implementation circular references.
- LI-HO-2010-076 (04/16/2010) Homeowners 2011 Multistate Rules Revision To Be Submitted

Filing Reference(s):

- HO-2010-RRU10

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**HOMEOWNERS POLICY PROGRAM MANUAL
PAGE CHECKLIST – MULTISTATE**

THIS MANUAL PAGE CHECKLIST DISPLAYS THE LATEST PAGE INFORMATION AS OF 5-11.

NOTE: ALWAYS USE THE EDITION NUMBER TO DETERMINE THE LATEST PAGE.

IF YOUR MANUAL PAGES DO NOT COINCIDE WITH THIS LISTING, CONTACT THE CUSTOMER SUPPORT CENTER FOR THE NECESSARY MATERIAL TO UPDATE YOUR MANUAL.

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	NUMBER	DATE		NUMBER	DATE
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HO-i thru HO-v HO-vi HO-vii thru HO-xii	2nd 3rd 2nd	5-11 5-11 5-11	HO-RX-1 thru HO-RX-22	1st	12-09

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**PART I
COVERAGE AND DEFINITION TYPE RULES**

**RULE 100.
INTRODUCTION**

A. About The Homeowners Manual

The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the company for each coverage shall govern in all cases not specifically provided for in this Manual.

B. Manual Structure

1. Contents

The Manual is divided into two primary sections, multistate general rules and state rules and rates.

2. General Rules

These rules are grouped into the following categories:

- a. Part I – Coverage And Definition Type Rules,
- b. Part II – Servicing Type Rules,
- c. Part III – Base Premium Computation Rules,
- d. Part IV – Adjusted Base Premium Computation Rules,
- e. Part V Section I – Property – Additional Coverages And Increased Limits Rules,
- f. Part VI Section II – Liability – Additional Coverages And Increased Limits Rules, and
- g. Part VII Section II – Liability – Other Exposures Increased Limits Rules.

3. State Rules And Rates

These rules are grouped into the following categories:

- a. Exceptions and Additional Rules,
- b. Special State Requirements,
- c. Territory Definitions,
- d. Base Class Premium Tables,
- e. Classification and Key Factor Tables, and
- f. Rates, Charges and Credits.

Also, where ISO does not publish any state pages containing premiums, rates, charges and credits expressed in dollars and cents, each company using this Manual should furnish its manualholders with the state rate pages containing this information.

4. Form References

The Manual refers to Forms **HO 00 02, HO 00 03, HO 00 04, HO 00 05, HO 00 06** and **HO 00 08**. These Form references are identified as follows:

- a. Homeowners 2 Broad Form **HO 00 02,**
- b. Homeowners 3 Special Form **HO 00 03,**
- c. Homeowners 4 Contents Broad Form **HO 00 04,**
- d. Homeowners 5 Comprehensive Form **HO 00 05,**
- e. Homeowners 6 Unit-Owners Form **HO 00 06** and
- f. Homeowners 8 Modified Coverage Form **HO 00 08.**

**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS**

A. Limits

The limits of liability required under the Homeowners Policy are as follows:

1. Section I – Property Damage

Coverage A – Dwelling	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages. For HO 00 06 refer to Rule 507.A.
Coverage B – Other Structures	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	10% of A (One- and two-family dwelling) 5% of A (Three- and four-family dwelling)
Coverage C – Personal Property	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06	50% of A (One- and two-family dwelling) 30% of A (Three-family dwelling) 25% of A (Four-family dwelling) Refer to Rule 301. in the state classification pages.
Coverage D – Loss Of Use	
HO 00 02, HO 00 03 or HO 00 05 HO 00 04 HO 00 06 HO 00 08	30% of A 30% of C 50% of C 10% of A

Table 101.A.1. Property Damage Limits

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**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS (Cont'd)**

2. Section II – Liability (All Forms)

Coverage E – Personal Liability And Coverage F – Medical Payments*
Refer to Rule 301. in the state classification pages.
* Unless otherwise stated, Coverage E limits apply on an "occurrence" basis; Coverage F limits apply on an "each person" basis.

Table 101.A.2. Liability Limits

B. All Forms

The limit of liability for Coverages **C** or **D** of Section **I** and **E** or **F** of Section **II** may be increased.

C. Form HO 00 02, HO 00 03 Or HO 00 05

Under Coverage **B** of Section **I**, an additional amount of insurance may be written on a specific structure.

Under Coverage **C** of Section **I**, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one- and two-family dwelling; 20% of the limit of a three-family dwelling; and 15% of the limit of a four-family dwelling.

D. Form HO 00 06

The limit of liability for Coverage **A** of Section **I** may be increased.

E. Form HO 00 08

1. Section I

The following are the only Section **I** options available with this form:

- a. \$100 Section **I** Deductible,
- b. Higher Optional Deductibles,
- c. On- and Off-premises Theft Coverage Increase,
- d. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing, and
- e. Reduced Coverage **C** Limits.

2. Section II

All options available for Form **HO 00 02** are available for Form **HO 00 08**.

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**RULE 102.
DESCRIPTION OF COVERAGES**

The following is a general description of the coverages provided by the individual Homeowners Policy forms. The policy should be consulted for exact contract conditions.

A. Section I – Property – Perils Insured Against

Perils	HO 00 02	HO 00 03	HO 00 04 And HO 00 06	HO 00 05	HO 00 08
Fire or Lightning	Yes	Yes*	Yes	Yes**	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes	Yes*	Yes	Yes**	Yes
Vandalism or malicious mischief	Yes	Yes*	Yes	Yes**	Yes
Theft	Yes	Yes*	Yes	Yes**	Yes
Volcanic eruption	Yes	Yes*	Yes	Yes**	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge or overflow of water or steam, Sudden and accidental tearing apart of a heating system or appliance for heating water, Freezing, Sudden and accidental damage from artificially generated electrical current.	Yes	Yes*	Yes	Yes**	No
Additional risks with certain exceptions	No	Yes***	No	Yes****	No
* Special Coverage (Coverages A and B), Named Peril (Coverage C)					
** Special Coverage (Coverages A , B and C)					
*** Special Coverage (Coverages A , B and D)					
**** Special Coverage (Coverages A , B , C and D)					

Table 102.A. Perils Insured Against

B. Section II – Liability – All Forms

1. Coverage E – Personal Liability

Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

2. Coverage F – Medical Payments To Others

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

**RULE 103.
MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under both Sections **I** and **II** of the Homeowners Policy.

**RULE 104.
ELIGIBILITY**

A. All Forms Except HO 00 04 And HO 00 06

A Homeowners Policy may be issued:

1. To the owner-occupant(s) of a one-, two-, three- or four-family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs **F**. and **H**.). A one-family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a two-, three- or four-family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long-term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement – **HO 04 41**; or

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**RULE 104.
ELIGIBILITY (Cont'd)**

3. To the occupant of a dwelling under a life estate arrangement when the Coverage **A** amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement **HO 04 41**; or
4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.
5. When two or more apartment units in a two-, three- or four-family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**. A separate Homeowners Policy **HO 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**.

B. Form HO 00 04

A Homeowners Policy may be issued to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Policy under Paragraph **A**.

provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraph **F.**). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

C. Form HO 00 06

A Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Paragraphs **F.** and **H.**). The unit may not be occupied by more than one additional family or two boarders or roomers.

D. Seasonal Dwelling

Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling.

E. Mobile Home, Trailer Home Or House Trailer

A Homeowners Policy:

1. Shall not be issued to cover such structures under Coverage **A** – Dwelling, but
2. May be issued to cover personal property in such structures as noted in Paragraph **B**.

F. Permitted Business Occupancies

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rules **509.** and **510.** for Section **I** Coverage and Rules **607.** and **608.** for Section **II** Coverage. When it is conducted from an Other Residence, only Section **II** Coverage is available. Refer to Rules **607.** and **608.**

G. Farm Property

A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company, except as noted in following Paragraphs **1.** and **2.:**

1. Section I – Property – Livestock Collision

Coverage may be provided for loss due to collision which results in the death of covered livestock owned by an insured and kept either on or away from the residence premises as specified in Rule **520.**

2. Section II – Liability Coverage

Certain farm liability exposures may be covered. Refer to Rules **614.** and **615.**

H. Residence Held In Trust (All Forms Except HO 00 04)

A Homeowners Policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or a condominium unit when legal title to the dwelling or unit is held in trust and:

1. One of the occupants of the dwelling or condominium unit is the grantor/settlor of the trust;
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph **F.**; and
3. No trustee of the trust is:
 - a. A partnership or joint venture;
 - b. A corporation;
 - c. A limited liability company;

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**RULE 104.
ELIGIBILITY (Cont'd)**

- d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
- e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this Paragraph e. does not apply to an individual who is a relative of the grantor/settlor of the trust.

Refer to Rule 526. for the rule of application.

**RULE 105.
SECONDARY RESIDENCE PREMISES**

A. Application

Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.

B. Premium Adjustment

When coverage is provided on the initial and secondary residence premises under separate policies in the same company, the following premium adjustments should be made:

1. Reduce the Base Premium for the policy covering the secondary residence by the company credit;
2. Refer to state company rates for credit; and
3. Add the charge for Other Insured Location Occupied by Insured, developed from Rule 602., to the policy covering the initial residence.

**RULE 106.
PROTECTION CLASSIFICATION INFORMATION**

Determine the ISO Public Protection classification; refer to ISO's Community Mitigation Classifications (CMC) Manual, applicable to the municipality or classified area where the insured property is located.

**RULE 107.
CONSTRUCTION DEFINITIONS**

A. Frame

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior walls of combustible construction veneered with brick or stone.

C. Masonry

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground).

D. Superior Construction

1. Non-Combustible

Exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

2. Masonry Non-Combustible

Exterior walls constructed of masonry materials (as described in Paragraph C.) and floors and roof of metal or other non-combustible materials.

3. Fire Resistive

Exterior walls and floors and roof constructed of masonry or other fire resistive materials.

E. Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class as masonry.

**RULE 108.
SEASONAL DWELLING DEFINITION**

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

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**RULE 109.
SINGLE AND SEPARATE BUILDINGS DEFINITION**

A. Single Building

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

B. Separate Building

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:
 - a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or
 - b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

**RULES 110. – 200.
RESERVED FOR FUTURE USE**

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**PART II
SERVICING TYPE RULES**

**RULE 201.
POLICY PERIOD**

The policy may be written for a period of:

- A.** One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms and endorsements then in effect for the company.
- B.** Three years prepaid at three times the annual premium.
- C.** Three years in annual installments. Each annual installment shall be the annual premium then in effect for the company. Use Deferred Premium Payment Endorsement **HO 04 18**.
- D.** Less than one year or less than three years on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the company.

**RULE 202.
CHANGES OR CANCELLATIONS**

- A.** It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B.** If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirement.

**RULE 203.
MANUAL PREMIUM REVISION**

A manual premium revision shall be made in accordance with the following procedures:

- A.** The effective date of such revision shall be as announced.
- B.** The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C.** Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect
 - 1.** In-force policy forms, endorsements or premiums, until the policy is renewed, or
 - 2.** In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

**RULE 204.
MULTIPLE COMPANY INSURANCE**

A. Application

1. Section I Property

- a.** When the companies agree to do so, insurance under Section I may be divided among two or more companies on a percentage basis.
- b.** The same form, Section I endorsements and deductibles, must apply to all policies.
- c.** All Section I Coverages must be divided.
- d.** Scheduled Personal Property Coverages may be divided.

2. Section II Liability

Insurance under Section II shall not be divided among two or more companies.

B. Endorsement

Use Multiple Company Insurance Endorsement **HO 04 78**.

C. Premium

- 1.** Compute the premium for the Total Coverage **A** limit of liability and additional Section I Coverages, if any, from the manual of each company.
- 2.** Each company subtracts the credit for deleting Section II Coverage from the premium computed as instructed in Paragraph 1.
- 3.** Refer to state company rates for the Section II credit.
- 4.** Allocate to each company their percentage participation of the net total premium under Paragraph 2.
- 5.** The company retaining the Section II Coverages receives, in addition to the percentage share of its premium under Paragraph 4., the amount subtracted from its premium under Paragraph 2. plus any premium for additional Section II limits and exposures.

D. Example

- 1.** The example following Paragraph 4. illustrates two companies equally sharing the Section I Property Coverages and Limits, with one company, Company B, retaining all the Section II Liability Coverages and Limits.
- 2.** Company A and B each enter:
 - a.** On their respective policy Declarations, the actual limits for Section I Coverages **A, B, C** and **D** for which they are responsible; and
 - b.** On Multiple Company Insurance Endorsement **HO 04 78**, the total limits that apply to each of the Section I Coverages.

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**RULE 204.
MULTIPLE COMPANY INSURANCE (Cont'd)**

3. Company B also enters, on its policy Declarations, the total limits that apply to Section II Coverages E and F.
4. Premiums shown are for illustration only and are not actual premiums.

Each Company's:	Company A	Company B
Percentage share	50%	50%
Premium for \$100,000 Cov. A	\$ 620	\$ 606
Section II Credit	18	18
Net Premium for \$100,000 Cov. A	602	588
Net Premium for \$50,000 Cov. A	301	294
Premium for:		
Section II Coverage	-	18
Watercraft Option	-	36
Each Company's Policy Premium	301	348

Table 204.D.4. Example

**RULE 205.
MINIMUM PREMIUM**

- A. For prepaid policies a minimum **annual** premium shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than the minimum premium for each annual period.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.
- D. Refer to state company rates for the minimum premium.

**RULE 206.
TRANSFER OR ASSIGNMENT**

Subject to the consent of the company, all the rules of this Manual and any necessary adjustment of premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

**RULE 207.
WAIVER OF PREMIUM**

- A. When a policy is endorsed after the inception date, an amount of additional or return premium may be waived.
- B. Refer to state company rates for premium.

**RULE 208.
WHOLE DOLLAR PREMIUM RULE**

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**RULE 209.
RESTRICTION OF INDIVIDUAL POLICIES**

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

**RULE 210.
REFER TO COMPANY**

Refer to company for:

- A. Rating or classifying any risk for which there is no manual rate.
- B. Situations where a portion of the property and/or liability coverage is reinsured on a facultative basis.

The following rating procedure is available for the determination of the applicable premium:

1. Manual rules and rates shall apply to the portion of the property and/or liability limit(s) of liability retained by the company.
2. For any portion of the limit(s) of liability obtained by means of facultative reinsurance, the premium shall be the facultative cost for such insurance increased by a charge up to but not exceeding 50% of the facultative cost.

With respect to premium developed in accordance with this Paragraph 2., the company is responsible for maintaining complete files, including all details relating to selection of the premium charge.

Whenever a risk is rated on a refer-to-company basis, each company is responsible for complying with regulatory or statutory rate filing or disclosure requirements.

Note

Rates shall not be inadequate, excessive or unfairly discriminatory.

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**RULE 211.
ADDITIONAL INTEREST**

- A.** In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is **not** provided to such persons or organizations under Additional Insured Endorsement **HO 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph **D**.
- B.** Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C.** No additional charge is made for use of this endorsement.
- D.** Use Additional Interest Residence Premises Endorsement **HO 04 10**.

**RULES 212. – 300.
RESERVED FOR FUTURE USE**

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**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 301.
BASE PREMIUM COMPUTATION**

The Base Premium is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).

A. All Forms Except HO 00 04 And HO 00 06

1. One And Two Family Dwelling

- a. From the company Base Class Premium Table, select the **HO 00 03** premium for the territory that applies.
- b. From the Classification Tables in this Manual, select the Form and Protection – Construction Classification Factors that apply.
- c. Multiply the company Base Class Premium by the Form Factor and round to the nearest whole dollar.
- d. Multiply this result by the Protection – Construction Classification Factor and round, again, to the nearest whole dollar to arrive at the Key Premium.
- e. From the Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph **C.** of this rule.
- f. Multiply the Key Premium from Paragraph **d.** by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

2. Three And Four Family Dwelling

Multiply the One and Two Family Dwelling Base Premium by the three and four family factor from the Classification Tables in this Manual to arrive at the Base Premium.

B. Form HO 00 04 Or HO 00 06

1. From the company Base Class Premium Table, select the **HO 00 04** or **HO 00 06** premium for the territory that applies.
2. From the Form **HO 00 04** or **HO 00 06** Classification Table in this Manual, select the Protection – Construction Classification Factor that applies.
3. Multiply the company Base Class Premium by the Protection – Construction Classification Factor and round to the nearest whole dollar to arrive at the Key Premium.
4. From the Form **HO 00 04** or **HO 00 06** Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph **C.** of this rule.
5. Multiply the Key Premium from Paragraph **3.** by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

C. Interpolation Example

1. When the desired limit of liability is **less** than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:

- a. \$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.
- b. For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r} 2.937 \\ - 2.837 \\ \hline .100 \div 5 = .02 \end{array}$$

- c. Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r} .02 \\ \times 3 \\ \hline .06 + 2.837 = 2.897 \end{array}$$

- d. The result, 2.897, is the Key Factor for this example.
2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this Manual.

**RULE 302.
LOSS SETTLEMENT OPTIONS**

A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

3. Premium Computation

Develop the Base Premium in accordance with Rule **301.** for the amount of insurance selected for this option.

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**RULE 302.
LOSS SETTLEMENT OPTIONS (Cont'd)**

4. Endorsement

Use Functional Replacement Cost Loss Settlement Endorsement **HO 05 30**.

B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

The premium is computed by multiplying the Base Premium by the appropriate factor from the following table:

Coverage A Limit Of Liability Equals Less Than ____% Of Replacement Value	Factor
80%, but not less than 50%	1.05
Less than 50%	1.10

Table 302.B.3. Factors

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81**.

C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage **A** limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
50%	1.60
60%	1.33
70%	1.14

Table 302.C.3.a. Factors

- b. Develop a Base Premium in accordance with Rule **301**. for the amount of insurance computed in preceding Paragraph **a**.

- c. Multiply the premium determined in preceding Paragraph **b**. by the appropriate factor from the following table:

% Of Replacement Value	Factor
50%	.96
60%	.97
70%	.98

Table 302.C.3.c. Factors

4. Endorsement

Use Special Loss Settlement Endorsement **HO 04 56**.

**RULE 303.
ORDINANCE OR LAW COVERAGE – ALL FORMS
EXCEPT HO 00 08**

A. Basic Limit

The policy automatically provides up to 10% of the Coverage **A** limit of liability (or for Form **HO 00 04**, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount Of Coverage

1. Description

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted in Paragraph **2**. to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

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**RULE 303.
ORDINANCE OR LAW COVERAGE – ALL FORMS
EXCEPT HO 00 08 (Cont'd)**

2. Premium Determination

a. Forms HO 00 02, HO 00 03 And HO 00 05

To develop the Base Premium multiply the premium computed in accordance with Rule 301. by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors
Increase In Amount	Total Amount	
15%	25%	1.03
40%	50%	1.07
65%	75%	1.11
90%	100%	1.15
For each add'l 25% increment, add:		.04

Table 303.B.2.a. Factors

b. Forms HO 00 04 And HO 00 06

See Rule 513. for rating instructions.

3. Endorsement

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement **HO 04 77**.

**RULE 304.
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04
AND HO 00 06**

A. Coverage Description

1. Coverage **C** – Personal Property under Forms **HO 00 04** and **HO 00 06** is insured against perils named in the form. The policy may be endorsed to insure Coverage **C** against additional risks of physical loss subject to certain exclusions.
2. This option may only be used when:
 - a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another; or
 - b. For Form **HO 00 06**, the condominium or cooperative unit is owner occupied and not rented to others.

B. Premium Computation

Multiply the Form **HO 00 04** or **HO 00 06** Base Premium developed in accordance with Rule 301. by 1.40.

C. Endorsement

1. Use Special Personal Property Coverage Endorsement **HO 05 24** for use with **HO 00 04** only.
2. Use Unit-Owners – Coverage **C** – Special Coverage Endorsement **HO 17 31** for use with **HO 00 06** only.

**RULE 305.
LOSS HISTORY RATING PLAN**

A. Introduction

The Loss History Rating Plan recognizes the loss history of an insured or applicant, for both property and liability coverages, in determining the appropriate premium for a new or renewal policy.

B. Eligibility

A loss shall be considered eligible for rating under this Plan if:

1. The loss occurred during the three years immediately preceding the date of application for a new policy or the preparation of the renewal policy;
2. The loss occurred with respect to a risk eligible for coverage under the Homeowners Policy Program or Mobilehome Supplement to the Homeowners Policy Program;
3. The loss was sustained with respect to the property or liability of an insured under the policy being rated; and
4. The combined claim payments generated for the loss equal or exceed \$500.

C. Exceptions

The following shall not be considered eligible for rating under the Plan:

1. A loss resulting from windstorm or hail.
2. A loss resulting from earthquake, mine subsidence or sinkhole collapse.
3. A loss for which payment occurred only with respect to Medical Payments To Others or similar coverage.
4. A loss to a dwelling currently owned by an insured or applicant which occurred prior to ownership.

D. Refund Of Increased Premium

If, after an increased premium is generated based on the requirements of this Plan, it is determined that a loss does not meet the requirements of this Plan, the insurer shall refund the increased portion of the premium attributable to such loss as generated by the Plan.

E. Administration Of Loss History Rating Plan

Information necessary to determine the loss history of the named insured or applicant shall be obtained from any one or combination of the following:

1. An application signed by the applicant.
2. A loss history or claims history database.
3. A company's internal records.

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**RULE 305.
LOSS HISTORY RATING PLAN (Cont'd)**

F. Premium Computation

Multiply the Base Premium by the appropriate factor from the following table:

Number Of Eligible Losses	Factor
0	1.000
1	1.200
2	1.300
3	1.400
4 or More	1.500

Table 305.F. Premium Computation

**RULES 306. – 400.
RESERVED FOR FUTURE USE**

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**PART IV
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 401.
SUPERIOR CONSTRUCTION**

The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry Base Premium for a comparable dwelling or apartment unit by a factor of .85.

**RULE 402.
TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT
HO 00 04 And HO 00 06**

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Townhouse And Row House Factors

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1–8	9 & Over
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
9 & Over	Refer to company	
3 Or 4 Family Dwelling		
5 – 8	1.15	1.20
9 & Over	Refer to company	

* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

Table 402. Townhouse And Row House Factors

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis.

C. Endorsement

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

D. Scheduled Personal Property

1. When the Scheduled Personal Property Endorsement **HO 04 61** is attached to a policy with Endorsement **HO 04 90**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

2. Since the loss settlement condition in Endorsement **HO 04 61** will pay the insured the least of the:

- a. Actual cash value of the property sustaining loss;
- b. The amount for which the property could be repaired or replaced; or
- c. The amount of insurance of the property sustaining loss;

the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

E. Scheduled Personal Property (With Agreed Value Loss Settlement)

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement **HO 04 60** is attached to a policy with Endorsement **HO 04 90**, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

F. Premium Determination

Multiply the Base Premium including any premium adjustment for Coverage **C** limits by a factor of:

1. 1.15 for all forms except **HO 00 04** and **HO 00 06**.
2. 1.35 for Forms **HO 00 04** or **HO 00 06**.

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**RULE 404.
PROTECTIVE DEVICES**

A. Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium – computed by multiplying the Base Premium by the selected factors from the following table:

Protective Devices Factors

Type Of Installation*	Factor
Central Station Reporting Burglar Alarm	.95 to 1.00
Central Station Reporting Fire Alarm	.95 to 1.00
Police Station Reporting Burglar Alarm	.97 to 1.00
Fire Department Reporting Fire Alarm	.97 to 1.00
Local Burglar and/or Fire Alarm	.98
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.87 to 1.00
Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.92 to 1.00
* Refer to company for eligibility, types of systems and devices, installations, and available credits.	

Table 404.A. Protective Devices Factors

B. Use Premises Alarm Or Fire Protection System Endorsement **HO 04 16**.

**RULE 405.
INFLATION GUARD – ALL FORMS EXCEPT HO 00 04
AND HO 00 06**

A. Coverage Description

The policy may be endorsed to provide annual increases of the Section I Limits of Liability as selected by the insured.

B. Premium Computation

1. The premium is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Amount Of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
Each Add'l 4% over 8% add:	.02

Table 405.B.1. Inflation Guard Factors

2. The premium for a 3 year policy is 3.2 times the annual policy premium.

C. Endorsement

Use Inflation Guard Endorsement **HO 04 46**.

**RULE 406.
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule **505**.

A. Base Deductible

\$500 Deductible.

B. Optional Lower Deductibles

1. Additional Premium Charge

- a. The options in Paragraphs **2.** and **3.** are subject to a minimum and maximum additional premium charge.
- b. Refer to the state company rates for these charges.

2. \$100 And \$250 All Perils Deductibles

To compute the premium for these options, multiply the Base Premium by the factor selected from the state exception pages.

3. \$100 All Perils/\$250 Theft Deductible

This option applies to all forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage Endorsement and **HO 00 06** with Unit-owners Coverage **C** (Special Coverage) Endorsement.

- a. The \$250 Theft Deductible applies to Coverage **C** – Personal Property and is available only when:
 - (1) A \$100 deductible applies to All Other Perils; or
 - (2) A higher deductible applies to the peril of Windstorm or Hail and a \$100 deductible applies to All Other Perils.

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**RULE 406.
DEDUCTIBLES (Cont'd)**

- b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by the factor selected from the state exception pages.

- c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors in the state exception pages for the Windstorm or Hail Deductibles.

C. Optional Higher Deductibles

1. All Perils Deductible

To compute the premium for this deductible type, multiply the Base Premium by the factor selected from the state exception pages.

2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)

a. Deductible Amounts

This option provides for higher Theft deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

b. Endorsement

An endorsement is not required.

c. Declarations Instructions

Separately enter, on the policy Declarations, the deductible amounts that apply to Theft and All Other Section I Perils.

d. Deductible Application

In the event of a theft loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

e. Use Of Factors

The factors for Form HO 00 04 and Form HO 00 06 Theft Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Theft Deductible.

f. Deductible Factors

(1) Form HO 00 04

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the state exception pages.

(2) City And Other Than City Territories (Form HO 00 04 Only)

Refer to state Territory Pages, Paragraph 2.A. for a listing of City Territories and 2.B. for Other Than City Territories.

(3) Form HO 00 06

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the state exception pages.

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with the deductible applicable to All Other Section I Perils.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, 5%, 7.5% and 10% of the Coverage A limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement HO 03 12.

(3) Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

(a) Deductible – Windstorm or Hail 1% of Coverage A limit and \$500 for All Other Perils.

(b) Deductible – Windstorm or Hail 2% of the Coverage A limit, \$500 for Theft of Personal Property and \$100 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

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**RULE 406.
DEDUCTIBLES (Cont'd)**

(5) Use Of Factors

The factors for the Windstorm or Hail Deductibles incorporate the factors for the All Peril Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Base Premium by the factor selected from the state exception pages.

b. Higher Fixed-dollar Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000, \$5,000, \$7,500 and \$10,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

An endorsement is not required.

(3) Declarations Instructions

Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm or Hail and \$500 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors for the Windstorm or Hail Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Base Premium by the factor selected from the state exception pages.

**RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05**

A. Introduction

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage **A** only or for Coverages **A**, **B**, **C**, and **D** when loss, to property insured under Coverage **A** – Dwelling, exceeds the limit of liability shown in the policy Declarations.

C. Options Available

When either of the following options is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

1. Specified Additional Amount Of Insurance For Coverage A Only

- a. An additional amount of insurance equal to 25% or 50% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to property insured under Coverage **A** – Dwelling exceeds the Coverage **A** limit of liability shown in the Declarations.

The additional amount **cannot** be applied to any other coverage nor does it increase the Coverage **A** limit.

- b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Options	Factor
25%	1.03
50%	1.06

Table 407.C.1.b. Additional Amounts Of Insurance Factors

- c. Use Specified Additional Amount Of Insurance For Coverage **A** Endorsement **HO 04 20**.

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**RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05 (Cont'd)**

2. Additional Limits Of Liability For Coverages A, B, C, And D

a. This option differs from Paragraph C.1., in that the Coverage A limit of liability is increased, after a loss, to the amount necessary to repair or replace the damaged or destroyed property. The limits of liability for Coverages B, C, and D will also be increased by the same percentage applied to the Coverage A limit.

When the loss to such property, exceeds the Coverage A limit, the policy is endorsed, retroactive to the date of loss, to the limit needed to settle the loss.

b. The premium is computed by multiplying the Base Premium by a factor of 1.15.

c. Use Additional Limits of Liability for Coverages A, B, C, and D Endorsement HO 04 11.

D. Endorsement Exception

Do not use either endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage of replacement value is attached to the policy.

**RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING
– ALL FORMS EXCEPT HO 00 04**

A. Introduction

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

B. Coverage Description

The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.

C. Premium Determination

To develop a premium for this option, multiply the Base Premium by a factor of .99.

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except HO 00 04) Endorsement HO 04 93.

**RULE 409.
REPLACEMENT COST LOSS SETTLEMENT FOR
CERTAIN NON-BUILDING STRUCTURES – FORMS
HO 00 02, HO 00 03 AND HO 00 05**

A. Introduction

The policy provides actual cash value loss settlement for non-building structures covered under Coverage B, or specifically scheduled under this policy.

B. Coverage Description

The policy may be endorsed to provide repair or replacement cost loss settlement for the following types of non-building structures only if they are located on the residence premises:

1. Reinforced masonry walls;
2. Metal or fiberglass fences;
3. Fences made of plastic/resin materials such as polyvinylchloride;
4. Patios, walks (not made of wood or wood products);
5. Driveways; or
6. Inground or semi-inground:
 - a. Swimming pools;
 - b. Therapeutic baths; or
 - c. Hot tubs;

with walls and floors made of reinforced masonry, cement, metal or fiberglass. However, replacement cost loss settlement does not apply to equipment and accessories attached to or made to be attached to the superstructure of the pool, therapeutic bath or hot tub.

C. Premium Computation

The premium is computed by multiplying the Base Premium by a factor from the following table:

Types Of Non-building Structures	Factors
Inground or semi-inground swimming pools, therapeutic baths or hot tubs	1.05
All Other	1.02

Table 409.C. Types Of Non-building Structures

D. Endorsement

Use Replacement Cost Loss Settlement For Certain Non-building Structures On The Residence Premises Endorsement HO 04 43.

E. Endorsement Exception

This loss settlement condition does not apply to covered property insured under Coverage B – Other Structures Away From The Residence Premises Endorsement HO 04 91 and Specific Structures Away From The Residence Premises Endorsement HO 04 92.

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RULE 410. BUILDING CODE EFFECTIVENESS GRADING

This rule does not apply to Mobile or Trailer homes.

A. General Information

1. The Building Code Effectiveness Grading Schedule (BCEGS) develops a grade of 1 to 10 for a community based on the adequacy of its building code and the effectiveness of its enforcement of that code. Policies which cover the perils of Windstorm or Hail or Earthquake may be eligible for special rating treatment, subject to the criteria in the following paragraphs. The BCEGS factor applies, where applicable, in addition to the Public Protection Classification factors.
2. In some communities, two BCEGS classifications may be assigned. One classification for personal lines indicated next to "PERS" will apply to personal lines properties. The other classification indicated next to "COML" will apply to commercial lines properties. The ISO Community Mitigation Classifications will indicate the application of each classification.
3. Refer to the ISO Community Mitigation Classifications (CMC) Manual for the BCEGS classifications for a community, and their effective dates.

B. Community Grading

1. The BCEGS classification applies to any building that has an original certificate of occupancy dated the year of the effective date of the community grading, or later. A rating factor has been developed for each community classification.
2. If a community is regraded subsequent to its initial grading, the factor for the revised grade applies to buildings that have an original certificate of occupancy dated the year of the effective date of the revised grading, or later.
3. Where certificates of occupancy are not issued, equivalent documentation acceptable to the company may be used.
4. If, due to an addition or alteration, the original building is changed to comply with the latest building code, the factor for the community classification applicable at the time the reconstruction is completed will apply to such building.
5. The BCEGS classification may apply to Windstorm Or Hail or Earthquake, or to both. Specific information is provided in the ISO Community Mitigation Classifications (CMC) Manual. If the grade in the manual does not apply to one of the perils, the factor should not be applied for that peril.

C. Individual Grading

Where buildings have been built in full conformance with the natural hazard mitigation elements of one of the nationally recognized building codes even though the community grade is greater than 1, exception rating procedures may apply.

1. Any building may be classified as a 1 for Windstorm/Hail upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with one of the three nationally recognized building codes with respect to mitigation of the windstorm or hail hazard. This classification is effective only from the date of the certification.
2. Any building may be classified as a 1 for Earthquake upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with the earthquake mitigation elements of one of the three nationally recognized building codes. This classification is effective only from the date of the certification.

D. Ungraded Risks

Buildings which do **not** meet the criteria in Paragraph **B.** or **C.** for classification assignment are rated and coded as ungraded risks. Do **not** classify as a 10.

E. Premium Credit Computation

1. Community Grading

a. Windstorm Or Hail

Compute the premium credit as follows:

- (1) Multiply the Base Class Premium by the appropriate factor in Paragraph **E.1.c.(1)** located in the state exceptions; and
- (2) Multiply the result from preceding Paragraph (1) by the Key Factor for the desired amount of insurance.

b. Earthquake

When Earthquake Endorsement **HO 04 54** is attached to the policy, multiply the Earthquake Base Premium by the appropriate factor in Paragraph **E.1.c.(2)** located in the state exceptions.

c. Credit Factors

Refer to state exceptions for state-specific factors.

2. Individual Grading

For any building classified as a 1 based upon certification as set forth in Paragraph **C.**, use the appropriate factor listed under Paragraph **E.1.c.** located in the state exceptions.

**RULES 411. – 500.
RESERVED FOR FUTURE USE**

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**PART V
SECTION I – PROPERTY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES**

**RULE 501.
BUILDING ADDITIONS AND ALTERATIONS AT OTHER
RESIDENCES**

A. Coverage Description

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the **HO 00 04** Key Factor for "Each Add'l \$1,000" by the **HO 00 04** Key Premium.

C. Endorsement

Use Building Additions And Alterations Other Residence Endorsement **HO 04 49**.

**RULE 502.
BUILDING ADDITIONS AND ALTERATIONS –
INCREASED LIMIT – HO 00 04**

A. Coverage C Increase

The limit of liability of 10% of Coverage **C** may be increased.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the **HO 00 04** Key Factor for "Each Add'l \$1,000" by the **HO 00 04** Key Premium.

C. Endorsement

Use Building Additions And Alterations Increased Limit Form **HO 00 04** Endorsement **HO 04 51**.

**RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT**

A. On-premises

1. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500.
2. Refer to state company rates for each \$2,500 increase.
3. The limit of liability in excess of \$2,500 does not apply to:
 - a. Business property in storage or held as a sample or for sale or delivery after sale;
 - b. Business property pertaining to a business actually conducted on the residence premises.

4. The property described in Paragraphs **3.a.** and **3.b.** are covered under the following optional endorsements:

- a. Permitted Incidental Occupancies;
- b. Home Day Care; or
- c. Home Business Insurance Coverage.

B. Off-premises

When the on-premises limit is increased, the off-premises limit of \$1,500 is automatically increased, at no additional charge, to an amount that is 60% of the total on-premises limit of liability.

C. Endorsement

Use Increased Limits On Business Property Endorsement **HO 04 12**.

**RULE 504.
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD
OR ACCESS DEVICE, FORGERY AND COUNTERFEIT
MONEY**

A. Coverage Increase

The limit of \$500 may be increased. An additional rate is to be charged.

B. Premium

Refer to state company rates for an additional charge.

C. Endorsement

Use Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage Increased Limit Endorsement **HO 04 53**.

**RULE 505.
EARTHQUAKE COVERAGE**

A. Coverage Description

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section **I** Coverages for the same limits provided in the policy. Use Earthquake Endorsement **HO 04 54**.

B. Deductible

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability are included in this rule.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A**, **B**, and **C**.

Earthquake rates are displayed for the 5% and 10% deductible in the state company rates. Credit factors for deductible percentage amounts of 15%, 20% and 25% are provided in Paragraph **E**. Premium for Higher Deductibles of this rule.

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**RULE 505.
EARTHQUAKE COVERAGE (Cont'd)**

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates. Use Loss Assessment Coverage For Earthquake Endorsement **HO 04 36** for all forms.

D. Base Premium

Develop the base premium as follows:

1. From the state company rates determine whether Construction Table **A**, **B**, and/or **C** applies for the appropriate deductible.
2. Determine the Earthquake territory according to the ZIP code of the residence premises from the State Territory Definitions pages in this manual.
3. For Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, add the results of the following three steps:
 - a. Multiply the Coverage **A** limit by the rate found in Column A of the table;
 - b. If the Coverage **C** limit is increased, multiply the rate found in Column D by the amount of the increase; and
 - c. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.
4. For Form **HO 00 04**, add the results of the following two steps;
 - a. Multiply the Coverage **C** limit by the rate found in Column B of the table; and
 - b. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.
5. For Form **HO 00 06**, add the results of the following three steps:
 - a. Multiply the Coverage **C** limit by the rate found in Column C of the table;
 - b. Multiply the Coverage **A** limit by the rate found in Column E of the table; and
 - c. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.

6. Building Or Non-building Structure Items – All Forms:

Multiply the rate in Column G of the table by the appropriate limit of liability for the following Building or Non-building Structure items, as applicable, and add to the applicable premium determined in Paragraph **3.**, **4.** or **5.**:

- a. Other Structures – Structures Rented To Others Residence Premises;
 - b. Other Structures On The Residence Premises – Increased Limits;
 - c. Specific Structures Away From The Residence Premises;
 - d. Building Additions And Alterations – Other Residence; and
 - e. Building Additions And Alterations Increased Limit Form **HO 00 04**.
7. Ordinance Or Law – Basic And Increased Limit – All Forms:

When the basic Ordinance or Law Coverage limit is increased the earthquake premium is developed based on the increased limit of insurance.

- a. For Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, multiply the rate determined in Paragraph **3.a.** by the appropriate factor selected from Rule **303.B.2.a.**
- b. For Forms **HO 00 04** and **HO 00 06**, the premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit. The rate for each additional \$1,000 of insurance is determined as follows:
 - (1) For Form **HO 00 04**, multiply the rate in Column G of the table by .30.
 - (2) For Form **HO 00 06**, multiply the rate in Column E of the table by .30.and add to the applicable premium determined in Paragraph **4.** or **5.**

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**RULE 505.
EARTHQUAKE COVERAGE (Cont'd)**

E. Premium For Higher Deductibles

Multiply the Earthquake base premium determined in Paragraph **D.** for the 10% deductible by the appropriate factor from the following table:

Deductible Percentage	Factor		
	Frame	Masonry	Superior
15%	.80	.85	.75
20%	.65	.70	.60
25%	.50	.60	.45

Table 505.E. Higher Deductibles Factor

F. Building Code Effectiveness Grading

Refer to Rule **410.** for information which may affect Earthquake rating.

**RULE 506.
FIRE DEPARTMENT SERVICE CHARGE**

The limit of \$500 may be increased subject to the rules and rates of the company.

**RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06**

A. Basic Limits

The policy automatically provides a basic Coverage **A** limit of \$5,000 on a named perils basis. If increased limits are not desired, enter "\$5,000" under Coverage **A** – Dwelling in the Policy Declarations.

B. Increased Limits

The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional \$1,000 of insurance, multiply the **HO 00 06** Key Factor for "Each Add'l \$1,000" by the **HO 00 06** Key Premium.

C. Special Coverage

The Section **I** Perils Insured Against may be broadened to cover additional risks of loss. The additional premium is developed as shown in the state company rates.

D. Endorsement

Use Unit-Owners Coverage **A** – Special Coverage Endorsement **HO 17 32.**

**RULE 508.
FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS**

A. Coverage C And Section II Liability

1. There is no coverage for Coverage **C** – Personal Property and Section **II** Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft.
2. The Coverage **C** minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$10,000.

B. Premium Computation

Multiply the Coverage **C** Base Premium (reflecting the credit or surcharge for optional deductibles) by a factor of .25.

C. Endorsement

Use Unit-Owners Rental To Others Endorsement **HO 17 33.**

**RULE 509.
HOME DAY CARE COVERAGE**

A. Coverage Description

Coverage for a home day care business is limited under Section **I** and excluded under Section **II**. The policy may be endorsed to provide expanded Section **I** Coverage and Section **II** Coverage on a home day care business in the dwelling or in an other structure on the residence premises. Use Home Day Care Coverage Endorsement **HO 04 97** for Sections **I** and **II** Coverage.

B. Other Structures

If the home day care business is located in an other structure, Coverage **B** does not apply to that structure. See Paragraph **D.** for charge for specific insurance on the structure.

C. Personal Property

The home day care endorsement also covers personal property pertaining to this business within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A.**

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**RULE 509.
HOME DAY CARE COVERAGE (Cont'd)**

D. Premium Computation

1. Section I

- a. If the home day care business is located in the dwelling, no additional charge is made.
- b. If the business is located in an other structure, charge the amount per \$1,000 of specific insurance on the structure.
- c. Refer to state company rates for rate to be charged.

2. Section II

Refer to Rule **607**. in the state company rates to develop the premium for the increased Coverages **E** and **F** exposure.

**RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE PREMISES**

A. Coverage Description

Coverage for a permitted incidental occupancy is limited under Section **I** and excluded under Section **II**. The policy may be endorsed to provide expanded Section **I** Coverage and Section **II** Coverage on a permitted incidental occupancy in the dwelling or in an other structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement **HO 04 42** for Sections **I** and **II** Coverage.

B. Permitted Incidental Occupancies

Examples of such occupancies are Offices, Schools or Studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

C. Other Structures

If the permitted incidental occupancy is located in an other structure, Coverage **B** does not apply to that structure. See Paragraph **E**. for charge for specific insurance on the structure.

D. Personal Property

The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A**.

E. Premium Computation

1. Section I

- a. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.

- b. If the permitted incidental occupancy is located in an other structure, charge the amount per \$1,000 of specific insurance on the structure.

- c. Refer to state company rates for rate to be charged.

2. Section II

Refer to Rule **608**. in the state company rates to develop the premium for the increased Coverages **E** and **F** exposure.

**RULE 511.
SUPPLEMENTAL LOSS ASSESSMENT COVERAGE**

A. Residence Premises

1. Coverage Description

The policy automatically provides, under Section **I** Additional Coverage and Section **II** Additional Coverage, a limit of \$1,000 each for assessments relating to the residence premises, excluding assessments resulting from the peril of earthquake. (Refer to Rule **505**. Earthquake Coverage for the Earthquake rule of application.)

2. Higher Limits

The policy may be endorsed to provide a single additional amount of insurance to be applied to one or more assessments arising out of a single loss covered under:

- a. Either Section **I** Additional Coverage or Section **II** Additional Coverage; or
- b. Both Section **I** and Section **II** Additional Coverages.

3. Premium

Refer to the state company rates for the additional charge.

B. Additional Locations

1. Coverage Description

- a. The policy may be endorsed to provide loss assessment coverage pertaining to additional locations for the insured's share of loss assessments arising out of a single loss covered as noted in Paragraph **A.2**.

- b. No more than two additional locations can be written in addition to the residence premises.

2. Premium

Refer to the state company rates for the additional rates which apply to each location covered.

C. Endorsement

Use Supplemental Loss Assessment Coverage Endorsement **HO 04 35**.

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**RULE 512.
LOSS OF USE – INCREASED LIMIT**

- A. When the limit of liability for Coverage **D** is increased, charge the rate per \$1,000 of additional insurance.
- B. Refer to state company rates for rate to be charged.

**RULE 513.
ORDINANCE OR LAW INCREASED AMOUNT OF
COVERAGE – HO 00 04 AND HO 00 06**

A. Coverage Increase

- 1. The basic amount of coverage may be initially increased to 100% of the Form **HO 00 04** Building Additions and Alterations limit or 50% of the Form **HO 00 06** Coverage **A** limit.
- 2. The amount may be further increased in 25% increments above those listed in Paragraph 1.

B. Premium Determination

- 1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
- 2. The premium for each additional \$1,000 of insurance is developed by multiplying the **HO 00 04** or **HO 00 06**, whichever is appropriate, Key Factor for "Each Add'l \$1,000" by .30 and then multiplying that amount by the appropriate Key Premium.

**RULE 514.
OTHER STRUCTURES**

A. On-Premises Structures

When insurance is written on a specific structure on the residence premises the rates per \$1,000 of insurance shall apply separately to each structure.

1. Specific Structure – Increased Limits

a. Premium

Refer to state company rates.

b. Endorsement

Use Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48**.

2. Structure On The Residence Premises Rented To Others

a. Premium

Use the sum of:

- (1) The rate per \$1,000 of insurance shown in the state company rates, and
- (2) The premium for the increased Coverages **E** and **F** exposure, as developed from the Section **II** rules of this Manual.

- b. Use Structures Rented to Others – Residence Premises Endorsement **HO 04 40**.

B. Structures Off The Residence Premises

1. Forms HO 00 02, HO 00 03 And HO 00 05

a. Coverage Description

- (1) The policy automatically provides Coverage **B** – Other Structures on a blanket basis to structures located on the residence premises.
- (2) This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

b. Premium

Refer to state company rates for rate to be charged.

c. Endorsement

Use Other Structures Away From The Residence Premises **HO 04 91**.

2. All Forms

a. Premium

- (1) When insurance is written on a specific structure located away from the residence premises, the rate per \$1,000 of insurance shall apply separately to each location.
- (2) Refer to state company rates for rate to be charged.

b. Endorsement

Use Specific Structures Away From Residence Premises Endorsement **HO 04 92**.

**RULE 515.
PERSONAL PROPERTY**

A. Increased Limit

- 1. The limit of liability for Coverage **C** may be increased.
- 2. Charge the additional company rate per \$1,000 of insurance.
- 3. Refer to state company rates for additional charge.

B. Increased Limits – Other Residences

- 1. Coverage for personal property usually located at other residences is limited in the policy form to 10% of Coverage **C** or \$1,000, whichever is greater. This limit may be increased.

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**RULE 515.
PERSONAL PROPERTY (Cont'd)**

2. Charge the additional company rate per \$1,000.
3. Refer to state company rates for additional charge.
4. Use Increased Limits On Personal Property In Other Residences Endorsement **HO 04 50**.

C. Increased Limit – Self-storage Facilities

1. Coverage for personal property located in self-storage facilities is limited in the policy form to 10% of Coverage **C**, or \$1,000, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000.
3. Refer to state company rates for the additional charge.
4. Use Increased Amount Of Insurance For Personal Property Located In A Self-storage Facility Endorsement **HO 06 14**.

D. Reduction In Limit

1. The limit of liability for Coverage **C** may be reduced in accordance with Rule **101.C**.
2. Refer to state company rates for credit.

E. Increased Special Limits Of Liability

1. The Special Limits of Liability in the policy form for the categories of property noted in the following table may be increased to the maximum limits shown:

Personal Property	Limit In Form	Maximum Limit Allowed
1. Jewelry, Watches and Furs	\$ 1,500	\$ 6,500*
2. Money	200	1,000
3. Securities	1,500	3,000
4. Silverware, Goldware and Pewterware	2,500	10,000**
5. Firearms	2,500	6,500***
6. Portable Electronic Equipment in or upon a motor vehicle	1,500	6,000**
* Not exceeding \$1,000 for any one article		
** Increase must be in increments of \$500		
*** Increase must be in increments of \$100		

Table 515.E.1. Special Limits

2. Refer to state company rates for additional charges.
3. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 04 65** – for all forms except as noted in Paragraph 4.
4. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 04 66** for Form **HO 00 05**, Form **HO 00 04** with Endorsement **HO 05 24** and Form **HO 00 06** with Endorsement **HO 17 31**.

F. Refrigerated Personal Property

1. The policy may be endorsed to provide \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.
2. A deductible of \$100 applies.
3. Refer to state company rates for the additional charge.
4. Use Refrigerated Property Coverage Endorsement **HO 04 98**.

G. Theft Coverage Increase – HO 00 08

1. On-premises

The \$1,000 limit for On-premises Theft Coverage may be increased to an aggregate limit of \$3,000 or \$5,000.

2. Off-premises

When On-premises Theft Coverage is increased, a limit of \$1,000 may be provided for Off-premises Theft Coverage.

3. Premium

Refer to state company rates for additional charge.

4. Endorsement

Use Theft Coverage Increase Endorsement **HO 04 30**.

**RULE 516.
PERSONAL PROPERTY – SCHEDULED**

A. Introduction

Coverage may be provided on scheduled personal property subject to the rules and rates of the Company.

B. Loss Settlement

1. Endorsement **HO 04 61** provides for standard loss settlement for all classes of property except Fine Arts; and agreed value loss settlement for Fine Arts.
2. Endorsement **HO 04 60** provides for agreed value loss settlement for the following classes:
 - a. Cameras
 - b. Furs
 - c. Golfer's Equipment
 - d. Jewelry
 - e. Musical Instruments
 - f. Silverware
 - g. Stamps and Rare Coins

This endorsement may also be used for scheduled articles of Fine Arts.

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**RULE 516.
PERSONAL PROPERTY – SCHEDULED (Cont'd)**

C. Endorsements

1. Use Scheduled Personal Property Endorsement **HO 04 61** for standard loss settlement or agreed value loss settlement for fine arts.
2. Use Scheduled Personal Property (with Agreed Value Loss Settlement) Endorsement **HO 04 60** for agreed value loss settlement.

**RULE 517.
RENTAL TO OTHERS - EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH
HO 05 24 OR HO 00 06 WITH HO 17 31**

A. Coverage Description

The policy may be endorsed to insure against loss by theft to covered property when all or part of the residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders.

B. Premium

Refer to the state company rates for additional charge.

C. Endorsement

Use Extended Theft Coverage For Residence Premises Occasionally Rented To Others Endorsement **HO 05 41**.

**RULE 518.
SINKHOLE COLLAPSE COVERAGE – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06**

A. Coverage Description

The policy may be endorsed to provide Sinkhole Collapse Coverage.

B. Premium Determination

1. Refer to state company rates; and
2. Multiply the rate per \$1,000 by:
 - a. Coverage **A** amount of insurance;
 - b. Increased Limits for Coverages **C** and **D**;
 - c. Loss Assessment Coverage, increased limits and additional locations;
 - d. Ordinance Or Law Coverage, basic amount and, if applicable, increased amount of coverage; or
 - e. Other Building or Structure options, for example: Other Structures Rented To Others (Residence Premises) Endorsement **HO 04 40**; Other Structures (Increased Limits) Endorsement **HO 04 48**; Specific Structures Away From The Residence Premises Endorsement **HO 04 92**; and Building Additions And Alterations (Other Residence) Endorsement **HO 04 49**.

C. Endorsement

Use Sinkhole Collapse Endorsement **HO 04 99**.

**RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 05 24 OR
HO 00 06 WITH HO 17 31**

A. Coverage Description

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

B. Premium

Refer to state company rates for additional charge.

C. Endorsement

Use Special Computer Coverage Endorsement **HO 04 14**.

**RULE 520.
LIVESTOCK COLLISION COVERAGE**

A. Coverage Description

When the policy is endorsed with either Incidental Farming Personal Liability Endorsement **HO 24 72** or Farmers Personal Liability Endorsement **HO 24 73**, the policy may also be endorsed to cover loss resulting in death of covered livestock resulting from:

1. Collision or overturn of a vehicle on which the livestock are being transported; or
2. Livestock running into or being struck by a vehicle.

B. Coverage Exclusion

Coverage is excluded if a vehicle owned or operated by an insured or an insured's employee:

1. Collides with the vehicle on which the livestock are being transported; or
2. Strikes the livestock.

C. Premium

1. Each horse, mule or head of cattle under one year of age at the time of loss will be counted as 1/2 head.
2. No deductible applies to this coverage.
3. The limit per head of livestock is \$400.
4. Refer to state company rates for charge.

D. Endorsement

Use Livestock Collision Coverage Endorsement **HO 04 52**.

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**RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR
OVERFLOW COVERAGE**

A. Coverage Description

The policy forms exclude coverage for loss resulting from water or waterborne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

When the optional Limited Water Back-up And Sump Discharge Or Overflow Coverage endorsement is attached to the policy, coverage is provided with respect to direct physical loss, not caused by the negligence of an "insured", to property covered under Section I, caused by water or waterborne material which originates from within the dwelling where the named insured resides and backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment. The basic limit is \$5,000. Unless increased limits are selected, the basic limit must be entered on the coverage endorsement or the policy Declarations.

B. Increased Limits

The limit may be increased to \$10,000, \$15,000, \$20,000 or \$25,000. The limit selected is entered on the coverage endorsement or the policy Declarations.

C. Premium

Refer to state company rates for the additional charge.

D. Endorsement

Use Limited Water Back-up And Sump Discharge Or Overflow Coverage Endorsement **HO 04 95**.

**RULE 522.
LANDLORDS FURNISHINGS**

A. Basic Limit

Forms **HO 00 02**, **HO 00 03** and **HO 00 05** automatically cover, on a named perils basis (except Theft), landlord furnishings in an apartment on the residence premises regularly rented or held for rental. The basic limit per apartment unit is \$2,500.

B. Increased Limits

The basic limit of \$2,500 may be increased in increments of \$500 up to a total of \$10,000 per apartment. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.

C. Premium

Refer to state company rates for additional charge.

D. Endorsement

Use Landlord's Furnishings Endorsement **HO 05 46**.

**RULE 523.
ASSISTED LIVING CARE COVERAGE**

A. Introduction

The policy provides coverage to named insureds and resident relatives who are members of the insured's household.

B. Coverage Description

1. The policy may be endorsed to provide personal property, additional living expense and personal liability coverage to a person regularly residing in an Assisted Living Care facility, provided such person:
 - a. Is related to an insured by blood, marriage or adoption; and
 - b. Is not a member of that insured's household.
2. An assisted living care facility is a facility that provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities. It is **not** a hospice, prison or rehabilitation facility.
3. The endorsement provides the following basic limits of coverage:
 - a. \$10,000 for Coverage **C** – Personal Property with limitations ranging from \$100 to \$500 for certain items of property;
 - b. \$6,000, at \$500 per month, for Additional Living Expenses; and
 - c. \$100,000 for Coverage **E** – Personal Liability.

C. Premium

Refer to state company rates for additional charge.

D. Endorsement

Use Assisted Living Care Coverage Endorsement **HO 04 59**.

**HOMEOWNERS POLICY PROGRAM MANUAL
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**RULE 524.
OTHER MEMBERS OF A NAMED INSURED'S
HOUSEHOLD**

A. Introduction

The policy provides coverage to named insureds, resident relatives who are members of the insured's household and persons under the age of 21 who are in the care of an insured.

B. Coverage Description

1. The policy may be endorsed to provide coverage to a person who is a member of the named insured's household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder or tenant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.
2. All coverages and provisions under Sections I and II of the policy that apply to insureds also apply to the persons described in Paragraph 1. except Coverages A, B and D (Fair Rental Value only).

C. Premium

Refer to state company rates for additional charge.

D. Endorsement

Use Other Members Of Your Household Endorsement **HO 04 58**.

**RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS
COVERAGE**

A. Coverage Description

The policy may be endorsed to provide coverage for physical loss to a motorized golf cart, including permanently installed accessories, equipment and parts, owned by an insured.

Also covered, for an amount equal to 10% of the limit of the highest scheduled cart, are accessories, equipment or parts designed or made solely for the cart that are **not** permanently installed provided such property is at an insured's residence or in or upon the cart off the insured's residence at the time of loss.

Coverage for loss caused by collision is optional and only applies if declared on the schedule of the endorsement.

B. Eligibility

To be eligible for coverage, the motorized golf cart shall be of the type designed to carry up to four people on a golf course for the purpose of playing golf and shall not have been built, or modified after manufacture, to exceed a speed of 25 m.p.h. on level ground.

Read the endorsement for all conditions of coverage.

C. Limit Of Liability

The limit of liability shall be selected by the insured. However, that limit should be representative of the actual cash value of the motorized golf cart including any permanently installed accessories, etc.

D. Deductible

A deductible amount of \$500 applies separately to each involved golf cart and, separately to Section I Property Coverages if not in or upon a golf cart at the time of loss.

The \$500 deductible replaces any other deductible in the policy with respect to property covered under the endorsement.

E. Premium

Rate each cart separately using the premium per \$500 of insurance. Refer to the state company rates for additional charge.

F. Endorsement

Use Owned Motorized Golf Cart – Physical Loss Coverage Endorsement **HO 05 28**.

**RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT
HO 00 04**

A. Coverage

A Homeowners Policy may be endorsed to insure a trustee, and if applicable, a trust:

1. Under Section I – Property Coverages, for any insurable interest in the dwelling or other structure held in trust; and
2. Under Section II – Liability Coverages, for bodily injury or property damage liability arising out of the ownership, maintenance or use of an insured location held in trust.

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RULE 526. RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT HO 00 04 (Cont'd)

B. Endorsement

1. Use Trust Endorsement **HO 06 15**.
2. The following must be shown in the endorsement:
 - a. The name and address of the Trust; and
 - b. The name and address of the trustee(s).
3. The Trust may also be listed as an Insured if the Trust can be recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction.

C. Premium

Refer to state company rates for the additional charge.

RULE 527. STUDENT AWAY FROM HOME

A. Introduction

The policy provides coverage for a full-time student, who was a resident of the named insured's household before moving out to attend school and is under the age of:

1. 24 and a relative of the named insured; or
2. 21 and in the care of the named insured or a resident relative.

B. Coverage Description

The policy may be endorsed to provide coverage for other types of students who were residents of the named insured's household before moving out to attend school. For example, part-time students or students 24 or older.

C. Premium Determination

Refer to state company rates for additional charge.

D. Endorsement

Use Additional Insured – Student Living Away From The Residence Premises Endorsement **HO 05 27**.

RULE 528. HOME BUSINESS INSURANCE COVERAGE

A. Eligibility

1. The Home Business Insurance Coverage endorsement may be used in conjunction with a Homeowners Policy to cover the Section I and Section II exposures of a permitted business.

2. To be eligible for coverage under this endorsement, a risk must meet at least the following criteria:

a. The home business:

- (1) Must be owned by the named insured or by a partnership, joint venture or other organization comprised only of the named insured and resident relatives;
- (2) Must be operated from the residence premises that is declared on the Homeowners Declarations and used principally for residential purposes;
- (3) May be operated from the home and/or other structure on the residence premises;
- (4) May have up to three employees; and
- (5) May not involve the:

- (a) Manufacture, sale or distribution of food products;
- (b) Manufacture of personal care products such as shampoo, hair color, soap, perfume or other like items applied to the body or consumed; or
- (c) Sale or distribution of personal care products **manufactured by the insured** such as shampoo, hair color, soap, perfume or other like items applied to the body or consumed;

- b. For all business classifications described in Paragraph **C**. that follows, the Gross Annual Receipts of the home business may not exceed \$250,000.
3. Certain businesses may be **ineligible** for coverage under this endorsement. Refer to company for its underwriting instructions.
4. When a permitted business that is operated from the residence premises is afforded coverage under either the Permitted Incidental Occupancy or Home Day Care Coverage endorsement, that business may not be afforded coverage under the Home Business endorsement.

B. Classifications

The four principal classifications of business accommodated in this rule follow. Refer to company for the businesses that are eligible within each of these classifications and name and describe the business in the Schedule that is part of the endorsement:

1. Office

Use this classification when the business involves professional or administrative activities for its customers. It could apply to businesses like accounting, resume writing, telephone answering, etc.

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**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

2. Service

Use this classification when the business provides repair or other services for its customers. It could apply to businesses like bicycle repair, clock/jewelry repair, housecleaning, videotaping, etc.

3. Sales

Use this classification when the business involves product sales, other than crafts made in the home or other structure and sold from the home or other locations. It could apply to businesses involving the sale of books and magazines, costume jewelry, plants and flowers, stationery/other paper products, etc.

4. Crafts

Use this classification when the business involves selling, from the home, other structure or other locations, crafts made in the home or other structure. It could apply to crafts like ceramics, dolls, flower arrangements, quilts, etc.

C. Coverages

1. Section I – Property

The Home Business endorsement:

- a. Provides coverage for the property of the described business and for property of others in the care of the business up to the Coverage C limit of liability entered on the Homeowners Declarations. Therefore, the Coverage C limit should reflect the values of the personal and business property to be insured;
- b. Provides coverage for:
 - (1) Accounts receivable (\$5,000 limit);
 - (2) Loss of business income/extra expense (actual cost for a maximum of 12 months); and
 - (3) Valuable papers (\$2,500 limit); and
- c. Increases the Coverage C Special Limits of Liability on:
 - (1) Money to \$1,000;
 - (2) Credit Cards to \$1,000; and
 - (3) Business property away from the residence premises to \$5,000.

2. Section II – Business Liability

- a. The Home Business endorsement provides coverage for such business liability exposures as premises operations, products-completed operations, advertising injury, and personal injury. The limits of liability for these coverages are on an annual aggregate basis and are determined in the following manner:

- (1) For Products-completed Operations Hazard Liability, the limit is the **same as** the Coverage E limit shown in the Homeowners Declarations;

- (2) For All Other Business Liability, the limit is **twice the sum** of the combined Coverage E and Coverage F limits shown in the Homeowners Declarations; and

- (3) For the Coverage F Sublimit of Liability, the limit is the **same as** the Coverage F limit shown in the Homeowners Declarations.

- b. The limit of liability for Additional Coverage C Damage To Property Of Others is increased to \$2,500.

3. Professional Liability

No professional liability coverage is provided in the Home Business endorsement.

4. Computer-related Damage Or Injury Exclusion And Coverage Options

a. Exclusions

- (1) Coverage for loss or damage caused by, resulting from, or arising out of the failure of computers and electronic componentry to properly recognize a particular date or time may be excluded. Under Section I, the exclusion applies to any date or time, including the Year 2000 and beyond. Under Section II, the exclusion applies only to the Year 2000 and beyond, but does not apply to bodily injury that occurs on the covered premises from which the business is conducted.

- (2) Use Sections I and II Exclusions for Computer-related Damage Or Injury Endorsement **HO 07 58**.

b. Sections I And II Limited Coverage

When Endorsement **HO 07 58** is attached to the policy, the policy may be further endorsed to provide:

- (1) Section I coverage for Business Income and Extra Expense when computer system, appliances, equipment, or protective devices used for business fail to operate because of the Year 2000 and renders the business structure unfit for habitation; or renders an off-premises computer used in the business operations at the structure deficient and inoperative; and

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**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

(2) Section II coverage for claims or suits alleging bodily injury away from the residence premises and property damage, personal injury, or advertising injury arising out of a computer failure as defined in the endorsement. Such coverage is subject to the Coverage E and F limits of liability stated in the schedule of the Home Business Insurance Coverage endorsement.

(3) Use Sections I and II – Limited Coverage For Year 2000 Computer-related And Other Electronic Problems Endorsement **HO 07 59**.

c. Premium

Refer to company.

D. Home Business Premium Computation

1. Development Of The Home Business Premium

Add the Section I and Section II premium components developed according to Paragraphs 2. and 3. that follow, to arrive at the Home Business premium.

2. Section I – Property

a. From the state company rates, select the Base Class Premium that applies to the residence premises with the home business and multiply it by the appropriate factor in the following table:

Gross Annual Receipts*	HO 00 02, 3, 5 & 8	HO 00 04	HO 00 06
Up to \$50,000	Refer to state exceptions for State-specific factors.		
\$ 50,001 to \$100,000			
100,001 to 175,000			
175,001 to 250,000			
* New business, use \$50,001 to \$100,000 classification			

Table 528.D.2.a. Factors

b. Multiply the result computed in Paragraph a. by the rating factors in the Homeowners manual for the following risk categories:

- (1) Protection-construction (Rule 301. Classification Table) – apply the factor that applies to **HO 00 04** regardless of the Homeowners form attached to the policy; and
- (2) Superior Construction (Rule 401.) and Protection Devices (Rule 404.) – apply these factors only if they are applied to the dwelling building or other structure for the residential exposure; and

(3) Townhouse or Row House Construction (Rule 402.) in the following manner:

(a) For All Forms except **HO 00 04** and **HO 00 06**, apply the same factor used for the residential exposure; or

(b) For Forms **HO 00 04** and **HO 00 06**:

(i) Apply the factor for the number of individual family units within a fire division that best describes the building that contains the residential and business property; or

(ii) If such building has nine or more individual family units within a fire division, apply the factor for the five through eight units' classification.

c. When a home business is operated from one or more other structures on the residence premises and declared in the Schedule, multiply the limit of liability for each structure by the "premium per \$1,000" shown in Rule 514. Paragraph A.1.a. in the Homeowners state company rates.

3. Section II – Business Liability

a. Basic Limits Premium

Select the company basic limits premium that applies to the Office, Service, Sales or Crafts classification from the Home Business state company rates,

b. Coverage E – Increased Limits

(1) When the Coverage E limit is increased for Homeowners Insurance, the Home Business limits shall also be increased as illustrated in following Paragraph (2).

(2) Multiply the company's basic limits premium determined in Paragraph a. by the appropriate factor from the following table:

Increased Limits Of Liability				
Homeowners		Home Business		
Coverage E Personal Liability	Coverage F Med. Pay'ts To Others	Products-Completed Operations	All Other Liability	In-creased Limit Factor
\$ 200,000	\$ 1,000	\$ 200,000	\$ 402,000	1.15
300,000	1,000	300,000	602,000	1.24
400,000	1,000	400,000	802,000	1.30
500,000	1,000	500,000	1,002,000	1.35

Table 528.D.3.b.(2) Factors

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**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

c. Coverage F – Increased Limits

- (1) When the Coverage F limit is increased for Homeowners Insurance, the Home Business Coverage F limit shall also be increased.
- (2) Select the premium for the desired increased limit from the Home Business state company rates.
- (3) Add the premium determined in Paragraph (2) to the premium developed in Paragraph a. or b. to compute the Section II premium component.

E. Endorsement

Use Home Business Insurance Coverage Endorsement **HO 07 01**.

F. Options

The following options may only be used when the Home Business Coverage endorsement is attached to the policy:

1. Additional Insured

a. Managers Or Lessors Of Premises Leased To An Insured

(1) Coverage

Covers persons or organizations designated on the endorsement for their liability as owners of designated premises leased to the named insured.

(2) Premium

Refer to state company rates.

(3) Endorsement

Use Additional Insured – Managers Or Lessors Of Premises Leased To An Insured Endorsement **HO 07 50**.

b. Vendors

(1) Coverage

Provides coverage for liability arising out of the vendor's sale or distribution of the named insured's products.

(2) Premium

Refer to company.

(3) Endorsement

Use Additional Insured – Vendors Endorsement **HO 07 51**.

2. Loss Payable Condition

a. Coverage

Enables the naming of a loss payee, lender's loss payee, or loss payable under a contract-of-sale arrangement.

b. Premium

No charge is made for this endorsement.

c. Endorsement

Use Loss Payable Provisions Endorsement **HO 07 52**.

3. Personal And Advertising Injury Exclusion

a. Coverage

Excludes all Personal and Advertising Injury Coverage.

b. Premium

Refer to company.

c. Endorsement

Use Exclusion – Personal And Advertising Injury Endorsement **HO 07 53**.

4. Liquor Liability Exclusion And Exception For Scheduled Activities

a. Coverage

This endorsement excludes liability coverage for:

- (1) Manufacturing, selling or distributing alcoholic beverages or;
- (2) Serving or furnishing alcoholic beverages with a charge whether or not such activity requires a license and;
- (3) Serving or furnishing of alcoholic beverages without a charge, if a license is required for such activity.

This exclusion does not apply to bodily injury or property damage arising out of the selling, serving or furnishing of alcoholic beverages for an activity or function described in the Schedule of this endorsement.

b. Premium

Refer to company.

c. Endorsement

Use Liquor Liability Exclusion And Exception For Scheduled Activities Endorsement **HO 07 54**.

5. Special Coverage – Spoilage Of Perishable Stock

a. Coverage

Provides special coverage for the perishable stock specifically listed in the Schedule of Endorsement **HO 07 55**. The limit of liability is also listed in the endorsement.

b. Premium

Refer to state company rates.

c. Endorsement

Use Special Coverage – Spoilage Of Perishable Stock Endorsement **HO 07 55**.

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**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

6. Valuable Papers And Records Endorsements

a. Increased Limits

(1) Coverage

The Home Business Insurance Coverage endorsement provides a basic limit of \$2,500 for Valuable Papers and Records Coverage. This limit may be increased. The amount is specified in the Schedule of Endorsement **HO 07 56**.

(2) Premium

Refer to state company rates.

(3) Endorsement

Use Valuable Papers And Records Coverage Increased Limits Endorsement **HO 07 56**.

b. Special Coverage

(1) Coverage

Extends the basic \$2,500 limit of liability for Valuable Papers and Records Coverage from:

(a) Named-perils in Forms **HO 00 02, HO 00 03, HO 00 04** and **HO 00 06**; and

(b) Special Coverage in Forms **HO 00 05, HO 00 04** with **HO 05 24** and **HO 00 06** with **HO 17 31**;

to expanded special coverage. Increased Limits for expanded special coverage are also available.

(2) Premium

Refer to state company rates.

(3) Endorsement

Use Special Coverage Valuable Papers And Records Endorsement **HO 07 57**.

7. Off-premises Property Coverage – Increased Limits

a. Endorsement

Coverage for business property, other than money and securities, that is away from the residence premises at the time of loss may be increased from \$5,000 to \$10,000. Check the appropriate box in the schedule of the Home Business endorsement.

b. Premium

Refer to state company rates.

**RULE 529.
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA
COVERAGE**

A. Coverage Description – Basic Limits

When the optional Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

1. Section I – Fungi, Wet Or Dry Rot, Or Bacteria

\$10,000, on an aggregate basis, to pay for loss and associated costs to covered real or personal property, owned by an insured, that is damaged by fungi or wet or dry rot, or bacteria on the "residence premises" as defined in the coverage endorsements. If the basic limit is selected, it is entered on the coverage endorsements or the policy Declarations.

This coverage applies only to the policy period in which the loss or costs occur.

2. Section II – Fungi, Wet Or Dry Rot, Or Bacteria

\$50,000, on an aggregate basis, to pay for damages because of bodily injury or property damage involving the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungi, wet or dry rot, or bacteria. If the basic limit is selected, it is entered on the coverage endorsements or the policy Declarations.

B. Increased Limits

1. Section I – Fungi, Wet Or Dry Rot, Or Bacteria

a. Limits may be increased to \$25,000 or \$50,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

b. Refer to Paragraph **C.** for premium computation instructions.

2. Section II – Fungi, Wet Or Dry Rot, Or Bacteria

a. Limits may be increased to \$100,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

b. Refer to Paragraph **C.** for premium computation instructions.

C. Premium Computation

1. Basic Limits

There is no premium adjustment.

2. Increased Limits

Refer to state company rates for an additional charge.

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**RULE 529.
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA
COVERAGE (Cont'd)**

D. Endorsements

Use Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage Endorsement:

1. **HO 04 26** – For use with Forms **HO 00 02**, **HO 00 04** and **HO 00 06**.
2. **HO 04 27** – For use with Forms **HO 00 03** and **HO 00 05**.
3. **HO 04 28** – For use with Form **HO 00 04** with Special Personal Property Endorsement and Form **HO 00 06** with Unit-owners Coverage **C** Special Coverage Endorsement or Unit-owners Coverage **A** Special Coverage Endorsement.

**RULE 530.
IDENTITY FRAUD EXPENSE COVERAGE**

A. Coverage Description

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available to pay for expenses incurred by an insured as a direct result of any one identity fraud first discovered or learned of during the policy period. Such expenses include the costs for notarizing fraud affidavits or similar documents; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for reapplying for a loan when the application is rejected solely because the lender received incorrect credit information and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

B. Limits Of Liability

Up to \$15,000 coverage will be provided for the identity fraud of an insured discovered or first learned of during the policy period.

C. Premium Computation

Refer to state company rates for additional charge.

D. Endorsement

Use Identity Fraud Expense Coverage Endorsement **HO 04 55**.

**RULE 531.
LIMITED COVERAGE FOR THEFT OF PERSONAL
PROPERTY LOCATED IN A DWELLING UNDER
CONSTRUCTION**

A. Introduction

The policy does not cover theft of personal property in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is finished and occupied.

B. Coverage Description

The policy may be endorsed to provide theft coverage for personal property in a dwelling that is under construction but not occupied provided the dwelling is fully enclosed with windows and doors and has operational locks.

The time period for which coverage will be provided should be specified in the endorsement.

C. Premium Computation

Refer to state company rates for the charge applicable per 30-day period of coverage. The premium for this coverage shall be fully earned.

D. Endorsement

Use Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction Endorsement **HO 06 07**.

**RULES 532. – 600.
RESERVED FOR FUTURE USE**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**PART VI
SECTION II – LIABILITY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES**

**RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

A. Residence Premises

1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 301. in the state classification section. The premium for these limits is included in the Base Premium.
2. Refer to the state company rates Rule 601. for increased limits rates.
3. If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy, unless otherwise stated.

B. Other Exposures

1. There is an additional charge for Other Exposures listed in the following rules.
2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise stated.
3. For increased limits for Other Exposures, refer to Rules 701. and 702.
4. If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

C. Rates And Factors Not Shown

1. Rates and factors for limits between the lowest and highest limits shown in this Manual may be developed by interpolation.
2. For rates and factors for limits above the highest shown, refer to company.

**RULE 602.
OTHER INSURED LOCATION OCCUPIED BY INSURED**

A. Introduction

1. Section II Coverage may be provided on locations, other than the residence premises, where an insured resides, but which are insured for Section I Coverage under another insurance program or by another company.
2. Make the appropriate charge for each other insured location shown in the Declarations of this policy. If the insured location is in another state, refer to the Manual for that state.

B. Premium

Refer to the state company rates.

**RULE 603.
RESIDENCE EMPLOYEES**

- A. There is no additional charge for up to two residence employees.
- B. Refer to the state company rates to determine the premium when there are more than two residence employees.
- C. Charges do not apply to employees working less than half of the customary full time or to whom workers' compensation exclusion applies as stated in Section II of the policy.

**RULE 604.
ADDITIONAL RESIDENCE RENTED TO OTHERS**

A. Introduction

1. The policy may be endorsed to provide coverage when an additional residence is rented to others.
2. If the additional residence rented to others is in another state, refer to the Manual for that state.

B. Premium

Refer to state company rates.

C. Endorsement

Use Additional Residence Rented To Others Endorsement **HO 24 70**.

**RULE 605.
OTHER STRUCTURES RENTED TO OTHERS –
RESIDENCE PREMISES**

A. Coverage Description

1. The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes.
2. Refer to Rule 514.A.2. for rating Section I Coverage.

B. Premium

Refer to state company rates.

C. Endorsement

Use Structures Rented To Others – Residence Premises Endorsement **HO 04 40**.

**HOMEOWNERS POLICY PROGRAM MANUAL
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**RULE 606.
COMPUTER-RELATED DAMAGE OR INJURY
EXCLUSION AND COVERAGE OPTIONS**

A. Exclusions

1. When the policy covers an insured's business pursuits, home day care or other permitted business occupancies, coverage for loss caused by, resulting from or arising out of the failure of computers and electronic componentry to properly recognize a particular date or time may be excluded. Under Section I, the exclusion applies to any date or time, including the Year 2000 and beyond. Under Section II, the exclusion applies only to the Year 2000 and beyond, but does not apply to bodily injury that occurs on the covered premises from which the business is conducted.
2. Use Sections I and II Exclusions for Computer-Related Damage Or Injury Endorsement **HO 04 13**.

B. Section II Liability Limited Coverage

1. When **HO 04 13** is attached to the policy, the policy may be further endorsed to provide liability coverage for claims or suits alleging bodily injury away from the covered premises and property damage on or away from the covered premises arising out of a computer failure as defined in the endorsement. Such coverage is subject to the Coverages E and F limits of liability stated in the declarations or, if applicable, the schedule of the Home Day Care endorsement.
2. Use Section II – Limited Coverage for Year 2000 Computer-Related And Other Electronic Problems Endorsement **HO 04 15**.

C. Premium

Refer to company.

3. The annual aggregate limit of liability (Coverages E and F combined) for this endorsement is the same as the dollar amount of Coverage E shown in the Declarations. The Coverage F sub-limit for this endorsement is the same as the dollar amount of Coverage F shown in the Declaration.

C. Premium

1. Refer to state company rates.
2. This premium is for an annual aggregate limit of \$100,000 with a Coverage F sub-limit of \$1,000 per-person/per-accident. If other Section II exposures are written for higher dollar limits, use the Coverage E increased limit factors to raise the aggregate limit, and the Coverage F charges to raise the Coverage F sub-limit.
3. This premium is for 1 through 3 persons, other than insureds, receiving day care services. If the day care business involves the care of more than 3 persons, other than insureds, refer to company.
4. If the business is located in an other structure on the residence premises, also refer to Rule 509. for rating the property exposure.

**RULE 608.
PERMITTED INCIDENTAL OCCUPANCIES –
RESIDENCE PREMISES AND OTHER RESIDENCES**

A. Coverage Description

The policy may be endorsed to provide coverage for the increased exposure arising from a permitted incidental occupancy on the residence premises or in an other residence occupied by the insured.

1. Residence Premises

Use Permitted Incidental Occupancies – Residence Premises Endorsement **HO 04 42**.

2. Other Residence

Use Permitted Incidental Occupancies – Other Residence Endorsement **HO 24 43**.

B. Premium

Refer to state company rates.

**RULE 607.
HOME DAY CARE COVERAGE**

A. Coverage Description

The policy may be endorsed to provide coverage for the increased exposure arising from a home day care business on the residence premises.

B. Endorsement

1. Use Home Day Care Coverage Endorsement **HO 04 97** for Sections I and II Coverage.
2. This endorsement provides for an annual aggregate limit of liability for Coverages E and F combined. Coverage F is subject to a sub-limit of liability which applies per-person/per-accident and does not increase the aggregate limit of liability.

**RULE 609.
BUSINESS PURSUITS**

A. Coverage Description

The policy may be endorsed to provide coverage for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.

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**RULE 609.
BUSINESS PURSUITS (Cont'd)**

B. Premium

1. Refer to the state company rates for eligible business activities and rates.
2. Refer to company for eligibility and rates for business activities not listed.

C. Endorsement

Use Business Pursuits Endorsement **HO 24 71**.

**RULE 610.
PERSONAL INJURY COVERAGE**

A. Introduction

Liability coverage for personal injury arising out of specified offenses, such as false arrest, malicious prosecution, wrongful eviction, slander or libel may be added to the policy. The limit of liability for this coverage may be provided on either an "any one offense" basis or on an annual aggregate limit basis.

B. Premium

Refer to state company rates.

C. Endorsement

Use Personal Injury Coverage Endorsement **HO 24 82** for providing coverage with the limit of liability on an "any one offense" basis.

Use Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 24 10** for providing coverage with the limit of liability on an annual aggregate limit basis.

**RULE 611.
INCIDENTAL LOW POWER RECREATIONAL MOTOR VEHICLES**

A. Coverage Description

1. The policy may be endorsed to provide liability coverage with respect to certain types of recreational motor vehicles.
2. Coverage does not apply with respect to the following vehicles owned by a named insured if the occurrence takes place off the insured location:
 - a. Motorized bicycles;
 - b. Motorized golf carts;
 - c. Mopeds; or
 - d. Motorized scooters.

B. Premium

Refer to state company rates.

C. Endorsement

Use Incidental Low Power Recreational Motor Vehicle Liability Coverage Endorsement **HO 24 13**.

**RULE 612.
OUTBOARD MOTORS AND WATERCRAFT**

A. Introduction

Coverage is included in the policy form, at no additional charge, for certain watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power. Coverage is also included for watercraft powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump, of 50 horse power or less when not owned by an insured or more than 50 horse power when not owned by or rented to an insured.

B. Coverage Description

1. The policy may be endorsed to provide coverage for the following types of craft:
 - a. Watercraft, up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower; or powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump.

Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
 - b. Sailboats 26 feet or more in overall length, with or without auxiliary power.
2. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
3. For watercraft not described in preceding Paragraphs **A.** and **B.1.**, coverage is not permitted under the Homeowners Policy.
4. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the watercraft from that residence, apply the premium for that state.

C. Premium

Refer to the state company rates.

D. Endorsement

Use Watercraft Endorsement **HO 24 75**.

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**RULE 613.
OWNED SNOWMOBILE**

A. Coverage Description

1. The policy may be endorsed to provide coverage when a snowmobile is used off of the insured location.
2. Rate each snowmobile owned by the named insured or any other insured separately. This charge is the minimum annual premium for each snowmobile for any period within a policy year.

B. Premium

Refer to state company rates.

C. Endorsement

Use Owned Snowmobile Endorsement **HO 24 64**.

**RULE 614.
FARMERS PERSONAL LIABILITY**

A. Eligibility

1. The policy may be endorsed to provide coverage when the insured has a farm away from the residence premises and farming is not the insured's primary occupation.
2. This coverage may be extended to include employer's liability including medical payments, for farm employees of any insured.
3. The following may not be covered:
 - a. Farms where the principal purpose of the farm is:
 - (1) To supply commodities for manufacturing or processing by the insured for sale to others, such as creameries and dairies (but not dairy farms).
 - (2) To operate freezing or dehydrating plants, and poultry factories.

The word "processing" does not apply to the slaughtering and dressing of livestock, or to such operations as bunching vegetables or crating berries.

- b. Farms where the principal purpose of the farm is the raising and using of horses for racing purposes.
- c. Incorporated farms.

B. Endorsement

Use Farmers Personal Liability Endorsement **HO 24 73**.

C. Premium And Rating Instructions

1. Farms Owned By Insured And Operated By Insured Or Insured's Employees

Refer to the state company rates for rates for the following exposures:

- a. Initial Farm Premises with or without buildings, including all additional farm acreage (with or without buildings).
- b. For **each** additional farm premises with buildings, an additional rate applies.

2. Farms Owned By Insured And Rented To Others

Refer to the state company rates for rates for the following exposures:

- a. All Farm Premises **without** buildings.
- b. **Each** farm premises **with** buildings.

3. Farm Employees

Refer to the state company rates for rates for the following exposures:

- a. Part time employees working 40 days or fewer per year. Total the number of days worked by all employees in this category and apply the rate to that total.
- b. Part time employees working over 40 days but not more than 180 days per year.
- c. Full time employees (over 180 days per year).

Farm employees employed in violation of law may be excluded subject to the rules and rates filed by or on behalf of the Company. Use Exclusion Of Farm Employees Illegally Employed Endorsement **HO 24 96**.

**RULE 615.
INCIDENTAL FARMING PERSONAL LIABILITY**

A. On The Residence Premises

1. Coverage Description

- a. The policy may be endorsed to provide coverage for the liability of the insured when farming is conducted on the residence premises and is incidental to the use of the premises as a dwelling, and the income derived from the farming operations is not the insured's primary source of income. However, coverage is not available if the location specified in the endorsement is used for racing purposes.

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**RULE 615.
INCIDENTAL FARMING PERSONAL LIABILITY (Cont'd)**

- b. The policy may also be endorsed to provide coverage when the residence premises is used for the sheltering and grazing of animals. However, coverage is not available if the residence premises is used for racing purposes.

2. Premium

Refer to state company rates.

B. Away From The Residence Premises

1. Coverage Description

The policy may be endorsed to provide coverage for the liability of the insured whose incidental farming activities are conducted at the locations specified in the endorsement which are away from the residence premises. Such incidental farming activities may include the boarding or grazing of the insured's animals, or use of the land as garden space if the income derived from such activities is not the insured's primary source of income. However, coverage is not available if the locations specified in the endorsement are used for racing purposes.

2. Premium

Refer to state company rates.

C. Endorsement

Use Incidental Farming Personal Liability Endorsement **HO 24 72**.

**RULE 616.
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES**

A. Coverage Outline

1. Basic Limits

When the optional Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

a. Section I – Property Remediation For Escaped Liquid Fuel Coverage

\$10,000 to pay for loss to covered real or personal property, owned by an insured, that is damaged by liquid fuel that escapes from a fuel system on the residence premises as defined in the coverage endorsements. Covered real property includes land, other than farm land, owned by an insured, on which a building or structure is located.

In addition to the primary residence identified in the policy Declarations, the defined term "residence premises" also includes other locations owned by an insured but only if such locations have a fuel system, is specifically insured under Section II of the policy and is declared on the schedule in the aforementioned coverage endorsements. Enter the address of such locations on these endorsements or the policy Declarations. The other locations may be owner-occupied or rented to others.

This Property Remediation Coverage applies only for the policy period in which the insured first discovers or first learns of the escaped fuel, even if the escape began before that policy period.

b. Section II – Limited Lead And Escaped Liquid Fuel Liability Coverages

\$50,000 to pay for damages because of bodily injury or property damage involving fuel that escapes from a fuel system or involving the contamination or exposure of lead from any location insured under the policy.

2. Premium Credit

- a. Refer to state company rates for the premium credit.
- b. Subtract the premium credit from the total policy premium.

3. Fuel System

- a. "Fuel System" is defined in the coverage endorsements. Briefly, it includes one or more fuel storage containers, tanks, or vessels with a total combined capacity of 100 or more U.S. gallons at any one location and any related equipment such as a furnace, a water heater, fittings and pipes connecting a furnace or water heater to the fuel storage tank, and filler pipes and flues connected to a fuel storage tank.
- b. When the total combined storage capacity of liquid fuel at any insured location is less than 100 U.S. gallons, the:
 - (1) Property Remediation Coverage does not apply to that location; and
 - (2) Policy limits and provisions apply for Escaped Liquid Fuel Liability to that location.

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RULE 616.

OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES (Cont'd)

4. Endorsements

a. Use Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages Endorsement:

(1) **HO 05 80** – For all forms other than **HO 00 04** and **HO 00 06**.

(2) **HO 05 81** – For Form **HO 00 04**.

(3) **HO 05 82** – For Form **HO 00 06**.

b. These endorsements provide complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the limits of liability that apply to the Property Remediation Coverage and the Limited Liability Coverage on the endorsement. Also enter, on this endorsement, the address of any other location, other than the primary residence, to be insured for Property Remediation Coverage.

c. Do not use these endorsements when Farmers Personal Liability Endorsement **HO 24 73** is part of the policy.

B. Higher Limits

1. Section I – Property Remediation Coverage

a. Limits may be increased to \$25,000, \$50,000 or \$100,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

b. Refer to Paragraph **D. Rating Basis**, for premium computation instructions.

2. Section II – Escaped Fuel And Lead Liability Coverage

a. Limits may be increased to \$100,000 or \$300,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

b. Refer to Paragraph **D. Rating Basis**, for premium computation instructions.

C. Application Of Limits Of Liability

1. For Property Remediation Coverage, the limit selected is the most coverage that will be provided during the policy period regardless of the number of locations insured for Property Remediation Coverage, the number of escapes of liquid fuel from a fuel system an insured first discovers or learns of during the policy period, or the number of claims made.

2. For Limited Lead And Escaped Liquid Fuel Liability Coverage, the limit selected is an aggregate limit and is the most coverage that will be provided during the policy period regardless of the number of persons injured, the number of persons whose property is damaged, the number of insureds, the number of locations insured under this policy or the number of bodily injury or property damage claims made.

D. Rating Basis

1. Property Remediation For Escaped Liquid Fuel Coverage

a. From the Liquid Fuel Risk Selection Table located in Paragraph **4.**, select:

(1) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured for Property Remediation Coverage; and

(2) The corresponding Risk Class Number for each description identified.

b. Use the lowest Risk Class Number selected for all such locations.

2. Limited Lead And Escaped Liquid Fuel Liability Coverages

a. Liquid Fuel Hazard

(1) From the Liquid Fuel Risk Selection Table located in Paragraph **4.**, select:

(a) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured under Section **II** of the policy; and

(b) The corresponding Risk Class Number for each description identified.

(2) Use the lowest Risk Class Number selected for all such locations.

b. Lead Hazard

(1) From the Lead Risk Selection Table in Paragraph **5.**, select:

(a) The lead risk description that best describes each location **with a dwelling building**, insured under Section **II** of the policy; and

(b) The corresponding Risk Class Number for each description identified.

(2) Use the lowest Risk Class Number selected for all such locations.

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**RULE 616.
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED
LIQUID FUEL AND LIMITED LEAD AND ESCAPED
LIQUID FUEL LIABILITY COVERAGES (Cont'd)**

3. Premium Selection

From the state company rates, select the appropriate additional premium charges that correspond to the lowest Risk Class Numbers determined in Paragraphs 1. and 2.

4. Liquid Fuel Risk Selection Table

Description	Risk Class No.
(1) Liquid fuel storage containers, tanks, or vessels with a total combined storage capacity, at any one location, of 100 U.S. gallons or more are on covered real property, the location of the residence premises, or on any other insured location; and (a) One or more fuel storage containers, tanks, or vessels are partially or completely buried below ground (inside or outside of a building or structure); (b) Are all completely above ground (inside or outside of a building or structure); or	100
(2) No single location insured under this policy has an escaped fuel hazard described in preceding Items (1)(a) or (b).	*300
* This risk class number is only used when lead and escaped fuel liability increased limits is selected.	

Table 616.D.4. Liquid Fuel Risk Selection

5. Lead Risk Selection Table

Location Has A Dwelling Built	All Such Locations Are Certified Lead Safe+	Risk Class Number
Before 1980	No or Unknown	500
Before 1980	Yes	600
In 1980 or later	Not Applicable	700
+ See Paragraph 6. for Lead Safe description.		

Table 616.D.5. Lead Risk Selection

6. Lead Safe

a. Description

For the purpose of using the Lead Risk Selection Table, a location certified lead safe means that an authorized person has conducted a risk assessment in all insured locations with dwellings to determine the amount of lead, if any, in paint, dust, bare soil and drinking water and has certified that such locations meet the criteria noted in Paragraph b. Standards, that follows. The insurer may require a copy of the inspection report including laboratory results.

b. Standards

- (1) The lead content of exterior and interior paint or other surface coating applied to dwelling buildings, other structures and fixtures is less than:
 - (a) 1.0 milligram per square centimeter based on testing by XRF analysis; or
 - (b) .5% of lead by weight based on testing by atomic absorption lab analysis.
- (2) The amount of lead in interior dust particles in the dwelling building is less than:
 - (a) 40 micrograms per square foot on floors;
 - (b) 250 micrograms per square foot on interior window sills; or
 - (c) 400 micrograms per square foot on window troughs (wells).
- (3) The lead concentration in bare soil is less than 400 parts per million in any area expected to be used by children.
- (4) The lead concentration in drinking water is less than 0.015 milligrams per liter.

c. Authorized Person

For the purposes of this rule, an authorized person means:

- (1) A lead inspector, lead technician, lead risk assessor or another similarly titled person who is trained under an accredited training program and certified by an approving authority; or
- (2) A person otherwise found acceptable to the insurer;
to perform lead risk assessments in residential buildings.

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**RULE 617.
CANINE LIABILITY EXCLUSION**

A. Introduction

The policy may be endorsed, subject to written agreement between the named insured and the insurer, to exclude Coverage **E** (Personal Liability) and Coverage **F** (Medical Payments To Others) on a policy with respect to liability arising out of direct physical contact with a specifically described canine, that is owned by or in the care, custody or control of an insured.

B. Application Of Exclusion

1. The named insured must acknowledge, in writing, the Canine Liability Exclusion endorsement.
2. The Canine Liability Exclusion endorsement shall remain in effect:
 - a. For the term of the policy; and
 - b. For each renewal, reinstatement, substitute, modified, replacement or amended policy; until discontinued by the insurer.

C. Endorsement

Use Canine Liability Exclusion Endorsement **HO 24 77**.

**RULES 618. – 700.
RESERVED FOR FUTURE USE**

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**PART VII
SECTION II – LIABILITY – OTHER EXPOSURES
INCREASED LIMITS**

**RULE 701.
OTHER EXPOSURES – PERSONAL LIABILITY
INCREASED LIMITS**

Apply the appropriate factor shown in the following table to the basic limits premium for each exposure.

Limit	Factor
\$200,000	1.15
300,000	1.24
400,000	1.30
500,000	1.35

Table 701. Personal Liability Increased Limits

**RULE 702.
OTHER EXPOSURES – MEDICAL PAYMENTS TO
OTHERS INCREASED LIMITS**

Refer to the state company rates for increased limit rates.

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RATING EXAMPLES APPENDIX PAGES

RATING EXAMPLES APPENDIX

IMPORTANT NOTE

The following are examples of a method to calculate premiums using the current edition of the ISO multistate Homeowners Policy Program Manual General Rules. Any factors, loss costs, or rates contained in the examples are for illustrative purposes only.

In these examples when reference is made to applying the loss cost multiplier the resulting product is then rounded to the nearest whole dollar. This may be different from company-specific procedures.

A. Example #1 Tenant (HO 00 04)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

1234 Some Street, Anytown USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage **C** – \$10,000

Coverage **E** – \$100,000

Coverage **F** – \$1,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 2.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls constructed of brick and floors and roof of combustible construction.

Refer to Rule **107**. to determine the type of construction.

f. Building Code Effectiveness Grade

The building was constructed in 2000. The Building Code Effectiveness Grade (BCEG) as determined in 1998 for this particular community is 8.

Refer to the CMC Manual to determine the building code effectiveness grade for the community where the residence premises is located.

Refer to Rule **410**. to determine the windstorm or hail rating factor for that Building Code Effectiveness Grade.

g. Section I – Deductible

\$1,000 Theft and \$250 All Other Perils

Refer to Rule **406**. to determine the applicable rating factor for the deductible amounts selected.

h. Optional Coverages Selected

(1) Special Personal Property Coverage

Refer to Rule **304**. to determine the rating factor for this coverage.

(2) Personal Property Replacement Cost Loss Settlement

Refer to Rule **403**. to determine the applicable rating factor for this option.

i. Protective Devices Discounts Applicable To The Policy

The dwelling has automatic sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

j. Higher Limits Requested

(1) Building Additions And Alterations – Increased Limits

The policy automatically provides a limit of liability of \$1,000. The insured has requested a total Building Additions and Alterations limit of \$10,000.

Refer to Rule **502**. to determine the additional premium for this higher limit.

(2) Ordinance Or Law Increased Amount Of Coverage

The policy automatically provides up to 10% of the limit of liability that applies to Building Additions and Alterations to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. The insured has requested that coverage be increased to 100% of the Building Additions and Alterations limit.

Refer to Rule **513**. to determine the additional premium for this higher limit.

(3) Personal Property

The policy automatically provides a special limit of liability for jewelry of \$1,500. However, the insured has requested a total jewelry limit of \$5,000.

Refer to Rule **515**. to determine the additional premium for this higher limit.

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k. Policy Forms

- Homeowners 4 – Contents Broad Form
- Special Provisions Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Special Personal Property Coverage – Form **HO 00 04** Only Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Ordinance Or Law Increased Amount Of Coverage Endorsement
- Building Additions And Alterations Increased Limits Form **HO 00 04** Endorsement
- Coverage **C** Special Limits of Liability Endorsement

2. Premium Determination For The Tenant (HO 00 04) Example

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

Step		Explanation
1.	Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an HO 00 04 policy.
2.	Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
3.	Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
4.	Determine the Protection-Construction Factor	Refer to Rule 301.B.1. of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 2 and type of construction is masonry. The factor is .87.
5.	Determine the Key Premium	The Key Premium is determined by the product of Steps 3. and 4. Round to the nearest whole dollar.
6.	Determine the Key Factor	Refer to Rule 301.B.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage C . For this example, the factor is .540.
7.	Determine the Base Premium	The Base Premium is determined by the product of Steps 5. and 6. Round to the nearest whole dollar.
8.	Determine the Base Premium including Special Personal Property Coverage	Refer to General Rule 304. to determine the rating factor for special personal property coverage. For this example, the factor is 1.40. Multiply the Base Premium in Step 7. by 1.40. Round to the nearest whole dollar. Endorsement HO 05 24 must be attached to the policy.
9.	Determine the Adjusted Base Premium for the deductible amounts selected	Refer to General Rule 406. to determine the rating factor for \$1,000 Theft and \$250 All Other Perils Deductible for Coverage C Limit up to \$25,000 for a city territory. For this example, the factor is .84. Multiply the Base Premium in Step 8. by .84. Round to the nearest whole dollar.
10.	Determine the Adjusted Base Premium including the Personal Property (Coverage C) Replacement Loss Settlement	Refer to General Rule 403. to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.35. Multiply the Adjusted Base Premium in Step 9. by 1.35. Round to the nearest whole dollar. Endorsement HO 04 90 must be attached to the policy.

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Step	Explanation
11. Determine the Adjusted Base Premium including Protective Devices	Refer to General Rule 404. (Table 404.A.) to determine the rating factor for protective devices. For this example, the apartment has automatic sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector and the factor is .92. Multiply the Adjusted Base Premium in Step 10. by .92. Round to the nearest whole dollar. Endorsement HO 04 16 must be attached to the policy.
12. Determine the Adjusted Base Premium to reflect the credit for Building Code Effectiveness.	Refer to Rule 410.E.1.c. in the state exception pages to determine the rating factor for Windstorm Or Hail. For this example, the Windstorm or Hail Factor for Form HO 00 04 with a Grade of 3 is .03. To determine the Building Code Effectiveness Grade credit: a. Multiply the Base Class Premium from Step 3. by the factor in Table 410.E.1.c.(1)(b). b. Multiply the result from preceding Paragraph a. by the Key Factor for the desired amount of insurance for Coverage C. For this example, the factor is .540. Round to the nearest whole dollar. Subtract this credit from the Adjusted Base Premium developed in Step 11.
13. Determine the additional premium for increased limits of liability for Building Additions and Alterations	Refer to General Rule 502. a. Determine the premium for each additional \$1,000 of insurance by multiplying the HO 00 04 Key Factor for "Each Add'l \$1,000" found in Rule 301.B.2. of the state classification pages by the HO 00 04 Key Premium in Step 5. b. Multiply the premium for each additional \$1,000 of insurance determined in preceding Paragraph a. by the number of additional thousands for the increased limit of insurance. For this example, there is a \$9,000 increase in the limit for Building Additions and Alterations. Round to the nearest whole dollar. Add this additional premium to the premium determined in Step 12. Endorsement HO 04 51 must be attached to the policy.
14. Determine the additional premium including Ordinance Or Law Increased Amount of Coverage.	Refer to General Rule 513. a. Determine the premium for each additional \$1,000 of insurance by multiplying the HO 00 04 Key Factor for "Each Add'l \$1,000" found in Rule 301.B.2. of the state classification pages by .30 and then multiply that amount by the HO 00 04 Key Premium in Step 5. b. Multiply the result from Paragraph a. by the number of additional thousands for the increased limit of insurance. For this example, there is a \$9,000 increase in the limit for Ordinance Or Law. Round to the nearest whole dollar. Add this additional premium to the premium determined in Step 13. Endorsement HO 04 77 must be attached to the policy.
15. Determine the additional premium for increased special limits of liability for Coverage C (Jewelry)*	Refer to General Rule 515.D. to determine the loss cost per \$1,000 of increased special limits of liability. For this example, the loss cost per \$1,000 of Coverage C – Jewelry is \$10.35. a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate per \$1,000. b. Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$3,500 increase in the limit for Coverage C. Add this additional premium to the premium determined in Step 14. Endorsement HO 04 66 must be attached to the policy.

* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.

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3. Sample Calculation Of Policy Premium

a. Basic Coverage

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$32.77
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$33
4.	Protection-construction Factor	.87
5.	Key Premium	\$29
6.	Key Factor	.540
7.	Base Premium	\$16
8.	Special Personal Property Coverage Factor	1.40
	Base Premium including Special Personal Property Coverage	\$22

b. Adjusted Base Premium

9.	Higher Theft Deductible Factor	.84
	Adjusted Base Premium for Higher Theft Deductible	\$18
10.	Personal Property Replacement Cost Loss Settlement Factor	1.35
	Adjusted Base Premium including Personal Property (Coverage C) Replacement Cost Loss Settlement	\$24
11.	Protective Devices Factor	.92
	Adjusted Base Premium including Protective Devices	\$22
12.	Building Code Effectiveness Grade credit	$\$33 \times .03 \times .540 = \1
	Adjusted Base Premium including BCEG credit	\$21

c. Additional Premium

13.	Additional premium for increased limits of liability for Building Additions and Alterations	$\$29 \times .028 \times 9 = \7
14.	Additional premium for increased limits of liability for Ordinance Or Law	$(0.28 \times .30 \times \$29) \times 9 = \$2$
15.	Rate for each additional \$1,000 for increased special limits of liability for Coverage C – Jewelry	$\$10.35 \times 1.00 = \10
	Additional premium for increased special limits of liability for Coverage C – Jewelry	$\$10 \times 3.5 = \35
Whole Dollar Total Premium		\$65

B. Example #2 Condominium Unit-owner (HO 00 06)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

1234 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage A – \$15,500

Coverage C – \$50,000

Coverage D – \$25,000

Coverage E – \$200,000

Coverage F – \$2,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 2.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls and floors and roof constructed of fire-resistive materials.

Refer to Rule 107. to determine the type of construction.

Refer to Rule 401. to determine the rating factor for superior construction.

f. Building Code Effectiveness Grade

The building was constructed in 2004. The Building Code Effectiveness Grade (BCEG) as determined in 2002 for this particular community is 8.

Refer to the CMC Manual to determine the building code effectiveness grade for the community where the residence premises is located.

Refer to Rule 410. to determine the windstorm or hail rating factor for that Building Code Effectiveness Grade.

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g. Section I – Deductible

\$1,000 Theft and \$500 All Other Perils

Refer to Rule **406**. to determine the applicable rating factor for the deductible amounts selected.

h. Optional Coverages Selected

(1) Special Personal Property Coverage

Refer to Rule **304**. to determine the rating factor for this coverage.

(2) Personal Property Replacement Cost Loss Settlement

Refer to Rule **403**. to determine the applicable rating factor for this option.

(3) Unit-owners Coverage A – Special Coverage

Refer to Rule **507**. to determine the additional premium for this option.

i. Protective Devices Discount Applicable To The Policy

The dwelling has a local fire alarm.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

j. Higher Limits Requested

(1) Coverage A – Increased Limit

The basic policy provides a limit of \$5,000 for Coverage **A**. However, the insured has requested that his limits be increased by \$10,500 to \$15,500.

Refer to Rule **507**. to determine the additional premium for this higher limit.

(2) Personal Liability/Medical Payment Increased Limits

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F**. However, the insured has requested that his limits be increased to \$200,000 for Coverage **E** limit and \$2,000 for Coverage **F**.

Refer to Rule **601**. to determine the additional premium for these higher limits.

k. Policy Forms

- Homeowners 6 – Unit-owners Form
- Special Provisions Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Unit Owners – Coverage **C** – Special Coverage Endorsement
- Unit Owners – Coverage **A** – Special Coverage Endorsement

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2. Premium Determination For The Condominium Unit-owner (HO 00 06) Example

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

Step	Explanation
1. Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an HO 00 06 policy.
2. Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
3. Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
4. Determine the Protection-construction Factor	Refer to Rule 301.C.1. in the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 2 and type of construction is masonry. The factor is .87.
5. Determine the Key Premium	The Key Premium is determined by the product of Steps 3. and 4. Round to the nearest whole dollar.
6. Determine the Key Factor	Refer to Rule 301.C.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage C . For this example, the factor is 2.020.
7. Determine the Base Premium	The Base Premium is determined by the product of Steps 5. and 6. Round to the nearest whole dollar.
8. Determine the Base Premium including Special Personal Property Coverage	Refer to General Rule 304. to determine the rating factor for special personal property coverage. For this example, the factor is 1.40. Multiply the Base Premium in Step 7. by 1.40. Round to the nearest whole dollar. Endorsement HO 17 31 must be attached to the policy.
9. Determine the Adjusted Base Premium for the deductible amounts selected	Refer to General Rule 406. to determine the rating factor for \$1,000 Theft and \$500 All Other Perils Deductible for Coverage C Limit \$40,001 and over. For this example, the factor is .90. Multiply the Base Premium in Step 8. by .90. Round to the nearest whole dollar.
10. Determine the Adjusted Base Premium for a condominium unit in a building of superior construction	Refer to General Rule 401. to determine the rating factor for superior construction. For this example, the factor is .85. Multiply the Adjusted Base Premium in Step 9. by .85. Round to the nearest whole dollar.
11. Determine the Adjusted Base Premium including Personal Property (Coverage C) Replacement Cost Loss Settlement	Refer to General Rule 403. to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.35. Multiply the Adjusted Base Premium in Step 10. by 1.35. Round to the nearest whole dollar. Endorsement HO 04 90 must be attached to the policy.
12. Determine the Adjusted Base Premium including Protective Devices	Refer to General Rule 404. (Table 404.A.) to determine the rating factor for protective devices. For this example, the unit has a local fire alarm and the factor is .98. Multiply the Adjusted Base Premium in Step 11. by .98. Round to the nearest whole dollar. Endorsement HO 04 16 must be attached to the policy.

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Step	Explanation
13. Determine the Adjusted Base Premium to reflect the credit for Building Code Effectiveness	<p>Refer to Rule 410.E.1.c. in the state exception pages to determine the rating factor for Windstorm Or Hail. For this example, the Windstorm Or Hail Factor for Form HO 00 06 with a Building Code Effectiveness Grade of 8 is .01.</p> <p>To determine the Building Code Effectiveness Grade credit:</p> <p>a. Multiply the Base Class Premium from Step 3. by the factor in Table 410.E.1.c.(1)(c).</p> <p>b. Multiply the result from preceding Paragraph a. by the Key Factor for the desired amount of insurance for Coverage C. For this example, the factor is 2.020. Round to the nearest whole dollar.</p> <p>Subtract this credit from the Adjusted Base Premium developed in Step 12.</p>
14. Determine the additional premium for increased limits of Coverage A	<p>Refer to General Rule 507.B.</p> <p>a. Determine the premium for each additional \$1,000 of insurance by multiplying the HO 00 06 Key Premium from Step 5. by the HO 00 06 Key Factor for "Each Add'l \$1,000" found in Rule 301.C.2. of the state classification pages.</p> <p>b. Multiply the premium for each additional \$1,000 of insurance determined in preceding Paragraph a. by the number of additional thousands for the increased limit of insurance. For this example, there is a \$10,500 increase in the limit for Coverage A. Multiply the premium determined in Paragraph a. by 10.5. Round to the nearest whole dollar.</p> <p>Add this additional premium to the premium determined in Step 13.</p>
15. Determine the additional premium for extending special coverage to Coverage A (Dwelling)*	<p>Refer to General Rule 507.C.</p> <p>a. The loss cost per policy for \$5,000 of Coverage A in the basic form is \$1.15. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>b. The loss cost for each additional \$1,000 of Coverage A is \$.58. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Multiply this rate for each additional \$1,000 of Coverage A by the number of additional thousands for the increased limit of insurance. For this example, there is a \$10,500 increase in the limit of Coverage A. Multiply the rate per \$1,000 by 10.5. Add this to the amount determined in Paragraph a. for the total premium for this extended coverage. Round to the nearest whole dollar.</p> <p>Add this additional premium to the premium determined in Step 14.</p> <p>Endorsement HO 17 32 must be attached to the policy.</p>
16. Determine the additional premium Coverage E increased limit*	<p>Refer to General Rule 601. to determine the loss cost for \$200,000 of Coverage E – Liability. For this example, the loss cost is \$1.48. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add this additional premium to the premium determined in Step 15.</p>
17. Determine the additional premium for Coverage F increased limit*	<p>Refer to General Rule 601. to determine the loss cost for \$2,000 of Coverage F – Medical Payments. For this example, the loss cost is \$1.73. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add this additional premium to the premium determined in Step 16.</p>
<p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p>	

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**3. Sample Calculation Of Policy Premium
a. Basic Coverage**

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$33.22
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$33
4.	Protection-construction Factor	.87
5.	Key Premium	\$29
6.	Key Factor	2.020
7.	Base Premium	\$59
8.	Special Personal Property Coverage Factor	1.40
	Base Premium including Special Personal Property Coverage	\$83

b. Adjusted Base Premium

9.	Theft Deductible Factor	.90
	Adjusted Base Premium for Deductible Option Selected	\$75
10.	Superior Construction Factor	.85
	Adjusted Base Premium for Superior Construction	\$64
11.	Personal Property (Coverage C) Replacement Cost Loss Settlement Factor	1.35
	Adjusted Base Premium including Personal Property (Coverage C) Replacement Cost Loss Settlement	\$86
12.	Protective Device Factor	.98
	Adjusted Base Premium including Protective Device	\$84
13.	Building Code Effectiveness Grade credit	$\$33 \times .01 \times 2.020 = \1
	Adjusted Base Premium including BCEG credit	\$83

c. Additional Premiums

14.	Additional premium for increased limits of liability for Coverage A – Dwelling	$\$29 \times .026 \times 10.5 = \8
15.	Rate for \$5,000 of Coverage A in the basic form	$\$1.15 \times 1.00 = \1
	Rate for each additional \$1,000 of Coverage A	$\$.58 \times 1.00 = \1
	Rate for additional Coverage A limit	$\$1 \times 10.5 = \11
	Additional premium for special coverage of Coverage A – Dwelling	$\$1 + \$11 = \$12$
16.	Additional premium for increased limits of liability for Coverage E – Personal Liability	$\$1.48 \times 1.00 = \1
17.	Additional premium for increased limits of liability for Coverage F – Medical Payment To Others	$1.73 \times 1.00 = \$2$
	Whole Dollar Total Premium	\$106

C. Example #3 Homeowners 2 – Broad Form (HO 00 02)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

1234 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage A – \$400,000

Coverage B – \$20,000

Coverage C – \$80,000

Coverage D – \$120,000

Coverage E – \$100,000

Coverage F – \$1,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 5.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls made of stucco on wood.

Refer to Rule 107. to determine the type of construction.

f. Four Family Dwelling

The residence is a four family dwelling.

Refer to Rule 301. in the state classification pages to determine the rating factor for a four family dwelling.

g. Building Code Effectiveness Grade

The building was constructed in 1930. Therefore, there is no Building Code Effectiveness Grade for this building.

h. Section I – Deductible

\$250 All Perils. This is the base deductible.

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i. Optional Coverages Selected

(1) Functional Replacement Cost Loss Settlement

Refer to Rule **302**.

The standard replacement cost of this dwelling would be \$550,000. The insured has requested loss settlement on a functional replacement cost basis. The replacement cost using functionally equivalent building material is \$500,000. To receive full functional replacement costs coverage, the insured has insured the dwelling for 80% of the functional replacement cost which is \$400,000.

(2) Personal Property Replacement Cost Loss Settlement

Refer to Rule **403**. to determine the applicable rating factor for this option.

j. Discounts Applicable To The Policy

(1) Protective Devices

The dwelling has a central station reporting burglar alarm.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

(2) Inflation Guard

The insured has requested annual 4% increases in the Section I limits.

Refer to Rule **405**. to determine the applicable rating factor for an annual increase of this amount.

(3) Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing

The insured has requested loss settlement on an actual cash value basis for the surface of his roof when damage is caused by the peril of Windstorm or Hail.

Refer to Rule **408**. to determine the rating factor for this option.

(4) Assisted Living Care

The insured's mother lives in an assisted living care facility and has requested a Coverage **C** limit of \$15,000. This is a \$5,000 increase over the basic limit of \$10,000 provided.

Refer to Rule **523**. to determine the additional premium for this option.

k. Lower Personal Property Limits Requested

The policy automatically provides a Coverage **C** limit of \$100,000 (25% of the Coverage **A** limit). The insured has requested that this amount be lowered to \$80,000.

Refer to Rule **515**. to determine the decreased premium for this lower limit.

l. Policy Forms

- Homeowners 2 – Broad Form
- Special Provisions Endorsement
- Functional Replacement Cost Loss Settlement Endorsement
- Premises Alarm or Fire Protection System Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Inflation Guard Endorsement
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing Endorsement
- Assisted Living Care Coverage Endorsement

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2. Premium Determination For The Homeowners 2 – Broad Form (HO 00 02) Example

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

Step		Explanation
1.	Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an HO 00 03 policy.
2.	Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
3.	Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
4.	Determine the Form Factor	Refer to Rule 301.A.1. of the state classification pages to determine the form factor. Multiply the Company Base Class Premium in Step 3. by the form factor. For this example, the form factor is .95. Round to the nearest whole dollar.
5.	Determine the Protection-construction Factor	Refer to Rule 301.A.1. of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 5 and type of construction is frame. For this example, the factor is 1.00.
6.	Determine the Key Premium	The Key Premium is determined by the product of Steps 4. and 5. Round to the nearest whole dollar.
7.	Determine the Key Factor for Functional Replacement Cost Loss Settlement	Refer to Rule 301.A.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage A. In accordance with General Rule 302.A., the insured has requested a Coverage A limit that is 80% of the functional replacement cost of the building. For this example, the factor is 2.576. Endorsement HO 05 30 must be attached to the policy.
8.	Determine the Base Premium	The Base Premium is determined by the product of Steps 6. and 7. Round to the nearest whole dollar.
9.	Determine the Base Premium for a Four Family Dwelling	Refer to Rule 301.A.1.b. in the state classification pages to determine the rating factor for a Three or Four Family Dwelling. For this example, the factor is 1.30. Multiply the Base Premium in Step 8. by 1.30. Round to the nearest whole dollar.

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Step	Explanation
10.	<p>Determine the Base Premium for the lower amounts of insurance for Coverage C*</p> <p>Refer to General Rule 515. to determine the loss cost for lower limits of liability for Coverage C. For this example, the loss cost per \$1,000 of Coverage C is \$.58. To determine the credit:</p> <p>a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Multiply this rate for each fewer \$1,000 of insurance by the number of fewer thousands for the lower limits of insurance. For this example, there is a \$20,000 decrease in the limit for Coverage C.</p> <p>Subtract this premium from the premium determined in Step 9.</p>
11.	<p>Determine the Adjusted Base Premium including the Personal Property (Coverage C) Replacement Cost Loss Settlement</p> <p>Refer to General Rule 403. to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step 10. by 1.15. Round to the nearest whole dollar. Endorsement HO 04 90 must be attached to the policy.</p>
12.	<p>Determine the Adjusted Base Premium including Protective Devices</p> <p>Refer to General Rule 404. (Table 404.A.) to determine the rating factor for protective devices. For this example, the dwelling has a central station reporting burglar alarm and the factor is .95. Multiply the Base Premium in Step 11. by .95. Round to the nearest whole dollar. Endorsement HO 04 16 must be attached to the policy.</p>
13.	<p>Determine the Adjusted Base Premium including Inflation Guard</p> <p>Refer to General Rule 405. (Table 405.B.1.) to determine the rating factor for inflation guard. For this example, there is an annual 4% increase in Section I limits and the factor is 1.02. Multiply the Adjusted Base Premium in Step 12. by 1.02. Round to the nearest whole dollar. Endorsement HO 04 46 must be attached to the policy.</p>
14.	<p>Determine the Adjusted Base Premium including Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing</p> <p>Refer to General Rule 408. to determine the rating factor for loss settlement on an actual cash value basis for losses to the roof surface when damage is caused by the peril of windstorm or hail. For this example, the factor is .99. Multiply the Adjusted Base Premium in Step 13. by the factor of .99. Round to the nearest whole dollar. Endorsement HO 04 93 must be attached to the policy.</p>
15.	<p>Determine the additional premium for Assisted Living Care Coverage*</p> <p>Refer to General Rule 523. to determine the loss cost per unit and the loss cost per \$1,000 of increased limits of liability. For this example, the loss cost per unit is \$45.00 and the loss cost for \$1,000 of Coverage C is \$4.03.</p> <p>a. Apply the appropriate loss cost multiplier(s) to the loss costs to determine the company's rates. b. Multiply the rate per unit by the number of units. For this example, there is one unit. c. Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$5,000 increase in the basic limit for Coverage C.</p> <p>Add the rates determined in Paragraphs b. and c. to determine the additional premium for this coverage. Add this additional premium to the premium determined in Step 14.</p>
<p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p>	

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**3. Sample Calculation Of Policy Premium
a. Basic Coverage**

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$283.64
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$284
4.	Form Factor for HO 00 02	.95
	Base Class Premium for Form HO 00 02	\$270
5.	Protection-construction Factor	1.00
6.	Key Premium	\$270
7.	Key Factor	2.576
8.	Base Premium	\$696
9.	Four Family Dwelling Factor	1.30
	Base Premium for a Four Family Dwelling	\$905

b. Adjusted Base Premium

10.	Rate per \$1,000 of insurance for lower limits of Coverage C	\$.58 x 1.00 = \$1
	Credit for lower limits of Coverage C	\$1 x 20 = \$20
	Adjusted Base Premium including lower limits of Coverage C	\$885
11.	Personal Property Replacement Loss Cost Settlement Factor	1.15
	Adjusted Base Premium including Personal Property Replacement Cost Loss Settlement	\$1,018
12.	Protective Devices Factor	.95
	Adjusted Base Premium including Protective Devices	\$967
13.	Inflation Guard Factor	1.02
	Adjusted Base Premium including Inflation Guard	\$986
14.	ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing Factor	.99
	Adjusted Base Premium including ACV Loss Settlement Windstorm or Hail Losses to Roof	\$976

c. Additional Premium

15.	Rate per unit for Assisted Living Care	\$45 x 1.00 = \$45
	Rate for each additional \$1,000 of Coverage C	\$4.03 x 1.00 = \$4
	Rate for additional Coverage C limit	\$4 x 5 = \$20
	Additional Premium for Assisted Living Care	\$45 + \$20 = \$65
	Whole Dollar Total Premium	\$1,041

D. Example #4 Homeowners 3 – Special Form (HO 00 03)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

2345 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage A – \$290,000

Coverage B – \$29,000

Coverage C – \$145,000

Coverage D – \$100,000

Coverage E – \$200,000

Coverage F – \$2,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 1.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls constructed of brick and stone and the floors and roof consist of combustible construction.

Refer to Rule 107. to determine the type of construction.

f. Building Code Effectiveness Grade

The building was constructed in 1940. Therefore, there is no Building Code Effectiveness Grade for this building.

g. Section I – Deductible

Windstorm or Hail 5% of the Coverage A limit and \$250 All Other Perils

Refer to Rule 406. to determine the applicable rating factor for the deductible amounts selected.

Anytown is located in a coastal area which is eligible for coverage by a wind pool.

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h. Optional Coverage Selected

(1) Permitted Incidental Occupancies Residence Premises

The insured operates a permitted business from a separate building on his residence premises and has requested \$40,000 of coverage for the building.

Refer to Rules **510.** and **608.** to determine the additional premium for this option.

(1) Other Structure Rented To Others

The insured also owns another similar building structure that he rents out and wants to specifically insure for \$40,000.

Refer to Rules **514.** and **605.** to determine the additional premium for this option.

i. Higher Limits Requested

(1) Ordinance Or Law – Increased Amount Of Coverage

The policy automatically provides up to 10% of the Coverage **A** limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. However, the insured has requested that the limit be increased to 25% of the Coverage **A** limit.

Refer to Rule **303.** to determine the applicable rating factor for this higher limit.

(2) Loss Of Use – Increased Limit

The policy provides a Coverage **D** limit of \$87,000. However, the insured has requested a \$13,000 increase to this limit for a total Coverage **D** limit of \$100,000.

Refer to Rule **512.** to determine the additional premium for this higher limit.

(3) Section II – Increased Limits

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F**. However, the insured has requested that his limits be increased to \$200,000 for Coverage **E** and \$2,000 for Coverage **F**.

Refer to Rules **601., 701.** and **702.** to determine the additional premium for these higher limits.

j. Policy Forms

- Homeowners 3 – Special Form
- Special Provisions Endorsement
- Ordinance Or Law – Increased Amount Of Coverage Endorsement
- Windstorm Or Hail Percentage Deductible Endorsement
- Permitted Incidental Occupancies – Residence Premises Endorsement
- Structures Rented To Others – Residence Premises Endorsement

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2. Premium Determination For The Homeowners 3 – Special Form (HO 00 03) Example

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

Step		Explanation
1.	Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an HO 00 03 policy.
2.	Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
3.	Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
4.	Determine the Form Factor	Refer to Rule 301.A.1. of the state classification pages to determine the form factor. Multiply the Company Base Class Premium from Step 3. by the form factor. For this example, the form factor is 1.00. Round to the nearest whole dollar.
5.	Determine the Protection-construction Factor	Refer to Rule 301.A.1. of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 1 and type of construction is masonry. For this example, the factor is .86.
6.	Determine the Key Premium	The Key Premium is determined by the product of Steps 4. and 5. Round to the nearest whole dollar.
7.	Determine the Key Factor	Refer to 301.A.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage A. For this example, the factor is 1.807.
8.	Determine the Base Premium	The Base Premium is determined by the product of Steps 6. and 7. Round to the nearest whole dollar.
9.	Determine the Base Premium including Ordinance or Law – Increased Amount of Coverage	Refer to General Rule 303. to determine the rating factor for increased amount of ordinance or law coverage. For this example, the factor is 1.03. Multiply the Base Premium in Step 8. by 1.03. Round to the nearest whole dollar. Endorsement HO 04 77 must be attached to the policy.
10.	Determine the Adjusted Base Premium for the deductible option selected	Refer to General Rule 406. to determine the rating factor for a 5% Windstorm or Hail and \$250 All Other Perils Deductible for a Coverage A Limit of 200,001 & Over. For this example, the factor is .92. Since the property insured in this example is located in an area serviced by a wind pool, additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy. That is, the credit amount for the deductible must be compared to 90% of the total wind exclusion credit. For this example, the deductible credit amount is \$67. The total wind exclusion credit is calculated by first taking the wind exclusion loss cost of \$392 found in Rule A2. multiplied by the loss cost multiplier and rounding to whole dollars to determine the company wind exclusion rate. The company wind exclusion rate is then multiplied by the key factor of 1.807 (which was determined in Step 7.) and rounded to whole dollars to arrive at the total wind exclusion credit. Since the deductible credit amount is less than 90% of the total wind exclusion credit, multiply the Base Premium in Step 9. by .92. Round to the nearest whole dollar. Note: If the credit amount for the deductible was greater than 90% of the total wind exclusion credit, then 90% of the total wind exclusion credit would have been subtracted from the Base Premium in Step 9. Endorsement HO 03 12 must be attached to the policy.

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Step	Explanation
11. Determine the additional premium including the Coverage D increased limit *	Refer to General Rule 512. to determine the loss cost for the Coverage D increased limit of liability. For this example, the loss cost per \$1,000 is \$2.30. a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rates. b. Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limit of insurance. For this example, there is a \$13,000 increase in the limit of Coverage D. Add this additional premium to the premium determined in Step 10.
12. Determine the additional premium for the Coverage E increased limit for the base policy*	Refer to General Rule 601. to determine the loss cost for the Coverage E increased limit of liability. For this example, the loss cost for \$200,000 of Coverage E – Liability is \$1.90. Apply the appropriate loss cost multiplier to this loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 11.
13. Determine the additional medical payments premium for the base policy	Refer to General Rule 601. to determine the loss cost to increase the Coverage F – Medical Payments limit to \$2,000. For this example the loss cost is \$1.73. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 12.
14. Determine the additional property premium for the Permitted Incidental Occupancies on the Residence Premises*	Refer to General Rule 510. to determine the loss cost for a permitted incidental occupancy on the residence premises. For this example, the Section I loss cost per \$1,000 for business in an other structure is \$3.45. a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Multiply the rate for each additional \$1,000 of insurance by the requested amount of insurance on the structure. For this example, the insured requested \$40,000 of coverage for the other structure. Add this additional premium to the premium determined in Step 13. Endorsement HO 04 42 must be attached to the policy.
15. Determine the additional liability premium for the Permitted Incidental Occupancy on the Residence Premises*	Refer to General Rule 608. to determine the loss cost for a permitted incidental occupancy on the residence premises. For this example, the loss cost per residence is \$9.82. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Refer to General Rule 701. to determine the increased limit factor to increase the Coverage E – Liability limit to \$200,000. For this example, the increased limit factor is 1.15. Multiply the company rate determined above by 1.15 to determine the additional premium for the permitted incidental occupancy on the residence premises. Add this additional premium to the premium determined in Step 14.
16. Determine the additional medical payments premium for the Permitted Incidental Occupancy on the Residence Premises*	Refer to General Rule 702. to determine the loss cost to increase the Coverage F – Medical Payments limit to \$2,000. For this example the loss cost is \$2.88. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 15.
17. Determine the additional property premium for the Structure Rented to Others on the Residence Premises*	Refer to General Rule 514. to determine the loss cost for other structures rented to others. For this example, the loss cost per \$1,000 for a structure on the residence premises rented to others is \$3.45. a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Multiply the rate for each additional \$1,000 of insurance by the requested amount of insurance on the structure. For this example, the insured requested \$40,000 of coverage for the other structure. Add the additional premium to the premium determined in Step 16. Endorsement HO 04 40 must be attached to the policy.
* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.	

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Step	Explanation
18. Determine the additional premium for the Structure Rented to Others on the Residence Premises*	<p>a. Refer to General Rule 605. to determine the loss cost for other structures rented to others on the residences premises. For this example, the loss cost per structure is \$10.75. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>b. Refer to General Rule 701. to determine the increased limit factor to increase the Coverage E – Liability limit to \$200,000. For this example the increased limit factor is 1.15. Multiply the company rate determined in Paragraph a. by 1.15 to determine the additional liability premium.</p> <p>c. Refer to General Rule 702. to determine the loss cost to increase Coverage F – Medical Payments limit to \$2,000. For this example the loss cost is \$.58. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this company rate to the rate determined in Paragraph b. to determine the additional premium for the structure rented to others on the residence premises.</p> <p>Add this additional premium to the premium determined in Step 17.</p>
<p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p>	

3. Sample Calculation Of Policy Premium

a. Basic Coverage

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$524.01
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$524
4.	Form Factor	1.00
	Base Class Premium for Form HO 00 03	\$524
5.	Protection-construction Factor	.86
6.	Key Premium	\$451
7.	Key Factor	1.807
8.	Base Premium	\$815
9.	Ordinance or Law – Increased Coverage Factor	1.03
	Base Premium including Ordinance Or Law – Increased Amount of Coverage	\$839

b. Adjusted Premium

10.	Deductible Factor	.92
	Adjusted Base Premium for Deductible Option Selected	\$772

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c. Additional Premium

11.	Rate for each additional \$1,000 of insurance for the Increased Limit of Coverage D – Loss of Use	\$2.30 x 1.00 = \$2
	Additional premium for increased limit of Coverage D – Loss of Use	\$2 x 13 = \$26
12.	Additional premium for increased limit for Coverage E – Liability	\$1.90 x 1.00 = \$2
13.	Additional premium including increased limit for Coverage F – Medical Payments To Others	\$1.73 x 1.00 = \$2
14.	Rate per \$1,000 for a permitted incidental occupancy on the residence premises	\$3.45 x 1.00 = \$3
	Additional premium for a permitted incidental occupancy on the residence premises	\$3 x 40 = \$120
15.	Basic rate for a permitted incidental occupancy on the residence premises including liability limit	\$9.82 x 1.00 = \$10
	Coverage E Increased Limits factor	1.15
	Additional premium for a permitted incidental occupancy on the residence premises including liability limit	\$10 x 1.15 = \$12
16.	Additional medical payments premium for a permitted incidental occupancy on the residence premises	\$2.88 x 1.00 = \$3
17.	Property rate per \$1,000 for an other structure rented to others on the residence premises	\$3.45 x 1.00 = \$3
	Additional property premium for an other structure rented to others on the residence premises	\$3 x 40 = \$120
18.	Liability basic rate for an other structure rented to others on the residence premises	\$10.75 x 1.00 = \$11
	Coverage E Increased Limits factor	1.15
	Additional liability premium for an other structure rented to others on the residence premises	\$11 x 1.15 = \$13
	Additional medical payments premium for an other structure rented to others on the residence premises	\$.58 x 1.00 = \$1
	Additional premium for an other structure rented to others on the residence premises	\$13 + \$1 = \$14
Whole Dollar Total Premium		\$1,071

E. Example #5 Homeowners 5 – Comprehensive Form (HO 00 05)

1. Policywriting And Rating Information (Policy Inception Date Is January 1)

a. Term Of Policy

One Year

b. Address Where The Residence Premises Is Located

2345 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

c. Policy Limits Of Insurance

Coverage **A** – \$500,000

Coverage **B** – \$50,000

Coverage **C** – \$300,000

Coverage **D** – \$150,000

Coverage **E** – \$500,000

Coverage **F** – \$5,000

d. Protection – Construction Classification Information

The Protection Class for Anytown is 1.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

e. Type Of Construction

The dwelling has exterior walls constructed of brick and floors and roof of combustible construction.

Refer to Rule 107. to determine the type of construction.

f. Building Code Effectiveness Grade

The building was constructed in 1950. Therefore there is no Building Code Effectiveness Grade for this building.

g. Section I – Deductible

\$2,500 All Perils

Refer to Rule 406. to determine the applicable rating factor for the deductible amounts selected.

h. Loss History

The insured had a prior loss six months ago.

Refer to the Loss History rule to determine the applicable rating factor for one prior loss.

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i. Optional Coverage(s) Selected

(1) Windstorm Or Hail Exclusion

The insured lives in an area serviced by a Wind Pool and coverage for the windstorm or hail peril is excluded.

Refer to the Windstorm Or Hail Exclusion rule to determine the credit for excluding this peril.

(2) Personal Property Replacement Cost Loss Settlement

Refer to Rule **403.** to determine the applicable rating factor for this option.

(3) Protective Devices

The dwelling has a central station reporting burglar alarm.

Refer to Rule **404.** to determine the applicable rating factor for this type of protective device.

(4) Additional Limits Of Liability For Coverages A, B, C And D

Refer to Rule **407.** to determine the rating factor for this option.

(5) Replacement Cost Loss Settlement For Certain Non-building Structures

The insured has requested loss settlement on a replacement cost basis for his fence, patio, walkways and driveways.

Refer to Rule **409.** to determine the rating factor for this option.

(6) Student Away From Residence Premises

The insured's daughter is a part time student living away at school so he has requested that she be listed on the policy as an additional insured.

Refer to Rule **527.** to determine the additional premium for this option.

(7) Section II Coverage At Other Location Occupied By Insured

The insured has requested that (premises) liability coverage also be extended to his one family vacation property in another state.

Refer to Rule **602.** to determine the additional premium for this option.

(8) Watercraft Liability Coverage

The insured requested that his liability coverage also be extended to his boat which is 26 feet long and has a 200 horsepower inboard-outdrive motor. However, he only uses the boat for four months during the year.

Refer to Rule **612.** to determine the additional premium for this option.

j. Higher Limits Requested

(1) Ordinance Or Law Increased Amount Of Coverage

The policy automatically provides up to 10% of the Coverage **A** limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. However, the insured has requested the limit be increased to 50% of the Coverage **A** limit.

Refer to Rule **303.** to determine the applicable rating factor for this option.

(2) Section I – Coverage C – Increased Limits

The basic policy provides a limit of \$250,000 for Coverage **C.** However, the insured has requested a \$50,000 increase to this limit for a total Coverage **C** limit of \$300,000.

Refer to Rule **515.** to determine the additional premium for this higher limit.

(3) Section II – Increased Limits

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F.** However, the insured has requested that his limits be increased to \$500,000 for Coverage **E** and \$5,000 for Coverage **F.**

Refer to Rules **601., 701.** and **702.** to determine the additional premium for these higher limits.

k. Policy Forms

- Homeowners 5 – Comprehensive Form
- Special Provisions Endorsement
- Windstorm Or Hail Exclusion Endorsement
- Ordinance or Law – Increased Amount Of Coverage Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Additional Limits of Liability For Coverages **A, B, C** and **D** Endorsement
- Replacement Cost Loss Settlement For Certain Non-building Structures On the Residence Premises Endorsement
- Additional Insured – Student Away From Residence Premises Endorsement
- Watercraft Endorsement

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2. Premium Determination For The Homeowners 5 – Comprehensive Form (HO 00 05 Example)

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

Step	Explanation
1. Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss costs for an HO 00 03 policy.
2. Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
3. Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
4. Determine the Form Factor	Refer to Rule 301.A.1. of the state classification pages to determine the form factor that applies. Multiply the Company Base Class Premium from Step 3. by the form factor. For this example, the form factor is 1.15. Round to the nearest whole dollar.
5. Determine the Protection-construction Factor	Refer to Rule 301.A.1. of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 1 and type of construction is masonry. The factor is .86.
6. Determine the Key Premium	The Key Premium is determined by the product of Steps 4. and 5. Round to the nearest whole dollar.
7. Determine the Key Premium reflecting the credit for the Windstorm or Hail Exclusion*	Refer to the Windstorm or Hail Exclusion rule to determine the loss cost for the Windstorm or Hail Exclusion credit. For this example, the loss cost is \$392. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Subtract this credit from the Key Premium determined in Step 6. Endorsement HO 04 94 must be attached to the policy.
8. Determine the Key Factor	Refer to Rule 301.A.2. of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage A . For this example, the factor is 3.276.
9. Determine the Base Premium	The Base Premium is determined by the product of Steps 7. and 8. Round to the nearest whole dollar.
10. Determine the Base Premium including Ordinance or Law – Increased Amount of Coverage	Refer to General Rule 303. to determine the rating factor for the increased amount of ordinance or law coverage. For this example, the factor is 1.07. Multiply the Base Premium in Step 9. by 1.07. Round to the nearest whole dollar. Endorsement HO 04 77 must be attached to the policy.
11. Determine the Base Premium including Loss History	Refer to the Loss History rule to determine the rating factor based on the insured's loss history. For this example, the insured had one prior loss and the factor is 1.20. Multiply the Base Premium in Step 10. by 1.20. Round to the nearest whole dollar.
12. Determine the Adjusted Base Premium for the Deductible Option Selected	Refer to General Rule 406. to determine the rating factor for a \$2,500 All Perils Deductible for Coverage A Limit of \$200,000 and over. For this example, the factor is .73. Multiply the Base Premium in Step 11. by .73. Round to the nearest whole dollar.
13. Determine the additional premium for the Coverage C increased limit*	Refer to General Rule 515. to determine the loss cost for a Coverage C increased limit of liability. For this example, the loss cost per \$1,000 is \$1.73. To determine the additional premium: <ol style="list-style-type: none"> a. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Multiply the premium for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$50,000 increase in the limit for Coverage C. Add this additional premium to the premium determined in Step 12.
* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.	

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Step	Explanation
14. Determine the Adjusted Base Premium including Personal Property Replacement Cost Loss Settlement	Refer to General Rule 403. to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step 13. by 1.15. Round to the nearest whole dollar. Endorsement HO 04 90 must be attached to the policy.
15. Determine the Adjusted Base Premium including Protective Devices	Refer to General Rule 404. (Table 404.A.) to determine the rating factor for protective devices. For this example, the dwelling has a central station reporting burglar alarm and the factor is .95. Multiply the Adjusted Base Premium in Step 14. by .95. Round to the nearest whole dollar. Endorsement HO 04 16 must be attached to the policy.
16. Determine the Adjusted Base Premium including Additional Limits for Coverages A, B, C and D	Refer to General Rule 407.C.2. to determine the rating factor for this option. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step 15. by 1.15. Round to the nearest whole dollar. Endorsement HO 04 11 must be attached to the policy.
17. Determine the Adjusted Base Premium including Replacement Cost Loss Settlement For Certain Non-building Structures	Refer to General Rule 409. to determine the rating factor for replacement cost loss settlement for certain non-building structures. For this example, the factor is 1.02. Multiply the Adjusted Base Premium in Step 16. by 1.02. Round to the nearest whole dollar. Endorsement HO 04 43 must be attached to the policy.
18. Determine the additional premium for Student Away From Residence Premises*	To determine the additional premium: a. Refer to General Rule 527. to determine the loss costs for student away from residence premises coverages. (1) For this example, the Section I and II basic limits loss cost per location is \$40.00. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. (2) For this example, the Section II loss cost for the \$500,000 Coverage E increased limit of liability is \$10.50. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. b. Refer to General Rule 702. to determine the loss cost to increase the Coverage F – Medical Payments limit to \$5,000. For this example, the loss cost is \$2.30. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add the rates determined in Paragraphs a.(1), a.(2) and b. to determine the additional premium for this coverage. Endorsement HO 05 27 must be attached to the policy. Add this additional premium to the premium determined in Step 17.
19. Determine the additional premium for Coverage E increased limit*	Refer to General Rule 601. to determine the loss cost for Coverage E – Liability increased limit of liability. For this example, the loss cost for \$500,000 of Coverage E is \$4.43. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 18.
20. Determine the additional premium for Coverage F increased limit*	Refer to General Rule 601. to determine the loss cost for Coverage F – Medical Payments increased limit of liability. For this example, the loss cost for \$5,000 of Coverage F is \$6.33. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step 19.
* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.	

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Step	Explanation
<p>21. Determine the additional premium for Coverage At An Other Location Occupied by the Insured*</p>	<p>To determine the additional premium:</p> <p>a. Refer to General Rule 602. to determine the loss cost for coverage at an other location occupied by insured. For this example, the loss cost is \$3.93. This loss cost is for the state where the other location is located. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>b. Refer to General Rule 701. to determine the increased limit factor to increase the Coverage E – Liability limit to \$500,000. For this example the increased limits factor is 1.35. Multiply the company rate determined in Paragraph a. by 1.35 to determine the premium including the additional liability.</p> <p>c. Refer to General Rule 702. to determine the loss cost to increase the Coverage F – Medical Payments limit to \$5,000. For this example, the loss cost is \$2.30. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add the rates determined in Paragraphs b. and c. to determine the additional premium for this coverage.</p> <p>Add this additional premium to the premium determined in Step 20.</p>
<p>22. Determine the additional premium for Watercraft Liability*</p>	<p>To determine the additional premium:</p> <p>a. Refer to General Rule 612. to determine the loss cost for watercraft liability. For this example, the boat is 26 ft. long and has a 200 horsepower inboard-outdrive motor so the loss cost is \$12.90. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>b. Refer to General Rule 701. to determine the increased limit factor to increase the Coverage E – Liability limit to \$500,000. For this example, the increased limits factor is 1.35. Multiply the company rate determined in Paragraph a. by 1.35 to determine the premium including the additional liability.</p> <p>c. Refer to General Rule 702. to determine the loss cost to increase the Coverage F – Medical Payments limit to \$5,000. For this example, the loss cost is \$24.15. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add the rates determined in Paragraphs b. and c. to determine the additional premium on an annual basis.</p> <p>Since the insured requested coverage for only part of the year, the additional premium for watercraft liability is prorated by dividing the number of months requested by twelve months. For this example, the insured requested coverage for four months. Multiply this result by the additional premium on an annual basis to determine the prorated additional premium.</p> <p>Endorsement HO 24 75 must be attached to the policy.</p> <p>Add this prorated additional premium to the premium determined in Step 21.</p>
<p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p>	

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3. Sample Calculation Of Policy Premium

a. Basic Coverage

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$524.01
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$524
4.	Form Factor	1.15
	Base Class Premium for Form HO 00 03	\$603
5.	Protection-construction Factor	.86
6.	Key Premium	\$519
7.	Rate for Windstorm or Hail Exclusion credit	$\$392 \times 1.00 = \392
	Key Premium reflecting the Windstorm or Hail Exclusion credit	\$127
8.	Key Factor	3.276
9.	Base Premium	\$416
10.	Ordinance Or Law – Increased Coverage Factor	1.07
	Base Premium including Ordinance Or Law – Increased Amount of Coverage	\$445
11.	Loss History Factor	1.200
	Base Premium including Loss History	\$534

b. Adjusted Premium

12.	Deductible Factor	.73
	Adjusted Base Premium for Deductible Option Selected	\$390
13.	Rate for increased limits of liability for Coverage C	$\$1.73 \times 1.00 = \2
	Additional premium for increased limit of Coverage C	$\$2 \times 50 = \100
	Adjusted Base Premium including increased limits of liability for Section I – Coverage C	\$490
14.	Personal Property Replacement Cost Loss Settlement Factor	1.15
	Adjusted Premium including Personal Property Replacement Cost Loss Settlement	\$564
15.	Protective Device Factor	.95
	Adjusted Base Premium including Protective Device	\$536
16.	Additional Limits for Coverage A, B, C, D Factor	1.15
	Adjusted Base Premium including Additional Limits for Coverage A, B, C, D	\$616
17.	Replacement Cost Loss Settlement for Certain Non-building Structures Factor	1.02
	Adjusted Base Premium including Replacement Cost Loss Settlement for Certain Non-building Structures	\$628

c. Additional Premium

18.	a. Rate per location for Student Away From Premises	$\$40 \times 1.00 = \40
	Rate for increased limits of liability for Coverage E of Student Away From Premises	$\$10.50 \times 1.00 = \11
	b. Additional medical payments premium for Student Away From Premises	$\$2.30 \times 1.00 = \2
	Additional premiums for Student Away From Premises	$\$40 + \$11 + \$2 = \53
19.	Additional premium for increased limits of liability for Coverage E – Liability	$\$4.43 \times 1.00 = \4
20.	Additional premium for increased limits of liability for Coverage F – Medical Payments	$\$6.33 \times 1.00 = \6
21.	a. Rate for Coverage At An Other Location Occupied by the Insured	$\$3.93 \times 1.00 = \4
	b. Coverage E Increased Limits factor	1.35
	Rate for Coverage E At an Other Location Occupied by the Insured including increased liability limit	$\$4 \times 1.35 = \5
	c. Additional medical payments premium for Coverage F At An Other Location Occupied by the Insured	$\$2.30 \times 1.00 = \2
	Additional premiums for Coverage At An Other Location Occupied by the Insured	$\$5 + \$2 = \$7$
22.	a. Rate for Watercraft Liability	$\$12.90 \times 1.00 = \13
	b. Coverage E Increased Limits factor	1.35
	Premium for Watercraft Liability including liability limit	$\$13 \times 1.35 = \18
	c. Additional medical payments premium for Watercraft Liability	$\$24.15 \times 1.00 = \24
	Annual additional premiums for Watercraft Liability	$\$18 + \$24 = \$42$
	Prorated additional premium for Watercraft Liability	$\$42 \times 4/12 = \14
	Whole Dollar Total Premium	\$712



Notice to Manualholders

PERSONAL LINES

HOMEOWNERS POLICY PROGRAM MANUAL – NORTH CAROLINA RULES

NOTICE HO-NC-2018-RU-002

CAUTION

Manualholders should determine from company instructions whether a company has adopted this revision.

INSTRUCTIONS TO MANUALHOLDERS

If your company has adopted this revision, you should update your manual accordingly.

EFFECTIVE DATE

The revision is subject to the following rule of application:

These changes are applicable to all new and renewal policies becoming effective on or after October 1, 2018.

CHANGE(S)

- Base Class Premiums for Forms **HO 00 03**, **HO 00 04** and **HO 00 06** are revised.
- For Rule **301**. Base Premium Computation, the rating factors in the Key Factor Table for the Owners Forms have been revised to reflect the new base Coverage **A** amount of \$200,000.
- For Rule **406**. Deductibles, the rating factors and rule text have been revised to reflect the new base deductibles of \$1,000 for the Owners Forms and \$500 for Forms **HO 00 04** and **HO 00 06**. The minimum and maximum additional premium charges for optional lower deductibles have also been removed.
- Windstorm Or Hail Exclusion Credits for Rule **A3**. and Windstorm Loss Mitigation Credits for Rule **A9**. have been revised.

REVISED PAGE(S)

HO-B-1

HO-C-2

HO-E-14 thru HO-E-20

HO-R-1 thru HO-R-3

PAGE CHECKLIST

Included with this Notice is a page checklist displaying the latest page numbers and edition dates.

REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- P-18-3 (04/18/2018) Homeowners Revised Rules and Rates Effective October 1, 2018

Filing Reference(s):

- NCRI-131271722

CONTACT INFORMATION

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**HOMEOWNERS POLICY PROGRAM MANUAL
PAGE CHECKLIST – NORTH CAROLINA**

THIS MANUAL PAGE CHECKLIST DISPLAYS THE LATEST STATE PAGE INFORMATION AS OF **10-18**. PLEASE REFER TO THE PAGE CHECKLIST IN MULTISTATE NOTICE TO MANUALHOLDERS **HO-MU-2011-RU-001** FOR THE MULTISTATE PAGES IN EFFECT FOR YOUR JURISDICTION.

NOTE: ALWAYS USE THE EDITION NUMBER TO DETERMINE THE LATEST PAGE.

PAGE NUMBER	EDITION		PAGE NUMBER	EDITION	
	NUMBER	DATE		NUMBER	DATE
HO-NC-2018-RU-002	–	10-18	HO-E-16	9th	10-18
HO-B-1	8th	10-18	HO-E-17	7th	10-18
HO-C-1	2nd	4-18	HO-E-18, HO-E-19	10th	10-18
HO-C-2	4th	10-18	HO-E-20	9th	10-18
HO-C-3, HO-C-4	1st	4-18	HO-E-21	6th	8-13
HO-E-1, HO-E-2	8th	6-15	HO-E-22	7th	10-14
HO-E-3	7th	10-14	HO-E-23, HO-E-24	5th	8-13
HO-E-4	6th	8-13	HO-E-25, HO-E-26	1st	8-13
HO-E-5	7th	8-13	HO-R-1	11th	10-18
HO-E-6	8th	6-15	HO-R-2	6th	10-18
HO-E-7	7th	8-13	HO-R-3	7th	10-18
HO-E-8	5th	8-13	HO-R-4	7th	4-18
HO-E-9	7th	6-15	HO-R-5 thru HO-R-8	4th	4-18
HO-E-10	9th	6-15	HO-R-9	3rd	4-18
HO-E-11	7th	10-14	HO-R-10	4th	4-18
HO-E-12	6th	10-14	HO-R-11	2nd	4-18
HO-E-13	4th	8-13	HO-R-12	1st	4-18
HO-E-14	5th	10-18	HO-T-1	3rd	6-15
HO-E-15	8th	10-18	HO-T-2	1st	6-15

**RULE 301.
BASE PREMIUM COMPUTATION**

Base Class Premium Table

TERRITORY	HO 00 03	HO 00 04	HO 00 06
110	2,383	118	97
120	2,794	134	119
130	1,516	75	75
140	1,947	91	82
150	1,278	57	56
160	1,375	72	61
170	791	55	51
180	899	57	52
190	1,062	60	55
200	1,218	64	61
210	831	57	50
220	978	88	51
230	1,097	58	54
240	808	60	48
250	924	55	47
260	612	63	49
270	684	48	54
280	607	43	39
290	753	50	48
300	815	55	47
310	615	51	41
320	700	49	42
330	585	51	47
340	600	55	45
350	650	54	44
360	563	37	41
370	612	47	48
380	568	46	45
390	589	46	45

Table 301. Base Class Premium

**RULE 301.
BASE PREMIUM COMPUTATION**

A. All Forms Except HO 00 04 And HO 00 06

1. Classification Tables

a. One And Two Family

Form Factors	
Form	Factors
HO 00 02	.95
HO 00 03	1.00
HO 00 05	1.30
HO 00 08	1.25

Table 301.A.1.a.#1 Form Factors

Protection	Territory Group 1		Territory Group 2		Territory Group 3		Territory Group 4	
	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry
1	.99	.89	.97	.87	.97	.87	.97	.87
2	.99	.89	.98	.88	.98	.88	.98	.88
3	.99	.89	.98	.88	.98	.88	.98	.88
4	1.00	.90	.99	.89	.99	.89	.99	.89
5	1.00	.90	1.00	.90	1.00	.90	1.00	.90
6	1.01	.91	1.00	.90	1.00	.90	1.00	.90
7	1.10	1.00	1.10	1.00	1.10	1.00	1.10	1.00
8	1.25	1.10	1.25	1.10	1.25	1.10	1.25	1.10
9E	1.35	1.20	1.40	1.25	1.40	1.25	1.40	1.25
9S	1.35	1.20	1.40	1.25	1.40	1.25	1.40	1.25
9	1.35	1.20	1.40	1.25	1.40	1.25	1.40	1.25
10	1.70	1.50	1.75	1.55	1.75	1.55	1.75	1.55

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

Table 301.A.1.a.#2 Protection Construction Factors

b. Three And Four Family Factor 1.04

RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)

2. Key Factor Table

Cov. A Amt. (In 000)	Factor	
**\$ 10	.258	
50	.453	
75	.556	
100	.644	
150	.822	
200	1.000	
300	1.339	
500	1.972	
750	2.764	
1,000	3.556	
1,500	5.111	
2,000	6.667	
3,000	9.778	
4,000	12.889	
5,000	16.000	
Each Add'l \$1,000	.003	
Minimum Limits Of Liability		
**Section I – Property	HO 00 02, 03 & 05	HO 00 08
Primary Location	\$ 25,000	\$ 15,000
Secondary Location	15,000	10,000
Section II – Liability	All Forms	
Personal Liability	\$ 25,000	
Medical Payments to Others	1,000	

Table 301.A.2. Key Factors

**RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)**

B. Form HO 00 04 And HO 00 06

1. Classification Tables

Protection	Territory Group 1		Territory Group 2		Territory Group 3		Territory Group 4	
	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry
1	1.00	.90	1.00	.90	1.00	.90	1.00	.90
2	1.00	.90	1.00	.90	1.00	.90	1.00	.90
3	1.00	.90	1.00	.90	1.00	.90	1.00	.90
4	1.00	.90	1.00	.90	1.00	.90	1.00	.90
5	1.00	.90	1.00	.90	1.00	.90	1.00	.90
6	1.00	.90	1.00	.90	1.00	.90	1.00	.90
7	1.00	.90	1.00	.90	1.00	.90	1.00	.90
8	1.10	.90	1.10	.90	1.10	.90	1.10	.90
9E	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
9S	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
9	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
10	1.50	1.20	1.50	1.20	1.50	1.20	1.50	1.20

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

**Table 301.B.1.#1 Protection Construction Factors –
Form HO 00 04**

Protection	Territory Group 1		Territory Group 2		Territory Group 3		Territory Group 4	
	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry
1	1.00	.90	1.00	.90	1.00	.90	1.00	.90
2	1.00	.90	1.00	.90	1.00	.90	1.00	.90
3	1.00	.90	1.00	.90	1.00	.90	1.00	.90
4	1.00	.90	1.00	.90	1.00	.90	1.00	.90
5	1.00	.90	1.00	.90	1.00	.90	1.00	.90
6	1.00	.90	1.00	.90	1.00	.90	1.00	.90
7	1.00	.90	1.00	.90	1.00	.90	1.00	.90
8	1.10	.90	1.10	.90	1.10	.90	1.10	.90
9E	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
9S	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
9	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
10	1.50	1.20	1.50	1.20	1.50	1.20	1.50	1.20

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

**Table 301.B.1.#2 Protection Construction Factors –
Form HO 00 06**

RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)

2. Key Factor Table

Cov. C Amt. (In 000)	Factor	Cov. C Amt. (In 000)	Factor
**\$ 1	.37	\$ 21	1.98
** 2	.44	22	2.06
** 3	.51	23	2.14
** 4	.58	24	2.22
** 5	.65	25	2.30
** 6	.72	26	2.38
** 7	.79	27	2.46
** 8	.86	28	2.54
** 9	.93	29	2.62
** 10	1.00	30	2.70
11	1.10	31	2.78
12	1.20	32	2.86
13	1.30	33	2.94
14	1.40	34	3.02
15	1.50	35	3.10
16	1.58	36	3.18
17	1.66	37	3.26
18	1.74	38	3.34
19	1.82	39	3.42
20	1.90	40	3.50
Each Add'l \$1,000			.08
Minimum Limits Of Liability			
**Section I – Property			
HO 00 04 – \$ 6,000			
HO 00 06 – \$ 10,000			
HO 00 06 – \$ 5,000 or less available only for Units Regularly Rented To Others			
Section II – Liability		All Forms	
Personal Liability		\$ 25,000	
Medical Payments to Others		1,000	

Table 301.B.2. Key Factors

ADDITIONAL RULE(S)

**RULE A1.
SPECIAL STATE REQUIREMENTS**

A. Special Provisions Endorsement HO 32 32

Use this endorsement with all Homeowners policies.

B. Windstorm Exterior Paint And Waterproofing Exclusion Endorsement HO 32 86

Use this endorsement with all Homeowners policies in Territories 110 and 120.

C. Flood, Earthquake, Mudslide, Mudflow, Landslide Or Windstorm Or Hail Insurance Notice

North Carolina law provides that an insurer selling property insurance that does not provide coverage for the perils of flood, earthquake, mudslide, mudflow, landslide, or windstorm or hail shall provide a specific notice (a "warning" set forth in the related statute) to the policyholder as to which of the listed perils are not covered under the policy.

The required notice must be:

1. Provided upon issuance and renewal of each policy;
2. In Times New Roman 16-point font or another equivalent font; and
3. Included in the policy on a separate page immediately before the Declarations page.

The following warning, citing which peril is not covered, must be furnished with each new policy and upon each renewal:

"WARNING: THIS PROPERTY INSURANCE POLICY DOES NOT PROTECT YOU AGAINST LOSSES FROM [FLOODS], [EARTHQUAKES], [MUDSLIDES], [MUDFLOWS], [LANDSLIDES], [WINDSTORM OR HAIL]. YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING COVERAGE FOR THESE LOSSES. THIS IS NOT A COMPLETE LISTING OF ALL OF THE CAUSES OF LOSSES NOT COVERED UNDER YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT COVERED."

D. North Carolina Joint Underwriting Association

Section XVI of the Plan of Operation of the Joint Underwriting Association (Fair Plan) sets forth the following as to "Responsibility with Respect to Cancellation or Nonrenewals":

As respects risks eligible under the Plan of Operation, each participating Insurer agrees that with respect to cancellation or nonrenewals initiated by it, it will give to policyholders, except in cases of nonpayment of premium, material misrepresentation, or evidence of incendiarism, 30 days to avail themselves of the Plan of Operation and the Insurer shall, in writing, explain to the policyholder the procedures for making application under the Plan of Operation.

E. Company Rates/State Rate Pages

References in the manual to "state company rates" means "state rate pages" in North Carolina.

F. Insert – North Carolina Endorsement HO 32 46

Use this endorsement with all Homeowners policies.

**RULE A2.
INSTALLMENT PAYMENT PLAN**

Annual Policy

When a policy is issued on an installment basis, the following rules apply:

- A. The first installment shall be due on the effective date of the policy and the due date of the last installment shall be no later than one month prior to the policy anniversary date.
- B. The premium calculated for the first installment payment, exclusive of installment charges, shall not be less than the pro rata charge for the period from the inception date of the policy to the due date of the next installment.
- C. Refer to the state rate pages for the additional charge that shall be made for each installment.

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY**

- A. The peril of Windstorm or Hail may be excluded if:
 1. The property is located in an area eligible for such coverage from the North Carolina Underwriting Association; and
 2. A Windstorm or Hail Rejection Form is secured and maintained by the company.Use Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94**.
- B. To compute the Base Premium:
 1. Determine the appropriate Key Premium as described in Rule **301**.
 2. Subtract the Windstorm or Hail Exclusion credit shown on the state rate pages from the Key Premium.
 3. Multiply the Key Premium excluding Windstorm or Hail Coverage developed in Step 2. by the Key Factor for the desired limit of liability.

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY (Cont'd)****4.** For example:

Form **HO 00 02** Key Premium = \$1,310
 Windstorm or Hail Exclusion Credit = \$1,131
 Key Factor for \$100,000 = 1.109

Step 1. Determine the Key Premium
 Key Premium = \$1,310

Step 2. Subtract Windstorm or Hail Exclusion
 Credit from Key Premium
 \$1,310 – \$1,131 = \$179

Step 3. Multiply Key Factor for desired limit
 by amount in Step 2. $\$179 \times 1.109 =$
 $\$198.51$, round to \$199 = Base
 Premium

C. When Endorsement **HO 32 94** is attached to the policy, enter the following on the Declarations page:

"This policy does not provide coverage for the peril of Windstorm or Hail".

D. When coverage for other specific structures or other structures rented to others is requested, refer to Rules **514.A.1.a.** and **514.A.2.a.(1)** in the state rate pages for the rates excluding windstorm or hail coverage.**RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06****A. Coverage Description**

The policy may be endorsed to provide coverage for property damage caused by waterbeds to non-owned property on the residence premises.

B. Premium

Charge the rate shown on the state rate pages.

C. Endorsement

Use Waterbed Liability Endorsement **HO 32 40**.

**RULE A5.
YEAR OF CONSTRUCTION – NEWLY CONSTRUCTED
DWELLINGS – ALL FORMS EXCEPT HO 00 04
AND HO 00 06****A.** A Dwelling is eligible for a discount depending on the calendar year that the dwelling was completed and first occupied. If the year first occupied is different than the year completed, the later year would apply.**B.** To compute the premium for this provision, multiply the Base Premium by the appropriate credit factor selected from the following table:

Age Of Dwelling (In Years)	Credit
up to 1	.82
1 up to 2	.85
2 up to 3	.88
3 up to 4	.91
4 up to 5	.94
5 up to 6	.97
6 and over	No Credit Applies

Note: A dwelling under construction shall be considered to be completed and occupied during the current calendar year.

Table A5.B. Age Of Dwelling Credits**C.** To develop a premium for this option, multiply the Base Premium by the appropriate credit factor.**RULE A6.
OPTIONAL INFLATION GUARD ENDORSEMENTS**

Subject to the provisions noted in Paragraphs **B.** and **C.**, the inflation guard endorsements referenced in this rule may be used instead of the endorsement noted in General Rule **405**.

A. Eligible Forms

The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in Paragraph **B.**:

- Forms **HO 00 02**, **HO 00 03** and **HO 00 05** – Coverages **A**, **B**, **C** and **D**; and
- Forms **HO 00 04** and **HO 00 06** – Coverages **C** and **D**.

These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, billing notice or named on the form.

**RULE A6.
OPTIONAL INFLATION GUARD ENDORSEMENTS
(Cont'd)**

B. Approved Inflation Cost Indexes

The following Indexes have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsements listed in Paragraph C.

A Company that elects to use one of these indexes must use it exclusively and notify the Rate Bureau of its election.

1. Marshall and Swift Boeckh Residential Cost Index published by the American Appraisal Company, Inc.
2. Composite Construction Cost Index published by the U.S. Department of Commerce.
3. Consumer Price Index published by the U.S. Department of Labor.
4. Marshall and Swift Boeckh Construction Cost Index published by Marshall and Swift Boeckh.
5. RSMeans CostWorks Valuator published by RSMeans.
6. Xactware Inflation Index published by Xactware Solutions, Inc.

C. Endorsements

A Company that elects to use one or both of the following endorsements must use it exclusively and notify the Rate Bureau of its election.

1. **Inflation Guard Endorsement HO 32 18**
Use this endorsement with Forms **HO 00 02**, **HO 00 03** and **HO 00 05**.
2. **Inflation Guard Endorsement HO 32 19**
Use this endorsement with Forms **HO 00 04** and **HO 00 06**.

D. Premium

There is **no** additional charge for these optional endorsements.

**RULE A7.
OPTIONAL RATING CHARACTERISTICS**

Companies may use the following optional rating characteristics or any combination of such optional rating characteristics and Bureau filed characteristics to determine rates, as long as applicable legal requirements are satisfied. The resulting premium shall not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau, except as provided by statute. The rating factor for any combination of the following optional risk characteristics cannot exceed 1.00, unless the resulting premium does not exceed the Bureau premium.

- A. Policy characteristics not otherwise recognized in this manual. Examples include: account or multi-policy credit; tiers; continuity of coverage; coverages purchased; intra-agency transfers; payment history; payment options; prior insurance; and new and renewal status.
- B. Policyholder/Insured personal characteristics not otherwise recognized in this manual. Examples include: Smoker/non-smoker status; credit information; loss history; loss prevention training/education; age; work status; marital status; number of years owned; household composition; and good student/education.
- C. Dwelling characteristics not otherwise recognized in this manual. Examples include: Gated community; retirement community; limited access community; revitalized/renovated home; security, safety or loss deterrent systems or devices; age of home; and construction type and quality.
- D. Affinity group or other group not otherwise recognized in this manual.
- E. Any other rating characteristics or combination of characteristics if filed by a company and approved by the Commissioner.

**RULE A8.
PRIMARY INSURANCE COVERAGE**

A. Endorsement HO 32 02 – HO 00 02 And HO 00 03

Use the Primary Insurance Endorsement, specified above, only with a North Carolina Insurance Underwriting Association (NCIUA) policy.

This endorsement replaces the Other Insurance Condition in the policy form and makes the NCIUA policy primary insurance for the insured property. When a Primary Insurance Endorsement is not attached to the policy, the Other Insurance Condition in the policy form is unchanged.

B. Rating

1. Primary Insurance

- a. For **HO 00 02** or **HO 00 03** when the Coverage Limit of Liability is less than 100% of actual cash value or replacement value, divide the selected limit by the ACV or replacement value, whichever applies. The result is the "Percent of Total Value".
- b. Go to the First Loss Table below provided and select the factor in Column 2 that corresponds to the "Percent of Total Value" computed in Paragraph a.
- c. Multiply the total value of the dwelling or personal property (actual or replacement) by the factor selected in Paragraph b.
- d. Use the resulting product as the limit for computing the premium.

RULE A8.
PRIMARY INSURANCE COVERAGE (Cont'd)

2. Coverage A Example

Replacement Value of Dwelling: \$5,000,000

Primary Policy – Coverage A Limit: \$1,000,000

- a. Divide Coverage A Limit by Replacement Value limit ($\$1,000,000/\$5,000,000 = 20\%$ or 20.00 Percent of Total Value).
- b. Find Factor that corresponds to Percent of Total Value.
- c. Multiply Replacement Value by Factor from Column 2 ($\$5,000,000 (65.5) = \$3,275,000$).
- d. Use resulting product to compute Coverage A premium (Rate the policy as if \$3,275,000 is the Coverage A limit to be insured).

Note: This procedure is used to determine the appropriate exposure basis for primary insurance. It does not increase the amount of coverage available.

**RULE A8.
PRIMARY INSURANCE COVERAGE (Cont'd)**

FIRST LOSS TABLE

(Used When Primary Coverage Provided)

% Of Total Value	Factor
1.00	22.4
1.10	22.9
1.20	23.5
1.30	24.1
1.40	24.7
1.50	25.2
1.60	25.8
1.70	26.4
1.80	27.0
1.90	27.5
2.00	28.1
2.10	28.4
2.20	28.7
2.30	29.0
2.40	29.3
2.50	29.6
2.60	29.8
2.70	30.1
2.80	30.4
2.90	30.7
3.00	31.0
3.10	31.6
3.20	32.1
3.30	32.7
3.40	33.3
3.50	33.9
3.60	34.4
3.70	35.0
3.80	35.6
3.90	36.2
4.00	36.7
4.10	37.3
4.20	37.9
4.30	38.5
4.40	39.0
4.50	39.6
4.60	40.2
4.70	40.8
4.80	41.3
4.90	41.9
5.00	42.5
6.00	44.8
7.00	47.1
7.50	48.2
8.00	49.4
9.00	51.7

% Of Total Value	Factor
10.00	54.0
11.00	55.1
12.00	56.3
13.00	57.4
14.00	58.6
15.00	59.7
16.00	60.9
17.00	62.0
18.00	63.2
19.00	64.3
20.00	65.5
21.00	66.0
22.00	67.8
23.00	68.9
24.00	70.1
25.00	71.2
26.00	72.0
27.00	72.1
28.00	73.4
29.00	74.1
30.00	74.8
31.00	75.6
32.00	76.3
33.00	77.0
34.00	77.3
35.00	77.6
36.00	78.0
37.00	78.4
38.00	78.8
39.00	79.2
40.00	79.5
41.00	79.9
42.00	80.2
43.00	80.4
44.00	80.8
45.00	81.1
46.00	81.5
47.00	81.8
48.00	82.1
49.00	82.4
50.00	82.7
51.00	83.0
52.00	83.2
53.00	83.4
54.00	83.7
55.00	83.9

% Of Total Value	Factor
56.00	84.1
57.00	84.4
58.00	84.6
59.00	84.8
60.00	85.0
61.00	85.3
62.00	85.5
63.00	85.7
64.00	86.0
65.00	86.2
66.00	86.4
67.00	86.7
68.00	86.9
69.00	87.1
70.00	87.3
71.00	87.6
72.00	87.8
73.00	88.0
74.00	88.3
75.00	88.5
76.00	89.0
77.00	89.4
78.00	89.9
79.00	90.3
80.00	90.8
81.00	91.3
82.00	91.7
83.00	92.2
84.00	92.6
85.00	93.1
86.00	93.6
87.00	94.0
88.00	94.5
89.00	94.9
90.00	95.4
91.00	95.9
92.00	96.3
93.00	96.8
94.00	97.2
95.00	97.7
96.00	98.2
97.00	98.6
98.00	99.1
99.00	99.5
100.00	100.0

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06****A. Introduction**

With respect to risks located in Territories 110, 120, 130, 140, 150 and 160, premium credits shall be made available for insureds who build, rebuild or retrofit certain residential dwellings, in accordance with specified standards, to better resist hurricanes and other catastrophic windstorm events.

B. Eligibility

1. A dwelling may be eligible for a premium credit if:
 - a. The dwelling has been designed and constructed in conformity with, and has been certified as meeting, the Hurricane, Tornado and Hail and High Wind requirements of the Hurricane Fortified for Safer Living® (Fortified) program promulgated by the Institute for Business and Home Safety® (IBHS);
 - b. The dwelling has been certified as meeting, either the Bronze, Silver or Gold hurricane mitigation measures in the Hurricane Fortified for Existing Homes® program promulgated by the IBHS;
 - c. The dwelling contains Opening Protection in accordance with the qualification requirements set forth in Paragraph D.1.b.; or
 - d. The dwelling contains a Total Hip Roof.
2. The provisions of this rule do not apply:
 - a. To condominiums or tenant policies.
 - b. If the policy excludes the peril of Windstorm or Hail.
 - c. To dwellings under construction.
 - d. To mobile homes.
3. To be eligible for a premium credit, mitigation features are not required for adjacent structures including, but not limited to, detached garages, storage sheds, barns, apartments, etc. located on the insured premises.

C. Proof Of Compliance

The named insured must submit proof that the windstorm loss mitigation features and/or construction techniques have been implemented for each of the following:

1. IBHS Hurricane Fortified For Safer Living®

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling.

2. IBHS Hurricane Fortified For Existing Homes®

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling. The credit will apply for five years from the date of designation. In order to continue receiving the mitigation credit after five years, the dwelling must be re-inspected and re-designated by the IBHS. If the IBHS designation expires, the applicable mitigation credit will expire upon renewal.

3. Opening Protection

The existence of Opening Protection may be verified by proof of installation.

4. Total Hip Roof

The existence of a hip roof may be verified through photographs of the roof.

D. Description Of Mitigation Credit Tables

With respect to dwellings to which this rule applies and subject to all other provisions of this Windstorm Mitigation Program, the following approved and properly maintained windstorm mitigation features shall be recognized for a premium credit:

1. IBHS Hurricane Fortified Homes

- a. A home designated by the IBHS as Hurricane Fortified for Safer Living®.
- b. A home designated by the IBHS as Hurricane Fortified for Existing Homes®, including:
 - (1) Hurricane Fortified for Existing Homes Bronze, Option 1
 - (2) Hurricane Fortified for Existing Homes Bronze, Option 2
 - (3) Hurricane Fortified for Existing Homes Silver, Option 1
 - (4) Hurricane Fortified for Existing Homes Silver, Option 2
 - (5) Hurricane Fortified for Existing Homes Gold, Option 1
 - (6) Hurricane Fortified for Existing Homes Gold, Option 2

2. Opening Protection

- a. Building opening protective features must have been tested and/or certified as having met standards of the American Society for Testing and Materials ASTM E 1886 (standard test method) and ASTM E 1996 (standard specification). Such opening protective features shall be considered qualified.

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**

b. Qualifying opening protection must be present at all exterior envelope openings (such as windows, garage doors, sliding doors, swinging doors, glass block, door sidelights, and skylights) on the dwelling structure. For the credit to apply, the following conditions must be met:

(1) In accordance with the qualification requirements set forth in Paragraph **D.1.b.(1)**:

(a) All exterior building envelope openings with glazing (e.g., glass) shall have qualified impact-resistant and wind pressure-resistant opening protection;

(b) All exterior building envelope openings without glazing shall have qualified wind pressure-resistant opening protection; and

(c) All garage doors (with and without glazing) shall meet or exceed a qualified minimum pressure resistance.

(2) Opening protection must be installed by a qualified contractor, according to the manufacturer's specifications.

(3) Impact-resistant protective devices must not be made of wood structural panels, such as OSB or plywood, or be homemade.

3. Total Hip Roof

A Total Hip Roof is a roof that slopes in four directions such that the end formed by the intersection of slopes is a triangle.

E. Premium Determination

1. To compute the Base Premium:

a. Determine the appropriate Key Premium as described in Rule **301**.

b. Subtract the Windstorm Loss Mitigation credit shown on the state rate pages from the Key Premium.

c. Multiply the Key Premium excluding the Windstorm Loss Mitigation credit developed in Paragraph **1.b.** by the Key Factor for the desired limit of liability.

d. For Example:

Form **HO 00 03** Key Premium = \$1379

Windstorm Loss Mitigation Credit = \$78

Key Factor for \$100,000 = 1.109

Step 1. Determine the Key Premium

Step 2. Key Premium = \$1379

Subtract Windstorm Loss Mitigation

Credit from Key Premium

\$1379 – \$78 = \$1301

Step 3. Multiply Key Factor for desired limit by amount in Step 2.

\$1301 x 1.109 = \$1442.81, round to \$1443 = Base Premium

2. Mitigation Feature credits cannot be combined, except for Total Hip Roof and Opening Protection.

3. If mitigation measures are installed midterm, premium adjustment is required on a pro rata basis.

**PART I
COVERAGE AND DEFINITION TYPE RULES**

**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS**

Paragraph **A.1.** is replaced by the following:

A. Limits

The limits of liability required under the Homeowners Policy are as follows:

1. Section I – Property Damage

Coverage A – Dwelling	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages. For HO 00 06 , refer to Rule 507.A.
Coverage B – Other Structures	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	10% of A (One- and two-family dwelling) 5% of A (Three- and four-family dwelling)
Coverage C – Personal Property	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	50% of A (One- and two-family dwelling) 30% of A (Three-family dwelling) 25% of A (Four-family dwelling)
HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages.
Coverage D – Loss Of Use	
HO 00 02, HO 00 03 or HO 00 05	20% of A
HO 00 04	20% of C
HO 00 06	40% of C
HO 00 08	10% of A

Table 101.A.1. Property Damage Limits

The following is added to Paragraph **E.**:

Actual Cash Value Loss Settlement Endorsement **HO 04 81** must be used with Form **HO 00 08**. It replaces the Repair Cost or Market Value Loss Settlement Provisions in Form **HO 00 08** with an Actual Cash Value Loss Settlement Condition.

The following is added to Rule **101.:**

F. All Forms

The limit of liability for Coverage **E** of Section **II** may be reduced to \$50,000 or \$25,000. Other limits below \$100,000 are not permitted.

**RULE 104.
ELIGIBILITY**

Paragraph **G.** is replaced by the following:

G. Farm Property

1. A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section **I** property damage coverage to any property situated on premises used for farming purposes.
2. Optional Section **II** liability coverage is available for certain farm liability exposures as specified in Rule **615.**

**PART II
SERVICING TYPE RULES**

**RULE 201.
POLICY PERIOD**

Paragraph **D.** is replaced by the following:

- D.** Less than three years on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the company.

**RULE 204.
MULTIPLE COMPANY INSURANCE**

Paragraph **B.** is replaced by the following:

B. Endorsement

Use Multiple Company Insurance – North Carolina Endorsement **HO 32 78.**

**RULE 209.
RESTRICTION OF INDIVIDUAL POLICIES**

Rule **209.** is replaced by the following:

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

Use Restriction Of Individual Policies – North Carolina Endorsement **HO 32 29.**

**RULE 210.
REFER TO COMPANY**

Rule **210.** is replaced by the following:

Whenever a risk is rated on a refer-to-company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 302.
LOSS SETTLEMENT OPTIONS**

Rule 302. is replaced by the following:

A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

3. Premium Computation

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option. However, if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only.

4. Endorsement

Use Functional Replacement Cost Loss Settlement – North Carolina Endorsement **HO 32 50**.

B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
20%	4.00
30%	2.67
40%	2.00
50%	1.60
60%	1.33
70%	1.14

Table 302.B.3.a. Factors

- b. Develop a Base Premium in accordance with Rule 301. for the amount of insurance computed in Paragraph **B.3.a**.
- c. Multiply the premium determined in Paragraph **B.3.b**. by the appropriate factor from the following table:

% Of Replacement Value	Factor
20%	.73
30%	.74
40%	.75
50%	.76
60%	.77
70%	.78
80%	.80

Table 302.B.3.c. Factors

- d. If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only and multiply that Base Premium by the appropriate factor from Table **302.B.3.c**.

**RULE 302.
LOSS SETTLEMENT OPTIONS (Cont'd)**

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81**.

C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage A limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

3. Premium Computation

To develop the Base Premium for the Coverage A limit of liability shown in the policy declarations:

- a. Multiply the Coverage A limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
50%	1.60
60%	1.33
70%	1.14

Table 302.C.3.a. Factors

- b. Develop a Base Premium in accordance with Rule 301. for the amount of insurance computed in preceding Paragraph a. However, if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only for the amount of insurance computed in Paragraph a.

- c. Multiply the premium determined in preceding Paragraph b. by the appropriate factor from the following table:

% Of Replacement Value	Factor
50%	.96
60%	.97
70%	.98

Table 302.C.3.c. Factors

4. Endorsement

Use Special Loss Settlement – North Carolina Endorsement **HO 32 56**.

**RULE 303.
ORDINANCE OR LAW COVERAGE – ALL FORMS
EXCEPT HO 00 08**

Paragraph **B.2.a.** is replaced by the following:

B. Increased Amount Of Coverage

2. Premium Determination

a. Forms HO 00 02, HO 00 03 And HO 00 05

To develop the Base Premium:

- (i) If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** does not apply, multiply the premium computed in accordance with Rule 301. by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15%	25%	1.13	1.05
40%	50%	1.35	1.14
65%	75%	1.51	1.20
90%	100%	1.67	1.27
For each add'l 25% increment, add		.16	.07

Table 303.B.2.a.(i) Factors

- (ii) If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** applies, multiply the premium computed in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only, by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15%	25%	1.13	1.05
40%	50%	1.35	1.14
65%	75%	1.51	1.20
90%	100%	1.67	1.27
For each add'l 25% increment, add		.16	.07

Table 303.B.2.a.(ii) Factors

**RULE 304.
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04
AND HO 00 06**

Paragraph C. is replaced by the following:

C. Endorsement

1. Use Special Personal Property Coverage Endorsement **HO 32 95** for use with Form **HO 00 04** only.
2. Use Unit-Owners Coverage **C** Special Coverage Endorsement **HO 32 35** for use with Form **HO 00 06** only.

**RULE 305.
LOSS HISTORY RATING PLAN**

Rule 305. does not apply.

**PART IV
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 402.
TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT
HO 00 04 AND HO 00 06**

Rule 402. is replaced by the following:

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Townhouse And Row House Factors

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1-8	9, 9S & Over
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
9 & Over	Refer to company	
3 Or 4 Family Dwelling		
5 – 8	1.15	1.20
9 & Over	Refer to company	
* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.		

Table 402. Townhouse And Row House Factors

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

Rule 403. is replaced by the following:

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis. If endorsed, the Coverage **C** limit must be at least:

1. 40% of Coverage **A** for all forms except **HO 00 04** and **HO 00 06**.
2. \$12,000 (if policy limit is less than \$12,000 for Forms **HO 00 04** or **HO 00 06**).

C. Endorsement

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

D. Scheduled Personal Property

1. When the Scheduled Personal Property Endorsement **HO 04 61** is attached to a policy with Endorsement **HO 04 90**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:
 - a. Jewelry;
 - b. Furs and garments trimmed with fur or consisting principally of fur;
 - c. Cameras, projection machines, films and related articles of equipment;
 - d. Musical equipment and related articles of equipment;
 - e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.
2. Since the loss settlement condition in Endorsement **HO 04 61** will pay the insured the least of the:
 - a. Actual cash value of the property sustaining loss;
 - b. The amount for which the property could be repaired or replaced; or
 - c. The amount of insurance of the property sustaining loss;

the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT (Cont'd)

E. Scheduled Personal Property (With Agreed Value Loss Settlement)

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement **HO 04 60** is attached to a policy with Endorsement **HO 04 90**, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

F. Premium Determination

Multiply the Base Premium including any premium adjustment for Coverage **C** limits by a factor of:

1. 1.05 for all forms except **HO 00 04** and **HO 00 06**.
2. 1.40 for Forms **HO 00 04** or **HO 00 06**.
3. The charge for Replacement Cost Coverage should be applied before the credit or charge for optional deductibles.
4. Refer to the state rate pages for the minimum additional premium, including the cost to increase the Coverage **C** limits.

RULE 404.
PROTECTIVE DEVICES

Rule **404**. is replaced by the following:

Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling are to be recognized for a reduced premium in accordance with the following:

A. Definitions**1. Central Station Systems**

- a. A Central Station Fire Alarm System is one in which the operations of circuits and devices are signaled automatically to, recorded in, maintained, and supervised from an approved central station having competent and experienced observers and operators who shall, upon receipt of a signal, take such action as shall be required.
- b. A Central Station Burglar Alarm System is one in which the operations of electrical protection circuits and devices are signaled automatically to, recorded in, maintained, and supervised from a central station having trained operators and guards in attendance at all times. Guards are dispatched to make immediate investigation of unauthorized entry or opening of protected properties from which signals are received.

Combination Central Station and Local Systems beyond the range of central station service may be classified as Local Burglar Alarm Systems.

Central Stations are listed by name and location by Underwriters Laboratories, Inc. in both the UL Burglary Protection Equipment List and UL Fire Protection Equipment List.

2. Fire Or Police Station Connected Systems

- a. Fire Station Connected (Remote Station) Fire Alarm Systems contemplate a system of electrically supervised circuits employing a direct circuit (not house telephone) connection between signaling devices at the protected premises and signal receiving equipment in a remote station, such as a municipal fire alarm headquarters, or fire station.
- b. A Police Station Connected Burglar Alarm System is one in which a Local Alarm System is provided with supplementary transmitting equipment, so that when actuated, a signal is also annunciated at the constantly attended receiver at police headquarters.

3. Local Systems

- a. Local Fire Alarm Systems contemplate supervised systems providing fire alarm signals within the protected premises. These systems are primarily for the protection of life by indicating the necessity of evacuation of the building and secondarily for the protection of property.
- b. A Local Burglar Alarm System is one in which the protective circuits and devices are connected to an enclosed and tamper-protected loud sounding device attached to an outside wall of the building in which the property is situated. Disturbance of the protective devices or unauthorized entry through wired portions of the property automatically causes the sounding device to operate until it is stopped by key control in the possession of the owner or by exhaustion of the power supply or by a timing element set for a definite period of operation.

4. Automatic Sprinkler Systems

An Automatic Sprinkler System contemplates a system in which water is piped to devices called sprinkleheads, that melt with heat and release water to extinguish a fire.

B. Evaluation Of Alarm Systems

The following shall also be considered in evaluating alarm systems for qualification and premium credit:

1. All devices, combination of devices and equipment shall be approved by a recognized independent testing firm for the purposes for which they are intended.
2. All equipment shall be installed in a workmanlike manner by a qualified firm or person.

**RULE 404.
PROTECTIVE DEVICES (Cont'd)**

3. Detection devices shall be installed throughout all areas of the dwelling as follows:

a. For fire alarm systems:

- (1) A smoke detector shall be located in the immediate vicinity of, but outside, the bedrooms; and
- (2) Heat or smoke detectors shall be provided in all major areas of the house including living room, dining room, bedroom, kitchen, hallway, attics, furnace rooms, utility rooms, basements and attached garages.
- (3) Heat detectors shall be installed within the strict limitation of their listed spacing (see Item 11. of Table 404.C.).

b. For burglar alarm systems:

- (1) Completely protecting all accessible windows, doors, transoms, skylights, and other openings leading from the premises; or
- (2) Protecting with contacts only, all movable accessible openings leading from the premises and providing one or more invisible rays or channels of radiation, with the minimum overall length of the rays or radiation equivalent to the longest dimensions of the area or areas to detect movement through the channel; or
- (3) Protecting with contacts only, all doors leading from the premises and providing a system of invisible radiation to all sections of the enclosed area so as to detect fourstep movement.

c. For automatic sprinkler systems:

An approved and properly maintained automatic sprinkler system with sprinklers:

- (1) In all areas including attics, bathrooms, closets and attached structures; or
- (2) In all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector.

C. Premium Development

The premium for a risk having an approved protective device is developed by multiplying the Base Premium (including any premium adjustment to Coverage C limits) by the selected factor from the following table:

Protective Devices Factors

Protective Device	Factor*
1. Central Station Reporting Burglar Alarm	.95
2. Central Station Reporting Fire Alarm	.95
3. Both 1. and 2.	.91
4. Fire Station Connected Fire Alarm	.97
5. Police Station Connected Fire Alarm	.97
6. Both 4. and 5.	.96
7. Local Fire Alarm System	.98
8. Local Burglar Alarm System	.98
9. Both 7. and 8.	.98
10. Automatic Smoke Detectors	.99
11. Automatic Sprinkler System	
a. In all areas including attic, bathroom, closet and attached structure	.87
b. In all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.93
* For Protection Classifications 1-9, 9S	
Note 1	
Premium credit shall not be afforded on any additional or optional coverage, except Coverage C revised limits.	
Note 2	
Refer to the state rate pages for the maximum credit allowed.	
Note 3	
These credits do not apply to multi-family residential properties unless entire building meets the above requirements.	

Table 404.C. Protective Devices Factors

D. Endorsement

Use Premises Alarm Or Fire Protection System Endorsement **HO 04 16**.

**RULE 406.
DEDUCTIBLES**

Rule 406. is replaced by the following:

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

A Base Deductible of \$1,000 applies to all forms except HO 00 04 and HO 00 06.

A Base Deductible of \$500 applies to forms HO 00 04 and HO 00 06.

B. \$100 All Perils Deductible Options

1. \$100 All Perils Deductible

To compute the premium for this option, multiply the Base Premium by a factor of:

- a. 1.39 for all forms except HO 00 04 and HO 00 06; or
- b. 1.21 for Form HO 00 04; or
- c. 1.22 for Form HO 00 06.

2. \$100 All Perils/250 Theft Deductible

This option applies to all forms except HO 00 05, HO 00 04 with Special Personal Property Coverage – North Carolina Endorsement and HO 00 06 with Unit-owners Coverage C Special Coverage – North Carolina Endorsement.

a. The \$250 Theft Deductible applies to Coverage C – Personal Property and is available only when:

- (1) A \$100 deductible applies to All Other Perils; or
- (2) A higher deductible applies to the peril of Windstorm or Hail and a \$100 deductible applies to All Other Perils.

b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by the factor of:

- (1) 1.38 for all forms except HO 00 04 and HO 00 06; or
- (2) 1.15 for Form HO 00 04; or
- (3) 1.17 for Form HO 00 06.

c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors shown in Paragraph C.3.a.(6) or C.3.b.(6) for policies applicable to a higher Windstorm or Hail deductible.

C. Other Optional Deductibles

1. All Perils Deductibles

To compute the premium for this deductible type, multiply the Base Premium by the factor selected from the following table:

All Forms Except HO 00 04 And HO 00 06								
Coverage A Limit	Deductible Amounts							
	\$250	\$500	\$1,000	\$1,500	\$2,500	\$5,000	\$7,500	\$10,000
Up to \$59,999	1.27	1.15	1.00	.92	.78	.72	N/A	N/A
\$60,000 to 99,999	1.27	1.15	1.00	.92	.78	.72	N/A	N/A
100,000 to 200,000	1.27	1.16	1.00	.92	.78	.72	N/A	N/A
200,001 and Over	1.27	1.22	1.13	1.06	.95	.82	.76	.71
HO 00 04								
Coverage C Limit	\$250	\$500	\$1,000	\$1,500	\$2,500			
Up to \$25,000	1.10	1.00	.85	N/A	.65			
\$25,001 and Over	1.10	1.02	.92	N/A	.75			
HO 00 06								
Coverage C Limit	\$250	\$500	\$1,000	\$1,500	\$2,500			
Up to \$40,000	1.11	1.00	.84	N/A	.62			
\$40,001 and Over	1.11	1.02	.90	N/A	.70			

Table 406.C.1. All Perils Deductibles Factors

RULE 406.
DEDUCTIBLES (Cont'd)

2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)

a. Deductible Amounts

This option provides for higher Theft Deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

b. Endorsement

An endorsement is not required.

c. Declarations Instructions

Separately enter, on the policy Declarations, the deductible amounts that apply to Theft and All Other Section I Perils.

d. Deductible Application

In the event of a theft loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

e. Use of Factors

The factors for Form **HO 00 04** and Form **HO 00 06** Theft Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Theft Deductible.

f. Deductible Factors

(1) Form HO 00 04

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

Theft Deductible Amount	All Other Perils Deductible Amount	Coverage C Limit	
		Up To \$25,000	\$25,001 And over
\$ 1,000	\$ 100	1.02	1.04
	250	.97	1.01
	500	.92	.98
2,500	100	.91	.97
	250	.88	.93
	500	.82	.90
	1,000	.76	.85

Table 406.C.2.f.(1) Theft Deductible Factors

(2) Form HO 00 06

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

Theft Deductible Amount	All Other Perils Deductible Amount	Coverage C Limit	
		Up To \$40,000	\$40,001 And over
\$ 1,000	\$ 100	1.12	1.11
	250	1.06	1.07
	500	.97	1.00
2,500	100	1.08	1.08
	250	1.01	1.02
	500	.92	.96
	1,000	.80	.86

Table 406.C.2.f.(2) Theft Deductible Factors

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with the deductible applicable to All Other Section I Perils.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, and 5% of the Coverage A limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

RULE 406.
DEDUCTIBLES (Cont'd)**(2) Endorsement**

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12.**

(3) Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

- (a)** Deductible – Windstorm or Hail 1% of Coverage **A** limit and \$250 for All Other Perils.
- (b)** Deductible – Windstorm or Hail 2% of Coverage **A** limit, \$250 for Theft of Personal Property and \$100 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors displayed in Paragraph **(6)** incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located In Area Serviced By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

(b) Property Is Located In Area Serviced by NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1.** Multiply the Windstorm or Hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2.** Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3.** Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4.** Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5.** Compare the results in Steps 2. and 4. If the result in:
 - Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

**RULE 406.
DEDUCTIBLES (Cont'd)**

1% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.33	1.32	1.32	1.32
250	1.22	1.22	1.22	1.22
500	1.13	1.13	1.13	1.18
1,000	—	—	.99	1.11
1,500	—	—	.92	1.06
2,500	—	—	—	.94
5,000	—	—	—	.80
7,500	—	—	—	.73
10,000	—	—	—	.68

Table 406.C.3.a.(6)(b)#1 1% Windstorm Or Hail Deductible

2% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.29	1.29	1.29	1.29
250	1.18	1.18	1.19	1.20
500	1.09	1.09	1.10	1.15
1,000	.96	.96	.96	1.08
1,500	—	.90	.90	1.01
2,500	—	—	.76	.91
5,000	—	—	—	.77
7,500	—	—	—	.71
10,000	—	—	—	.67

Table 406.C.3.a.(6)(b)#2 2% Windstorm Or Hail Deductible

5% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.23	1.23	1.25	1.27
250	1.13	1.13	1.15	1.18
500	1.04	1.04	1.06	1.13
1,000	.91	.91	.92	1.05
1,500	.85	.85	.86	.99
2,500	.75	.75	.75	.89
5,000	—	—	.70	.75
7,500	—	—	—	.70
10,000	—	—	—	.65

Table 406.C.3.a.(6)(b)#3 5% Windstorm Or Hail Deductible

b. Higher Fixed-dollar Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

An endorsement is not required.

(3) Declarations Instruction

Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm or Hail and \$250 for All Other Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

**RULE 406.
DEDUCTIBLES (Cont'd)**

(6) Deductible Factors

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the NCIUA, additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located In Area Serviced By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

(b) Property Is Located In Area Serviced By NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

\$1,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.29	1.30	1.33	1.34
250	1.20	1.20	1.23	1.24
500	1.11	1.11	1.14	1.20

Table 406.C.3.b.(6)#1 \$1,000 Windstorm Or Hail Deductible

\$2,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.24	1.27	1.30	1.32
250	1.15	1.16	1.20	1.22
500	1.08	1.08	1.11	1.18
1,000	.95	.95	.97	1.11
1,500	.89	.89	.91	1.06

Table 406.C.3.b.(6)#2 \$2,000 Windstorm Or Hail Deductible

\$5,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.22	1.23	1.28	1.29
250	1.11	1.13	1.16	1.19
500	1.04	1.04	1.08	1.15
1,000	.91	.91	.95	1.09
1,500	.85	.85	.89	1.04
2,500	.73	.75	.76	.94

Table 406.C.3.b.(6)#3 \$5,000 Windstorm Or Hail Deductible

RULE 406.
DEDUCTIBLES (Cont'd)

D. Named Storm Percentage Deductible – Territories 110, 120, 130, 140, 150 And 160 Only

1. Deductible Amounts

The Named Storm Percentage Deductible option is used in conjunction with a deductible applicable to All Other Section I Perils.

A percentage amount of 1%, 2% or 5% of the Coverage A or C limit of liability, whichever is greater, is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

2. Endorsement

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

3. Schedule Instructions

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

4. Loss By Windstorm That Is A Named Storm

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

5. Deductible Factors

The factors displayed below incorporate the factors for the All Perils Deductibles shown in Paragraph C.1. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

Additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired named storm deductible option from the following table and subtract that factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the named storm deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired named storm deductible option.

RULE 406.
DEDUCTIBLES (Cont'd)

Territories 110, 120, 130, 140, 150 And 160				
Named Storm Deductible Percentage	All Other Perils Deductible Amount	HO 00 02, HO 00 03, HO 00 05 And HO 00 08	HO 00 04	HO 00 06
1%	\$ 100	1.34	—	—
	250	1.23	—	—
	500	1.19	1.01	1.01
	1,000	1.13	.91	.89
	1,500	1.08	—	—
	2,500	.95	.74	.69
	5,000	.81	—	—
	7,500	.75	—	—
	10,000	.70	—	—
2%	100	1.30	—	—
	250	1.22	—	—
	500	1.16	1.00	1.00
	1,000	1.09	.90	.88
	1,500	1.03	—	—
	2,500	.92	.73	.68
	5,000	.78	—	—
	7,500	.72	—	—
	10,000	.68	—	—
5%	100	1.28	—	—
	250	1.19	—	—
	500	1.14	.99	.99
	1,000	1.06	.89	.87
	1,500	1.00	—	—
	2,500	.90	.71	.67
	5,000	.76	—	—
	7,500	.71	—	—
	10,000	.66	—	—

Table 406.D.5. Named Storm Percentage Deductible

RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05

Paragraphs C.1.b. and C.1.c. are replaced by the following:

C. Options Available

1. Specified Additional Amount Of Insurance For Coverage A Only

b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

Table 407.C.1.b. Additional Amounts Of Insurance Factors

c. Use Specified Additional Amount Of Insurance For Coverage A Endorsement **HO 32 20.**

Paragraphs C.2.b. and C.2.c. are replaced by the following:

2. Additional Limits Of Liability For Coverages A, B, C, And D

b. The premium is computed by multiplying the Base Premium by a factor of 1.06.

c. Use Additional Limits Of Liability For Coverages A, B, C And D Endorsement **HO 32 11.**

**RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING
– ALL FORMS EXCEPT HO 00 04**

Rule 408. is replaced by the following:

A. Introduction

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

B. Coverage Description

The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.

C. Premium Determination

To develop a premium for this option, multiply the Base Premium by a factor of .99.

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HO 00 04**) Endorsement **HO 04 93**.

This endorsement does not apply to a policy in which the peril of Windstorm or Hail is excluded.

**RULE 410.
BUILDING CODE EFFECTIVENESS GRADING**

Rule 410. does not apply.

**PART V
SECTION I – PROPERTY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES**

**RULE 505.
EARTHQUAKE COVERAGE**

Rule 505. is replaced by the following:

A. Earthquake Coverage

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. Use Earthquake Endorsement – North Carolina **HO 32 54**.

B. Deductible

The base deductible is 5% of the limit of liability for either Coverage **A** or **C**, whichever is greater and is subject to a \$500 minimum. This deductible may be increased for a premium credit.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A**, **B** and **C**.

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates.

Use Loss Assessment Coverage For Earthquake Endorsement – North Carolina **HO 32 38** for all forms.

D. Base Premium

Develop the base premium as follows:

1. From the state rate pages:
 - a. Determine if Rate Table A, B, and/or C applies.
 - b. Determine the Earthquake Zone.
 - c. Select the rate according to construction from the Rate Table; and
2. Multiply the rate determined above by the:
 - a. Coverage **A** limit for Forms **HO 00 02**, **HO 00 03** and **HO 00 05**.
 - b. Coverage **C** limit for Form **HO 00 04**.
 - c. Coverage **A** and **C** limits for Form **HO 00 06**.
 - d. Coverage **C** and **D** increased limits.
 - e. Ordinance or Law total amount of insurance (includes basic and, if applicable, increased amounts).
 - f. Other Building or Structure options (e.g. Other Structures – Structures Rented To Others Residence Premises Endorsement **HO 04 40**, Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48** and Specific Structures Away From The Residence Premises Endorsement **HO 04 92**; Building Additions And Alterations – Other Residence Endorsement **HO 04 49** and Building Additions And Alterations **HO 04 51**).

E. Premium For Higher Deductibles

Multiply the base premium determined in Paragraph **D**. by the appropriate factor from the following table:

Deductible Percentage	Factor	
	Frame & Superior	Masonry
10%	.89	.95
15%	.78	.89
20%	.67	.84
25%	.56	.79

Table 505.E. Premium For Higher Deductibles

RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06

Paragraph **A.** is replaced by the following:

A. Basic Limits

The policy automatically provides a basic Coverage **A** limit of \$1,000 on a named perils basis. If increased limits are not desired, enter "\$1,000" under Coverage **A** – Dwelling on the Declarations pages.

Paragraph **D.** is replaced by the following:

D. Endorsement

Use Unit-Owners Coverage **A** Special Coverage Endorsement **HO 32 34**.

RULE 508.
FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS

Paragraph **A.2.** is replaced by the following:

A. Coverage C And Section II Liability

- The Coverage **C** minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$6,000.

Paragraph **B.** is replaced by the following:

B. Premium Computation

Multiply the Coverage **C** Base Premium (less the credit for higher deductibles) by a factor of .25.

RULE 513.
ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HO 00 04 AND HO 00 06

Paragraph **B.2.** is replaced by the following:

B. Premium Determination

- The premium for each additional \$1,000 of insurance is developed by multiplying the **HO 00 04** or **HO 00 06**, whichever is appropriate, Key Factor for "Each Add'l \$1,000" by the appropriate Key Premium.

RULE 515.
PERSONAL PROPERTY

Paragraph **E.** is replaced by the following:

E. Increased Special Limits Of Liability

- The Special Limits of Liability in the policy form for the categories of property noted in the following table may be increased to the maximum limits shown:

Personal Property	Limit In Form	Maximum Limit Allowed
1. Jewelry, Watches and Furs	\$ 1,500	\$ 6,500*
2. Money	200	1,000
3. Securities	1,500	3,000
4. Silverware, Goldware and Pewterware	25% of Coverage C	10,000**
5. Firearms	10% of Coverage C	10,000***
6. Portable Electronic Equipment in or upon a motor vehicle	1,500	6,000 **
* Not exceeding the \$1,500 sub-limit for any one article. However, the \$1,500 sub-limit for any one article may be increased to \$2,500 in increments of \$500.		
** Increase must be in increments of \$500.		
*** Increase must be in increments of \$100.		

Table 515.E.1. Special Limits

- Refer to the state rate pages for the additional charge.
- Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 88** – for all forms except as noted in Paragraph 4.
- Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 89** for Form **HO 00 05**, Form **HO 00 04** with Special Personal Property Coverage Endorsement **HO 32 95** and Form **HO 00 06** with Unit-owners Coverage **C** Special Coverage Endorsement **HO 32 35**.

RULE 515.
PERSONAL PROPERTY (Cont'd)

The following is added to Rule 515.:

H. Additional Coverage – Jewelry And Furs

1. The policy may be endorsed to provide an increased limit of liability (up to \$6,500) and coverage for additional risks of loss on unscheduled jewelry and furs.
2. The sub-limit payable for theft of any one article is \$1,500 and may be increased to \$2,500 in increments of \$500.
3. Refer to the state rate pages for the additional charge.
4. Use Additional Coverages – Unscheduled Jewelry And Furs Endorsement **HO 32 27**.
5. If Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 88** or **HO 32 89** is also endorsed on the policy, Item **e.** of the endorsement (which pertains to jewelry and furs) should be left blank in deference to the limits provided under Additional Coverages Endorsement **HO 32 27**.

I. Rented Personal Property

1. Basic Limit

a. Landlords Furnishings

Under Foms **HO 00 02**, **HO 00 03** and **HO 00 05**, the policy automatically provides, at no additional charge, \$2,500 of landlord's furnishings coverage, on a named perils basis, except Theft, for property regularly rented or held for rental in an apartment on the residence premises.

b. Theft (Burglary) Option

Coverage, as noted in Paragraph **1.a.**, may be extended to include loss resulting from burglary.

c. Premium

Refer to the state rate pages for the charge per unit.

2. Increased Limits

- a. The basic limit noted in Paragraph **1.a.** may be increased up to the Coverage **C** limit of liability.
- b. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.
- c. Refer to the state rate pages for the additional charge.

3. Endorsement

- a. Rented Personal Property Endorsement **HO 32 21** indicates when the Theft option and/or Increased Limits option are selected.
- b. When Increased Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.
- c. The insured may select one option or both.

RULE 517.
RENTAL TO OTHERS – EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH
HO 32 95 OR HO 00 06 WITH HO 32 35

The title of Rule 517. Rental To Others – Extended Theft Coverage All Forms Except **HO 00 05**, **HO 00 04** With **HO 05 24** Or **HO 00 06** With **HO 17 31** is replaced by the preceding title.

RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 32 95 OR
HO 00 06 WITH HO 32 35

The title of Rule 519. Special Computer Coverage All Forms Except **HO 00 05**, **HO 00 04** With **HO 05 24** Or **HO 00 06** With **HO 17 31**, is replaced by the preceding title and the text is replaced by the following:

A. Coverage Description

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

B. Premium

Refer to the state rate pages for additional charge.

C. Endorsement

Use Special Computer Coverage Endorsement **HO 32 37**.

RULE 520.
LIVESTOCK COLLISION COVERAGE

Rule 520. does not apply.

**RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR
OVERFLOW COVERAGE**

Paragraph **B.** is replaced by the following:

B. Increased Limits

The basic limit of liability may be increased to \$10,000, \$15,000 or \$25,000.

Paragraph **D.** is replaced by the following:

D. Endorsement

Use Limited Water Back-up And Sump Discharge Or Overflow Coverage Endorsement **HO 04 84.**

**RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT
HO 00 04**

Paragraph **B.** is replaced by the following:

B. Endorsement

Use Trust Endorsement – North Carolina **HO 32 12.**

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE**

Paragraph **C.4.b.** does not apply.

Table **528.D.2.a.** is replaced by the following:

Gross Annual Receipts*	HO 00 02, 3, 5 & 8	HO 00 04	HO 00 06
Up to \$50,000	.11	.46	.49
\$ 50,001 to \$100,000	.16	.69	.73
100,001 to 175,000	.23	.97	1.04
175,001 to 250,000	.31	1.31	1.40

* New business, use \$50,001 to \$100,000 classification

Table 528.D.2.a. Factors

Paragraph **E.** is replaced by the following:

E. Endorsement

Use Home Business Insurance Coverage – North Carolina Endorsement **HO 32 90.**

Paragraphs **F.5.a.** and **F.5.c.** are replaced by the following:

F. Options

5. Special Coverage – Spoilage Of Perishable Stock

a. Coverage

Provides special coverage for the perishable stock specifically listed in the Schedule of Endorsement **HO 32 55.** The limit of liability is also listed in the endorsement.

c. Endorsement

Use Special Coverage – Spoilage Of Perishable Stock Endorsement **HO 32 55.**

Paragraphs **F.6.b.(1)(b)** and **F.6.b.(3)** are replaced by the following:

6. Valuable Papers And Records Endorsements

b. Special Coverage

(1) Coverage

(b) Special Coverage in Forms **HO 00 05** and **HO 00 04** with **HO 32 95** and **HO 00 06** with **HO 32 35;**

(3) Endorsement

Use Special Coverage For Valuable Papers And Records Endorsement **HO 32 57.**

**RULE 529.
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA
COVERAGE**

Rule **529.** does not apply.

**RULE 530.
IDENTITY FRAUD EXPENSE COVERAGE**

Rule **530.** does not apply.

**RULE 531.
LIMITED THEFT COVERAGE OPTIONS FOR
DWELLINGS NEWLY CONSTRUCTED OR UNDER
CONSTRUCTION**

The title of Rule **531.** Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction is replaced by the preceding title.

Rule **531.** is replaced by the following:

A. Theft Coverage – Newly Constructed Dwelling

1. Coverage Description

The policy may be endorsed to provide theft coverage in or to a newly constructed, unoccupied dwelling.

2. Premium

Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.

3. Endorsement

Use Theft Coverage – Newly Constructed Unoccupied Dwelling – North Carolina Endorsement **HO 32 26.**

RULE 531.
LIMITED THEFT COVERAGE OPTIONS FOR DWELLINGS NEWLY CONSTRUCTED OR UNDER CONSTRUCTION (Cont'd)

B. Theft Coverage – Dwelling Under Construction

1. Coverage Description

The policy may be endorsed to provide theft coverage in or to a dwelling under construction.

2. Premium

Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.

3. Endorsement

Use Theft Coverage – Dwelling Under Construction – North Carolina Endorsement **HO 32 25**.

PART VI
SECTION II – LIABILITY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES

RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED LIMITS/OTHER EXPOSURES – BASIC LIMITS

Paragraph **A.** is replaced by the following:

A. Residence Premises

1. Basic limits of liability for Coverage **E** (Personal Liability) and Coverage **F** (Medical Payments to Others) are \$100,000 and \$1,000, respectively. The premium for these limits is included in the Base Premium.
2. Premium credits are provided for reduced Coverage **E** limits of \$50,000 and \$25,000. No other limits below \$100,000 are available.
3. Refer to the state rate pages Rule **601.** for increased and reduced limits rates.
4. If increased or reduced limits are written, then the same limits must apply to any other exposures covered under the policy, unless otherwise stated.

Paragraphs **B.3.** and **B.4.** are replaced by the following:

B. Other Exposures

3. For increased or reduced limits for Other Exposures, refer to Rules **701.** and **702.**
4. If increased or reduced limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

RULE 606.
COMPUTER-RELATED DAMAGE OR INJURY EXCLUSION AND COVERAGE OPTIONS

Rule **606.** does not apply.

RULE 607.
HOME DAY CARE COVERAGE

Paragraphs **C.2.** and **C.3.** are replaced by the following:

C. Premium

2. This premium is for an annual aggregate limit of \$100,000 with a Coverage **F** sub-limit of \$1,000 per-person/per-accident. If other Section **II** exposures are written for higher or lower dollar limits, use the Coverage **E** increased or reduced limits factors to adjust the aggregate limit, and the Coverage **F** charges to raise the Coverage **F** sub-limit.
3. The premium is for 1 through 3 persons or 4 through 5 persons, other than insureds, receiving day care services. If the day care business involves the care of more than 5 persons, other than insureds, refer to company.

RULE 610.
PERSONAL INJURY COVERAGE

Paragraph **C.** is replaced by the following:

C. Endorsement

Use Personal Injury Coverage Endorsement **HO 32 82** for providing coverage with the limit of liability on an "any one offense" basis.

Use Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 32 10** for providing coverage with the limit of liability on an annual aggregate limit basis.

RULE 613.
OWNED SNOWMOBILE

Rule **613.** does not apply.

RULE 614.
FARMERS PERSONAL LIABILITY

Rule **614.** does not apply.

RULE 616.
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES

Rule **616.** does not apply.

RULE 617.
CANINE LIABILITY EXCLUSION

Rule **617.** does not apply.

PART VII
SECTION II – LIABILITY – OTHER EXPOSURES
INCREASED LIMITS

RULE 701.
OTHER EXPOSURES – PERSONAL LIABILITY
INCREASED OR REDUCED LIMITS

Rule **701.** is replaced by the following:

Apply the appropriate factor shown in the following table to the basic limits premium for each exposure.

Limit	Factor
\$25,000	.67
50,000	.83
200,000	1.15
300,000	1.24
400,000	1.30
500,000	1.35
750,000	1.41
1,000,000	1.47

Table 701. Personal Liability Increased Limits

ADDITIONAL RULE(S)

**RULE A2.
INSTALLMENT PAYMENT PLAN**

C. Charge per installment – \$3

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY**

Frame Construction						
	Territory					
	110	120	130	140	150	160
All Forms Except HO 00 04 And HO 00 06	\$ 1,717	\$ 2,389	\$ 1,115	\$ 1,508	\$ 889	\$ 930
HO 00 04	72	84	33	40	12	19
HO 00 06	47	74	29	31	14	14

Table A3.#1 Wind Or Hail Exclusion Credit – Frame

Masonry Construction						
	Territory					
	110	120	130	140	150	160
All Forms Except HO 00 04 And HO 00 06	\$ 1,546	\$ 2,155	\$ 1,048	\$ 1,344	\$ 790	\$ 835
HO 00 04	64	75	30	36	10	17
HO 00 06	42	65	26	28	13	12

Table A3.#2 Wind Or Hail Exclusion Credit – Masonry

**RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06**

B. Premium
Charge per policy – \$14

**RULE A9.
WINDSTORM MITIGATION PROGRAM – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06**

Frame Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$ 119	\$ 163	\$ 78	\$ 103	\$ 60	\$ 63
Opening Protection	122	167	78	104	59	65
Total Hip Roof and Opening Protection	241	328	154	207	118	128
IBHS Designation:						
<i>Hurricane Fortified for Safer Living®</i>	390	575	223	345	129	214
<i>Hurricane Fortified for Existing Homes® Bronze Option 1</i>	94	130	62	82	47	51
<i>Hurricane Fortified for Existing Homes® Bronze Option 2</i>	146	204	87	129	59	79
<i>Hurricane Fortified for Existing Homes® Silver Option 1</i>	234	346	125	210	62	128
<i>Hurricane Fortified for Existing Homes® Silver Option 2</i>	281	418	149	257	71	159
<i>Hurricane Fortified for Existing Homes® Gold Option 1</i>	299	440	167	262	93	162
<i>Hurricane Fortified for Existing Homes® Gold Option 2</i>	347	514	190	310	101	191

Table A9. Windstorm Loss Mitigation Credit – Frame

Masonry Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$ 108	\$ 146	\$ 73	\$ 92	\$ 54	\$ 57
Opening Protection	110	150	73	94	52	58
Total Hip Roof and Opening Protection	217	296	145	186	105	116
IBHS Designation:						
<i>Hurricane Fortified for Safer Living®</i>	352	518	209	307	115	192
<i>Hurricane Fortified for Existing Homes® Bronze Option 1</i>	84	118	57	72	42	45
<i>Hurricane Fortified for Existing Homes® Bronze Option 2</i>	131	184	82	115	52	71
<i>Hurricane Fortified for Existing Homes® Silver Option 1</i>	211	313	118	188	55	116
<i>Hurricane Fortified for Existing Homes® Silver Option 2</i>	253	377	140	229	62	142
<i>Hurricane Fortified for Existing Homes® Gold Option 1</i>	269	398	157	233	81	145
<i>Hurricane Fortified for Existing Homes® Gold Option 2</i>	311	464	179	276	90	171

Table A9. Windstorm Loss Mitigation Credit – Masonry

**RULE 105.
SECONDARY RESIDENCE PREMISES**

B. Premium Adjustment

2. Credit – \$10
-

**RULE 204.
MULTIPLE COMPANY INSURANCE**

C. Premium

3. Credit – \$10
-

**RULE 205.
MINIMUM PREMIUM**

- D. Minimum Premium – \$50
-

**RULE 207.
WAIVER OF PREMIUM**

- B. Amount that may be waived – \$3 or less
-

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

F. Premium Determination

4. Minimum additional charge – \$20
-

**RULE 404.
PROTECTIVE DEVICES**

C. Premium Development

Maximum credit allowed – \$75

**RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT**

A. On-premises

2. Rate per \$2,500 – \$50
-

**RULE 504.
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD
OR ACCESS DEVICE, FORGERY & COUNTERFEIT
MONEY**

B. Premium

Limit	
\$ 1,000	\$ 1
2,500	3
5,000	4
7,500	5
10,000+	6
+ For limits in excess of \$10,000, refer to company.	

Table 504.B. Additional Charge

**RULE 505.
EARTHQUAKE COVERAGE**

D. Base Premium

Base Deductible – Rate Per \$1,000				
	Zone	Frame+	Masonry+	Superior
Table A				
All forms except HO 00 04 and HO 00 06	3	\$.54	\$ 1.24	\$.86
	4	.35	1.24	.50
	5	.27	.86	.36
Table B				
Form HO 00 04 or Form HO 00 06 (apply to Coverage C limit) and Higher Coverage C limits for other forms	3	\$.36	\$.95	\$.36
	4	.23	.82	.23
	5	.18	.57	.18
Table C				
Form HO 00 06 (apply to Coverage A limit), Higher Coverage D Limits, Endorsement HO 04 48 and Other Building Options	3	\$.36	\$ 1.05	\$.68
	4	.23	1.05	.39
	5	.18	.57	.27
+If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.				

Table 505.D.#1 Premium For Base Deductible

Zone 3			
Anson	Columbus	Mecklenburg	Scotland
Brunswick	Davie	Montgomery	Stanly
Cabarrus	Gaston	Richmond	Union
Catawba	Iredell	Robeson	
Cleveland	Lincoln	Rowan	

Table 505.D.#2 Earthquake Zone 3

Zone 4			
Alexander	Clay	Macon	Rutherford
Alleghany	Cumberland	Madison	Surry
Ashe	Davidson	McDowell	Swain
Avery	Forsyth	Mitchell	Transylvania
Bladen	Graham	Moore	Watauga
Buncombe	Haywood	New Hanover	Wilkes
Burke	Henderson	Pender	Yadkin
Caldwell	Hoke	Polk	Yancey
Cherokee	Jackson	Randolph	

Table 505.D.#3 Earthquake Zone 4

Zone 5	
Balance of State	

Table 505.D.#4 Earthquake Zone 5

**RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND
INCREASED LIMITS AND SPECIAL COVERAGE
HO 00 06**

C. Special Coverage

1. Charge per policy for \$1,000 in basic form – \$2
2. Rate for each add'l \$1,000 of Coverage A – \$1

**RULE 509.
HOME DAY CARE COVERAGE**

D. Premium Computation

1. Section I

- c. Rate per \$1,000 for business in other structure – \$5

**RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE
PREMISES**

E. Premium Computation

1. Section I

- c. Rate per \$1,000 for business in other structure – \$5

**RULE 511.
SUPPLEMENTAL LOSS ASSESSMENT COVERAGE**

A. Residence Premises

3. Premium

All forms except HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

New Amount Of Coverage	
\$ 5,000	\$ 3
10,000	6
Each add'l \$5,000 up to \$50,000	1

Table 511.A.3.#1 Additional Charge

HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

New Amount Of Coverage	
\$ 5,000	\$ 4
10,000	8
Each add'l \$5,000 up to \$50,000	2

Table 511.A.3.#2 Additional Charge

B. Additional Locations

2. Premium

All forms except HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

New Amount Of Coverage	
\$ 1,000	\$ 6
5,000	9
10,000	11
Each add'l \$5,000 up to \$50,000	1

Table 511.B.2.#1 Additional Charge

HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

New Amount Of Coverage	
\$ 1,000	\$ 7
5,000	11
10,000	13
Each add'l \$5,000 up to \$50,000	2

Table 511.B.2.#2 Additional Charge

**RULE 512.
LOSS OF USE – INCREASED LIMIT**

- B. Rate per \$1,000 – \$4

**RULE 514.
OTHER STRUCTURES**

A. On-premises Structures

1. Specific Structure – Increased Limits

a. Premium

Rate per \$1,000 for policies with windstorm or hail coverage – \$4

Territories 110, 120, 130, 140, 150 And 160 Only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$2

2. Structure On The Residence Premises Rented To Others

a. Premium

- (1) Rate per \$1,000 for policies with windstorm or hail coverage – \$5

Territories 110, 120, 130, 140, 150 And 160 Only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$3

B. Structures Off The Residence Premises

1. Forms HO 00 02, HO 00 03 And HO 00 05

b. Premium

Off premises structures charge per policy – \$15

2. All Forms

a. Premium

- (2) Specific structures – Off-Premises Rate per \$1,000 – \$5

**RULE 515.
PERSONAL PROPERTY**

- A. Increased Limit**
 - 3. Rate Per \$1,000:
HO 00 02 or HO 00 03 – \$2
HO 00 05 – \$3
- B. Increased Limit – Other Residences**
 - 3. Rate Per \$1,000 – \$7
- C. Increased Limit – Self-storage Facilities**
 - 2. Rate per \$1,000 – \$5
- D. Reduction In Limit**
 - 2. Credit per \$1,000 – \$1
- E. Increased Special Limits Of Liability**
 - 1. Jewelry, Watches and Furs – Rate per \$1,000 – \$18
Increased sub-limit per article:
Rate for \$2,000 – \$9
Rate for \$2,500 – \$18
 - 2. Money Rate per \$100 – \$6
 - 3. Securities – Rate per \$100 – \$4
 - 4. Silverware – Rate per \$500 – \$3.25
 - 5. Firearms – Rate per \$100 – \$3
 - 6. Portable Electronic Equipment in or upon a motor vehicle – Rate per \$500 – \$10
- F. Refrigerated Personal Property**
 - 3. Charge per policy – \$10
- G. Theft Coverage Increase – HO 00 08**
 - 3. Premium
 - a. On-Premises
Rate per \$2,000 – \$19
 - b. Off-Premises
Additional Charge – \$10
- H. Additional Coverage – Jewelry And Furs**
 - 3. Charge per policy – \$7
Rate per \$1,000 – \$15
Increased sub-limit per article:
Rate for \$2,000 – \$7.50
Rate for \$2,500 – \$15
- I. Rented Personal Property**
 - 1. Basic Limit
 - c. Premium
Theft (Burglary Peril Added) – Charge per unit – \$3
 - 2. Increased Limits
 - c. Rate per \$1,000 per unit:
Including Theft – \$3
Excluding Theft – \$2

**RULE 517.
RENTAL TO OTHERS – EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH
HO 32 95 OR HO 00 06 WITH HO 32 35**

- B. Premium**
Rate per policy – \$30

**RULE 518.
SINKHOLE COLLAPSE COVERAGE ALL FORMS
EXCEPT HO 00 04 AND HO 00 06**

- B. Premium Determination**
 - 1. Rate per \$1,000 – \$.35

**RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 32 95 OR
HO 00 06 WITH HO 32 35**

- B. Premium**
Charge per policy – \$15

**RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR
OVERFLOW COVERAGE**

- D. Premium**
 - 1. Basic Limit
Charge per policy – \$22
 - 2. Increased Limits

Limit	
\$ 10,000	\$ 30
15,000	35
25,000	40

Table 521.D.2. Increased Limits Premium

**RULE 522.
LANDLORDS FURNISHINGS**

- C. Premium**
Rate per \$500 per unit
Forms HO 00 02, HO 00 03 and HO 00 05 – \$1

**RULE 523.
ASSISTED LIVING CARE COVERAGE**

- C. Premium**
 - 1. Section I and Section II Basic Limits
Rate per unit – \$77
 - 2. Increased Limits
Add to the basic limit Rate in Paragraph 1.:
 - a. Coverage C – Rate per \$1,000 – \$7

**RULE 523.
ASSISTED LIVING CARE COVERAGE (Cont'd)**

b. Coverage E (Coverage F does not apply to this option.)

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 6
50,000	3
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 3
300,000	4
400,000	5
500,000	6
750,000	7
1,000,000	8

Table 523.C.2.b. Coverage E Limits

**RULE 524.
OTHER MEMBERS OF A NAMED INSURED'S
HOUSEHOLD**

C. Premium

1. Section I and Section II Basic Limits
Rate per person named in the Schedule – \$60
2. Section II Increased Limits
Add to the basic limit Rate in Paragraph 1.:
 - a. For Coverage E:

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 17
50,000	9
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 8
300,000	12
400,000	15
500,000	18
750,000	21
1,000,000	24

Table 524.C.2.a. Coverage E Limits

- b. For Coverage F:
Refer to Rule 702. for Rates for limits above \$1,000

**RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS
COVERAGE**

E. Premium

The following charge is the minimum annual premium for each motorized golf cart for any period within a policy year:

- Rate per motorized golf cart **without** collision – \$7
Rate per motorized golf cart **with** collision – \$12

**RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT
HO 00 04**

C. Premium

For basic limits rates:

Trust charge per policy – \$26

For increased limits:

For Coverage E:

Refer to Rule 701. for increased limits factors.

For Coverage F:

Refer to Rule 702. for increased limits charges.

**RULE 527.
STUDENT AWAY FROM HOME**

C. Premium Determination

1. Section I and Section II Basic Limits
Rate per location – \$68
2. Section II Increased Limits
Add to the basic limit Rate in Paragraph 1.:
 - a. For Coverage E:

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 17
50,000	9
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 8
300,000	12
400,000	15
500,000	18
750,000	21
1,000,000	24

Table 527.C.2.a. Coverage E Limits

RULE 527.
STUDENT AWAY FROM HOME (Cont'd)

- b. For Coverage F:
Refer to Rule **702.** for Rates for limits above \$1,000.

RULE 528.
HOME BUSINESS INSURANCE COVERAGE

D. Home Business Premium Computation

3. Section II – Business Liability

a. Basic Limits Premium

For Coverages E and F:

- (1) Office (Gross Annual Receipts up to \$250,000)

Business Visitors Per Week*	Under 10	10 Or More
		\$ 2.44

* New Business, use 10 or more classification

Table 528.D.3.a.(1) Office Basic Limits Premium

(2) Service, Sales and Crafts

Gross Annual Receipts**	Business Visitors Per Week*					
	Services		Sales		Crafts	
	Under 10	10 Or More	Under 10	10 Or More	Under 10	10 Or More
Up to \$50,000	\$ 14.50	\$ 21.75	\$ 6.50	\$ 9.75	\$ 6.50	\$ 9.75
\$50,001 to \$100,000	43.50	65.25	19.50	29.25	19.50	29.25
\$100,001 to \$175,000	79.75	119.63	35.75	53.63	35.75	53.63
\$175,001 to \$250,000	123.25	184.88	55.25	82.88	55.25	82.88

* New Business, use 10 or more classification.
** New Business, use \$50,001 to \$100,000 classification.

Table 528.D.3.a.(2) Service, Sales And Crafts Basic Limits Premium

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

c. Coverage F – Increased Limits

(2) All home business classifications:

	All Home Business Classifications			
	Homeowners Increased Limit Of Liability			
Business Visitors Per Week	\$2,000	\$3,000	\$4,000	\$5,000
Under 10	\$ 5.00	\$ 10.00	\$ 15.00	\$ 19.00
10 or more	7.00	12.00	18.00	22.00

Table 528.D.3.c.(2) Increased Limit

F. Options

1. Additional Insured

a. Managers Or Lessors Of Premises Leased To An Insured

(2) Premium

Rate per location/per additional insured – \$14

5. Special Coverage – Spoilage Of Perishable Stock

b. Premium

Rate per \$1,000:

(1) Florists – \$2

(2) Other Classes of Business – Refer to Company

6. Valuable Papers And Records Endorsements

Rate per \$1,000:

a. Increased Limits

For Endorsement **HO 07 56**:

(2) Premium

(a) Named Perils Coverage (**HO 00 02, HO 00 03, HO 00 04 and HO 00 06**) – \$1

(b) Open Perils Coverage (**HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35**) – \$2

b. Special Coverage

For Endorsements (**HO 07 56 and HO 32 57**):

(2) Premium

(a) First \$2,500:

HO 00 02, HO 00 03, HO 00 04 and HO 00 06 – \$3

HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35 – \$2

(b) Each additional \$1,000 – all forms – \$2

7. Off-Premises Property Coverage – Increased Limits

b. Premium

Rate per \$2,500:

HO 00 02, HO 00 03, HO 00 04 and HO 00 06 – \$25

HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35 – \$37

RULE 531.

LIMITED THEFT COVERAGE OPTIONS FOR DWELLINGS NEWLY CONSTRUCTED OR UNDER CONSTRUCTION

A. Theft Coverage – Newly Constructed Dwelling

2. Premium

Charge per policy – \$13

B. Theft Coverage – Dwelling Under Construction

2. Premium

Rate per \$1,000 of Coverage A limit – \$1

**RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

**A. Residence Premises
3. Increased Limits**

Coverage E – Liability			
1 and 2 Family Premium		3 or 4 Family Premium	
Reduced Coverage E Limit (Credit)			
Limit	Rate	Limit	Rate
\$ 25,000	\$ 11	\$ 25,000	\$ 22
50,000	6	50,000	11
Basic And Increased Coverage E Limit			
Limit	Rate	Limit	Rate
\$ 100,000	–	100,000	–
200,000	\$ 5	200,000	\$ 10
300,000	8	300,000	16
400,000	10	400,000	20
500,000	12	500,000	23
750,000	14	750,000	28
1,000,000	16	1,000,000	32

Table 601.A.3.#1 Coverage E – Liability

Coverage F – Medical Payments	
Limit	Rate
\$ 1,000	–
2,000	\$ 3
3,000	6
4,000	9
5,000	12

Table 601.A.3.#2 Coverage F – Medical Payments

**RULE 602.
OTHER INSURED LOCATION OCCUPIED BY INSURED**

- B. Premium**
Rate per Residence:
One Family – \$7
Two Family – \$14
Three Family – \$27
Four Family – \$29

**RULE 603.
RESIDENCE EMPLOYEES**

- B. Rate per Person in Excess of Two – \$5**

**RULE 604.
ADDITIONAL RESIDENCE RENTED TO OTHERS**

- B. Premium**
Rate per Residence:
One Family – \$32
Two Family – \$51
Three Family – \$86
Four Family – \$93

**RULE 605.
OTHER STRUCTURES RENTED TO OTHERS –
RESIDENCE PREMISES**

- B. Premium**
Rate per Structure – \$32

**RULE 607.
HOME DAY CARE COVERAGE**

- C. Premium**
1. Rate per Person:
1 – 3 Persons – \$114
4 – 5 Persons – \$199

**RULE 608.
PERMITTED INCIDENTAL OCCUPANCIES –
RESIDENCE PREMISES AND OTHER RESIDENCES**

B. Premium

Rate per Residence:

1. Residence Premises – \$17
2. Other Residence – \$17

**RULE 609.
BUSINESS PURSUITS**

B. Premium

Rate per Insured Person:

1. Clerical Employees – \$5
2. Sales person, Collector or Messenger – Installation, demonstration or servicing operation:
Included – \$7
Excluded – \$5
3. Teachers
 - a. Laboratory, athletic, manual or physical training – \$13
 - b. Not otherwise classified – \$6
 - c. Corporal punishment (add to Paragraph 3.a. or 3.b.) – \$5

**RULE 610.
PERSONAL INJURY COVERAGE**

B. Premium

Rate per Policy (Per Offense) – \$13

Rate per Policy (Aggregate) – \$12

**RULE 611.
INCIDENTAL LOW POWER RECREATIONAL MOTOR
VEHICLES**

B. Premium

Rate per Policy – \$15

**RULE 612.
OUTBOARD MOTORS AND WATERCRAFT**

C. Premium

1. Outboard, Inboard, or Inboard-Outdrive Engines or Motors:

Horsepower	Length	
	Up To 15 Feet	Over 15 To 26 Feet
	Rate	Rate
Up to 50*	\$ 41	\$ 64
51 to 100	69	92
101 to 150	98	121
151 to 200	Refer to Company	149
Over 200	Refer to Company	Refer to Company

* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

Table 612.C.1. Outboard, Inboard, Or Inboard-Outdrive Engines Or Motors

2. Sailboats With or Without Auxiliary Power:

Overall Length/Feet	Rate
26 to 40 feet*	\$ 44
Over 40 feet	Refer to Company

* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

Table 612.C.2. Sailboats With Or Without Auxiliary Power

**RULE 613.
OWNED SNOWMOBILE**

B. Premium

Rate per Snowmobile – Not Applicable

**RULE 615.
INCIDENTAL FARMING PERSONAL LIABILITY**

A. On The Residence Premises

2. Premium

Farming done On The Residence Premises – \$40

B. Away From The Residence Premises

2. Premium

Farming done Away From The Residence Premises – \$60

RULE 702.
OTHER EXPOSURES – MEDICAL PAYMENTS TO
OTHERS INCREASED LIMITS

Basic Limit Rule #	Coverage F – Medical Payments	\$2,000	\$3,000	\$4,000	\$5,000
524.	Other Members of an Insured's Household	\$ 1	\$ 2	\$ 3	\$ 4
526.	Residence Held in Trust All Forms Except HO 00 04	1	2	3	4
527.	Student Away From Home	1	2	3	4
602.	Other Insured Locations Occupied By Insured	1	2	3	4
603.	Residence Employees	1	2	3	4
604.	Add'l. Residence Rented to Others	1	2	3	4
605.	Other Structures Rented to Others – Residence Premises	1	2	3	4
607.	Home Day Care Coverage	5	10	15	19
608.	Permitted Incidental Occupancies				
	1. Residence Premises	5	10	15	19
	2. Other Residence	3	6	9	11
609.	Business Pursuits				
	1. Clerical Employees	1	2	3	4
	2. Salesperson, Installation, etc. Included or Excluded	1	2	3	4
	3. Teachers				
	a. Lab, etc.	2	4	6	7
	b. Not otherwise classified	1	2	3	4
	c. Corporal Punishment	Medical Payments Not Available			
611.	Incidental Motorized Land Conveyances	1	2	3	4
612.	Outboard Motors and Watercraft				
	1. Outboard, Inboard or Inboard – Outboard engines or Motors				
	a) Up to 15 feet:				
	Up to 50 hp.	3	6	9	11
	51 to 100 hp.	4	8	12	14
	101 to 150 hp.	6	12	18	21
	151 to 200 hp.	Refer to Company			
	Over 200 hp.	Refer to Company			
	b) Over 15 to 26 feet:				
	Up to 50 hp.	4	8	12	14
	51 to 100 hp.	6	12	18	21
	101 to 150 hp.	8	16	24	28
	151 to 200 hp.	12	24	36	42
	Over 200 hp.	Refer to Company			
	2. Sailboats, with or without auxiliary power				
	26 to 40 feet	3	6	9	11
	Over 40 feet	Refer to Company			
613.	Owned Snowmobile	Not Applicable			
615.	Incidental Farming Personal Liability	1	2	3	4

Table 702. Other Exposures – Medical Payments To Others Increased Limits

1. TERRITORY ASSIGNMENTS

If a territory shown is defined in terms of United States Postal Service (USPS) ZIP code:

- A.** Determine the applicable rating territory based on the location of the dwelling.
- B.** An insured's rates shall not be changed solely because the USPS changed his or her ZIP code and the physical boundaries of a rating territory shall be determined by the ZIP code boundaries in effect at the time of the latest rate filing defining the territory.

Territory boundaries in North Carolina are concurrent with USPS ZIP code boundaries in effect as of **July 1, 2013**. If the USPS introduces a new ZIP code or realigns a ZIP code boundary after **July 1, 2013**, the new ZIP code may not yet be listed in Rule 2.C. If this is the case, assign the rating territory based on the ZIP code boundary that formerly applied to the dwelling before the USPS changed the ZIP code.

2. TERRITORY DEFINITIONS – (For all Coverages and Perils Other than Earthquake).

Assign the applicable territory using the following order of priority:

A. Counties

County of	Code
Alamance	310
Alexander	340
Alleghany	360
Anson	300
Ashe	360
Avery	370
Beaufort	150
Bertie	180
Bladen	230
Buncombe	360
Burke	360
Cabarrus	320
Caldwell	360
Camden	150
Caswell	310
Catawba	360
Chatham	280
Cherokee	390
Chowan	150
Clay	390
Cleveland	350
Columbus	200
Craven	150
Cumberland	220
Currituck (other than Beach Areas)	130
Dare (other than Beach Areas)	130
Davidson	320
Davie	310
Duplin	190
Durham	270
Edgecombe	210
Forsyth	310
Franklin	240
Gaston	350

County of	Code
Gates	170
Graham	390
Granville	260
Greene	180
Guilford	310
Halifax	240
Harnett	250
Haywood	380
Henderson	360
Hertford	170
Hoke	250
Hyde (other than Beach Areas)	130
Iredell	340
Jackson	390
Johnston	240
Jones	150
Lee	290
Lenoir	190
Lincoln	350
Macon	390
Madison	380
Martin	180
McDowell	360
Mecklenburg	340
Mitchell	370
Montgomery	300
Moore	290
Nash	240
Northampton	240
Orange	280
Pamlico	130
Pasquotank	150
Perquimans	150
Person	260
Pitt	180
Polk	360
Randolph	320
Richmond	300
Robeson	230
Rockingham	310
Rowan	320
Rutherford	350
Sampson	220
Scotland	250
Stanly	340
Stokes	310
Surry	310
Swain	380
Transylvania	380
Tyrrell	150
Union	340
Vance	260
Wake	270
Warren	260
Washington	150
Watauga	360
Wayne	180
Wilkes	340
Wilson	210
Yadkin	330
Yancey	360

B. Beach Areas

Beach Area – Localities south and east of the Inland Waterway from the South Carolina Line to Fort Macon (Beaufort Inlet), thence south and east of Core, Pamlico, Roanoke and Currituck Sounds to the Virginia Line, being those portions of land generally known as the "Outer Banks".

Beach Areas in Currituck, Dare and Hyde Counties: 110

Beach areas in Brunswick, Carteret, New Hanover, Onslow and Pender Counties: 120

C. Other Than Beach Areas Of Brunswick, Carteret, New Hanover, Onslow And Pender Counties

For areas of Brunswick, Carteret, New Hanover, Onslow and Pender Counties, other than the Beach Areas, refer to the following ZIP codes. If portions of these ZIP codes fall in Counties other than Brunswick, Carteret, New Hanover, Onslow and Pender Counties use the territory code for those Counties.

1. Eastern Coastal Territory

ZIP Code	USPS ZIP Code Name	Code
28403	Wilmington	140
28404	Wilmington	140
28405	Wilmington	140
28406	Wilmington	140
28407	Wilmington	140
28408	Wilmington	140
28409	Wilmington	140
28410	Wilmington	140
28411	Wilmington	140
28412	Wilmington	140
28422	Bolivia	140
28428	Carolina Beach	140
28443	Hampstead	140
28445	Holly Ridge	140
28459	Shalotte	140
28460	Sneads Ferry	140
28461	Southport	140
28462	Supply	140
28467	Calabash	140
28468	Sunset Beach	140
28469	Ocean Isle Beach	140
28470	Shalotte	140
28480	Wrightsville Beach	140
28511	Atlantic	140
28516	Beaufort	140
28520	Cedar Island	140
28524	Davis	140
28528	Gloucester	140

ZIP Code	USPS ZIP Code Name	Code
28531	Harkers Island	140
28532	Havelock	140
28533	Cherry Point	140
28539	Hubert	140
28553	Marshallberg	140
28557	Morehead City	140
28570	Newport	140
28577	Sealevel	140
28579	Smyrna	140
28581	Stacy	140
28584	Swansboro	140
28589	Williston	140

2. Western Coastal Territory

ZIP Code	USPS ZIP Code Name	Code
28401	Wilmington	160
28402	Wilmington	160
28420	Ash	160
28421	Atkinson	160
28425	Burgaw	160
28429	Castle Hayne	160
28435	Currie	160
28436	Delco	160
28447	Ivanhoe	160
28448	Kelly	160
28451	Leland	160
28452	Longwood	160
28454	Maple Hill	160
28456	Riegelwood	160
28457	Rocky Point	160
28466	Wallace	160
28478	Willard	160
28479	Winnabow	160
28518	Beulaville	160
28521	Chinquapin	160
28540	Jacksonville	160
28541	Jacksonville	160
28542	Camp Lejeune	160
28543	Tarawa Terrace	160
28544	Midway Park	160
28545	McCutcheon Field	160
28546	Jacksonville	160
28547	Camp Lejeune	160
28555	Maysville	160
28574	Richlands	160
28582	Stella	160

To convert the Homeowners Manual to a Homeowners Windstorm And Hail Policy Program Manual, replace the corresponding rules in the Homeowners Policy Program Manual General Rules and Homeowners Policy Program Manual North Carolina Exception Pages with the following rules:

ADDITIONAL RULE(S)

**RULE A1.
SPECIAL STATE REQUIREMENTS**

A. Special Provisions Endorsement HS 32 32

Use this endorsement with all Homeowners Windstorm and Hail Policies.

B. Windstorm Exterior Paint And Waterproofing Exclusion Endorsement HO 32 86

Use this endorsement with all Homeowners Windstorm and Hail Policies in Territories 110 and 120.

C. Company Rates/State Rate Pages

References in the manual to "state company rates" mean "state rate pages" in North Carolina.

D. Insert – North Carolina Endorsement HO 32 46

Use this endorsement with all Homeowners Windstorm and Hail Policies.

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY**

Rule **A3.** does not apply.

**RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06**

Rule **A4.** does not apply.

**RULE A6.
INFLATION GUARD ENDORSEMENT**

Subject to the provisions noted in Paragraph **B.** and **C.**, the inflation guard endorsements referenced in this rule may be used instead of the endorsement noted in General Rule **405.**

A. Eligible Forms

The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in Paragraph **B.:**

1. Forms **HS 00 02** and **HS 00 03** - Coverages **A**, **B**, **C** and **D.**; and
2. Forms **HS 00 04** and **HS 00 06** - Coverages **C** and **D.**

These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, billing notice or named on the form.

B. Approved Inflation Cost Indexes

The following Indexes have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsement listed in Paragraph **C.**

A company that elects to use one of these indexes must use it exclusively and notify the Rate Bureau of its election:

1. Marshall and Swift Boeckh Residential Cost Index published by the American Appraisal Company, Inc.
2. Composite Construction Cost Index published by the U.S. Department of Commerce.
3. Consumer Price Index published by the U.S. Department of Labor.
4. Marshall and Swift Boeckh Construction Cost Index published by Marshall and Swift Boeckh.
5. RSMeans CostWorks Valuator published by RSMeans.
6. Xactware Inflation Index published by Xactware Solutions, Inc.

C. Endorsement

1. Inflation Guard Endorsement **HO 32 18**

Use this endorsement with Forms **HS 00 02** and **HS 00 03.**

2. Inflation Guard Endorsement **HO 32 19**

Use this endorsement with Forms **HS 00 04** and **HS 00 06.**

D. Premium

There is no additional charge for this optional endorsement.

**RULE A8.
PRIMARY INSURANCE COVERAGE**

Rule **A8.** does not apply.

**PART I
COVERAGE AND DEFINITION TYPE RULES**

**RULE 100.
INTRODUCTION**

Unless otherwise specified, in this rule, "policy" refers to the Homeowners Windstorm And Hail Coverage Forms. For rules not accommodated below, refer to the standard Homeowners Manual. Utilize the following table to determine, where applicable, the appropriate corresponding form:

Homeowners Windstorm Or Hail Policy	Corresponding Form In Homeowners
HS 00 02	HO 00 02
HS 00 03	HO 00 03
HS 00 04	HO 00 04
HS 00 06	HO 00 06
HS 00 08	HO 00 08

Table 100. Corresponding Forms

**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS**

A. Limits

The limits of liability required under the Homeowners Policy are as follows:

Coverage A – Dwelling	
HS 00 02, HS 00 03, or HS 00 08 HS 00 04 or HS 00 06	Refer to Rule 301. in the state classification pages. For HO 00 06 refer to Rule 507.A.
Coverage B – Other Structures	
HS 00 02, HS 00 03, or HS 00 08	10% of A (One- and two-family dwelling) 5% of A (Three- and four-family dwelling)
Coverage C – Personal Property	
HS 00 02, HS 00 03, or HS 00 08 HS 00 04 or HS 00 06	50% of A (One- and two-family dwelling) 30% of A (Three-family dwelling) 25% of A (Four-family dwelling) Refer to Rule 301. in the state classification pages.
Coverage D – Loss Of Use	
HS 00 02 or HS 00 03	20% of A
HS 00 04	20% of C
HS 00 06	40% of C
HS 00 08	10% of A

Table 101.A. Property Damage Limits

B. All Forms

The limit of liability for Coverage C or D of Section I may be increased.

C. Form HS 00 02 Or HS 00 03

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure.

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one- and two-family dwelling; 20% of the limit of a three-family dwelling; and 15% of the limit of a four-family dwelling.

D. Form HS 00 06

The limit of liability for Coverage A of Section I may be increased.

E. Form HS 00 08

The following are the only Section I options available with this form:

1. Higher Optional Deductibles,
2. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing, and
3. Reduced Coverage C Limits.

**RULE 102.
DESCRIPTION OF COVERAGES**

The following is a general description of the coverages provided by the Homeowners Windstorm And Hail Coverage forms:

- A. The Homeowners Windstorm And Hail Policy Program:
 1. Provides coverage for the peril of Windstorm Or Hail.
 2. Does not provide liability coverage.
- B. The policy should be consulted for exact contract provisions which will have control over this manual supplement. Refer to:
 1. Homeowners 2 – Windstorm And Hail Form HS 00 02.
 2. Homeowners 3 – Windstorm And Hail Form HS 00 03.
 3. Homeowners 4 – Windstorm And Hail Form HS 00 04.
 4. Homeowners 6 – Windstorm And Hail Form HS 00 06.
 5. Homeowners 8 – Windstorm And Hail Form HS 00 08.

**RULE 103.
MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under Section I of the Homeowners Policy.

**RULE 104.
ELIGIBILITY**

A. Forms HS 00 02, HS 00 03 And HS 00 08

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to the following:

1. To the owner-occupant(s) of a one-, two-, three- or four-family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs **F.** and **H.**). A one-family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a two-, three- or four-family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long-term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building may be covered using Additional Insured Endorsement **HS 04 41**; or
3. To the occupant of a dwelling under a life estate arrangement when the Coverage **A** amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building may be covered using Endorsement **HS 04 41**; or
4. When two or more apartment units in a two-, three- or four-family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Windstorm And Hail Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Endorsement **HS 04 41**. A separate Homeowners Windstorm And Hail Form **HS 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Windstorm And Hail Form, without additional premium charge, to cover the interest of a non-occupant joint owner in the building. Use Endorsement **HS 04 41**.

B. Form HS 00 04

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or

2. The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Windstorm And Hail Policy under Paragraph **A.**;

provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraph **F.**). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

C. Form HS 00 06

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes. The unit may not be occupied by more than one additional family or two boarders or roomers.

D. Seasonal Dwelling

Subject to all other sections of this rule, a Homeowners Windstorm And Hail Policy may be issued to cover a seasonal dwelling.

E. Mobile Home, Trailer Home Or House Trailer

A Homeowners Windstorm And Hail Policy:

1. Shall not be issued to cover such structures under Coverage **A** – Dwelling, but
2. May be issued to cover personal property in such structures as noted in Paragraph **B.**

F. Permitted Business Occupancies

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rule **510.** for Section **I** Coverage. When it is conducted from an Other Residence, no coverage is available.

G. Farm Property

A Homeowners Windstorm And Hail Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section **I** property damage coverage to any property situated on premises used for farming purposes.

RULE 104.
ELIGIBILITY (Cont'd)

H. Residence Held In Trust (All Forms Except HS 00 04)

A Homeowners Windstorm And Hail Policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or a condominium unit when legal title to the dwelling or unit is held in trust and:

1. One of the occupants of the dwelling or condominium unit is the grantor/settlor of the trust;
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph **F.**; and
3. No trustee of the trust is:
 - a. A partnership or joint venture;
 - b. A corporation;
 - c. A limited liability company;
 - d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
 - e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this Paragraph **e.** does not apply to an individual who is a relative of the grantor/settlor of the trust.

Refer to Rule **526.** in this supplement manual for the rule of application.

RULE 105.
SECONDARY RESIDENCE PREMISES

Homeowners Windstorm And Hail Coverage on a secondary residence premises shall be provided under a separate policy. The rules of this manual apply.

RULE 106.
PROTECTION CLASSIFICATION INFORMATION

Rule **106.** does not apply.

PART II
SERVICING TYPE RULES

RULE 204.
MULTIPLE COMPANY INSURANCE

Rule **204.** does not apply.

RULE 211.
ADDITIONAL INTERESTS

- A.** In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is **not** provided to such persons or organizations under Additional Insured Endorsement **HS 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph **D.**
- B.** Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C.** No additional charge is made for use of this endorsement.
- D.** Use Additional Interest Residence Premises Endorsement **HO 04 10.**

**WINDSTORM AND HAIL POLICY PROGRAM
HOMEOWNERS MANUAL SUPPLEMENT**

NORTH CAROLINA

**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 301.
BASE PREMIUM COMPUTATION**

A. All Forms Except HS 00 04 And HS 00 06

1. One- And Two-family Dwelling

- a. From the following Base Class Premium Table, select the Form **HS 00 03** premium for the territory and construction that applies.
- b. From the following Key Factor Table, select the Key Factor for the desired limit of liability.
- c. Multiply the Base Class Premium from Paragraph a. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

Base Class Premium Table

	Territory					
	110	120	130	140	150	160
Frame Construction						
HS 00 03	\$ 1,826	\$ 2,506	\$ 1,223	\$ 1,629	\$ 1,015	\$ 1,073
HS 00 04	93	108	52	65	34	44
HS 00 06	61	88	41	45	25	27
Masonry Construction						
HS 00 03	\$ 1,655	\$ 2,272	\$ 1,156	\$ 1,465	\$ 916	\$ 978
HS 00 04	85	99	49	61	32	42
HS 00 06	56	79	38	42	24	25

Table 301.A.1.c.#1 Base Class Premium

Key Factor Table

Cov. A Amt. (In 000)	Factor	
**\$ 10	.258	
50	.453	
75	.556	
100	.644	
150	.822	
200	1.000	
300	1.339	
500	1.972	
750	2.764	
1,000	3.556	
1,500	5.111	
2,000	6.667	
3,000	9.778	
4,000	12.889	
5,000	16.000	
Each Add'l \$1,000	0.003	
Minimum Limits Of Liability		
**Section I – Property	HS 00 02 And HS 00 03	HS 00 08
Primary Location	\$ 25,000	\$ 15,000
Secondary Location	\$ 15,000	\$ 10,000

Table 301.A.1.c.#2 Key Factors

2. Three- And Four-family Dwelling

Multiply the One- and Two-family Dwelling Base Premium by the three- and four-family factor of 1.04 to arrive at the Base Premium.

RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)

B. Form HS 00 04 Or HS 00 06

1. From the Base Class Premium Table contained in Paragraph **301.A.1.c.#1**, select the Form **HS 00 04** or **HS 00 06** premium for the territory and construction that applies.
2. From the following Form **HS 00 04** or **HS 00 06** Key Factors Table **301.B.3**, select the Key Factor for the desired limit of liability.
3. Multiply the Base Class Premium from Paragraph **1.** by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

Key Factor Table

Cov. C Amt. (In 000)	Factor	Cov. C Amt. (In 000)	Factor
**\$ 1	.37	\$ 21	1.98
** 2	.44	22	2.06
** 3	.51	23	2.14
** 4	.58	24	2.22
** 5	.65	25	2.30
** 6	.72	26	2.38
** 7	.79	27	2.46
** 8	.86	28	2.54
** 9	.93	29	2.62
** 10	1.00	30	2.70
11	1.10	31	2.78
12	1.20	32	2.86
13	1.30	33	2.94
14	1.40	34	3.02
15	1.50	35	3.10
16	1.58	36	3.18
17	1.66	37	3.26
18	1.74	38	3.34
19	1.82	39	3.42
20	1.90	40	3.50
Each Add'l \$1,000			.08
Minimum Limits Of Liability			
**Section I – Property			
HS 00 04 – \$ 6,000			
HS 00 06 – \$ 10,000			

Table 301.B.3. Key Factors

**RULE 302.
LOSS SETTLEMENT OPTIONS**

A. Actual Cash Value Loss Settlement – HS 00 02, HS 00 03 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date for the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
20%	4.00
30%	2.67
40%	2.00
50%	1.60
60%	1.33
70%	1.14

Table 302.A.3.a. Factors

- b. Develop a Base Premium in accordance with Rule **301.** for the amount of insurance computed in Paragraph **A.3.a.**
- c. Multiply the premium determined in Paragraph **A.3.b.** by the appropriate factor from the following table:

% Of Replacement Value	Factor
20%	.73
30%	.74
40%	.75
50%	.76
60%	.77
70%	.78
80%	.80

Table 302.A.3.c. Factors

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81.**

B. Special Loss Settlement – HS 00 02, HS 00 03 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage **A** limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
50%	1.60
60%	1.33
70%	1.14

Table 302.B.3.a. Factors

- b. Develop a Base Premium in accordance with Rule **301.** for the amount of insurance computed in Paragraph **a.**
- c. Multiply the premium determined in Paragraph **b.** by the appropriate factor from the following table:

% Of Replacement Value	Factor
50%	.96
60%	.97
70%	.98

Table 302.B.3.c. Factors

4. Endorsement

Use Special Loss Settlement – North Carolina Endorsement **HS 32 56.**

**RULE 303.
ORDINANCE OR LAW COVERAGE – ALL FORMS
EXCEPT HS 00 08**

The title of Rule 303. Ordinance Or Law Coverage – All Forms Except HO 00 08 is replaced by the preceding title.

A. Basic Limit

The policy automatically provides up to 10% of the Coverage A limit of liability (or for Form HS 00 04, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount Of Coverage

1. Description

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted in Paragraph 2. to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

2. Premium Determination

a. Forms HS 00 02, HS 00 03

To develop the Base Premium multiply the premium computed in accordance with Rule 301. by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15%	25%	1.13	1.05
40%	50%	1.35	1.14
65%	75%	1.51	1.20
90%	100%	1.67	1.27
For each add'l 25% increment, add		.16	.07

Table 303.B.2.a. Factors

b. Forms HS 00 04 And HS 00 06

See Rule 513. for rating instructions.

3. Endorsement

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement HS 04 77.

**RULE 304.
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04
AND HO 00 06**

Rule 304. does not apply.

**PART IV
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis. If endorsed, the Coverage C limit must be at least:

1. 40% of Coverage A for all forms except HS 00 04 and HS 00 06.
2. \$12,000 (if policy limit is less than \$12,000 for Forms HS 00 04 or HS 00 06).

C. Endorsement

Use Personal Property Replacement Cost Endorsement HO 04 90.

D. Scheduled Personal Property

Multiply the Base Premium including any premium adjustment for coverage C limits by a factor of:

1. 1.05 for all forms except HS 00 04 and HS 00 06.
2. 1.40 for Form HS 00 04 or HS 00 06.
3. The charge for Replacement Cost Coverage should be applied before the credit or charge for optional deductibles.
4. Minimum additional charge - \$20.

**RULE 404.
PROTECTIVE DEVICES**

Rule 404. does not apply.

**RULE 406.
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

A Base Deductible of \$1,000 applies to all forms except **HS 00 04** and **HS 00 06**.

A Base Deductible of \$500 applies to Forms **HS 00 04** and **HS 00 06**.

B. Optional Windstorm Or Hail Deductibles – All Forms Except HS 00 04 And HS 00 06

The following deductible options may be used:

1. Percentage Deductibles

a. Deductible Amounts

This option provides for percentage deductibles of 1%, 2%, and 5% of the Coverage A limit of liability.

b. Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 32 12**.

c. Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail. For example:

- (i) Deductible – Windstorm or Hail 1% of Coverage A limit.
- (ii) Deductible – Windstorm or Hail 2% of Coverage A limit.

d. Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Percentage Windstorm Or Hail Deductible				
Deductible Percent Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
1%	.99	.99	.99	1.11
2%	.96	.96	.96	1.08
5%	.91	.91	.92	1.05

Table 406.B.1.d. Percentage Deductible

2. Fixed-dollar Deductibles

a. Deductible Amounts

This option provides for fixed-dollar deductible amounts of \$250, \$500, \$1,000, \$2,000 and \$5,000.

b. Endorsement

An endorsement is not required.

c. Declarations Instruction

Separately enter, on the policy Declarations, the deductible amount that applies. For example: \$1,000 for Windstorm or Hail.

d. Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Fixed-dollar Windstorm Or Hail Deductible				
Deductible Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 250	1.27	1.27	1.27	1.27
500	1.15	1.15	1.16	1.22
1,000	1.00	1.00	1.00	1.13
2,000	.95	.95	.97	1.11
5,000	.91	.91	.95	1.09

Table 406.B.2.d. Fixed-dollar Deductible

**RULE 406.
 DEDUCTIBLES (Cont'd)**

C. Named Storm Percentage Deductible

1. Deductible Amounts

The Named Storm Percentage Deductible option may be used, when an Optional Windstorm Or Hail Deductible is not selected.

A percentage amount of 1%, 2% or 5% of the Coverage **A** or **C** limit of liability, whichever is greater, is available.

2. Endorsement

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

3. Schedule Instructions

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

4. Loss By Windstorm That Is A Named Storm

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Named Storm Deductible Percentage	HS 00 02, HS 00 03 And HS 00 08	HS 00 04	HS 00 06
1%	1.13	1.01	1.01
2%	1.09	1.00	1.00
5%	1.06	.99	.99

Table 406.C.4. Named Storm Percentage Deductible

**RULE 407.
 ADDITIONAL AMOUNTS OF INSURANCE – FORMS
 HS 00 02 And HS 00 03**

The title of Rule **407. Additional Amounts Of Insurance – Forms HO 00 02 And HO 00 03**, is replaced by the preceding title.

A. Introduction

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage **A** only or for Coverages **A**, **B**, **C**, and **D** when loss, to property insured under Coverage **A** – Dwelling, exceeds the limit of liability shown in the policy Declarations.

C. Specified Additional Amount Of Insurance For Coverage A Only

When the following option is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

1. An additional amount of insurance equal to 25% or 50% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to property insured under Coverage **A** – Dwelling exceeds the Coverage **A** limit of liability shown in the Declarations.
2. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

Table 407.C.2. Additional Amounts Of Insurance Factors

3. Use Specified Additional Amount Of Insurance For Coverage **A** – Dwelling – North Carolina Endorsement **HO 32 20**.

**RULE 408.
 ACTUAL CASH VALUE LOSS SETTLEMENT
 WINDSTORM OR HAIL LOSSES TO ROOF SURFACING –
 ALL FORMS EXCEPT HS 00 04**

The title of Rule **408. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – All Forms Except HO 00 04**, is replaced by the preceding title.

Paragraph **D. Endorsement** is replaced by the following:

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HS 00 04**) Endorsement **HS 04 93**.

PART V
SECTION I – PROPERTY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES

RULE 501.
BUILDING ADDITIONS AND ALTERATIONS AT OTHER
RESIDENCES

A. Coverage Description

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the **HS 00 04** Key Factor for "Each Add'l \$1,000" by the **HS 00 04** Key Premium.

C. Endorsement

Use Building Additions And Alterations Other Residence Endorsement **HO 04 49**.

RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT

A. On premises

1. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500.
2. Rate per \$2,500 increase - \$50.
3. The limit of liability in excess of \$2,500 does not apply to:
 - a. Business property in storage or held as a sample or for sale or delivery after sale;
 - b. Business property pertaining to a business actually conducted on the residence premises.
4. The property described in Paragraphs **3.a.** and **3.b.** are covered under the following optional endorsement: Permitted Incidental Occupancies.

B. Off premises

When the on-premises limit is increased, the off-premises limit of \$1,500 is automatically increased, at no additional charge, to an amount that is 60% of the total on-premises limit of liability.

C. Endorsement

Use Increased Limits On Business Property Endorsement **HO 04 12**.

RULE 504.
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD
OR ACCESS DEVICE, FORGERY AND COUNTERFEIT
MONEY

Rule **504**. does not apply.

RULE 505.
EARTHQUAKE COVERAGE

Rule **505**. does not apply.

RULE 506.
FIRE DEPARTMENT SERVICE CHARGE

Rule **506**. does not apply.

RULE 507.
FORM HS 00 06 COVERAGE A DWELLING BASIC AND
INCREASED LIMITS

The title of Rule **507**. Form **HO 00 06** Coverage **A** Dwelling Basic And Increased Limits And Special Coverage - **HO 00 06** is replaced by the preceding title.

A. Basic Limits

The policy automatically provides a basic Coverage **A** limit of \$1,000 on a named perils basis. If increased limits are not desired, enter "\$1,000" under Coverage **A** – Dwelling in the Policy Declarations.

B. Increased Limits

The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional \$1,000 of insurance, multiply the **HS 00 06** Key Factor for "Each Add'l \$1,000" by the **HS 00 06** Base Class Premium.

RULE 508.
FORM HO 00 06 UNITS REGULARLY RENTED TO
OTHERS

Rule **508**. does not apply.

RULE 509.
HOME DAY CARE COVERAGE

Rule **509**. does not apply.

**RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE
PREMISES**

A. Coverage Description

Coverage for a permitted incidental occupancy is limited under Section I Property Coverages. The policy may be endorsed to provide expanded Section I Coverage on a permitted incidental occupancy in the dwelling or in an other structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement **HS 04 42** for Section I Coverage.

B. Permitted Incidental Occupancies

Examples of such occupancies are Offices, Schools or Studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

C. Other Structures

If the permitted incidental occupancy is located in an other structure, Coverage **B** does not apply to that structure. See Paragraph **E.** for charge for specific insurance on the structure.

D. Personal Property

The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A.**

E. Premium Computation

1. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
2. If the permitted incidental occupancy is located in an other structure, charge the following amount per \$1,000 of specific insurance on the structure – \$5.

**RULE 511.
SUPPLEMENTAL LOSS ASSESSMENT COVERAGE**

Rule **511.** does not apply.

**RULE 513.
ORDINANCE OR LAW INCREASED AMOUNT OF
COVERAGE – HS 00 04 AND HS 00 06**

The title of Rule **513.** Ordinance Or Law Increased Amount Of Coverage - **HO 00 04** And **HO 00 06**, is replaced by the preceding title.

A. Coverage Increase

1. The basic amount of coverage may be initially increased to 100% of the Form **HS 00 04** Building Additions and Alterations limit or 50% of the Form **HS 00 06** Coverage **A** limit.
2. The amount may be further increased in 25% increments above those listed in Paragraph **1.**

B. Premium Determination

1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional \$1,000 of insurance is developed by multiplying the **HS 00 04** or **HS 00 06**. Whichever is appropriate, Key Factor for "Each Add'l \$1,000" by the appropriate Base Class Premium.

**RULE 514.
OTHER STRUCTURES**

A. On-Premises Structures

When insurance is written on a specific structure on the residence premises the rates per \$1,000 of insurance shall apply separately to each structure.

1. Specific Structure – Increased Limits**a. Premium**

Rate per \$1,000 for policies with Windstorm Or Hail Coverage – \$4

b. Endorsement

Use Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48.**

2. Structure On The Residence Premises Rented To Others**a. Premium**

Rate per \$1,000 for policies with Windstorm or Hail coverage – \$5.

b. Endorsement

Use Structures Rented to Others – Residence Premises Endorsement **HS 04 40.**

RULE 514.
OTHER STRUCTURES (Cont'd)

B. Structures Off The Residence Premises

1. Forms HS 00 02 And HS 00 03

a. Coverage Description

- (1) The policy automatically provides Coverage **B** – Other Structures on a blanket basis to structures located on the residence premises.
- (2) This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

b. Premium

Off-premises structures charge per policy - \$15.

c. Endorsement

Use Other Structures Away From The Residence Premises **HO 04 91**.

2. All Forms

a. Premium

- (1) When insurance is written on a specific structure located away from the residence premises, the rate per \$1,000 of insurance shall apply separately to each location.
- (2) Specific structures – Off-premises Rate per \$1,000 - \$5.

b. Endorsement

Use Specific Structures Away From Residence Premises Endorsement **HO 04 92**.

RULE 515.
PERSONAL PROPERTY

A. Increased Limit

1. The limit of liability for Coverage **C** may be increased.
2. Charge the additional company rate per \$1,000 of insurance.
3. Rate per \$1,000:
HS 00 02 or **HS 00 03** - \$2.

B. Increased Limits – Other Residences

1. Coverage for personal property usually located at other residences is limited in the policy form to 10% of Coverage **C** or \$1,000, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000.
3. Rate per \$1,000 - \$7.
4. Use Increased Limits On Personal Property In Other Residences Endorsement **HO 04 50**.

C. Increased Limit – Self-storage Facilities

1. Coverage for personal property located in self-storage facilities is limited in the policy form to 10% of Coverage **C**, or \$1,000, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000 of insurance.
3. Refer to state company rates for additional charge.
4. Use Increased Amount of Insurance For Personal property Located In A Self-storage Facility Endorsement **HO 06 14**.

D. Reduction In Limit

1. The limit of liability for Coverage **C** may be reduced in accordance with Rule **101.C**.
2. Credit per \$1,000 - \$1.

RULE 516.
PERSONAL PROPERTY – SCHEDULED

Rule **516**. does not apply.

RULE 517.
RENTAL TO OTHERS - EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH
HO 05 24 OR HO 00 06 WITH HO 17 31

Rule **517**. does not apply.

RULE 518.
SINKHOLE COLLAPSE COVERAGE – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06

Rule **518**. does not apply.

RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 05 24 OR
HO 00 06 WITH HO 17 31

Rule **519**. does not apply.

RULE 520.
LIVESTOCK COLLISION COVERAGE

Rule **520**. does not apply.

RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR
OVERFLOW COVERAGE

Rule **521**. does not apply.

**RULE 522.
LANDLORDS FURNISHINGS**

A. Basic Limit

Forms **HS 00 02** and **HS 00 03** automatically cover, on a named perils basis, landlord furnishings in an apartment on the residence premises regularly rented or held for rental. The basic limit per apartment unit is \$2,500.

B. Increased Limits

The basic limit of \$2,500 may be increased in increments of \$500 up to a total of \$10,000 per apartment. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.

C. Premium

Rate per \$500 per unit:

Forms **HS 00 02** and **HS 00 03** – \$1.

D. Endorsement

Use Landlord's Furnishings Endorsement **HS 05 46**.

**RULE 523.
ASSISTED LIVING CARE COVERAGE**

Rule **523**. does not apply.

**RULE 524.
OTHER MEMBERS OF A NAMED INSURED'S
HOUSEHOLD**

A. Introduction

The policy provides coverage to named insureds, resident relatives who are members of the insured's household and persons under the age of 21 who are in the care of an insured.

B. Coverage Description

1. The policy may be endorsed to provide coverage to a person who is a member of the named insured's household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder or tenant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.
2. All coverages and provisions under Sections I of the policy that apply to insureds also apply to the persons described in Paragraph 1. except Coverages **A**, **B** and **D** (Fair Rental Value only).

C. Premium

Section I additional charge:

Rate per person named in the Schedule – \$60

D. Endorsement

Use Other Members Of Your Household Endorsement **HS 04 58**.

**RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS
COVERAGE**

Rule **525**. does not apply.

**RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT
HS 00 04**

The title of Rule **526**. Residence Held In Trust – All Forms Except **HO 00 04**, is replaced by the preceding title.

A. Coverage

A Homeowners Windstorm And Hail Policy may be endorsed to insure a trustee, and if applicable, a trust under Section I – Property Coverages, for any insurable interest in the dwelling or other structure held in trust.

B. Endorsement

Use Trust Endorsement **HS 32 12**.

C. Premium

For basic limits rates:

Trust charge per policy - \$26.

**RULE 527.
STUDENT AWAY FROM HOME**

A. Introduction

The policy provides coverage for a full-time student, who was a resident of the named insured's household before moving out to attend school and is under the age of:

1. 24 and a relative of the named insured; or
2. 21 and in the care of the named insured or a resident relative.

B. Coverage Description

The policy may be endorsed to provide coverage for other types of students who were residents of the named insured's household before moving out to attend school. For example, part-time students or students 24 or older.

C. Premium Determination

Section I

Rate per location – \$68.

D. Endorsement

Use Additional Insured – Student Living Away From The Residence Premises Endorsement **HS 05 27**.

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE**

Rule **528.** does not apply.

**RULE 531.
LIMITED THEFT COVERAGE OPTIONS FOR
DWELLINGS NEWLY CONSTRUCTED OR UNDER
CONSTRUCTION**

Rule **531.** does not apply.

**PART VI
SECTION II – LIABILITY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES**

RULES 601. – 700.

Part **VI** – Section **II** – Liability – Additional Coverages And Increased Limits, of the Homeowners Policy Program Manual does not apply to the North Carolina Windstorm And Hail Policy Program.

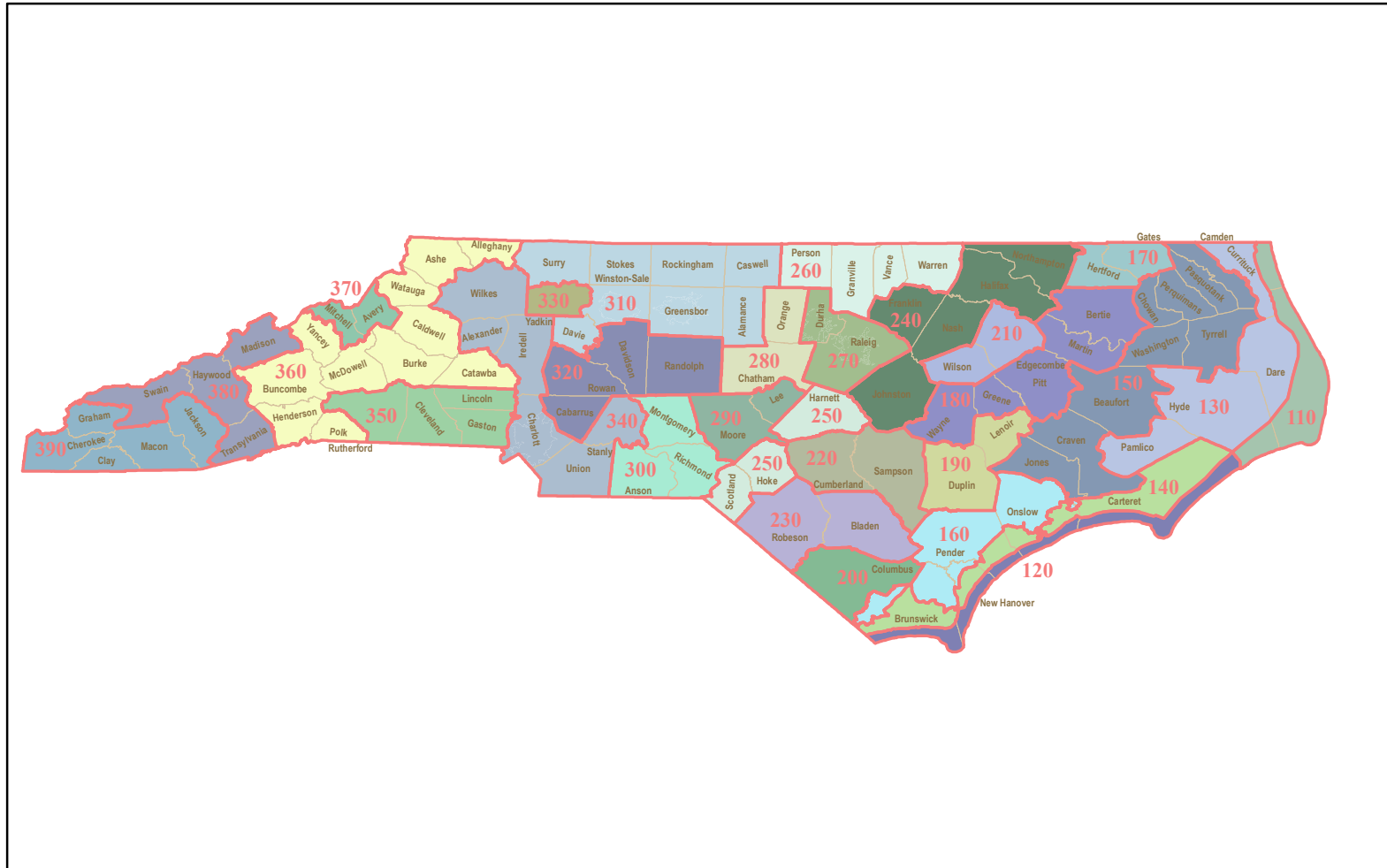
**PART VII
SECTION II – LIABILITY – OTHER EXPOSURES
INCREASED LIMITS**

RULES 701. – 702.

Part **VII** – Section **II** – Liability – Other Exposures Increased Limits, of the Homeowners Policy Program Manual does not apply to the North Carolina Windstorm And Hail Policy Program.

Homeowners Territories Effective June 1, 2015

Statewide



**PREFILED TESTIMONY
OF
YANJUN YAO**

**2018 HOMEOWNERS INSURANCE
RATE FILING BY THE
NORTH CAROLINA RATE BUREAU**

Q: Please state your name and business address.

A: My name is Yanjun Yao. My business address is Insurance Services Office, 545 Washington Boulevard, Jersey City, New Jersey.

Q: By whom are you employed?

A: I am employed by Insurance Services Office (ISO) and have been employed by ISO since July 25, 2016.

Q: What are your responsibilities at ISO?

A: I am the actuarial director responsible for the actuarial aspects of ISO Personal Property and Farmowner insurance products. My responsibilities include maintaining and enhancing ISO's existing actuarial products as well as developing rating plans and loss costs for new programs. In this role, I have also been responsible for managing and overseeing preparation of North Carolina personal property rate reviews and filings.

Q: What is your employment background?

A: I started my actuarial career as an actuarial analyst with ISO in 2001 and worked in the increased limits division for two years. In 2003, I joined GEICO in Chevy Chase, Maryland, as an actuarial associate and worked in the personal auto pricing division for a year. In 2004, I joined Chubb as an actuarial specialist in its homeowners pricing division. I worked on several homeowners state rate reviews, on a countrywide pricing study as well as running the RMS hurricane catastrophe model for the team. In 2005, I joined the Chubb Corporate Actuarial division and was promoted to actuarial officer. I worked on a variety of projects there relating to property insurance, including return on equity (ROE) calculation by line of business, capital allocation, reinsurance treaty renewal analysis, probable

maximum loss calculations, A.M. Best stress tests, regulatory capital need analyses, and reinsurance commutation work.

In 2008, I joined the Chubb Commercial pricing division and was promoted to Senior Actuarial Officer. I mainly worked on commercial property lines pricing including monoline property, commercial multiple peril property, commercial inland marine and machinery breakdown. I also worked on pricing for a number of large accounts across multiple lines of business. In July 2016, I rejoined ISO as actuarial director for the Personal Property Actuarial Products division.

Q: What is your background in actuarial science and your educational background?

A: I have a Bachelor of Art degree in economics from Peking University in Beijing, China and a Master of Science degree in Actuarial Science from the University of Iowa in Iowa City, Iowa. I am a Fellow of the Casualty Actuarial Society (CAS) and a member of the American Academy of Actuaries (AAA). I have met the continuing professional education requirements of the AAA and am in good standing with those organizations.

Q: Are you familiar with homeowners insurance ratemaking in North Carolina and other states?

A: Yes. In my current position with ISO, I oversee and manage all the work on North Carolina Rate Bureau's ("Bureau") personal property reviews and filings. As part of my duties at ISO, I am familiar with the data collection and ratemaking procedures in use in states in addition to North Carolina. In addition to my ratemaking experience with ISO, I have worked in various property and casualty pricing roles for over 10 years for multiple lines of business.

Q: What work have you performed with respect to the Bureau's 2018 homeowners rate filing in North Carolina?

A: Through ISO, I have been involved in the preparation of the 2018 homeowners rate filing for the Bureau in several respects. First, ISO, as a licensed statistical agent in North Carolina, collects homeowners insurance data from a significant number of the companies which write that line in North Carolina, as well as from the North Carolina Insurance Underwriting Association (commonly called the "Beach Plan" and discussed further below).

Second, ISO collects, reviews and compiles data from three other statistical organizations licensed in North Carolina that collect homeowners data from Bureau member companies. All companies writing homeowners insurance in North Carolina must report to one of these four organizations. The other three organizations are: the Independent Statistical Service (ISS), the American Association of Insurance Services (AAIS) and the National Independent Statistical Service (NISS).

Third, ISO provides consulting actuarial services directly to the Bureau. I have been directly involved in this aspect of the Bureau's homeowners insurance rate reviews and filings since 2016. As in the past, ISO staff and I compiled the ratemaking data to be reviewed by the Bureau's Property Rating Subcommittee, Property Committee and Governing Committee in preparation of rate reviews and filings.

Fourth, ISO staff put together the vast majority of the data, information and calculations contained in Exhibit RB-1. This lengthy process was performed under the direction of the Bureau committees. I attended meetings of those Bureau committees together with other ISO staff.

Finally, I have reviewed the filed rates to determine if they are calculated in accordance with the CAS guidance, including the Statement of Principles Regarding Property and Casualty Insurance Ratemaking and the Actuarial Standards of Practice. In accordance with Actuarial Standard of Practice No. 17 Expert Testimony by Actuaries, I conducted my review in terms of reasonableness rather than solely in terms of whether there is precise agreement on each issue. In addition, I applied the applicable rate standards set forth in Article 36 of Chapter 58 of the North Carolina General Statutes, including but not limited to 58-36-10, i.e., that rates must not be excessive, inadequate or unfairly discriminatory and that certain statutory rating factors must be considered.

Q: What is the source of the data utilized in Exhibit RB-1?

A: The Bureau has the responsibility of filing forms and making rates for all homeowners insurance policies written in North Carolina (with the exception of such policies that may be written by county farm mutuals pursuant to N.C.G.S. 58-36-50). ISO, on behalf of the Bureau, combines the data as to those policies in its filings as if there were a single company with the aggregate loss experience of all those policies. Rates are then analyzed in rate filings as if those rates were being made for this hypothetical one company. The ratemaking data reflected in Exhibit RB-1 is, in general, based on the aggregate homeowners experience of the approximately 100 individual insurance companies that write homeowners policies in North Carolina, together with the experience written on homeowners insurance policies in the Beach Plan. Those entities submit their data to one of the four statistical agents described above. The four statistical agents subject each entity's data to a series of verification edits and then consolidate the data. The statistical agents then transmit their consolidated data to ISO for final review and consolidation with the ISO data. After consolidating the data, ISO produces exhibits of the combined data in a format and detail necessary for review by the Bureau committees and ultimately for use in rate filings.

The statistical agents are licensed by the Commissioner of Insurance in North Carolina. They have collected, reviewed, compiled and submitted the data underlying this filing in the regular course of their business responsibilities.

Q. Please describe what is commonly called the “Beach Plan” and the role of its loss data in this filing?

A. The term “Beach Plan” is a commonly used name for the North Carolina Insurance Underwriting Association. It is a residual market organization created by the North Carolina legislature in Article 45 of the insurance statutes. It writes homeowners and other lines of insurance for policyholders in the 18 coastal counties. It uses forms, rules and rates filed by the Bureau.

A residual market organization writes policies for policyholders who cannot obtain insurance in the voluntary market. Although voluntary companies have chosen not to accept the risk of writing homeowners policies, North Carolina law requires those companies to be responsible for payment of the losses that may occur on those policies when they are written by the Beach Plan, up to an aggregate statutory cap of \$1 billion annually. The significance of such non-recoupable assessments on the companies will be discussed elsewhere in my testimony.

The Beach Plan uses the same homeowners forms that are used by the voluntary companies. Those forms have been prepared and filed by the Bureau on behalf of all member companies. The Beach Plan writes policies in its own name. The Beach Plan receives and retains premiums, adjusts losses (on full homeowners policies), reports statistics and operates in a manner similar to voluntary insurance companies in many respects. It uses classifications and rating plans filed by the Bureau. It uses rates filed by the Bureau, except that, by statute, the Beach Plan applies a 15% surcharge above the Bureau rate on full homeowners policies and a 5% surcharge on the wind rate where it writes only the wind and hail coverage on homeowners policies. When the Beach Plan reports its statistical data to ISO, ISO reviews those statistical data in the same manner that it does for voluntary companies.

Statutes distinguish between the “beach” areas under the Beach Plan’s jurisdiction and the “coastal” areas under its jurisdiction. In the “beach” territories, (territories 110 and 120) approximately 70% of the homeowners premium was written by the Beach Plan in 2016, and in “coastal” territories (territories 130, 140, 150 and 160) approximately 55% of the homeowners premium was written in the Beach Plan. On a statewide basis, approximately 12% of homeowners premium was written in the Beach Plan even though the Beach Plan is only able to write policies in the 18 coastal counties.

Over the years, the Beach Plan’s large growth reflects the fact that voluntary companies are unwilling to write in the beach and coast, due in large part to the inadequacy of the Bureau manual rate in those areas. This growth has occurred

despite the fact that the legislature only intended the Beach Plan to be the “market of last resort” in those areas.

The Beach Plan also writes dwelling fire and extended coverage insurance policies (“essential property insurance”) in the geographic area under its jurisdiction. Dwelling fire and extended coverage is a line of insurance distinct from the homeowners line of insurance.

There is a second statutory residual market mechanism in North Carolina called the North Carolina Joint Underwriting Association or Fair Access to Insurance Requirements organization (commonly called the “FAIR Plan.”) It writes in all areas of the state except the beach. It writes dwelling fire and extended coverage policies but does not write homeowners policies. Its premium volume has been growing rapidly in recent years.

Loss and exposure data from these two residual market organizations have always been included in Bureau property filings for the line of insurance (the homeowners line of insurance or the dwelling fire and extended coverage line of insurance) under review, in the same manner as data from voluntary insurance companies that write that line of insurance. It is actuarially appropriate and necessary to include the residual market data with the voluntary data to ensure that the rates developed are representative of the entire market, since every policy has the potential to be written in the voluntary market. Since the FAIR Plan does not write homeowners policies, its data are not included in this filing. Only the homeowners data from the Beach Plan are included in this filing.

Q: What statistical data supporting the filing are contained in Exhibit RB-1?

A: In general, the supporting data for the rate level changes are contained in Section C. The most recent five years of experience are displayed in Section C.

The loss experience used in the filing is what we call "accident year" experience for the years ended December 31, 2012 through December 31, 2016. This is the most recent five years of data available. I can explain what is meant by accident year experience by providing an example. The losses for the accident year ended December 31, 2016 consist of all losses caused by accidents which occurred during the one-year period ended December 31, 2016. If an accident occurred on December 29, 2016 and resulted in either a loss being paid or a reserve being established after January 1, 2017, that loss would be a part of the accident year losses for the period ended December 31, 2016. The test for breaking losses down into accident years is the date the accident occurred. The term “accident year” is an insurance accounting term that includes the various incidents that give rise to a homeowners insurance claim, including fires, hurricanes, tornados, etc during a 12-month period.

Q: What is the reason for using five years of data to determine the indicated rate level change?

A: Ratemaking is prospective. The objective is to set rates at the level sufficient to pay expected losses, expected expenses and to allow insurance companies to earn a reasonable margin for profit. This is the fundamental equation in insurance ratemaking to set the adequate rate level; i.e., a rate level that is not “excessive, inadequate or unfairly discriminatory” as required by law.

Rates are set for the period when they will be in effect, which is often the year after the effective date of the filing. The assumed effective date for this filing is October 1, 2019. Historical loss data are generally used for the purpose of projecting expected losses. For non-catastrophic types of loss, five years of data balance the stability of the rates with responsiveness to more recent conditions. For catastrophic hurricane losses, the average of modeled losses from two hurricane models is used. For non-hurricane catastrophic wind losses, a separate excess wind smoothing procedure is employed to reduce large swings in the indications due to irregular events in the experience period. The North Carolina statutes allow the Bureau to review five years of experience in its rate level filings in addition to other factors that are to be considered.

Traditional homeowners ratemaking has for many years relied on the consideration of five years of experience with weights of .10, .15, .20, .25 and .30 being given to each year respectively. Those weights are used in this filing as in past Bureau homeowners filings. The weights used by the Bureau are identical to those used by ISO in all other states for homeowners insurance. These weights are generally accepted in all jurisdictions in which ISO makes homeowners filings.

Q: Please turn to page C-2 of Exhibit RB-1. Would you explain what that page shows?

A: Page C-2 is what is called a statewide rate level calculation for homeowners forms 2, 3, 5, 7 and 8 for North Carolina. These are the forms commonly referred to as the "owners forms." Page C-2 determines the actuarially indicated rate level changes for policy forms 2, 3, 5, 7, and 8. The data shown are for all business written in the state on those forms.

The overall homeowners program to which this filing applies consists of three categories of forms: the forms identified above for “owners,” as well as form 4 for “tenants” and form 6 for “condominium owners.” Page C-2 shows the statewide rate level calculation for the owners forms, and similar calculations are shown on C-3 for tenants and on C-4 for condominium owners. In my testimony, I will generally refer to the owners forms, but it should be noted that my testimony generally applies to the analysis and calculations as to the tenants and condominium owners forms as well, unless otherwise noted. As can be seen in the filing, the owners forms constitute the overwhelming majority of the premium volume.

Q: Referring to column 1 on page C-2, what are "Incurred Losses Excluding Hurricane"?

A: The incurred losses in column 1 are the losses from all causes, except those losses identified as caused by hurricanes, from insured events that occurred during each of the five respective accident years. The figure includes losses which have already been paid, losses which are not yet paid and are represented by outstanding claim reserves, and losses which have been incurred but for which no individual reserve yet exists because they have not yet been reported. Hurricane losses have been replaced by average modelled losses from two modelers, as discussed later in my testimony.

Q: Have the losses excluding hurricanes as shown in column (1) been adjusted in any way?

A: Yes, as explained below, there are two adjustments. First, these losses have been adjusted to a common \$1,000 deductible level. Second, these losses have been developed to ultimate by applying the loss development factors.

Q: Please explain what is done to adjust losses to a common deductible level.

A: In order to properly analyze losses for ratemaking, it is necessary to adjust losses from all policies to some common deductible level. The common deductible level that is assumed for owners forms is the base deductible of \$1,000. The common deductible level that is assumed for the tenants and condominium owner forms is the base deductible of \$500. Loss elimination ratios (LERs) are applied to the reported losses in order to account for the difference between the reported deductible and the assumed common deductible.

In the 2017 homeowners filing that introduced the new base deductibles (\$1,000 for the owners form and \$500 for the tenants and condominium owner forms), and a new base Amount of Insurance (\$200,000 for owners form), the LERs were rebased along with the deductible relativities and the manual rates to reflect the new base deductibles.

Q: What is the purpose of adjusting the reported losses by applying loss development factors?

A: The losses in column 1 of page C-2 include losses from events which have happened but which have not yet been reported. Such events are included by what is known as an adjustment for IBNR (incurred but not reported) losses.

In addition, adjustments must be made to reflect that loss payments occur over time. The losses, as they are reported to statistical agents, cover all accidents which occur during the respective accident years ended December 31. When they

are reported to the statistical agent, they are evaluated as of March 31 of the next year. As of March 31 some of the losses have already been paid and some have not. Those that have not are represented by loss reserves. Loss reserves are estimates of what will ultimately be paid on these outstanding claims.

Since we want the losses used in the filing to be as accurate as possible, we look at history to see how losses have changed, or "developed," from the time they were initially reported to the time they were ultimately paid. For example, if we want to evaluate how losses reported in 2016 will eventually turn out, we look back and see what has happened in the past. If historically there has been a 1% increase in the dollar amount of losses from the time they were initially reported as reserves until the time they were ultimately paid, we would logically assume that the same development will hold true for losses incurred during the accident year ended December 31, 2016. Accordingly, we would make an adjustment by increasing the losses as they are initially reported to us by 1%.

Q: What causes losses to change or develop as you have described?

A: Changes to the reserve portion of the losses typically result from the fact that the ultimate loss payments turn out to be more or less than estimated at the time of the initial report that led to the reserve. Another factor that could lead to changes in losses is the late reporting of claims. For example, if a loss event occurred in late December of any given year and for some reason was not timely reported to the company by the end of the year, it might very well be that the losses as initially reported would not include any provision for that particular claim. By next year's evaluation, however, the claim would have worked its way into the system and the total loss would include either the paid amount or the reserved amount for that particular claim. This would cause an upward development in the losses as initially reported.

Q: Please refer to page D-12 of RB-1 and explain how the loss development factors used in the filing were calculated.

A: In calculating loss development factors, we have used the data of companies reporting to ISO and three large writers reporting to PCI. In the past filings, we used all policy forms combined due to limitations on data availability. For this filing, we were able to calculate separate loss development factors for owners, tenants and condominium owners forms. The illustrations below are for the owners forms, but apply the same way to other forms. The top section of that page shows the incurred losses evaluated as of 15, 27, 39, 51 and 63 months for the accident years for which available data are shown. For instance, the first entry for the accident year ended December 31, 2013 is \$642,959,930. This is in the column which is labeled "15 Months." This is the first evaluation of the losses caused by loss events which occurred during the year which ended December 31, 2013. The evaluation was made as of March 31, 2014, 15 months after the beginning of the accident year. Twelve months later (March 31, 2015) the losses caused by accidents which

occurred during the year ended December 31, 2013 had grown to \$657,197,316. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$643 million to \$657 million represents a growth in losses, or a positive development, of 2.2% (or 1.022) as shown in the column under Link Ratios located lower on that page labeled "27:15." As shown on page D-12, we have looked at the development from 15 months to 27 months for all years. The average development for these years was 2.4%. The selected loss development factor for 15 to 27 months is 1.024.

Q: Does page D-12 also show development figures for periods longer than 27 months?

A: Yes. We also calculate loss development factors for the periods from 27 months to 39 months, 39 months to 51 months and 51 months to 63 months. Studies have shown that for homeowners insurance virtually all losses have been paid by the time of the evaluation at 63 months after the beginning of an accident year. For example, by the time of the 39 month evaluation, the losses for the accident year ended December 31, 2013 had become \$657,530,875. This represents an increase of 0.1% over the losses for the same accident year evaluated as of 27 months. The average development over the period 27 months to 39 months for the years for which the data are available was 1.002, or 0.2%.

Q: Please explain how the loss development factor used to determine the ultimate payment value of the accident year ended December 31, 2016 losses was determined.

A: For the owner forms, the loss development factors for each of the applicable periods, as shown on page D-12, are:

<u>Development Period</u>	<u>Factor</u>
15 to 27	1.024
27 to 39	1.002
39 to 51	1.000
51 to 63	0.999

If you multiply all of these factors together, you will get a factor of 1.025 to apply to the year ended December 31, 2016 losses.

Q: You referred earlier to a separate procedure for dealing with non-hurricane excess wind losses. Please describe that procedure.

A: An adjustment was made to the non-hurricane wind losses in the years in which there were severe storms such as tornadoes, thunderstorms, hailstorms, derechos and other damaging wind storms, other than hurricanes. The adjustment caps average losses by territory in years where abnormally high losses coincide with

severe non-hurricane windstorm activity. The adjustment relies on a factor developed by using a statewide average. As a result of this procedure, a long-term Excess Factor of 1.068 was calculated and therefore applied to the losses. This procedure has been employed in past homeowners filings and is customarily employed to smooth out and properly reflect prospective non-hurricane wind losses. In this filing, more non-hurricane wind losses have been removed than have been added back in by applying the 1.068 factor. In the five most recent years, there were a number of wind events that caused unusually high non-hurricane wind losses.

Q: Was it necessary to exclude hurricane losses in calculating the excess wind factor?

A: Yes, such losses have been excluded in the calculation of the Excess Factor derived on pages D-33 through D-35.

Q: How have hurricane losses been identified in order to be excluded from the Derivation of Excess Factor (Excludes Hurricane Losses) exhibit on pages D-33, D-34 and D-35?

A: The method to remove the hurricane losses from the derivation of the excess factor depends on the detail of the available data during different periods of time. For 1950-1965, only statewide data is available, and it is only from dwelling policies for the early years. Consequently, for a year in which a hurricane occurred, the year is excluded from the calculation of the statewide non-hurricane excess factor. This is shown on page D-33. For example, in 1954 Hurricane Hazel was a Category 4 storm that caused major losses in North Carolina, so that year was removed from the exhibit.

Since territory data is available (in varying detail) for 1966-2016, the calculation of the non-hurricane losses is performed at the territory level for this period.

For 1966 - 1986, the non-hurricane wind losses for a territory are calculated by replacing the hurricane year wind to non-wind ratio by the average wind to non-wind ratio of the non-hurricane years. Given the revised wind to non-wind ratio for the hurricane year, the reported non-hurricane total losses and the reported non-hurricane wind losses are then "backed into." For the years 1966 – 1982, during which old territory codes were in effect, the average wind to non-wind ratios are based on the non-hurricane years. For the years 1983-1999, during which the former territory codes were in effect, the average wind to non-wind ratios are based on the non-hurricane years. For the territory codes introduced as part of the 1993 filing, the average wind to non-wind ratios from the predecessor territories have been used.

For the period 1987--September 1995, territory losses by month are available for ISO data only. The territory non-hurricane losses for this period are calculated as follows: first, the average losses for the month in which the hurricane occurred are

calculated based on the non-hurricane years. The average monthly losses are then added to the eleven remaining months of the hurricane year and divided by the hurricane year annual losses resulting in a non-hurricane adjustment factor. This factor is then applied to either reported losses or adjusted losses by territory for all statistical agents to obtain non-hurricane losses. For hurricanes, wind losses are sometimes reported as water losses or "all other" property damage losses. To accurately estimate the non-hurricane losses, the above non-hurricane factors are calculated for water and all other property damage and then applied to the water losses and the all other property damage losses.

For October 1995-2016, based on information from NOAA and other sources, the specific dates on which a given hurricane was active in North Carolina are determined. The loss experience for ISO is then examined by date and cause-of-loss. Wind losses and losses for other weather-related perils which occurred on these dates are assumed to be hurricane losses. For ISO data, the percentage of hurricane losses to total losses is calculated. To estimate the hurricane losses for statistical agents other than ISO, the percentage of hurricane losses in the ISO data (relative to the ISO yearly total) is applied to the total loss amounts for the other statistical agents.

For 2003-2016, the data described above is also available from ISS and has been examined together with the ISO data. For the combined ISO and ISS data, the percentage of hurricane losses to total losses is calculated. To estimate the hurricane losses for statistical agents other than ISO and ISS, the combined percentage of hurricane losses from ISO and ISS data (relative to the ISO and ISS yearly total) is applied to the total loss amounts for the other statistical agents.

- Q. Can you use the year 2016 as an example of how losses have been smoothed and how the smoothing affects the losses for an individual year?
- A. Yes. The loss smoothing process for 2016 consists of two parts. The first part is to remove the actual hurricane losses and load back expected long-term average hurricane loss costs based on the average of two hurricane models. The second part is to remove the actual non-hurricane wind excess losses and spread those losses over the long run by the use of the excess wind factor. For year 2016, total losses without any smoothing were \$1,046,058,715 for the owners forms. Hurricane losses in the amount of \$222,440,120 were removed and long-term average hurricane losses of \$271,160,877 were loaded back. We also analyzed the non-hurricane wind losses and removed a large number of those losses under our excess wind procedure which was described above. By using that excess wind procedure, we removed \$155,536,251 in losses and spread those losses over the long run by the use of the excess wind factor. These smoothing procedures have been consistently applied by the Bureau for many years and serve to keep rate indications significantly lower than they otherwise would be

following years with high wind losses and vice versa for years with low wind losses.

Q: Do you have an opinion as to whether the incurred losses excluding hurricanes shown in column 1 on page C-2 of Exhibit RB-1 accurately represent the ultimate value of owners forms incurred losses excluding actual hurricane which resulted from accidents which took place during each of the years ended December 31 in North Carolina?

A: Yes, I do.

Q: What is that opinion?

A: I believe that the losses shown in column 1 do accurately represent the expected ultimate value of those losses excluding actual hurricane losses. More detailed information will be set out later in my prefiled testimony about the actual hurricane losses that were considered but excluded from the data in this filing.

Q: Please explain trending of the losses.

A: The losses need to be adjusted by trend to reflect the cost levels anticipated to prevail during the period that the proposed rates are expected to be in effect. For this filing, the assumed effective date is October 1, 2019. This date is relevant for trending purposes. If the filing were to become effective on a date later than the October 1, 2019 assumed effective date, then the rate indications would be higher than those set forth in the filing for the owners and condominium forms and lower for the tenants form.

Q: Please describe how the loss trend is developed and applied.

A: The loss trend is developed in a two-step process. The first step is the development of a Current Cost Factor, which brings the losses up to the cost level of the external Current Cost Index that is used as the basis of loss trend. The second step is the development of a Loss Projection Factor based upon an exponential fit of the last twelve quarters of the Current Cost Index and the actual homeowners pure premium trend. The Loss Projection Factor projects the losses from May 15, 2018 (the midpoint of the latest quarter of the external index) to October 1, 2020, the average date of loss for policies which will be written at the proposed rates (i.e. one year beyond the assumed effective date of October 1, 2019).

Q: What are the components of the Current Cost Index used for the owners forms?

A: The Current Cost Index is a weighted average of the Modified Consumer Price Index (MCPI) and the CoreLogic Residential Index, with the MCPI receiving 20%

weight and the CoreLogic index receiving 80% weight. The intent of the weights is to reflect the split between contents type losses and buildings type losses.

Q: What is the CoreLogic Residential index?

A: The CoreLogic Residential index is the successor to the Boeckh Residential Index that has been used in homeowners filings for many years. It is an index of construction costs compiled by CoreLogic. The particular index used in the filing is based on information compiled specifically for construction costs in North Carolina.

Q: How are the weights of 80% to the CoreLogic index and 20% to the Modified Consumer Price Index determined?

A: The weights were based on an examination of losses by cause of loss and apportioning the losses between buildings and contents. North Carolina homeowners losses (normalized for catastrophe losses) were reviewed by cause of loss and split into percentages that correspond to buildings and contents as shown below:

	Buildings	Contents
2008	78.9%	21.1%
2009	79.4%	20.6%
2010	81.6%	18.4%
2011	89.7%	10.3%
2012	83.5%	16.5%
2013	82.1%	17.9%
2014	86.0%	14.0%
2015	84.6%	15.4%
Average	83.2%	16.8%

Q: What is the Modified Consumer Price Index?

A: The Modified Consumer Price Index is composed of selected components of the Bureau of Labor and Statistics' Consumer Price Index that correspond to the items for which homeowners insurance provides coverage. The components used and the weights given to them are House Furnishings (54%), Medical Care (10%), Apparel Commodities (18%) and Entertainment Commodities (18%).

Q: Please illustrate what factors would be applied to trend the losses for the year ended December 31, 2016.

A: The losses from the accident year ended December 31, 2016 are first adjusted by the Current Cost Factor for 2016 of 1.040, which is found on page D-15. The Current Cost Factor is the ratio of the Current Cost Index from the quarter ending June 30, 2018 to the Current Cost Index value for the full year 2016. The Current

Cost Factor brings the losses from the cost levels corresponding to an average date of loss of June 30, 2016 to the cost levels corresponding to the midpoint of the latest quarter (May 15, 2018).

The second adjustment projects the losses from May 15, 2018 to the average date of loss for policies which will be written at the proposed rates (October 1, 2020, or one year past the assumed effective date). This is accomplished by projecting the losses at the annual rate of change of +1.2% (as determined by an exponential fit of the Current Cost Index) for 28.5 months. This factor is calculated on page D-16.

Q: You mentioned that the pure premium trend was considered in the selection of trend factors. How was that data considered?

A: A pure premium is the ratio of the losses to the number of insured house years. The pure premium experience was examined by ISO and the Bureau Property Rating Subcommittee. These data were fit to an exponential curve, and an annual rate of change was calculated. This rate of change was compared with the annual rate of change of the Current Cost Index. In reviewing the loss trends, the annual rates of change in homeowners pure premium during the 2012-2016 experience period are higher than the observed annual changes in the external indices. Therefore, to project losses to an October 1, 2020 level, a 3% additional annual loss trend adjustment was indicated and selected by the Property Rating Subcommittee for owners forms. This results in the 4.2% annual rate of change used to trend the prospective losses for the owners forms. After reviewing the pure premium data for the tenants and condominium forms, the Bureau selected a 0% loss trend adjustment for the tenants form and a 5% loss trend adjustment for condominium form.

Q: Please describe the development of the Current Amount Factor.

A: The Current Amount Factor is calculated by taking the ratio of the average policy size relativity for each year to the projected policy size relativity as of May 15, 2018, the same projection date as is used for the losses in the development of the Current Cost Factor. The average policy size relativity is calculated by taking a weighted average of the policy size relativity curve for each amount of insurance using the exposures for each amount of insurance as weights. By taking the ratio of these relativities for each year to the May 15, 2018 value, we are in effect measuring the percentage growth in the premiums at present rates from year to year caused by changes in amount of insurance. These changes in average amount of insurance are not based on a consistent set of insureds, since some of the growth is due to the addition of new homes. A selection of an annual growth of 1.0% was made by the Property Rating Subcommittee of the Bureau for owners forms.

Q: Where on page C-2 are these factors applied?

A: The Current Cost Factor for each year is applied as part of the Current Cost/Current Amount factor in column 5. For example, for the year ended December 31, 2016, the Current Cost/Current Amount Factor of 1.016 is shown on page D-21. The Loss Projection Factor is combined with the Premium Projection Factor and the Trend from First Dollar to produce the Composite Projection Factor. This Composite Projection Factor is applied on page C-2 in column 7 in the development of the Trended Base Class Loss Cost.

Q: You mentioned the Trend from First Dollar. Please describe what that is and how it is developed and applied.

A: The external indices used in the trend analysis are all first dollar indices. This means that they are measuring changes from the first dollar of an item's value. Since a deductible is applied when insurance claims are settled, an adjustment must be made to the trends from the external indices so that they are appropriate for use with a deductible. All of the losses have been adjusted to a common \$1,000 deductible level. As such, increases in cost as measured by the Current Cost Index would affect losses below the deductible less, and cause an additional increase for losses above the deductible. For example, a loss of \$1,500 subject to a \$1,000 deductible results in a payment of \$500 to the insured. If there is 10% inflation, the \$1,500 loss grows to \$1,650. This results in a payment to the insured of \$650, which is a resulting effective inflation of 30%, an incremental trend of 18.2%. The Trend from First Dollar procedure used in the filing accounts for this effect. The procedure in essence converts all losses to a first dollar basis before the trend factor is applied. To obtain the resulting trended losses, the deductible portion of the trended losses is subtracted. The Trend from First Dollar factor as shown on page D-21 is the incremental difference in the trend factor resulting from the application of this procedure. Using the above example, the formula for trend from first dollar on page D-21 results in a trend from first dollar factor of $1 + \frac{((.1)(1000))}{((1.1)(500))} = 1.182$, which matches what was calculated earlier.

Q: Please refer to column 4 of page C-2. With reference to the column headed "Adjusted Incurred Losses Including LAE," please tell us what the figure 819,825,223 represents.

A: These are the losses and loss adjustment expenses associated with claims or accidents that occurred in the accident year ended December 31, 2016. The losses are the sum of the adjusted incurred losses excluding hurricane losses found in Column 1, minus the non-modeled adjusted excess losses in Column 2, all multiplied by the non-modeled excess factor of 1.068, adjusted by a trended loss adjustment expense factor of 1.149.

Q: How is the trended loss adjustment expense factor of 1.149 developed?

A: Each year the Bureau sends a call to its member companies for expense-related data. These calls showed that loss adjustment expenses for the calendar years

December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015 and December 31, 2016, after dropping the high and low values, averaged 14.8% for the period, as shown on page D-30.

This factor of 14.8% must be adjusted for the change in cost levels of the items that go into loss adjustment expenses. These expenses include items such as adjuster's salaries, rents and overhead items related to claims settlement. In essence, these items will vary as general economic trends vary. We adjust the loss adjustment expense factor by taking a ratio of the expense trend to the loss trend on page D-31. This adjustment results in a trended loss adjustment factor of 1.149.

The Bureau relied on AON Benfield (AON) for the loss adjustment expense factor relating to modeled hurricane losses. AON's data showed that the factor for loss adjustment expenses on modeled hurricane losses is 6%, which is lower than the loss adjustment expense for non-hurricane losses. These loss adjustment expenses are reflected with the weighted, trended, modeled hurricane shown later in the calculation.

Q: Please explain how the expense trend used to adjust the loss adjustment expense factor is developed.

A: The expense trend used to adjust the loss adjustment expense factor is based on an analysis of the Current Expense Index, which is an index based on a 50% weighting to the Compensation Cost Index, a 25% weight to the all items CPI (less energy) and a 25% weight to the all items CPI (including energy). The latest available information for marine, fire and casualty insurance was used. The data for this index are shown on pages D-27-28. Based on an analysis of these data, an annual rate of change of 2.5% was selected by the Property Rating Subcommittee of the Bureau.

Q: Please explain the development and application of the expense projection factor in adjusting the loss adjustment expense factor.

A: The five year (excluding the high and low values) average loss adjustment expense factor of 14.8% reflects an averaging of the five years. As such, the factor is representative of the time period corresponding to July 1, 2014.

The expense projection factor uses the 2.5% annual rate of change based on an exponential curve of the Current Expense Index. Since the Loss Adjustment Expense ratio is at the cost level corresponding to July 1, 2014, it is necessary to project this cost to the average date of accident for the period during which our rates are assumed to be effective, October 1, 2020 (one year beyond our assumed effective date of October 1, 2019). This calculation is displayed on page D-31.

Q: What other adjustments must be made to the Loss Adjustment Expense factor in order to use it?

A: The Loss Adjustment Expense Factor is determined as the ratio of loss adjustment expenses to losses. Having adjusted the expense portion of the factor in the numerator, we need to adjust the losses in the denominator by the Loss Trend to reflect both the Current Cost Factor and the Loss Projection Factor.

Q: Please describe what is done in Column 5 on page C-2.

A: In Column 5 the Current Cost Factors and Current Amount of Insurance Factors are combined into the Current Cost/Current Amount Factors. This is done by taking the ratio of the Current Cost Factor to the Current Amount Factor. For example, the Current Cost/Current Amount Factor of 1.016 for 2016 is the ratio of the 2016 Current Cost Factor of 1.040 to the 2016 Current Amount Factor of 1.024. In combining these steps, the losses and average rating factor have been brought to the cost level of May 15, 2018.

Q: Please describe what is done in Column 7 of page C-2.

A: Column 7 combines all of the elements in Columns 1 to 6. In Column 7, the losses and loss adjustment expenses are trended to the cost level expected to prevail during the period in which the policies written at the proposed rates will be providing coverage (average date of accident of October 1, 2020). The house years in column 6 are also projected via the current amount factor in column 6 to reflect the anticipated amounts of insurance for business written between October 1, 2019 and September 30, 2020. As an example, the calculation of column 7 for 2016 is:

(1)	Adjusted Incurred Losses Inc. LAE (C-2, Col 1):	823,618,595
(2)	Excess Losses (C-2, Col. 2):	155,536,251
(3)	Incurred Losses Adjusted for Excess (C-2, Col.3):	713,511,943
(4)	Losses * LAE Factor (C-2, Col 4):	819,825,223
(5)	Current Cost/Amount Factor (C-2, Col.5):	1.016
(6)	Earned House Years (C-2, Col. 6):	1,924,189
(7)	Trended Average Loss Cost (C-2, Col. 7)(4)*(5)*(CPF)/6):	472.27

Q: Please describe the development of the Premium Projection Factor.

A: For each year we compute an average policy size relativity, which is calculated as a weighted average of each amount of insurance relativity. The Premium Projection Factor is calculated by fitting an exponential curve to the average policy size relativities. This curve is used to develop an annual rate of change for the policy size relativities. In the case of owners forms, the average annual rate of change is 1.0% as shown on page D-20. Since the Current Amount Factor has been calculated as the value up to May 15, 2018, the premium projection factor will be calculated as the expected growth from May 15, 2018 to April 1, 2020 (six months beyond the assumed effective date of October 1, 2019). This date of April 1, 2020 represents the midpoint of the year in which policies are assumed to be written using the proposed rates. This results in a Premium Projection Factor of 1.019, which is shown on Page D-21.

Q: Could you please explain column 8 on page C-2?

A: Column 8 is the average rating factor for the policies purchased in each year. The average rating factor is the ratio of the average rate at manual level to the average current base rate. The average current base rate assumes a base coverage A amount of insurance of \$200,000. For example, let's assume that the current territory base rate for frame construction with \$200,000 coverage A is \$100, that the rating factor for masonry is 0.9 and that the rating factor to purchase an additional \$25,000 of coverage A is 1.2. Then the average rating factor for a \$225,000 coverage A masonry policy is calculated as:

$$(100 * 1.2 * 0.9) / 100 = 1.08$$

This factor is needed to adjust the average trended loss costs in column (7) to a base class level. Since most policyholders do not purchase exactly the base amount of coverage, the average trended loss cost is divided by the average rating factor to convert this average trended loss cost into a trended base class loss cost which is shown in column 9.

Q: Please explain line 11 on page C-2.

A: Line 11 is the resulting Weighted Trended Non-hurricane Base Class Loss Cost obtained by applying the accident year weights shown in Column 10 to the Trended Base Class Loss Cost for each year shown in Column 9. This Weighted Trended Base Class Loss Cost is the forecasted Base Class Non-hurricane Loss Cost for policies written during the one-year period after the assumed effective date of October 1, 2019.

Q: Please explain line 12 on page C-2.

A: Line 12 is the reflection of the credibility of the experience based on the number of house years during the five year experience period. The full credibility standard is

based on a procedure considering the frequency of claims and the variability of the size of those claims. The procedure is explained in a CAS Proceedings Paper "Credibility of the Pure Premium" by Mayerson, Jones and Bowers. The full credibility standard is based on a normal distribution with a 90% probability of the pure premium being within 5% of the expected value. The full credibility standard for the owners forms is 240,000 house years.

Q: Please explain the figure contained on Line 13 of page C-2 labeled "Trended Modeled Hurricane Base-Class Loss Cost".

A: That figure is the expected hurricane losses for a base risk written in the prospective period. AON provided the average modeled hurricane losses from running two hurricane simulation models developed by AIR Worldwide (AIR) and Risk Management Solutions (RMS). The average modeled hurricane losses were then trended and loaded with catastrophe loss adjustment expenses (LAE). To obtain an average loss cost value, the modeled loss amounts are divided by 2016 house years. To convert the average trended modeled hurricane losses with LAE to base class level, it is divided by the latest year trended average rating factor. The trended average rating factor is calculated as the product of 2016 average rating factor, 2016 Current Amount Factor and Premium Projection Factor. The derivation of the modeled hurricane base class loss cost is shown on page D-42.

Q: Did the Bureau consider actual hurricane losses?

Yes. The actual hurricane losses during the five years of experience were reviewed and considered; however, as has been done in Bureau filings since 1993, those losses have been excluded from the historical losses used in the filing and have been replaced by modeled losses.

Q: What were the amounts of actual hurricane losses that were excluded from the losses in the five years of experience?

A: The statewide losses that were excluded are :

Year	Owners Forms	Tenants	Condos	Total
2012	\$8,927,809	\$83,516	\$179,795	\$9,191,120
2013	0	0	0	0
2014	7,799,045	73,232	98,853	7,971,130
2015	21,225,158	129,742	121,745	21,476,645
2016	222,440,120	1,299,211	878,966	224,618,297
Total	\$260,392,132	\$1,585,701	\$1,279,359	\$263,257,192

The excluded losses by territory are shown on pages D43-D45.

Q: In addition to excluding actual losses from hurricanes on Page C-2, have such losses been excluded anywhere else in the filing?

A. Yes, the actual hurricane losses have been excluded in the development of the indications by class and by territory, and in the calculation of the non-hurricane excess factor that was explained earlier in my testimony.

Q. Why were models used to develop the projected hurricane losses instead of using actual hurricane losses?

A. The catastrophic nature of the hurricane peril makes it a very volatile peril in terms of loss severity, frequency and location of occurrence. Catastrophe losses in general tend to be high severity, low frequency events. Since we use five years' of loss experience data in homeowners' rate making calculations, it is likely that there will be scenarios such as either no hurricane losses or extremely severe hurricane losses during the experience period. Also, if a hurricane were to hit a particular area of the state, the losses might be reflected only in that area of the state, with little or no reflection in other areas of the state. Therefore, if we analyze hurricane losses without any adjustment, the indicated rate need level will be subject to large yearly fluctuations resulting in rates beyond the actuarially sound level.

The excess loss smoothing procedure described earlier in my testimony to smooth non-hurricane wind will not work for hurricanes given that hurricanes occur so infrequently and result in huge volatility in the loss amounts when they occur. Devastating hurricanes are relatively uncommon events in comparison with other causes of loss. The occurrence or non-occurrence of actual hurricane events is not properly predictive of the range of hurricane events that can occur or the probability of occurrence of those events. In addition, there is not enough experience with hurricanes since accurate insurance loss records began to be maintained for actuaries to employ actual losses as opposed to models. For the older years, much of the past insurance data is quite outdated for the purpose of examining hurricane exposure and is of limited utility in projecting future hurricane losses. It includes losses from hurricanes that occurred when housing patterns were different, population density was lower, houses were built differently, building codes were different, construction prices were different, houses had fewer and less expensive contents and labor costs and practices were different, etc.

The hurricane models are based on publicly available scientific data, mathematical and empirical models, and the experience of engineering, geological, meteorological, economic and insurance experts. Actual hurricane loss experience is also used to calibrate the models. The models are run for a large number of simulated events (e.g. 100K years) to estimate what would be the expected long term average hurricane losses for a given risk profile. The modeled hurricane losses are accurate, stable, and representative projections of the long term average annual hurricane losses. The benefits of using models to project hurricane losses

over using actual hurricane losses include the following: First, the models improve the accuracy of hurricane loss projection in a long term average view as described above. Second, replacing the volatile actual hurricane losses with modeled hurricane losses will smooth out the periodic spikes in the indications following hurricanes. Hurricane modeling is the widely accepted and most accurate way of considering the hurricane exposure. Modeling has become the standard practice in the insurance industry for insurers to estimate long term expected hurricane losses for ratemaking purposes and has been widely accepted by the regulatory bodies in the United States. Modeling is also uniformly employed in the reinsurance industry, financial world and meteorological world to determine expected prospective hurricane losses. Scientists who work on the models update those models frequently to reflect the latest understanding of meteorological science.

An example of the need and value of models in producing stable loss costs can be seen from the hurricane season of 2017 and its effects in other states. In 2017, there were multiple significant hurricane events that hit Florida, Puerto Rico and the Gulf coast. If rates for the next year in those jurisdictions were based on those hurricanes rather than on models, rates would spike up. Conversely, if rates for 2017 had been made the year before based on there being no major hurricane strikes during the preceding five year period in those jurisdictions, it would not be actuarially appropriate to assume that the absence of hurricane losses would be the expectation for 2017 or for a future prospective rating period.

My actuarial opinion is that it is actuarially unsound for regulators to justify suppressing rates by claiming that there have been no recent significant hurricane losses and promising to raise rates after a future significant hurricane. Further, from a practical and public policy standpoint, raising rates significantly following a devastating and often tragic hurricane is the worst time for the policyholder. The use of simulation models produces a stable and actuarially sound projection of the true loss potential both in terms of statewide exposure values and in terms of territorial distribution of that exposure. Modeling is far preferable to any analysis based on the happenstance of historical hurricane loss data.

The Property Rating Subcommittee and I have examined actual hurricane losses in North Carolina and have excluded those losses from the incurred losses in filings for a number of years. As done for the 2017 homeowners filing, we have replaced the actual hurricane losses with the average modeled hurricane losses from two hurricane models for the rate review underlying this filing, which I deem to be the actuarially sound practice for the hurricane peril.

- Q. What did ISO furnish to AON to enable AON to perform its analysis?
- A. ISO furnished to AON the North Carolina insurance exposure data on the total number of earned house years and earned insurance years by territory for the most recent year in the experience period. These data included ISO, Beach Plan, NISS

and ISS data that were compiled by ISO. These data are correct to the best of my knowledge, information and belief.

Q. How were modeled hurricane losses derived?

A. AON ran two hurricane models, one from RMS and one from AIR. These two models are the most widely used and relied upon hurricane models. The use of multiple models is required by statute starting with filings made on or after October 1, 2017.

The hurricane models simulate many years of hurricanes and resulting losses for the portfolio of North Carolina exposures. The results of the two models were averaged by AON. AON also trended the losses for use in the filing. The Property Rating Subcommittee reviewed the blended model results provided by Aon and found them to be actuarially sound. By averaging the two models, the Bureau has appropriately given them equal weight. Given the legislature's mandate to use more than one model, it would be inappropriate to employ the results of just a single model. Using an average of the two models also produces an unbiased estimate for future hurricane losses. The modeled hurricane losses are shown on page D-38.

Aon also accounted for loss adjustment expenses (LAE). AON's database shows that LAE, as a percentage of hurricane losses, is lower than the LAE percentage for non-hurricane losses. Therefore, upon review of AON's database, the Property Rating Subcommittee selected a 6% provision to be applied to the modeled hurricane losses.

Q: Please explain what line 14 entitled "fixed expense per policy" on page C-2 refers to and what it represents.

A: Line 14 "fixed expense per policy" refers to the amount of the prospective premium dollar needed to cover general expenses on policies written in the prospective period. General expenses along with other acquisition expenses constitute the so-called fixed expenses. They are fixed in that they do not vary as a direct function of the premium dollar. For example, the cost of office equipment, rent and other overhead-type expenses are fixed expenses. Expenses such as commissions and premium taxes, on the other hand, are examples of expenses that rise or fall directly with premium. The number shown on line 14, \$86.73, represents the dollars of general and other acquisition expenses trended to the levels anticipated to prevail during the prospective period. This is appropriate because general and other acquisition expenses are normally incurred at the time a policy is written.

Q: Please explain how the figure \$86.73 on line 14 of page C-2 was derived.

A: The derivation of the \$86.73 is shown on page D-32. The untrended general expense ratio of .044 and the other acquisition expense ratio of .066 are obtained

from the expense data collected by the Bureau and based on an average of the 2014, 2015 and 2016 ratios. These are shown on page D-29. This average represents the average fixed expense ratio corresponding to calendar year 2015. In order to trend these to the cost levels anticipated to prevail, we project these forward to the prospective period. The average selected expense trend of 2.5% is applied over the time period from July 1, 2015 (the average date of the experience on which the general expense ratio is based) to April 1, 2020 (the average date of writing under the proposed rates). Since this ratio is relative to premium, we must also project the amount of insurance from 2015 levels to the level anticipated to be in effect on business written between October 1, 2019 and September 30, 2020. This is done by using the Current Amount Factor for 2015 of 1.033 and the premium projection factor of 1.019 which I have previously discussed. The resulting calculation is:

$$\frac{(.044 + .066) \times 1.124}{1.033 \times 1.019} = 0.118$$

This trended fixed expense ratio is then multiplied by the trended average rate for all forms of \$922.45. The result is a statewide all forms fixed expense loading of \$108.85. It is projected that forms 4 and 6 need 50% of the fixed expenses of Forms 1-3, 5, 7, and 8. Since general expense and other acquisition expense information is not available separately by policy form, selections were made by the Bureau's Property Rating Subcommittee to reflect the expectation that general and other acquisition expenses for the Tenant and Condominium forms are expected to be significantly smaller than the Owners forms.

A calculation is then performed to ensure that the average fixed expense loadings by form balance to the \$108.85. The average dollar loading for owners forms is \$120.54, as shown in column 7 on page D-32. This is adjusted to a base policy level by dividing by the average rating factor of 1.332, the premium projection factor of 1.019 and a current amount factor of 1.024. This results in a fixed expense loading of \$86.73.

Q: What does Line 15 show on page C-2?

A: Line 15 is a combination of the Trended Base Class Loss Cost and the Trended General Expense and Other Acquisition expenses. The figure \$555.42 is the dollar amount that is required to cover the portion of the base rate that covers losses, loss adjustment expenses, general expenses and other acquisition expenses.

Q: What does line 16 on page C-2 show?

A: This line takes into account the variable expenses, profit, contingencies and dividends. If you look at page D-29 of the filing, you can see that the commission

and brokerage rounds to 12.0%, and taxes, licenses and fees round to 2.7%. The provision for dividends is 0.4%. The provision for underwriting profit is 9% statewide.

As in past homeowners filings, Bureau committees reviewed the latest available policyholder dividends payment data as well as the multi-year history of companies consistently paying dividends to policyholders. The Bureau's subcommittee concluded that a factor for expected dividends is appropriate to include in this filing. The data contained on page D-29 show that the dividends, though constituting a small percentage of premium, have been paid consistently and in material amounts over the years. Based on these facts, the Bureau has included a provision of 0.4% of premium to reflect anticipated dividends during the experience period. Given the consistency of the historical data as to the payment of dividends, this is a reasonable assumption. Reflecting dividends in a filing by a rating bureau is an actuarially sound methodology. If dividends were not reflected, the profit level in the filing would not be achieved because of dividends paid.

The 9% underwriting profit provision was selected by the Bureau's committees based on reviewing the analyses by Dr. Vander Weide and Dr. Appel. This filing also contains a 1% margin for contingencies. The profit and contingency factors are applied equally across the state.

The items known as variable expenses are also reflected in line 16. They vary in direct proportion with the premium dollar.

Combining variable expenses, profit, contingencies, and dividends results in 25.1 cents of every premium dollar being paid for these expenses. The remaining 74.9 cents pays for losses, loss adjustment expenses, general expenses and other acquisition expenses.

Q: What is the source of the percentages on page D-29 with respect to commissions and brokerage and taxes, licenses, and fees?

A: They were calculated from the 2014, 2015 and 2016 North Carolina expense call for data undertaken by the Bureau.

Q: What is the source of the percentage on page D-29 for contingencies?

A: The Bureau committees selected that factor, and I agree with it. A 1% factor has been consistently employed in past Bureau property insurance rate filings. A 1% contingency factor is a standard factor that has been used for many years across the country in property insurance ratemaking. The factor was selected by the Bureau committees based upon recognition of the systematic bias that causes actual underwriting results, analyzed over time, to be worse than the provision assumed in the rates. Reasons for this bias are many.

One reason is that property insurance involves many risks, but not all of them are observable in the experience or are adequately recognized in normal ratemaking.

In addition, the writing of property insurance in North Carolina is subject to law changes, court interpretations, jury determinations and judicial decisions that expand losses beyond what was contemplated when the policies were written.

An additional and significant factor contributing to the justification for a contingency factor is the delay, uncertainty and difficulty in obtaining needed rate increases in North Carolina. In North Carolina and a very few other states, insurance companies writing homeowners insurance are required to go through rating bureaus in order to achieve needed rate increases. This regulatory system can cause significant delay in obtaining needed rate level increases. North Carolina differs from states that rely more on competition to set rates. The system in this state requires that data be collected from almost a hundred companies writing homeowners insurance and then be aggregated and analyzed prior to making a filing for needed higher rates on behalf of all companies. As the physical size of this 2018 filing demonstrates, the amount of information required to be submitted is massive, and it takes significant time to compile that information.

Q: Would you explain line 17 on page C-2 entitled "Base Class Rate Excluding Comp. for Assess. Risk, Net Reinsurance Cost, Deviations"?

A: The net base rate per policy is calculated by dividing the Loss and Fixed expenses in line 15 by the expected loss and expense ratio in line 16. This is the net base rate before incorporating the factors for deviations, the compensation for assessment risk and the net cost of reinsurance per policy.

Q: Would you explain line 18 on page C-2 entitled "Compensation for Assessment Risk per Policy"?

A: Compensation for assessment risk is a provision that is calculated by Mr. Anderson of Milliman (see his prefiled testimony and exhibits) to reflect the cost to voluntary market insurers of maintaining sufficient capital to pay the assessments for residual market losses, to the extent required by law. If the two residual market mechanisms (the Beach Plan and the FAIR Plan) do not have sufficient capital, reinsurance and reserves to pay losses for a catastrophic hurricane event or series of events, then companies writing homeowners in the voluntary market will be assessed for such losses even if they had chosen not to write in the coastal or beach areas where the losses originated. In effect, the voluntary market companies are being required to provide free reinsurance to the residual market and its policyholders who can only find coverage in the residual market. The voluntary market companies must therefore maintain capital sufficient to cover such losses, in addition to their own losses, even though those companies have elected not to write the policies that give rise to those losses.

The compensation for assessment risk factor is the provision that must be reflected in the rates for voluntary market insurers bearing this risk of assessments from the Beach/FAIR Plans, i.e., it is the cost of the capital required to support the exposure to potential residual market assessments.

A factor to reflect this exposure began to be incorporated in homeowners filings to reflect the extremely rapid growth in the residual market's exposure that has occurred in the last decade or more years. As a result of rapid growth during that period, the residual market writes approximately 53% of policies in the beach territories (full and wind-only policies) and about 77% of the premium. In the coastal territories, the residual market writes about 40% of the policies and 55% of the premium.

As a result of legislative action in 2009, some of the exposure of the voluntary market companies to residual market assessments has been capped at one billion dollars per year. Milliman's analysis of the necessary compensation for the risk of residual market assessments incorporates this cap.

It should be noted that the \$1 billion cap only applies to assessments by the Beach Plan (i.e., for losses in the beach and coastal areas) and does not apply to assessments to pay for losses in the FAIR Plan. In recent years, the FAIR Plan has rapidly increased its writings statewide. As the number of policies and amount of uncapped exposure in the FAIR Plan has grown in the last few years, that growth is reflected in the factor for the compensation for assessment risk.

The compensation for assessment risk of \$25.77 is calculated by first multiplying the 2.8% provision by the current average statewide base rate of \$785.15, resulting in a value of \$21.98. To be incorporated in the rates, however, this provision must be adjusted to account for the commissions and the taxes, licenses and fees that the companies will need to pay on this additional premium. That is done by dividing the 21.98 by 1 minus the sum of commission and brokerage expense and taxes, licenses and fees expense as shown below:

$$\frac{21.98}{1 - 0.120 - 0.027} = 25.77$$

Q: What is the source of the \$228.57 for net cost of reinsurance in line 19?

A: The source of the \$228.57 for net cost of reinsurance is an analysis performed for the Bureau by AON. In that analysis, AON determined the expected net cost of reinsurance for the composite one company writing homeowners in North Carolina. The need for reinsurance results from the fact that companies need to buy catastrophe reinsurance due to North Carolina's significant hurricane exposure. The net cost of that reinsurance is the expense and profit component of the reinsurance premium paid by insurers (the loss component is in the direct losses

used in the overall rate determination). More details of the analysis are included in the testimony of other witnesses.

The Bureau relies upon the data that AON has accumulated as to the actual cost of purchasing reinsurance in the current reinsurance market. AON is the largest reinsurance broker and maintains a database of reinsurance transactions in the actual reinsurance market.

To calculate the net cost of reinsurance per policy, the amount of total dollars of reinsurance is divided by the number of house years for 2016 times the 2016 average rating factor, current amount factor and premium projection factor. This quantity is then divided by the expected loss and fixed expense ratio. For owners, the actual calculation is:

$$\frac{457,861,369}{1,924,189 * 1.332 * 1.024 * 1.019 * 0.749} = 228.57$$

Q: What is the source of the percentages used on line 21 for anticipated deviations?

A: As in past homeowners filings, the Bureau committees reviewed deviations. The Bureau reviewed them in conjunction with consent to rate data and surcharges on homeowners policies written in the Beach Plan. The Bureau and ISO believe that it is actuarially appropriate for filings made by rating bureaus to contain a factor to reflect expected deviations and other variations from the manual rate that would result in the filed profit level not being achieved. However, in this filing the Bureau elected to file a provision of zero for deviations.

Q: Would you explain line 23 on page C-2 entitled "Required Base Class Rate per Policy"?

A: Line 23 is the required base rate that is needed to ensure that sufficient revenue is collected to cover the losses and expenses that are expected to result from the policies written during the year following the effective date of this filing.

Q: Would you explain line 24 on page C-2 entitled "Current Average Base Class Rate"?

A: Line 24 is the current average base class rate for all of the owners policies included in the review. This rate assumes that each policyholder is buying only the base coverage.

Q: Would you explain line 25 on page C-2 entitled "Indicated Rate Level Change"?

A: Line 25 is the percentage change in the current rates that will be necessary to make the rates adequate for the cost levels that are expected to prevail in the one-year period following the effective date of the filing. The percentage change is determined by taking the required base rate per policy on line 23 and dividing it by the current base rate from line 24. This results in an indicated rate level change for the owners forms of 26.8%.

Q: Does the filing contain a revision of the present territory rate levels?

A: Yes. In connection with the overall rate level change we have been discussing, new territory rates are displayed on page A-4.

The development of the indicated relative change by territory is completed in such a way that the overall effect is to balance to the overall statewide change. This is shown in Column 12 of page C-8.

Q: How has the Bureau treated general and other acquisition expense by territory?

A: The Bureau has treated general expense and other acquisition expense as not varying by territory.

Q: Have the indications been voluntarily capped by the Bureau?

A: Yes. To minimize the impact on policyholders, the Bureau has capped the rate changes varying by policy forms and territory groups. For owners, the territories are grouped into three territory groups with indicated rate needs falling into the following "buckets": less than +30%, +30% to +40% and greater than +40%. These territory groups' indications are capped at +20%, +25% and +30% respectively. For tenants and condominium owners, the territories are grouped into three territory groups with indicated rate needs falling into the following buckets: less than +15%, +15% to +20% and greater than +20%. These territory groups' indications are capped at +5%, +10% and +15% respectively. These caps result in a reduction of the overall indicated rate level increase of 26.1% to 17.4% across all forms.

Q. Thus far in your prefiled testimony, you have been primarily describing the data and calculations for the owners forms. In general, are the calculations for tenants forms (Form 4) and condominium owners forms (Form 6) on pages C-3 and C-4, respectively, the same or similar to the calculations you have described for the owners forms on Page C-2?

A. Yes, they are, with a few exceptions as previously noted or apparent from the calculations and exhibits relating to those forms. For Form 4 (tenants) and Form 6 (condominium owners) there is no non-hurricane excess wind procedure used in determining the statewide rate level change. The external indices used for tenants

and condominium owners forms reflect the items insured under those types of policies, and the selected values for premium trend of -1.4% for tenants forms and 0.2% for condominium forms differ from that of the owners forms. Other parts of the calculations are the same or similar.

Q: What other changes does the filing make for homeowners insurance?

A: The filing revises the credits for the windstorm or hail exclusion that are available in Territories 110, 120, 130, 140, 150 and 160. The derivation of these credits is shown on pages C-14 and C-15. These credits are used when policies are written "ex. wind;" i.e., referring to those situations in the beach and coastal territories where companies voluntarily write homeowners policies covering perils other than wind and hail, and the Beach Plan writes the wind and hail coverage. When this is done, there is a 5% statutory surcharge above Bureau rates. The wind only rates are also being revised in this filing. The wind mitigation credits for these territories are also being revised in accordance with the data and methodology shown in the filing. The filing also makes changes to several rating rules in both the homeowners rate manual and the wind only manual supplement to withdraw rule 522 for landlord's furnishings coverage since this coverage is already offered in rule 515, and to revise the rating algorithm for rules 501, 502, 507 and 513 to make sure the premium for coverage offered by these rules is calculated based on key premium excluding windstorm and hail for ex-wind policies. The details of these revisions are included in section B of the filing.

Q: Please turn to page A-2 of Exhibit RB-1 and explain what is shown on that page.

A: Page A-2 of Exhibit RB-1 shows the indicated and filed statewide rate level changes. The differences between these percentages are due to capping as described above.

Q: What is shown on Page A-3 of Exhibit RB-1?

A: Page A-3 shows the indicated and filed rate level change for each territory.

Q: Do you have an opinion as to whether the data utilized and the methods of calculating the indicated rate level changes contained in the filing are actuarially sound and reliable and if so, what is that opinion?

A: Yes, I have an opinion. In my opinion, the data utilized and the ratemaking methodologies used by the Bureau are based on and consistent with generally accepted actuarial principles and procedures, and the indicated rates are actuarially sound and reliable. In my opinion the ratemaking methodology is actuarially sound and produces indicated rates that meet the statutory standard of being not excessive, inadequate or unfairly discriminatory. The filed rates differ from the actuarially indicated rates because of territory caps of +20%, +25% and +30% for owners forms and +5%, +10% and +15% for tenants and condominium owners

forms as described above. The filed rates are a reasonable step toward an adequate level.

Q: Do you have an opinion as to whether the indicated rate level changes contained in Exhibit RB-1 are fully justified and, if so, what is that opinion?

A: In my opinion, the indicated rate level changes are fully justified and are not excessive or unfairly discriminatory in any respect.

Q: Are there any qualifications you wish to attach to your opinion?

A: Yes. In reaching my opinion, I have relied on the accuracy of the data supplied by the Bureau, by ISS, AAIS, NISS, by the individual companies that reported their data to ISO and the other statistical agents and by the Beach Plan and FAIR Plan. I have relied on Dr. Vander Weide and Dr. Appel for the determination of the appropriate profit. I have relied on Mr. Anderson as to the compensation for assessment risk component of the rates. I have relied on AON for the net cost of reinsurance component of the rates. Additionally, I have relied upon AON and Mr. Anderson for the blended output of the AIR and RMS models. I have also relied upon and concur with the decisions and the actuarial judgments of the persons on the Bureau's committees, who in many cases are actuaries. I have applied appropriate actuarial standards when reviewing these various data sources.

Q: Does that conclude your testimony?

A: Yes, it does.

**PREFILED TESTIMONY
OF
MATTHEW BERRY
2018 HOMEOWNERS INSURANCE
RATE FILING BY THE
NORTH CAROLINA RATE BUREAU**

Q: Please state your name and your employer.

A: My name is Matthew Berry. I work at Allstate Insurance Company at 2775 Sanders Road, Northbrook, IL 60062.

Q: What is your educational background?

A: I received my Bachelors of Science in 2013 from Purdue University – West Lafayette with a double major in Actuarial Science (with Honors) and Applied Statistics.

Q: Do you have any additional certifications or qualifications?

A: Yes. I have been a Fellow of the Casualty Actuarial Society (CAS) since 2016 after passing each exam on my first attempt. I am a current member of the Casualty Actuarial Society Examination Committee where I volunteer for writing as well as grading committees. I also hold the Certified Specialist in Predictive Analytics credential awarded by the CAS Institute. I am a member of the American Academy of Actuaries and meet all of its continuing education requirements. I am in good standing with the CAS and the AAA.

Q: What is your employment background?

A: I have worked as an Actuary for Allstate Insurance Company's Auto and Owners lines of business for my entire career since August 2013. I started on Allstate's Actuarial Training Unit before becoming an Actuarial Analyst in 2014 for the West Central region which encompasses Colorado, North Dakota, South Dakota, Montana, Wyoming, Kansas, Nebraska, Iowa and Missouri. In 2016 I became an Actuarial Analyst for the state of California. Finally, in 2017 I was promoted to my current role as Actuarial Manager for the state of North Carolina.

Q: Do you have experience with homeowners insurance?

A: Yes. I have worked on homeowners insurance for my entire career. My most recent roles on California and North Carolina involved work on Owners, Condominium and Tenants forms, while my earlier roles solely involved the Owners form. On the Training Unit and West Central regions, I ran Owners rate-level indications where I analyzed factors that drove Owners loss and premium trends and evaluated the adequacy of segmented rates. While working on California, I lead a research project on incorporating catastrophe exposure into

rate-level indications for Owners, Condo and Tenants that complied with the unique regulatory environment. That California catastrophe exposure methodology remains in place today and has been incorporated into multiple filings approved by the California Department of Insurance.

In my current role as Actuarial Manager for the state of North Carolina, I have led multiple initiatives to modernize Allstate's Owners product in the state of North Carolina through ratemaking improvements. Additionally, I have analyzed and implemented multiple North Carolina Rate Bureau ("Bureau") changes for the Owners, Condo and Tenants forms and run rate-level indications for the Owners form.

Q: What is your role with respect to homeowners insurance at the Bureau?

A: I am Chairman of the Property Rating Subcommittee of the Bureau. That Subcommittee has jurisdiction over homeowners insurance rates. I am also on the Property Committee of the Bureau. That Committee has jurisdiction over forms and rates for the homeowners line of insurance.

Q: Can you explain the nature and role of the Bureau in setting manual rates?

A: The Bureau was created by statute in 1977. Its jurisdiction and role include the establishment of policy forms and rates for residential real property insurance policies written in North Carolina. This jurisdiction includes all forms in the homeowners line of insurance. Homeowners policies in North Carolina are written by approximately 100 companies that are required by law to be members of the Bureau, as well as by the North Carolina Insurance Underwriting Association (which is commonly called the "Beach Plan"). The Beach Plan, a residual market mechanism that is discussed in more detail later in my testimony, is statutorily authorized to write homeowners policies in the 18 coastal counties using Bureau forms. Policyholders in those 18 counties have the option of seeking insurance either from a company in the voluntary market or from the Beach Plan.

The manual rates for all homeowners policies written in the state (with the limited statutory exception of any that may be written pursuant to N.C. G. S. 58-36-50) are filed by the Bureau and are subject to approval by the Commissioner of Insurance in filings such as this one. Total written premium for homeowners insurance in North Carolina is approximately \$2.4 billion dollars a year.

Individual companies can charge more or less than the approved Bureau manual rates through deviations and consent to rate. Such actions by individual companies require separate steps by that individual company and are subject to the ultimate approval of the Commissioner through statutory and regulatory provisions outside of the Bureau's jurisdiction.

Consent to rate is the procedure by which companies may charge premiums that are higher than the manual rate on individual policies after obtaining the consent

of the policyholder. In recent years, there has been a significant growth in the use of consent to rate on homeowners policies.

When homeowners policies are written by the Beach Plan, the premium charged is the Bureau rate with an additional surcharge prescribed by statute. Despite that surcharge, the Beach Plan is overwhelmingly the largest writer of homeowners policies in the 18 coastal counties.

The growth of consent to rate and the growth of the Beach Plan business both result from the fact that the Bureau rate level is inadequate.

Q: Can you explain the responsibilities of the Bureau's Property Rating Subcommittee?

A: The Property Rating Subcommittee (Subcommittee) is involved in the development of homeowners rating for the Bureau. Companies on the Subcommittee include American Bankers Insurance Company of Florida, American Modern Home Insurance Company, Farmers Insurance Exchange, Foremost Insurance Company, Horace Mann Insurance Company, Nationwide Mutual Insurance Company, N.C. Farm Bureau Mutual Insurance Company, State Farm Mutual Automobile Insurance Company, Travelers Indemnity Company, USAA and Allstate Insurance Company. Allstate Insurance Company chairs the Subcommittee. All representatives on the Subcommittee are actuaries and/or have extensive experience in ratemaking.

Q: Please describe how the Property Rating Subcommittee was involved in this particular Filing.

A: The Subcommittee analyzed the data and methodologies that were presented to the Subcommittee by the Bureau's consultants who are experts in their fields. This includes premium and loss data, expense data, modeled hurricane results, reinsurance analyses and economic analyses. The Subcommittee makes selections based on the data and the expertise provided by Yanjun Yao and others of Insurance Services Office (ISO); Dr. David Appel and Paul Anderson of Milliman; Dr. James Vander Weide; and Elizabeth Henderson and Steve Fiete of Aon Benfield.

Ultimately, the Subcommittee developed recommendations to the Property Committee and the Governing Committee as to rate levels that meet the statutory requirement that rates not be "excessive, inadequate, or unfairly discriminatory." Those Committees adopted the recommendations of the Subcommittee as to the rate level change required to make homeowners rates actuarially sound and in accordance with the statutory standard.

The Subcommittee has always been involved in developing and recommending to the Bureau the methodology used in property filings. The approach in this Filing is generally consistent with prior filings. It should be noted that in this Filing, two changes were made to more accurately determine the actuarially sound

rates by form. First, loss development factors were calculated separately by policy form. Second, the Net Cost of Reinsurance was appropriately allocated to policy form by Aon Benfield.

Q: Please describe the overall ratemaking equation in the Filing.

A: The fundamental insurance ratemaking equation in this and prior filings is that premiums should equal expected losses plus expected expenses plus a margin for a fair and reasonable profit. In this Filing, the required base rate per policy is developed by adding the appropriate profit and contingencies to the estimated costs associated with the policy. The required base rate is then compared to the current base rate to determine the “indicated” rate change, which in this case is an overall 26.1% increase. The indicated rate change is the actuarially sound rate change necessary to make the rates comply with the statutory standard that they not be excessive, inadequate or unfairly discriminatory.

Q: Why does the indicated rate change differ from the filed rate change?

A: The indicated rate level differs from the “filed” rate level because of capping. As a result of capping, the details of which will be discussed later in my testimony, the filed rate change is for an overall 17.4% increase. The Bureau’s Governing Committee elected to cap in order to mitigate the premium impact of this Filing on policyholders.

The Bureau’s responsibility is to have rates eventually reach the full indicated rate level, but the Bureau has in the past engaged in a process of gradualism to reach the actuarially sound rate level. This practice is also common in the industry. As will be explained in greater detail below in my testimony, capping was applied across the state based on the size of the indicated changes by territory. Since the indicated changes generally were the largest in the territories in the eastern portion of the state, the impact of caps is generally greatest in those areas.

Q: How does the methodology in the Filing account for the loss experience of all of the insurance companies and entities that write homeowners policies subject to the Bureau’s jurisdiction in North Carolina?

A: For purposes of Bureau rate filings for the homeowners line of insurance, all homeowners loss data in the state is consolidated to essentially assume a single insurance entity (often called the “hypothetical one company”). This data contains the aggregate loss and expense experience of all homeowners policies in the state as well as the rating characteristics of every homeowners policy. Since the Beach Plan writes many of these policies, its losses and exposure data are included. ISO aggregates the data that it receives directly from insurers reporting to ISO, as well as the data compiled by other licensed statistical organizations.

There are three general types of forms in the Bureau's overall homeowners program: Owners, Tenants and Condominium forms. Page A-2 of the Filing shows the relationship between the amounts of premium written on these three types of forms, based on earned premiums at current rates (a calculation that restates premiums to today's rate level as well as to a common deductible of \$1,000). The vast majority of the premium is written on the Owners forms.

Q: How are the expected losses determined?

A: This Filing uses the loss experience of the most recent five accident years for which such experience is available. These are the years ending December 31, 2012 through December 31, 2016. Using five years is consistent with prior filings, North Carolina statutes and generally accepted homeowners ratemaking practices throughout the country.

The losses, excluding hurricane and excess wind losses, are adjusted to the base class level (\$1,000 deductible level) and loss development factors are applied. The loss development factors account for the fact that the ultimate losses are oftentimes different from early estimates. Reasons for loss development include but are not limited to claims that were incurred in the policy period but have not been reported yet, as well as reported claims for which their current estimate will ultimately be inaccurate.

As is explained in more detail below, hurricane losses were determined by modeling. As to non-hurricane wind losses, a smoothing factor for excess wind losses of 6.8% for Owners forms was determined based on historical experience and applied to each accident year. The use of an excess wind factor is consistent with the general actuarial approach of using either a greater number of years or a model-based approach to estimate exposures that tend to be significantly lower in frequency and higher in severity and therefore might not be properly reflected in the five years of experience data. The excess wind factor was determined based on the longstanding excess wind procedure employed by ISO in prior homeowners filings. Under that procedure, hurricane losses are first excluded. Then, the long-term excess factor is the ratio of the long-term average of the excess loss ratios to the average of the long-term normal loss ratios. Historical non-hurricane wind experience back to 1950 is considered. In my opinion, this excess wind factor is a conservative estimate of excess wind losses. This opinion comes from the actual data by year, which shows an increasing ratio of wind to non-wind losses as well as much more frequent excess wind loss years in the more recent timeframe.

Losses are also trended to reflect the change in costs. The Current Cost Index reflects this trend and is based on a Modified Consumer Price Index and the CoreLogic index. In determining the Current Amount Factor, the Subcommittee reviewed the filing's actual pure premium experience and determined that observed loss trends outpaced the Modified Consumer Price Index and the CoreLogic index. Therefore, an additional trend adjustment of 3% was selected

for Owners, 0% for Tenants and 5% for Condominiums. The trended losses and loss adjustment expenses are divided by the earned house years (the exposure-base of this filing) to determine the average trended loss cost. That cost is then converted to the trended base-class loss cost by dividing by the average rating factor for each accident year.

Each of the five accident years is applied a weight. The use of differing weights is a longstanding procedure in homeowners filings that is intended to reflect responsiveness to changes while incorporating the stability of multiple years of data. The weights are consistent with prior filings and are as follows: 30% for Accident Year (AY) 2016, 25% for AY 2015, 20% for AY 2014, 15% for AY 2013 and 10% for AY 2012.

Finally, the number of house years determines the credibility of trended base loss costs. For owners, tenants and condominiums the data is considered fully credible.

Q: How are losses from North Carolina’s hurricane exposure reflected?

A. The Subcommittee considered actual historical experience of hurricanes in North Carolina. However, hurricane losses are so extreme and volatile that for many years the accepted and uniform actuarial procedure for determining prospective hurricane losses has been through the use of hurricane models rather than past hurricane losses. The Bureau began doing so in 1993 using the AIR model, and that model was used uniformly and exclusively by the Bureau in all property filings until 2015 when the Bureau resolved to use two models. The Bureau first filed using two models in its 2016 Dwelling filing. In considering whether to use two models in that filing, the Subcommittee reviewed the positions and statements of the North Carolina Commissioner of Insurance, the North Carolina Department of Insurance, legislation that had been proposed in the North Carolina legislature and the practices of many companies that use two models despite the significant expense and technical difficulty compared to only using one model. The Bureau decided that an actuarially appropriate methodology for a Bureau filing is to use two models and to weight their results equally. The legislature subsequently enacted a requirement that the Bureau use more than one hurricane model in Bureau property rate filings made after October 1, 2017 which is satisfied in this Filing through the use of two models.

Prior to selecting the two modelers, the Subcommittee reviewed which modelers are most commonly relied upon by insurers, reinsurers and parties to related financial transactions. The Subcommittee found that AIR and RMS are the two most widely used hurricane modelers. Therefore, the Subcommittee selected RMS to be the second modeler and decided to continue using AIR as the Bureau has done since 1993.

In determining prospective hurricane losses in the Filing, the Subcommittee made certain to use modelers whose models have been approved by the rigorous review process of the Florida Commission on Hurricane Loss Projection Methodology. That Commission has examined hurricane models in great detail over many years and authorizes their use in Florida rate filings. It retains experts in relevant fields who review the meteorological, wind engineering, damageability, claims, statistical, computer programming, economic and other aspects of modeling in great detail. Over the years, it has reviewed advancements in various scientific disciplines related to hurricane modeling and has required modelers to reflect such advancements. It approves only those models that meet its rigorous standards.

The Subcommittee noted that it is natural and expected that model results will differ and will change over time. Different models project different loss costs in different areas. Prior to the Bureau having a second model run for the first time, the Subcommittee concluded that the actuarially sound and fair approach to the use of two models is to blend those models by averaging the loss costs of the two models. The Subcommittee determined that Aon Benfield, the world's largest reinsurance broker with extensive experience with modeling, is able to supply the modelers' results and to average the results from the two modelers. The blended results from the AIR standard catalogue and the RMS long term historical model are employed to determine the prospective hurricane losses on page C-1 of the Filing. As will be discussed further below, the AIR warm sea surface temperature catalogue and the RMS medium term model are employed in the analysis by Aon Benfield of the net cost of reinsurance factor in the filing.

Q. Is hurricane modeling designed to produce high rate levels?

A. Absolutely not. One of the great values of models is that they help stabilize rate levels. Without modeling, rate levels would fluctuate wildly following the occurrence or non-occurrence of significant hurricanes. Modeling is relied upon on all sides of insurance, reinsurance, catastrophe bond and other financial transactions to give the best and most unbiased projection of future hurricane losses. Different parties to those transactions often have opposing economic interests but nevertheless rely on models in their negotiations with each other.

Further, the Subcommittee made decisions that led to a lower estimate of hurricane loss costs than could otherwise have resulted. For example, the Subcommittee chose not to utilize the storm surge component of the models. The storm surge component is intended to reflect the fact that losses from storm surge flooding, that are not intended to be covered under a homeowners policy, are sometimes paid as wind losses after a hurricane. Additionally, for catastrophe loss expenses in this Filing, the Bureau elected to employ the loss adjustment expense factor based on AON's data as to catastrophes, a factor that is lower than the factor based on data in non-catastrophe situations.

The model versions used were RMS RiskLink v 18 and AIR Touchstone v 5. As is the customary and accepted practice in the insurance, reinsurance, and catastrophe bond industries the models were run with aggregate demand surge (AIR) and loss amplification (RMS) included. The aforementioned Florida Commission on Hurricane Loss Projection Methodology has approved the use of aggregate demand surge and loss amplification for the RMS and AIR models respectively. These aspects of the models account for the expected additional cost for supplies and labor if a very large hurricane event or series of events occurs. Experience demonstrates that when such catastrophic events have occurred, there is significant increase in demand for the limited supply of plywood, shingles, labor, hotel rooms and other necessities that in aggregate result in larger than normal claims payments. Additionally, there are delays in repairing properties, there are longer stays in hotels and there are other increased costs beyond those when smaller hurricanes occur. Loss amplification also factors in claims inflation. Claims adjusters may not investigate every claim if it is under a certain threshold, given the volume of claims they have to settle post-event in a limited amount of time.

Q: How is the expense data compiled and reviewed?

A: The Bureau conducts special expense data calls annually. Companies individually complete the special expense call, which includes reporting expense dollars as well as premiums at collected level and adjusted to manual level. The Bureau checks and compiles this information for all companies and sends it to ISO to include in the Filing.

The percentages for Commissions and Brokerage, Taxes, Licenses, and Fees are a function of written premium. The determination of whether to select expenses as a percentage of written premium or as a percentage of earned premium considers which premium best matches the time at which the expenses are incurred. The ratios for these expenses from the North Carolina special calls for 2014, 2015 and 2016 were considered. The three-year average was selected. This equates to 12% for Commissions and Brokerage and 2.7% for Taxes, Licenses, and Fees. General and Other Acquisition Expenses are determined based on a ratio to earned premium at current manual level. The North Carolina special calls for 2014, 2015, and 2016 were used for these as well. The three-year average was selected. This equates to 4.4% for General Expense and 6.6% for Other Acquisition Expense.

The loss adjustment expenses, both allocated and unallocated, are included with the losses in calculating the indication. Like the other expenses, the Subcommittee reviewed the data from NCRB's data calls. Experience from calendar years 2012-2016 was reviewed. The ratio of loss adjustment expenses to incurred losses was analyzed. Consistent with past filings, the highest and lowest years were removed to allow for more stability due to the variable nature of incurred losses. The selected loss adjustment expense was 14.8%. A lower

loss adjustment expense provision for modeled hurricane losses of 6.0% was selected, based upon data from AON.

The Subcommittee reviewed expense index trends, including the All Items CPI Index (both with and without Energy) and the Total Compensation Cost Index – Insurance Carriers, Agent Brokers, and Service from the Bureau of Labor Statistics. Based on the review, the Subcommittee selected a 2.5% trend. This factor was then used to trend expense dollars from the midpoint of the expense experience period to the midpoint of the prospective loss period.

Q: Please describe the nature and the operations of the Beach Plan and FAIR Plan as they relate to homeowners insurance in North Carolina.

A. The “Beach Plan” and the FAIR Plan are both residual market mechanisms created by the North Carolina legislature to write property insurance in situations where policyholders cannot obtain insurance through the voluntary market, which consists of approximately 100 competing insurance companies.

The Beach Plan (officially the North Carolina Insurance Underwriting Association, as set up by Article 45 of the North Carolina insurance statutes) is highly relevant to homeowners ratemaking in North Carolina. It writes property insurance in the 18 coastal counties but not in the remaining 82 counties of North Carolina. In addition to writing homeowners policies, it writes dwelling fire and extended coverage and commercial property insurance policies.

The 18 coastal counties are divided into the “beach” area and the “coastal” area by statute. The beach area generally consists of areas south and east of the Inland Waterway, often called the Outer Banks or barrier islands. The coastal area consists of the remainder of those 18 counties. The Bureau subdivides these two areas into several insurance rating territories based on differences in expected loss costs. Currently there are six distinct rating territories that in aggregate contain all of the 18 coastal counties.

The Beach Plan generally writes homeowners policies on the same forms filed by the Bureau and approved for use by all Bureau member companies when writing homeowners insurance. In some instances, the Beach Plan writes the entire homeowners policy. In other instances, it writes only the wind and hail portion of such policies, with companies in the voluntary market writing the remainder of the policy. Loss data from all Beach Plan policies is considered in this Filing.

Voluntary insurance companies that desire to write homeowners insurance anywhere in North Carolina are required to be members of the Beach Plan, regardless of whether they write policies in the 18 coastal counties. Voluntary companies are statutorily prohibited from receiving a distribution or profit from the Beach Plan’s operations. In effect, companies give up any opportunity to make a profit by allowing policyholders to be written in the Beach Plan. Even though the

companies give up a chance to make a profit, they are nevertheless exposed to the losses sustained by the Beach Plan when those losses exceed the ability of the Beach Plan to pay.

Statutes provide for surcharges on Beach Plan homeowners policies above the Bureau manual rate. When a full homeowners policy is written by the Beach Plan, policyholders pay a 15% surcharge above the Bureau manual rate. When voluntary companies exclude the wind/hail portion of a policy and policyholders obtain that coverage through the Beach Plan, there is a 5% surcharge on the Bureau manual rate for the wind/hail coverage.

When a prospective policyholder seeks homeowners insurance in the 18 coastal counties, it is not predetermined whether that policyholder will be written by the Beach Plan or by a voluntary company. Policyholders often switch back and forth depending on which option works best for them and depending on whether a voluntary company will write them. The Beach Plan's exposures and loss experience are reported to ISO and are combined with the rest of the data as if the Beach Plan were a private insurance company for the purpose of this Filing.

The other property residual market in North Carolina is the FAIR Plan. It writes dwelling fire and extended coverage policies throughout the state. These policies provide essential property coverage. Since the FAIR Plan does not write homeowners policies, data from its policies are not included in the loss data in this Filing, but such data has always been used in dwelling fire and extended coverage rate filings. As explained below, despite the fact that the FAIR Plan does not write homeowners policies, the growing number of FAIR Plan policies increases the risk of assessments on companies writing homeowners policies in North Carolina.

Q. Was the Beach Plan intended to be the dominant writer at the coast?

A. No, by statute the Beach Plan was expressly intended to be "the market of last resort." The Beach Plan was designed to write homeowners policies only in situations where policyholders cannot obtain such policies from companies voluntarily writing homeowners policies in the competitive market. Essentially, the reason that companies are unwilling to write policies voluntarily is that the Bureau manual rates they are permitted to charge in the voluntary market are inadequate. As shown in the Filing, the current Bureau manual rate is far too low in the beach and coastal territories. Even after the 15% or 5% surcharge is applied, depending on whether it is a full homeowners policy or a wind/hail peril policy, the rate charged by the Beach Plan is frequently much lower than the actuarially sound rate.

Q. Please comment on the size and financial condition of the Beach Plan as those factors impact homeowners ratemaking.

- A. A very large percentage of homeowners premium in the 18 coastal counties goes to the Beach Plan. In the “beach” territories, approximately 77% of the homeowners premium is written by the Beach Plan, and in “coastal” territories approximately 55% of the homeowners premium is written by the Beach Plan. On a statewide basis, approximately 13% of homeowners premium is written by the Beach Plan.

Another factor contributing to the size of the Beach Plan is the fact that the consent to rate process is impractical in the beach and coastal areas. The consent to rate process permits companies in the competitive market to charge a rate higher than the Bureau rate with the consent of the policyholder. Doing so at the beach and coast is impractical since the actuarially sound rate companies seek to charge is much higher than the Beach Plan rate, even with the surcharge. Companies often encourage their customers to obtain a lower premium policy by referring them to the Beach Plan for a wind/hail policy. Doing so directly benefits their customers but may allow the company to retain the customer’s business on the non-wind/hail coverage.

Thus, while the Beach Plan is intended by statute to be the market of last resort, it appears to have become the market of first resort in many instances. As stated above, the reason for this fact is largely that the currently approved Bureau manual rates are highly inadequate for the risk in those 18 coastal counties. Otherwise, with approximately 100 companies competing to write homeowners insurance in the state, normal competitive market forces would come into play and companies would write voluntarily.

- Q. What are some of the other consequences of the inadequacy of Bureau manual rates at the coast?**

The prospect of a Beach Plan assessment affects the willingness of a company to write in North Carolina. A company knows that following a powerful hurricane, it will be subject to Beach Plan assessments for huge losses on business that the company did not choose to write in the first place. Companies that elect to write in the state make a further decision as to the extent that they will do so in areas of the state such as the beach and coastal territories.

The fact that rates at the beach and coast are significantly inadequate creates a dilemma for the Beach Plan. The inadequacy of rates diminishes the Beach Plan’s ability to build up sufficient surplus from premiums in the “good” years, when there are no hurricanes, to provide a cushion to pay losses in the “bad” years when one or more severe hurricanes occur. Even in the good years, the Beach Plan still pays claims for more frequent insured events such as fires, thefts, non-hurricane wind, personal injury, etc.

The Beach Plan addresses the risk of large losses, particularly from Hurricane events, by purchasing reinsurance and engaging in the catastrophe bond market.

However, whatever amounts the Beach Plan spends to protect itself by use of reinsurance and catastrophe bonds is at the expense of building up surplus in those good years when hurricanes do not affect North Carolina.

The greater the extent that homeowners rates are inadequate, the more policies the Beach Plan writes because of inadequate rates. The more policies written, the greater the chance that Beach Plan losses will have to be paid by companies throughout the state. This can be a vicious cycle.

Q. Please explain assessments on companies and policyholders that will occur when a catastrophic hurricane hits the coastal area and exceeds the ability of the Beach Plan to pay losses.

A. When a truly catastrophic hurricane occurs, the inadequacy of rates at the beach and coast will lead to one and possibly two types of assessments to pay for Beach Plan losses: “non-recoupable assessments” on the companies that voluntarily write homeowners insurance throughout the state and “catastrophe recovery charges” on all property insurance policyholders throughout the state. These assessments are established by the Beach Plan statutes, which essentially provide that assessments will be made after the Beach Plan’s surplus and reinsurance are exhausted. The first assessment to occur is on companies and is capped at \$1 billion dollars. The catastrophe recovery charge on property insurance policyholders statewide will occur following exhaustion of that assessment on companies. Mr. Anderson’s testimony goes into detail as to this process and the Beach Plan’s current reinsurance program.

Since the assessment will be imposed in accordance with a formula reflecting each company’s property insurance writings across the entire state, a company will be assessed even if it elected not to write any homeowners policies in the beach and coastal counties. Other witnesses have quantified the cost of this potential \$1 billion assessment to the companies, and it is reflected in the factor called the “compensation for assessment risk.” The Property Rating Subcommittee reviewed and approved this factor.

Once the \$1 billion assessment on the companies is exhausted, the catastrophe recovery charge on policyholders throughout the state could be up to 10% of their premium per year. The voluntary companies will be required to administer the charge by billing and collecting the charge from policyholders. The 10% charge would continue annually as long as necessary to collect the amounts that were paid out for Beach Plan losses.

The ultimate effect of the regulatory system in North Carolina is that rates for policyholders insured through the Beach Plan area are being subsidized, both explicitly and implicitly. The explicit subsidy arises from the fact that insurance companies have to pay the first \$1 billion of losses over and above the Beach Plan’s existing surplus and reinsurance, and the Filing passes along this cost in

the form of the provision for the compensation for assessment risk. This provision is paid by policyholders throughout the state, not just those in the Beach Plan. In addition, there is the further subsidy in that policyholders across the state face the possibility of the 10% catastrophe recovery charge. Another way of looking at the situation is that the insurance industry and policyholders across the state are providing free reinsurance to the Beach Plan.

It is important to note that the companies' exposure to losses of the FAIR Plan are not subject to the \$1 Billion cap that is applicable to Beach Plan losses. While the FAIR Plan does not write homeowners policies, it writes dwelling fire and extended coverage policies statewide, except in the beach territories. Such policies are vulnerable to losses from catastrophic hurricanes. Companies are subject to unlimited assessments from these losses. The FAIR Plan has experienced significant growth in the years before and during the experience period of this Filing.

Q: Has the risk of residual market assessments been considered in the Filing?

A: Yes. The prospect of residual market assessments is a cost of doing business in the state and is a condition for writing homeowners insurance. This cost is imposed by state law. Two residual market mechanisms write property insurance policies in North Carolina: the "Beach Plan" and the FAIR Plan. As mentioned above and as set forth in Mr. Anderson's testimony, in the event that hurricanes render the Beach Plan unable to pay claims, a non-recoupable assessment will be imposed of up to \$1 billion dollars annually on the voluntary companies. Losses from the FAIR Plan are also assessed on the companies, but without the existence of any cap on those assessments. Assessments by the Beach Plan and the FAIR Plan constitute a significant consideration for companies choosing to do business in North Carolina and selecting the amount of insurance they are willing to write. The voluntary companies need to have and retain capital in order to contemplate these potential assessments. The Subcommittee reviewed an analysis done by Milliman on the compensation for this assessment risk. The analysis is explained in the testimony of Mr. Anderson. Based on this analysis, the Subcommittee determined that a 2.8% factor is appropriate to reflect in the Filing. It is important to note that the assessment potential changes with the surplus level of the Beach Plan and with the size of the FAIR Plan. The assessment percentage would be much higher if the exposure for the voluntary market companies for Beach Plan losses were potentially greater than \$1 billion.

Q: Was the cost of reinsurance considered in the Filing?

A: Yes. There are numerous scenarios where the potential losses due to a single hurricane are far greater than the entire premium collected by all the companies for the entire state of North Carolina. To remain viable long-term and protect against insolvency, the industry must purchase reinsurance to account for these

scenarios. The costs associated with such reinsurance are costs of doing business in the state.

Q: What is reinsurance?

A: Simply, reinsurance is insurance for insurers. When insurers are aware of situations in which the potential losses are greater than the company is willing or able to tolerate, they will frequently purchase reinsurance to mitigate those situations. Additionally, insurers may issue catastrophe bonds to mitigate those situations. Essentially the insurers will use a portion of the premium to purchase reinsurance. This is common across the industry, including at Allstate.

Q: How are the reinsurance costs reflected in the Filing?

A: The costs of reinsurance are incorporated through the work of Aon Benfield, the largest reinsurance broker in the world. Based on Aon Benfield's extensive data and experience related to reinsurance transactions, Aon Benfield advised the Subcommittee as to the parameters of the reinsurance program that the hypothetical one company for which rates are being made in the Filing would reasonably select. Aon Benfield then applied these selected parameters to calculate the net cost of reinsurance. As the world's largest reinsurance broker, Aon Benfield maintains extensive and up to date data on reinsurance transactions and has vast experience as to those transactions. The parameters that were recommended by Aon Benfield and selected by the Subcommittee include the attachment and exhaustion points, the placement percentage, the perils that are commonly included in reinsurance treaties for a hurricane prone state such as North Carolina, and the inclusion of one reinstatement. The parameters reflect the amount of reinsurance that the hypothetical one company should purchase to optimally protect its solvency. Consistent with Aon Benfield's extensive experience and advice, the Subcommittee recommended the use of AIR's warm sea surface temperature event set and RMS' medium term model as the bases for determining the provision for reinsurance costs. Reinsurers, primary insurers and other parties customarily use such models to determine reinsurance rates. The results from those two models were used in the calculation of the net cost of reinsurance displayed on page C-2 of the Filing.

Q: Can reinsurance payments by each company writing in North Carolina be allocated and aggregated for use in this Filing?

A: No. It is not possible to measure reinsurance costs of the various insurance companies applicable to homeowners insurance written in North Carolina. The first reason is that companies often do not enter reinsurance treaties exclusive to only one line of insurance. The approximately 100 individual insurance companies have hundreds of different treaties that cover many different lines of insurance (automobile, commercial property, other residential property, etc.) as well as homeowners. Second, reinsurance treaties often are not exclusive to just

North Carolina or for only one peril. Companies negotiate reinsurance treaties in many different geographical areas (portion of a state, single state, multiple states, Atlantic Basin areas, countrywide, international, etc.), and covering many different perils (such as automobile flooding, hurricanes, direct earthquake losses, tornados, wildfires, etc.). Finally, reinsurance for a given set of risk exposure (such as North Carolina homeowners) is often not limited to one treaty. An individual company will purchase reinsurance from different reinsurers for different layers of loss under different types of treaties or also use catastrophe bonds for different layers of loss. For these reasons, it is not feasible to measure reinsurance costs specific to North Carolina and specific to the line of homeowners insurance in each individual treaty or bond or for each individual company.

It is important to note that the calculation of the net cost of reinsurance in this Filing relates exclusively to the loss costs in North Carolina. It would not be appropriate for North Carolina insureds to assume the reinsurance costs of exposures in other states and vice-versa. Aon Benfield's database is based on actual reinsurance transactions and on conditions in the current reinsurance market and is updated regularly to reflect changes in actual market conditions. Aon Benfield's database and expertise are a great source of information as to actual reinsurance practices and costs for the hypothetical one company writing homeowners insurance in North Carolina.

Q. Is the reason that the Beach Plan purchases reinsurance similar to the reason that the hypothetical one company must purchase reinsurance?

A. Yes. The Beach Plan and companies must purchase reinsurance for essentially the same reasons. Likewise, for ratemaking purposes, the hypothetical "one company" for which the Bureau files rates must purchase reinsurance. That hypothetical one company is faced with numerous realistic hurricane loss scenarios that far exceed its ability to pay.

The hypothetical one company (voluntary companies plus the Beach Plan) receives about \$2.4 billion in homeowners written premium annually in North Carolina. There are many scenarios in which hurricane losses are projected to be many multiples of that amount. If an individual company experienced a loss many multiples of its collected premium, it would first look to its surplus and reinsurance. If the surplus and reinsurance were not sufficient, then that company would become insolvent. Individual companies do not have a backstop like the Beach Plan which can call upon the companies and policyholders across the state to pay its claims. There has been a history of company insolvencies following major hurricanes in the United States. Following Hurricane Hugo that hit Charleston, South Carolina and Hurricane Andrew that hit Florida, there were multiple insolvencies.

It would be irresponsible and imprudent for the hypothetical one company not to purchase reinsurance. The net cost of reinsurance analysis prepared by Aon Benfield reflects the need of that hypothetical one company to purchase and maintain reinsurance. Aon Benfield has access to the world's largest database of reinsurance transactions and uses that database to calculate the net cost of reinsurance provision used in the Filing. The Rating Subcommittee reviewed and approved Aon Benfield's analysis.

Q: Have dividends to policyholders been considered in the Filing?

A: Yes. According to the Statement of Principles Regarding Property and Casualty Insurance Company Ratemaking, the rates should contemplate the cost of policyholder dividends. Policyholder dividends are returns of premium to a company's policyholders and are not the same as dividends that publicly traded stock companies (owned by shareholders) pay to their shareholders. The Subcommittee reviewed policyholder dividends over the years 2012 through 2016. It noted that payments have consistently been made and in material amounts. Therefore, the Filing has incorporated a provision of 0.4% of premium to reflect anticipated dividends during the prospective period for which rates are being made in this Filing. Reflecting anticipated dividends is an actuarially sound methodology in a rating bureau context such as that in North Carolina where rates are made for all companies.

Q: Have deviations been considered in the Filing?

A: Yes. Deviations are a cost of doing business in North Carolina for the insurers that have them approved by the Department. They are a cost of risk transfer and therefore need to be contemplated in the rates according to the Statement of Principles Regarding Property and Casualty Insurance Ratemaking. They constitute "savings" that must be considered pursuant to statute. Companies are required to report their approved deviations. If rates were set without contemplating them, the industry would not achieve the profit provision included in the rates. The Subcommittee reviewed the net variances from manual premium from deviations, consent to rate and Beach Plan surcharges and did not elect to include a factor for deviations in this Filing.

Q: Did the Subcommittee consider the profit provision?

A: Yes. The Subcommittee picked a conservative underwriting profit provision. Dr. Vander Weide provided a range for the current cost of capital, which was relied on by the Subcommittee. The range varied from 9.0% to 13.8% on net worth.

The committee selected an underwriting profit provision of 9.0% of premium.

Based on Dr. Appel's analysis, this 9% underwriting profit provision would generate a statutory return on net worth of 6.8%. That return is significantly below Dr. Vander Weide's lower bound of 9.0%.

It is the statutory return that should be considered when determining the underwriting profit in North Carolina because it does not take into account investment income on surplus. Clearly, the Subcommittee is being very conservative with its selection. Even if the 9% underwriting profit were to consider investment income on surplus in addition to investment income from insurance operations, the estimated return on net worth would be 10.4%. That return is within Dr. Vander Weide's range but near the low end of that range, and thus the selected underwriting profit provision remains a conservative selection that is not excessive.

Furthermore, the Bureau has capped the filed rate changes below the indicated rates to no more than 30% in any territory. Assuming all other assumptions in the Filing are realized, that would result in even lower profit margins being realized.

Q: Did the Subcommittee consider a contingency provision?

A: Yes, the Subcommittee selected a 1% contingency provision. This is consistent with past filings and is a common industrywide practice across the country. The contingency provision reflects the total systematic bias from multiple sources that causes the indicated rate level without this adjustment to be inadequate. These biases can cause actual losses to be higher than reflected in the rates as well as cause actual premiums to be lower. Both impacts bias the indicated rate towards being inadequate.

Sources of this systematic bias in property insurance include, but are not limited to, judicial decisions that extend policy coverage beyond what was anticipated in the rates, legislative changes, regulatory delay in achieving the indicated rate change or regulatory reduction of the rate change.

Courts rarely restrict coverage to less than intended in the policy forms and frequently expand coverage beyond what was intended. In addition, major unexpected losses can and do come from large and infrequent events of a type and magnitude that are not reflected in the experience period.

One historical example for Homeowners insurance is the sudden surge of mold claims around the early 2000's that far exceeded the amounts seen in experience periods. In addition to unforeseen claims, rate filings are generally not approved prior to their intended effective date or for more than requested while some much needed rate filings are denied altogether.

Because of these factors, estimated premium that does not reflect a provision for these contingencies will fall short of adequate premium very frequently. When

these premiums are inadequate and underwriting losses are observed, an insurer must borrow from surplus to properly indemnify its policyholders or claimants. According to the Actuarial Standard of Practice #30, “the actuary should include a contingency provision if the assumptions used in the ratemaking process produce cost estimates that are not expected to equal average actual costs, and if this difference cannot be eliminated by changes in other components of the ratemaking process.” The Subcommittee believes that a contingency provision is appropriate and necessary, and has selected a 1% factor in this Filing, the same as with all recent property insurance filings. The Subcommittee also believes this is a conservative estimate given the multitude of factors impacting this provision.

Q: Are the data in the Filing reliable and accurate for ratemaking purposes?

A. Yes. The data underlying the Filing are reliable, accurate and appropriate for ratemaking. There are three levels of quality checks performed by individual companies, statistical agents and ISO. Individual insurance companies employ extensive procedures to assure the quality and reliability of ratemaking data used in the Filing. When individual companies submit their data to their statistical agents, the statistical agents review the data for possible errors and compliance with approved statistical plans. If an error is suspected, the statistical agents ask the company to review the data and to correct the data if necessary.

When ISO aggregates premium, loss and expense data from the statistical agents, it reviews the accuracy of the data and similarly requests that the data be reviewed and corrected if errors are suspected.

These data include data for business written at or below the Bureau manual rates, business written under consent to rate procedures and therefore above the Bureau manual rate and business written in residual markets (the Beach Plan and FAIR Plan). When the Bureau assembles expense data and furnishes it to ISO, they also perform checks to determine the data’s accuracy. Sometimes it is not feasible for a company to correct its data, and in these cases that company’s data is excluded from the filing and that fact is noted in the filing.

An additional check is that the Bureau requested that the statistical agents produce exhibits for the 10 largest writers displaying exposure distributions for key factors (such as territory, amount of insurance and protection class) for the experience years in the filing. Each company was asked to review and evaluate the accuracy of its data as reported to its statistical agent. Companies have confirmed that they have performed these reviews and that to the best of their knowledge their data are correct in all material respects.

Q: You referred earlier to the difference between the “indicated” rate level and the “filed” rate level. Can you please explain the nature and the effect of capping in this filing?

The indicated rate level is the actuarially sound rate level. It is the rate level necessary to ensure that rates cover prospective losses and expenses and provide a fair and reasonable profit. The indicated rate level is the one that complies with the statutory standard that the rates be neither excessive, inadequate nor unfairly discriminatory

In the case of the homeowners forms, the indicated overall rate level change is 26.1%. That rate level change is the statewide composite of indications that vary by territory throughout the state. In general, western territories have lower indicated rate level changes while the eastern beach territories have higher indicated rate level changes.

The “filed” rates represent the rate changes proposed by the Bureau. The filed rates reflect a procedure known as “capping.” The Bureau’s Governing Committee reviewed the actuarially sound rate level indications determined by the Rating Subcommittee and elected to minimize the impact on policyholders by capping the indications. The caps vary by policy forms and territory groups.

For the owners forms, territories are placed into three groups based on each territory’s rate level indication. For those territories with indications less than 30%, indications are capped at 20%. For those territories with indications from 30% to 40%, indications are capped at 25%. For those territories with indications greater than 40%, indications are capped at 30%.

For the tenants and condominium owners, there are also three groupings. For territories with indications less than 15%, indications are capped at 5%. For territories with indications from 15% to 20%, indications are capped at 10%. For territories with indications greater than 20%, indications are capped at 15%.

These caps result in a reduction of the overall rate level indications from 26.1% to 17.4%. Capping is a common and justifiable practice in the industry that limits premium disruption to policyholders, and the modest extent of capping in this filing still allows for significant and meaningful movement towards the full actuarial indicated rate level.

Q. From the standpoint of individual companies, how does homeowners ratemaking in North Carolina differ from other states?

A. In almost every other state, each company files its own homeowners rates independently. However, in North Carolina, the Bureau has the responsibility to file rates on behalf of the entire industry. The filing process in North Carolina establishes a system of “Bureau rates” (often called “manual” rates) for use on all homeowners policies written in the state.

In essence, the Bureau makes rates for a hypothetical one company that is composed of the aggregate policyholder attributes and loss experience of all the homeowners policies written in the state. Those policies include attributes such as the dollar amount of insurance written on each home, the geographic location of the home, the protection class of the area in which the house is located, the type of construction, the deductible amount, etc.

Once the Bureau rate has been set through the filing and approval process, Bureau companies must charge that rate unless they file their own deviations with the Department or engage in the consent to rate process. If the proposed premium exceeds the Bureau rate, the company must receive individual approval from the customer through the consent to rate process.

Q. You stated earlier that premiums are established at a level equal to expected losses plus expected expenses and a margin for a fair and reasonable profit. Does this mean that homeowners ratemaking is a simple matter of adding up past losses, past expenses and past profit and then putting them into a simple equation to equal premium?

A. That is not at all the case, for numerous reasons. The first reason is that ratemaking is prospective in nature. The ratemaking process requires the determination of the expected future losses and the expected future expenses of the composite company that will be incurred in the projection period. While it is important to consider past losses and expenses in determining expected future losses and expenses, the process is much more complex than that. There may be many reasons why past losses and expenses are not a perfectly accurate reflection of future loss and expense levels. Loss and expense cost trends can be driven by a wide range of factors such as inflation, cost of building materials, frequency of weather events, etc. Therefore, trends need to be projected into the future to determine accurate projected losses and expenses.

Further, it is particularly difficult to estimate prospective losses for property lines of business such as homeowners insurance because loss amounts in those lines are so volatile. The average frequency of claims in homeowners is lower than other lines of business, thereby providing fewer claims in the historical data to inform future loss levels. Another difficulty is that homeowners policies cover so many different situations and events. For instance, homeowners policies must pay for losses to buildings and contents for fires, as well as losses for numerous types of weather events, thefts and lawsuits. Even putting aside the potential impact of hurricanes, property lines are highly dependent upon weather events such as tornado outbreaks, winter storms, hail storms, freezing temperatures, etc.

Such volatility is greatly compounded in hurricane prone states such as North Carolina. In North Carolina and other hurricane prone states, a significant percentage of the prospective long-term average annual losses in certain

territories of the state are caused by intense hurricanes which are relatively infrequent but are devastating when they do occur. It would be actuarially unsound to rely on a few years of actual hurricane losses to estimate prospective hurricane losses because of the volatility of these losses driven by low frequency and high severity.

The volatility of property insurance in a hurricane prone state can be explained in part by a statistical concept of “independence” that is useful to consider in distinguishing between different lines of property casualty insurance. If one home is damaged by a hurricane, it is very likely that many other homes in the same geographic region will be damaged at the same time. The risk of damage for each individual home is not independent of the risk of damage to the other homes because a single event can cause widespread damage. As a contrast, in auto liability insurance, when there is one auto collision there generally is not a greater likelihood of there being numerous other auto collisions in the same geographic region at the same time. While the amount paid under bodily injury or property damage coverage because of that single auto collision may far exceed the premium collected for the individual policy involved, that fact is not replicated to numerous other policies because auto collisions are generally random and independent events. However, when intense hurricanes occur, there are likely to be payments far greater than the total premium collected on a large number of policies due to the geographic concentration of the event.

Q. Does the Filing in any manner require policyholders in North Carolina to pay the losses or subsidize the rates of policyholders in other states, particularly hurricane prone states such the Gulf Coast states?

A: No, it would be actuarially inappropriate to do so. Each state is evaluated separately, and rates in North Carolina are based only on North Carolina’s loss potential. Imposing such a subsidy would not be fair to North Carolina policyholders and would not be permitted by North Carolina regulators. There is a greater risk of hurricane losses in Florida and some other Gulf states than in North Carolina, and it would not be fair or actuarially sound for North Carolina policyholders to be asked pay for their losses or subsidize the insurance costs for persons in those areas. For the same reason, it would not be fair or actuarially sound for the Bureau to attempt to spread the hurricane exposure of the hypothetical one company in North Carolina to persons in other states such as in the Midwest where there is little hurricane exposure. Policyholders and regulators in Iowa, for example, would not be willing to do that. To summarize, using other states losses to determine North Carolina rates is unfair and unequitable, and the Bureau does not do this for these reasons.

Q. Did the Subcommittee review rate level adequacy by territory?

A. Yes, the committee asked ISO to calculate the indicated rate level changes by territory. The indicated change for a particular territory, as you would calculate

indicated change for any given rating group, was calculated by dividing the required base class rate by the existing base class rate and subtracting 1.

First, ISO calculated the indicated base class loss cost by territory. This resulted from calculating the total loss cost by territory and applying the resulting territorial relativity to the indicated statewide base loss cost. The territorial indicated base class loss cost was converted to the required base class rate by performing expense, profit, and deviation adjustments at the territorial level, like how adjustments were performed at the statewide level for these ratemaking elements. The indicated changes by territory show rate levels by territory that are needed to equitably spread the overall rate level.

Q. Can you identify Exhibit RB-1?

A. Yes. This is a large portion of the Filing submitted by the Bureau with respect to revised homeowners insurance rates in North Carolina. Exhibit RB-1 includes numerous exhibits, regulation responses and explanations pertaining to the indicated and filed rate level changes. The Filing also includes the rate manual (Exhibit RB-2), as well as the prefiled testimony and exhibits of six witnesses in addition to mine (Exhibits RB-3 through RB-19).

Q. Can you identify the document marked Exhibit RB-2 and entitled “Homeowners Policy Program Manual”?

A. Yes. As I mentioned, Exhibit RB-2 includes the current manual of rules, rates and classifications used to write homeowners insurance in North Carolina. The manual and any amendments have been approved by and are on file with the Department. Copies are maintained at the offices of the Bureau.

Q. Are you aware of changes in this filing other than to the Homeowners rates?

A. Yes. In addition to the homeowners base rates, the Windstorm or Hail Exclusion Credits and Windstorm Mitigation Program Factors are changing. Additionally, this filing makes changes to several rating rules in the 500 Section of the manual. The details for these changes is contained in Section B of the filing. Finally, there are changes to the Wind Only Program.

Q. What is your opinion as to whether the indicated rate level changes in the Filing are excessive, inadequate or unfairly discriminatory?

A. It is my opinion that the indicated rates in the Filing are actuarially sound and meet the legal standard of producing rates that are not excessive, inadequate or unfairly discriminatory. In that regard, I note that I have relied upon the accuracy of the data and analyses supplied by the statistical agents, the Bureau, Aon Benfield and Milliman as reviewed and checked. I have also relied on the

reinsurance and profit analyses performed by Dr. Appel and Dr. Vander Weide. I qualify my opinion by noting that the filed rates have been developed by applying territory caps to the indicated rates. The filed rates are not excessive and the 17.4% filed rate increase is a reasonable step toward the adequate level.

Q. Does this conclude your prefiled testimony?

A. Yes.

1 **PRE-FILED DIRECT TESTIMONY OF ELIZABETH A HENDERSON**

2
3 **2018 HOMEOWNERS INSURANCE RATE FILING**

4 **by the**
5 **NORTH CAROLINA RATE BUREAU**
6

7
8 **Q. Please state your full name and business address for the record.**

9
10 A. My name is Elizabeth Ann Henderson. My business address is Aon, 200 East
11 Randolph Street, 11th Floor, Chicago, Illinois 60601.
12

13 **Q. What is your involvement in this matter?**

14
15 A. My employer, Aon, has been retained by the North Carolina Rate Bureau
16 (NCRB) to provide expertise and analysis with respect to the expected hurricane
17 losses utilized in the NCRB 2018 Homeowners Insurance rate filing. I am part of
18 the team at Aon that performed these services.
19

20 **Q. What are your primary duties for Aon?**

21
22 A. Aon's Reinsurance Solutions division is the world's largest reinsurance
23 brokerage firm, and I am a Senior Managing Director of the Catastrophe Risk
24 Analytics group. I lead a catastrophe risk management team, consisting of 25+
25 catastrophe modeling professionals, engineers, and meteorologists. I am
26 responsible for providing catastrophe modeling support for reinsurance

1 placements and expected hurricane losses and am charged with positioning my
2 team as a key differentiator in client solutions including support for multi-model
3 analyses, benchmark pricing, data quality peer comparisons, model evaluation,
4 real-time event response, portfolio optimization, catastrophe cost allocations, and
5 rating agency questionnaire support. In effect, we assist our clients in all aspects
6 of managing their exposure to catastrophe risk.

7

8 **Q. Describe your professional and educational background.**

9

10 A. I have been with Aon for 15 years since graduating from Northwestern
11 University with Bachelor of Arts degrees in Mathematics and Philosophy. In my
12 role at Aon, I have participated in and led the modeling efforts for reinsurance
13 treaty placements on behalf of Aon's clients. My specializations include
14 providing risk management consulting and catastrophe modeling services to
15 United States property and casualty insurance companies, particularly in
16 personal lines property, small commercial property, and worker's compensation.
17 I have worked directly with companies to help them analyze the amount of risk
18 due to catastrophes against which they are exposing their capital and compare
19 that risk to their risk tolerances. In assessing their catastrophe risk, we utilize
20 two independent modeling firms: Risk Management Solutions (RMS) and Applied
21 Insurance Risk (AIR). We provide detailed analyses of the model results to
22 enable companies to make business decisions around catastrophe risk
23 management, including setting underwriting guidelines, developing rate

1 indications, determining the appropriate amount of reinsurance to purchase and
2 deploying growth capacity.

3

4 **Q. Describe your early career at Aon.**

5

6 A. I began working at Aon 15 years ago as a Catastrophe Risk Analyst. During
7 my tenure at Aon, I have worked within the Catastrophe Risk Analytics Group
8 and have been promoted through six positions (Analyst, Senior Analyst,
9 Associate Director, Director, Managing Director, and now Senior Managing
10 Director). My responsibilities grew with each new job as I expanded my
11 capabilities. When I began my career as an Analyst, I was responsible for the
12 day-to-day modeling for a variety of client accounts. This included processing
13 and profiling raw client data into model-specific import files, importing client data
14 into the models of AIR and RMS, setting up and executing model runs in AIR and
15 RMS, and pulling out results and building exhibits. I was responsible for ensuring
16 the accuracy of my work, and reporting back to my clients about their results and
17 how those results impacted their reinsurance treaties. In my early career, I spent
18 most of my time working within the models' framework and learning how different
19 types of insurance terms are handled in each model, how to properly code client
20 data to ensure accurate results, and how to interpret how portfolio changes and
21 model changes impact results.

22

1 I was working in this role in 2004 and 2005 during the very active hurricane
2 seasons that produced Hurricanes Katrina, Wilma, and others. These events
3 were among the first major tests of the hurricane models after Hurricane Andrew
4 in 1992. The utilization of modeling and understanding of how the models
5 worked when these events occurred was greatly impacted, and the new
6 knowledge resulting from those events led to changes that had a far-reaching
7 impact on the insurance industry. It was at this time that both RMS and AIR
8 developed their Medium-Term and Warm Sea-Surface Temperature hurricane
9 event sets.

10

11 **Q. How has your career progressed and changed over time?**

12

13 A. In my current role at Aon, I am responsible for the work output of a team of
14 over 25 catastrophe analysts covering many clients. My job has three distinct
15 areas of responsibility. First, I am responsible to my clients. I work directly with
16 clients on specific projects such as reviewing how their internal coding process
17 impacts model results and making recommendations on refining their data to
18 produce more accurate loss estimates. I help clients identify their profitable
19 business opportunities and build out a plan with regular monitoring to achieve the
20 clients' growth plans. In addition to working directly on client projects, I meet
21 regularly with my team to discuss and review other active client projects to
22 ensure that we are delivering best in class analytics to all of our clients.

1 My second responsibility is to my team. I am a mentor and a coach to all
2 members of my team and I take steps every day to align individual performance
3 goals with business and client needs. The number of clients and amount of
4 support we provide to our clients has increased significantly. As clients have
5 become dependent on using model input across their business, there has been a
6 large demand for support and evaluation of model results. We have increased
7 the number of engagements pertaining to model evaluation and validation.

8 My third responsibility is to the business unit. I help to set the strategic priorities
9 of the Catastrophe Analytics team within the context of the overall goals of Aon.
10 In that role, I am responsible for delivering innovative analytics solutions for Aon
11 clients. In the past year, I led a team that developed and launched a new,
12 interactive data and analytics platform: Analytics Dashboards. Analytics
13 Dashboards advance the way that business-critical data is visualized,
14 interpreted, and delivered.

15

16 **Q. Describe the role of Aon Reinsurance Solutions Analytics.**

17

18 A. Aon Reinsurance Solutions Analytics provides consultative services to clients
19 of Aon who sell primary insurance coverage and assists those insurers in the
20 assessment of the risk of catastrophe loss to their portfolio and in the placement
21 of reinsurance treaties to address that risk of catastrophe loss. The main areas of
22 services to Aon clients include: catastrophe modeling; catastrophe insurance rate
23 making assistance; actuarial services (e.g., range of loss and expense

1 estimation, enterprise risk management, reinsurance analysis, capital analysis);
2 rating agency modeling and analysis; insurance and reinsurance accounting; and
3 tax and finance related modeling and assistance.

4

5 **Q. Describe the role of the Catastrophe Analytics group.**

6

7 A. The Catastrophe Analytics group is a part of Aon's Reinsurance Solutions
8 division. The role of this group is to provide clients of Aon with analytics involving
9 the management of catastrophe risk and how it relates to their reinsurance
10 purchasing decisions. We provide clients with analyses of their catastrophe risk
11 and develop their understanding around different model views for their portfolio.
12 We help our clients develop a management view of their catastrophe risk against
13 which they can evaluate reinsurance purchasing decisions.

14

15

16 **Q. Describe your experience with catastrophe models.**

17

18 A. Beginning 15 years ago in my role as a catastrophe analyst, I have used
19 multiple models to evaluate catastrophe risk for my clients. My daily work
20 requires me to interpret and transform client data into appropriate "model-ready"
21 files. I determine how to best incorporate the client data into the different
22 models. I have prepared data and run analyses in the models RMS RiskLink,
23 AIR Touchstone, Impact Forecasting Elements, and CoreLogic RQE, and have

1 pulled and analyzed loss output from those models. I have observed and
2 reviewed changes in these models during my tenure at Aon. I use the output of
3 the models, such as Probable Maximum Loss (PML), Average Annual Loss
4 (AAL), Layer Expected Losses, and Historical Loss projections, to help clients
5 determine the exposures at risk to a catastrophe at various confidence intervals.
6 Clients compare those loss projections to their internal risk thresholds to
7 determine how much reinsurance they need to protect their earnings and capital.
8 The models are used by reinsurers to evaluate portfolios and determine an
9 appropriate price for risk transfer.

10

11 **Q. Describe your experience with catastrophe reinsurance.**

12

13 A. I work for Aon Reinsurance Solutions, the world's largest reinsurance
14 brokerage. My role as a catastrophe analyst means that I am directly involved
15 with our clients who are seeking to purchase catastrophe reinsurance. Output
16 from our modeling is used by our brokers, clients, and capital markets to
17 determine AALs and the appropriate amount of reinsurance to purchase and
18 what the appropriate fair market price for that reinsurance should be.

19

20 **Q. Do you speak on topics pertaining to catastrophe modeling?**

21

22 A. Yes. I speak annually at Aon's Reinsurance Solutions Analytics client
23 conference on various topics related to catastrophe modeling. That conference

1 is routinely attended by primary insurers, reinsurers, regulatory agencies, and
2 modeling firms.

3

4 **Q. What was Aon's role in this filing with respect to expected hurricane**
5 **losses?**

6

7 A. We provided advice to NCRB regarding how to input the exposure data it
8 provided, how to run the AIR and RMS models consistently based on that
9 exposure data, how to assure that the model output is correct and how to blend
10 the results of the two models in the manner utilized in the marketplace by Aon's
11 clients.

12

13 **Q. Did the NCRB asked Aon to run the AIR and RMS models?**

14

15 A. Yes. We ran the models of AIR Touchstone and RMS RiskLink. These are
16 the most commonly relied upon hurricane catastrophe models in the industry,
17 and we run these two models on all of our clients' data, regardless of whether
18 either model is used by the client to set rates. Our view is that it is important to
19 understand the two primary views of risk that exist in the industry. These two
20 models are routinely relied upon by reinsurers in pricing catastrophe risk and by
21 primary insurers in determining anticipated hurricane losses. More than half of
22 our clients use two models when evaluating their catastrophe risk and blend
23 those results, as opposed to relying only on one model for management

1 decisions. Of those that utilize two models, the vast majority blend the results
2 evenly, taking a straight average. Our recommendation is to use a straight
3 average when calculating a blend of the results. This means that we run the
4 individual models and determine the appropriate allocation of reinsurance and
5 loss costs independently for each model. Then we average the two results to
6 determine the blend. We have used this same approach here for the NCRB to
7 determine the appropriate modeled hurricane losses to use in the rate filing. The
8 vast majority of our clients who blend multiple models use this method. One
9 reason is due to the ease of understanding and auditing of results. Models
10 change frequently in different ways, and it is important for people making
11 business decisions based on those models to be able to track those changes at
12 every point. By first determining the losses from RMS and AIR independently,
13 you can gain insight into how each model interprets the risk differently. It is an
14 approach that balances an insurer's access to detailed information from both
15 models and then uses a blended metric to make purchasing decisions and
16 allocate costs.

17

18 **Q. Is it customary to run multiple models to determine catastrophe risk for**
19 **your clients?**

20

21 A. Yes. At Aon Reinsurance Solutions we believe it is important to understand
22 the various views of catastrophe risk that exist about any particular client's
23 portfolio. In a reinsurance transaction, multiple parties must agree upon a fair

1 estimate of the cost to transfer the risk. Our clients need to understand how the
2 market will be interpreting their catastrophe risk; therefore it is important for them
3 to understand how various models interpret their portfolios.

4

5 **Q. Is it common that modeled losses will differ between the various model**
6 **vendors?**

7

8 A. Yes. There exists a degree of uncertainty in predicting losses from
9 catastrophes. That is a natural consequence of the substantial volatility
10 associated with the occurrence of relatively infrequent and rare events. While all
11 modeling firms start with relatively similar meteorological and insurance data
12 inputs, such as information on past storm characteristics and claims data from
13 insurance companies, there are differences between modelers in their
14 approaches to interpreting and supplementing this data to build a robust model.
15 The process of developing the models brings with it a degree of uncertainty in the
16 results, although there is no inherent upward or downward bias in this degree of
17 uncertainty. Modelers must take the known meteorological data from actual
18 storms and employ standard statistical techniques to distribute that limited data
19 to create a distribution of storms that may happen in the future. This is how
20 models can take similar input and come up with different results. The spread
21 between two views of the same risk helps companies understand the uncertainty
22 inherent in these models. Through blending of the results of multiple models,
23 clients can better manage their catastrophe risks despite variation between

1 model results. Given the number of variables involved in the development of a
2 catastrophe model and the degree of uncertainty associated with each variable, it
3 would be unexpected and atypical if two independently derived models resulted
4 in the same output or conclusions on a given set of data.

5

6 **Q. How do the models change over time?**

7

8 A. Over time, modelers utilize advanced research and loss analyses to enhance
9 their methodology, applying the most recent and relevant scientific understanding
10 to their models. New research into past events, updates to building practices
11 and building codes, insight from engineering experiments, and findings from
12 recent events are among the many different types of information that are used to
13 inform how the modelers make updates to their models. Each modeling firm
14 takes a different approach to how frequently it updates its models and how it
15 prioritizes the schedule by which perils and regions will be updated.

16

17 **Q. Do modeled losses change as updated data is entered into the models?**

18

19 A. Yes. As noted above, the models are reliant on many sources of data. Data
20 on past storms and updated building code data, for example, will be used by
21 modeling firms as inputs in developing their models. For the insurer, changes in
22 coverage and the underlying policies-in-force will change the model output. Also,
23 changes in an insurer's portfolio composition (i.e., where they write new policies

1 and the geographic concentration of their exposures) over time will change the
2 results of the models.

3

4 **Q. How do clients typically account for variation in the model losses**
5 **between different models?**

6

7 A. It has become increasingly common for companies to use two models. As I
8 said, more than half of our clients use two models when evaluating their
9 catastrophe risk, blending those results. Of those that utilize two models, the
10 vast majority blend the results evenly, taking a straight average, as has been
11 done for the NCRB in this filing. The percentage of clients that blend models to
12 build a management view of risk has grown substantially in recent years. In my
13 opinion, this has been driven by large loss experience, most specifically from
14 hurricanes, that demonstrates the degree of uncertainty around any single
15 selection, as well as what I will call model change volatility. The blending of two
16 models generally produces less volatile and more reliable results over the long
17 term than the use of a single model.

18

19 Clients are also exposed to volatility related to model change. When the models
20 make changes to their underlying assumptions around frequency, hazard, and
21 vulnerability, clients will see their catastrophe loss estimates change. The fact
22 that modeling firms make updates on different schedules, and often interpret and
23 apply new research in different ways, results in a changing risk management

1 environment. Using a blended view will smooth out some of that model change
2 volatility over time.

3

4 **Q. Please describe further the work Aon Reinsurance Solutions performed**
5 **for the NCRB for this Homeowners rate filing. Can you describe the client**
6 **data that was employed as input for the model runs?**

7

8 A. The data we employed was provided to us by the NCRB. My understanding is
9 that the data had been compiled on behalf of the NCRB by Insurance Services
10 Office (ISO). The NCRB advised us that the data consisted of the aggregate
11 exposure information for all homeowners risks in North Carolina, including those
12 written by the companies and those written by the residual market (which in
13 North Carolina is the NCIUA, or Beach Plan, and the NCJUA, or FAIR Plan). In
14 effect, the NCRB asked us to run the models using the aggregate data as if there
15 were a single company writing all of the homeowners insurance in North
16 Carolina.

17

18 **Q. Please describe what Aon Reinsurance Solutions then did with the data**
19 **provided by NCRB.**

20

21 A. As is customary in our work, we reviewed the data received from the NCRB
22 for completeness and reasonableness before we input it into the AIR and RMS
23 models. Since the two models have different formats for inputting data, we

1 worked with the NCRB to assure that the exposure data was properly and
2 consistently entered in the required format for each model. We are accustomed
3 to this procedure because we have to do the same thing for the many individual
4 companies that we represent.

5

6 The next step was to input the data and run the models. We ran the AIR
7 Standard model and the RMS Historical model for the purpose of determining the
8 modeled hurricane losses. We ran the AIR WSST model and the RMS Medium
9 Term Rate model for the purpose of analyzing the cost of reinsurance against our
10 extensive reinsurance market data, which is what we always do in assisting our
11 clients with their reinsurance placements. In my experience, it is standard
12 practice throughout the industry to rely upon the models we used to determine
13 modeled hurricane losses and to place reinsurance.

14

15 After the models were run, we reviewed each model's output individually to be
16 sure that the output resulted from a consistent entry of the same exposure data.
17 We again followed the same procedure for assuring data quality that we follow
18 for all of our clients. Then we blended the results of the two models, taking a
19 straight average of the results as I described earlier. We again reviewed the
20 blended results to assure that the blending procedures were correctly performed
21 and that the blended results were correct. Once we were satisfied that the
22 results were correct, we provided the blended modeled hurricane losses to the
23 NCRB for use in its homeowners rate review. At the NCRB's request, we also

1 provided the results to Milliman for its use in the work it was doing as part of the
2 NCRB's homeowners rate review. Exhibit RB-6 sets forth the blended modeled
3 hurricane losses resulting from the work I have described. Based on my
4 knowledge and experience and the input data provided by the NCRB, these
5 modeled hurricane losses are reasonable and appropriate projections of
6 expected hurricane losses for use by the NCRB in its homeowners rate review
7 and rate filing.

8

9 Also, we employed the modeled hurricane losses as part of our work determining
10 and allocating the cost of reinsurance. My colleague, Steve Fiete, led our
11 analysis of the net cost of reinsurance, and his testimony is also included in this
12 filing. I assisted with that work and, from my perspective, the procedures that we
13 followed were consistent with our standard business practices in assisting our
14 clients with their reinsurance placements and produced results that are
15 reasonable, sound and reliable.

16

17 **Q. Does that conclude your testimony?**

18

19 A. Yes.

20

21

22

23

North Carolina Rate Bureau
Gross Modeled Hurricane Expected Losses including Cat LAE and Trend

Territory	Owners	Tenants	Condos	AAL
110	34,356,220	33,870	34,139	34,424,229
120	33,620,672	118,943	397,635	34,137,250
130	7,982,013	23,857	22,955	8,028,825
140	88,823,713	801,300	724,525	90,349,538
150	16,874,842	108,828	29,268	17,012,939
160	16,360,139	161,441	93,894	16,615,473
170	511,452	3,243	1	514,696
180	11,960,722	147,026	21,855	12,129,603
190	3,983,051	28,241	852	4,012,143
200	2,225,029	10,726	19	2,235,774
210	3,398,936	31,209	1,278	3,431,423
220	8,921,430	81,932	17,638	9,021,000
230	2,993,311	21,163	1,507	3,015,980
240	9,254,348	62,388	4,550	9,321,286
250	4,131,937	27,853	1,133	4,160,922
260	1,989,853	10,041	212	2,000,106
270	30,914,142	458,341	112,160	31,484,643
280	4,091,243	47,151	21,530	4,159,925
290	3,805,939	22,483	11,701	3,840,123
300	1,059,393	5,003	178	1,064,573
310	12,163,157	137,818	48,110	12,349,085
320	6,255,605	45,511	10,316	6,311,432
330	230,310	941	128	231,379
340	17,447,781	224,062	137,353	17,809,196
350	3,193,839	20,799	5,889	3,220,527
360	4,470,443	31,777	18,262	4,520,481
370	182,364	494	1,895	184,753
380	518,156	2,283	1,241	521,680
390	549,652	1,597	1,030	552,280
Total	332,269,692	2,670,322	1,721,251	336,661,265

Modeled hurricane expected losses for North Carolina Rate Bureau, net of limits and deductibles. Results include demand surge and exclude storm surge. Losses represent 50/50 blend of AIRv5.1 100k Standard event set and RMSv18 Historical event set. Results also include provisions for LAE and loss trend.

PRE-FILED DIRECT TESTIMONY OF STEPHEN C. FIETE
2018 HOMEOWNERS INSURANCE RATE FILING
by the
NORTH CAROLINA RATE BUREAU

Q. Please state your full name and business address for the record.

A. My name is Stephen Charles Fiete. My business address is 200 East Randolph Street, 11th Floor, Chicago, Illinois 60601.

Q. What is your involvement in this matter?

A. I am currently an employee of the Aon Corporation working in the Catastrophe Management area of Aon Reinsurance Services. Aon has been retained by the North Carolina Rate Bureau (NCRB) to provide expertise and analysis with respect to the expected catastrophe losses and net cost of reinsurance utilized in the NCRB's 2018 Homeowners Insurance rate filing. I manage an analytics group within the Catastrophe Management area which focuses on analysis of catastrophe cost as it relates to ratemaking and underwriting.

Q. You indicated that you are employed by the Aon. Who is Aon and what are your primary duties for that employer?

A. Aon is a leading global professional services firm that provides advice and solutions to clients focused on risk, retirement, and health. I work in the Reinsurance Services area which represents insurance carriers in the reinsurance market. My position is Managing Director in the Catastrophe Modeling group. My primary responsibility is to assist insurance company clients of Aon in the areas of managing catastrophe risk. I work with carriers that purchase catastrophe reinsurance and perform analyses to provide insight into how segments of their portfolio contribute to their total catastrophe cost.

Q. Describe the role of the Catastrophe Management area within Aon Reinsurance Services.

A. The Cat Management group provides consultative services to Aon's reinsurance clients. The main areas of services include: catastrophe modeling; catastrophe ratemaking assistance; catastrophe cost allocation; actuarial services; rating agency modeling and analysis; insurance and reinsurance accounting; and tax and finance related modeling and assistance.

Q. Describe the role of the analytics group that you manage.

A. This group performs analysis and provides tools to help Aon's reinsurance clients manage their total cost of catastrophe risk. The total cost of catastrophe risk consists of the following: expected average annual loss from modeled catastrophic perils, net cost of reinsurance, and cost of capital required to support the volatility of retained loss. The group draws on Aon's experience placing catastrophe reinsurance to develop an

understanding of the factors that drive reinsurance cost, which is used to develop a method to allocate portfolio level reinsurance cost to any subset of the portfolio. This method reflects the relationship between modeled loss distributions and market reinsurance prices. The analyses and tools are used in ratemaking, including rate filings, underwriting, and exposure management by carriers.

Q. What is catastrophe reinsurance, who buys it, and why do they buy it?

A. Catastrophe reinsurance is bought by insurance carriers to protect their solvency by transferring risk to other entities. It has some similarities to an individual who buys homeowners insurance. For a homeowner, there is typically a deductible which means the homeowner would have to pay the cost of a portion of a loss when he or she files a claim, and the insurance company would also pay a portion of the loss up to a specified limit. The deductible is thus analogous to the attachment point in a reinsurance agreement. The key differences between an individual buying insurance and a carrier buying catastrophe reinsurance are:

1. The risk subject to reinsurance is typically a group of locations, where a homeowner insures loss to just a single property.
2. There is much more complexity and variation in reinsurance agreements.
3. Homeowners insurance is provided by a single carrier. Reinsurance coverage is typically provided by a group of reinsurers. The reason for this is that loss from a single reinsurance buyer can be very large. To ensure adequate funding is available, a reinsurance broker finds multiple reinsurers to participate in providing coverage for a single reinsurance buyer.

4. Instead of a deductible for a single property, the reinsurance agreement contains a “retention” for aggregate loss to a portfolio.
5. Reinsurance agreements have annual aggregate limits of loss; most homeowners policies do not.

Carriers buy reinsurance so that they will not have their solvency impaired if they experience a year with a large loss or multiple large losses. They also buy reinsurance to reduce income volatility.

Q. Describe your professional and educational background.

A. I have been employed as an actuary since 1992 and have focused on ratemaking for my entire career. From 1992 to 1999 I worked for CNA Insurance and worked in both commercial lines and personal lines pricing. From 2000 to early 2006 I worked in a pricing area of Allstate Insurance. I have performed state rate level indications, workers compensation program pricing, underwriting scorecard development and rating plan development.

I was hired by Aon in 2006 to lead, design, development, and market underwriting tools based on Aon’s catastrophe cost allocation methodologies.

I received a BA in Math from West Virginia University in 1988 and an MS in Math from the University of Illinois at Urbana Champaign in 1991. I am an associate of the Casualty Actuarial Society. I have satisfied the continuing education requirements of and am in good standing with the CAS.

Q. Describe your experience with catastrophe models.

A. I have been using output from catastrophe models since joining Aon in 2006. My initial work was to develop an underwriting tool for carriers which would provide total catastrophe cost allocated to an individual location at the point of sale. I am still responsible for maintaining and enhancing the capabilities of that tool today. I have also designed tools for measuring incremental catastrophe volatility and reinsurance cost impact from changes to a portfolio that are larger than a single policy.

Q. Describe your experience with catastrophe reinsurance.

A. Since joining Aon in 2006 I have been working on projects which involve allocation of average annual loss, ceded average annual loss, allocation of reinsurance premium, and allocation of capital cost for Aon's reinsurance clients. Allocation has been done by geographic area and business division, and all the way to a location level. I have also developed tools for clients to calculate the effect on probable maximum loss (PML), and other volatility metrics, from possible changes to the client portfolio.

I have also collaborated with colleagues at Aon to adjust Aon's reinsurance and capital cost allocation methodology to reflect observed changes in market pricing.

Q. What was your role in this filing with respect to expected catastrophe losses?

A. In collaboration with my colleagues in the Cat Modeling Group, I provided advice to the NCRB regarding best practices for estimating expected catastrophe losses for ratemaking based on my experience advising primary company clients.

Q. Are catastrophe simulation models commonly used by insurers for ratemaking in catastrophe-exposed lines and jurisdictions?

A. Yes, catastrophe models have become the standard method of estimating catastrophe risk in rate filings. I have personally provided data and analysis for Aon clients to use in their rate filings in multiple states.

Q. What is demand surge?

A. Demand surge is simply a function of the economic law of supply and demand. It represents the increase in the cost of labor, materials and services (lodging, for example) needed to repair damaged property following a significant natural catastrophe event or series of events. This increase has been observed following such very large events and it is a natural result of the increased demand for labor, materials and services in those situations. As a result, the models incorporate it into their loss estimates.

Q. Which applications of catastrophe model output typically reflect demand surge?

A. All applications of catastrophe model output should reflect demand surge. There is no reason to underestimate the impact of large events by ignoring the increase in demand for labor and materials as a result of those events. In our experience, all companies run the models with demand surge. In fact, the only times we have ever run a model without demand surge at Aon are to measure the impact of demand surge for testing purposes and where specifically requested. Here, the Rate Bureau requested that we also run the models without demand surge so that it could provide certain statutory information in the filing.

Q. Does any state prohibit the inclusion of demand surge in modeled losses for rate filings?

A. No. I am not aware of any prohibitions against the use of demand surge in rate filings in any jurisdiction. South Carolina asks for the impact of demand surge in filing forms, but does not prohibit its inclusion in expected losses. In fact, the Florida Commission on Hurricane Loss Projection Methodology standards actually require that accepted models incorporate demand surge based on relevant data and actuarially sound methods and assumptions.

Q. North Carolina has laws prohibiting “price gouging” following a hurricane. Does that eliminate demand surge?

A. No. Florida has a similar law. Demand surge can and does occur due to supply and demand economics in situations that would not be considered price gouging and/or that would not be prevented by statutes prohibiting price gouging.

Q. Does it make sense for North Carolina hurricane losses to include demand surge for very large events impacting other states even if those events were less significant in North Carolina?

A. The intent of the model is to reflect economic conditions that will influence construction prices and other aspects of insured loss (such as, for example, the increased period of time a carrier has to pay for hotel rooms for insureds while their damaged homes are repaired) after a hurricane occurs. The model assumes the economic conditions that would drive up costs in a nearby state due to demand for labor and materials would also affect North Carolina in certain situations. This makes sense because materials and labor can be quickly transferred between states.

Q. Are you aware of how the reinsurance program was designed for purposes of this rate filing?

A. Yes, I am. Our team reviewed the actual reinsurance programs currently in force for our client companies writing property insurance predominantly in the Southeast, including North Carolina, along with nationwide writers. (Companies whose peak exposure is in Florida are not included, as those costs would be higher than reasonably expected in the other Southeastern states.) We set the attachment and exhaustion points of the proposed reinsurance program to match average attachment and exhaustion return periods of those actual programs. The reinsurance layers between the attachment and exhaustion points were chosen by analyzing the change in standard deviation relative to the limit. We then sent this information to Aon brokers who work

with companies in the reinsurance market to validate the reasonability of the structure. We then presented our proposed reinsurance structure to the Rate Bureau, and the Rate Bureau approved it. This reinsurance structure, as recommended by Aon and approved by the Rate Bureau, is shown in Exhibit RB-8A accompanying this testimony.

Q. Do you believe the reinsurance structure selected by the Rate Bureau is reasonable?

A. Yes. The structure is consistent with how carriers have recently been purchasing catastrophe reinsurance.

Q. How was the reinsurance premium estimated?

A. Aon's approach relies on a proprietary trend line analysis which fits rate-on-line based on the relationship between loss-on-line and rate-on-line for the most recent renewal period for regional insurers writing property insurance predominantly in the Southeast, including North Carolina, along with nationwide insurers. As stated above, companies whose peak exposure is in Florida are not included, as those costs would be higher than is reasonably expected in the other Southeastern states. The trend line analysis is updated annually to reflect changes in the reinsurance market.

In the prior filing, the loss-on-line method discussed above was blended with our technical pricing model, which reflected ceded margin differences across the reinsurance marketplace due to peak industry ceded loss. In previous years, the loss-on-line trend model and the technical pricing model had produced slightly different results and we felt that blending the two methods produced the most accurate results.

Before finalizing our recommendation to the Rate Bureau for this rate review, we requested a review of our results from some of the more experienced brokers in our office, and they agreed that our rates-on-line were reasonable and consistent with current reinsurance market pricing. Therefore, we did not use our technical pricing model for this filing.

Exhibit RB-8B shows a summary of the reinsurance structure and the rates-on-line that result from our loss-on-line analysis, along with a summary of the resulting components of the reinsurance program.

Q. How was the reinsurance premium allocated?

A. For each territory, the average annual loss & loss adjustment expense (LAE) contributed to the portfolio ceded loss & LAE is calculated for each layer of the reinsurance program. The portfolio premium for each layer is allocated in proportion to the average annual ceded loss & LAE for each territory. Allocation is done separately for each model and the results are averaged to obtain the final allocation. Exhibit RB-8D shows the proportion of hurricane peril reinsurance premium, ceded average annual loss, and reinsurance margin (a.k.a. “net cost of reinsurance”) allocated to each territory for each layer. Exhibit RB-8E shows the dollar amount of reinsurance margin allocated by form and territory.

Last year, we also used our technical pricing model in allocating the reinsurance premium. However, as with estimating the reinsurance premium, we did not use our technical pricing model this year when allocating the reinsurance premium.

Q. Why was the technical pricing model not utilized this year?

A. Technical pricing is designed to measure differences in reinsurance market prices based on capacity constraints of the reinsurance industry. Several years ago we observed that the ratio of reinsurance premium to expected ceded loss was higher in the Gulf and South Atlantic regions than it was further north, or in the Midwest. To quantify this observed trend, we developed a technical pricing model for allocation and pro-forma pricing which accounted for both expected ceded loss and how ceded loss would contribute to the volatility of many reinsurers. Technical pricing was an improvement over allocation based solely on ceded loss and the method became standard practice at Aon for allocation work. Over the past 3 to 5 years, we have seen reinsurance rates on line drop. Over that time, the benefit in accuracy of using the more complicated technical pricing model over the ceded loss method dwindled. This year, Aon has made it standard practice to switch away from technical pricing because the market has changed and that model no longer provides improved accuracy.

Q. How was the net cost of reinsurance calculated?

A. The net cost of reinsurance can be thought of simply as the reinsurance premium paid by the insurance company less expected ceded losses recoverable by the insurance company from the reinsurer. However, there are two adjustments that need to be made.

The first adjustment stems from the standard practice of charging a “reinstatement premium” in the event of a ceded loss in a reinsurance treaty. If there is a big enough loss to trigger a payment from reinsurers, then the cedant must pay a “reinstatement premium” proportional to the size of the ceded loss in order for the full coverage of the reinsurance treaty to continue for the remainder of the reinsurance term. The reinstatement premium contributes to the net cost of reinsurance.

Second, reinsurance treaties typically cover loss adjustment expenses (LAE) that can be allocated to a catastrophe event. Assuming a 6% ratio of “catastrophe LAE” to catastrophe loss, we adjust all modeled loss events by a factor of 1.06. The factor of 1.06 was selected based on a review of LAE factors applied to catastrophe losses in AM Best SRQ submissions of Aon clients as shown in Exhibit RB-8C.

Finally, by simulating thousands of years of events, we determine the expected ceded losses and catastrophe LAE by layer as well as an expected reinstatement premium. Then, the net cost of reinsurance is simply deposit premium plus expected reinstatement premium less expected ceded losses and catastrophe LAE recoverable.

For the NCRB Homeowners filing, our analysis shows that expected premiums are \$716,770,269, expected recoverables are \$252,477,433, and the net cost of reinsurance is \$464,292,836, as shown on Exhibit RB-8E and the summary on Exhibit RB-8B. Allocation by territory is done using the method described above.

Q. Given your experience in catastrophe reinsurance, do you find this approach to be reasonable?

A. Yes. Our approach is based on detailed information on current reinsurance market rates and underlying model output.

Q. Do you know whether the Rate Bureau has used in its 2018 Homeowners filing the Aon net cost of reinsurance results you provided?

A. Yes, I am advised that the Rate Bureau has used in the filing both our statewide net cost of reinsurance results and those results allocated to the territory and policy form level.

Q. Are you aware of the provisions in the North Carolina statutes, in N.C.G.S. 58-36-10(7), that state:

Property insurance rates established under this Article may include a provision to reflect the cost of reinsurance to protect against catastrophic exposure within this State. Amounts to be paid to reinsurers, ceding commissions paid or to be paid to insurers by reinsurers, expected reinsurance recoveries, North Carolina exposure to catastrophic events relative to other states' exposure, and any other relevant information may be considered when determining the provision to reflect the cost of reinsurance.

A. Yes, I am.

Q. Do you have an opinion whether the analysis you and Aon have performed on behalf of the Rate Bureau on the net cost of reinsurance for this filing has taken into consideration the provisions of that statute?

A. Yes. Based on my experience with hurricane models and using modeled hurricane losses and my experience with catastrophe reinsurance and determining catastrophe reinsurance costs for rate filings, it is my opinion that the analysis we have performed on the net cost or reinsurance for this filing properly considers all of the items set out in that statute. Further, it is my opinion based on my experience in the actual marketplace that a reasonable and appropriate provision for the net cost of reinsurance must be incorporated into homeowners insurance rates in North Carolina in order for those rates to properly reflect and protect against the catastrophe exposure in this state.

Q. Do you have an opinion regarding the appropriateness of the net cost of reinsurance provision incorporated into this Homeowners filing?

A. Yes. Based on my experience with hurricane models and using modeled hurricane losses and my experience with catastrophe reinsurance and determining catastrophe reinsurance costs for rate filings, it is my opinion that the provision for the net cost of reinsurance in the filing, at the statewide, territory and policy form levels, is reasonable and appropriate.

Q. Does that conclude your testimony?

A. Yes.

North Carolina Rate Bureau
Support for Selected Reinsurance Structure

Attachment Points	All Perils Homowners			
	50/50 Blend			
213	1,000	20,939	Over the Top	11.0B
	500	16,331		
	250	11,911		
94	200	10,665	\$4.00B xs \$7.00B	7.0B
	100	7,236		
48	50	4,624	\$2.50B xs \$4.50B	4.5B
25	25	2,787	\$1.75B xs \$2.75B	2.8B
13	20	2,312	\$1.25B xs \$1.50B	1.5B
	15	1,783		
6	10	1,147	\$0.90B xs \$0.60B	0.6B
	5	437	Retention	
	Avg Annual	647		
	Std Dev	1,799		

in \$Millions

The table above shows the trended PML curve with Catastrophe LAE for the North Carolina Rate Bureau portfolio, along with the selected reinsurance program.

North Carolina Rate Bureau
Reinsurance Program Summary

Reinsurance Layer	Rate-On-Line	Deposit Premium	Expected Reinstatement Premium	Expected Total Premium	Expected Ceded Loss	Net Cost of Reinsurance
\$4.00B xs \$7.00B	3.03%	121	1	122	24	97
\$2.50B xs \$4.50B	5.20%	130	2	132	31	100
\$1.75B xs \$2.75B	7.30%	128	3	131	43	88
\$1.25B xs \$1.50B	11.28%	141	7	147	60	88
\$0.90B xs \$0.60B	18.73%	169	17	185	94	91
Total		688	29	717	253	464

Amounts are in millions of dollars

The table above shows indicated rates-on-line for the filing's reinsurance structure along with analysis of modeled catastrophe losses. Rate-on-Line values have been selected using the current Loss-On-Line approach, which is a benchmarking analysis done using reinsurance treaties placed by Aon.

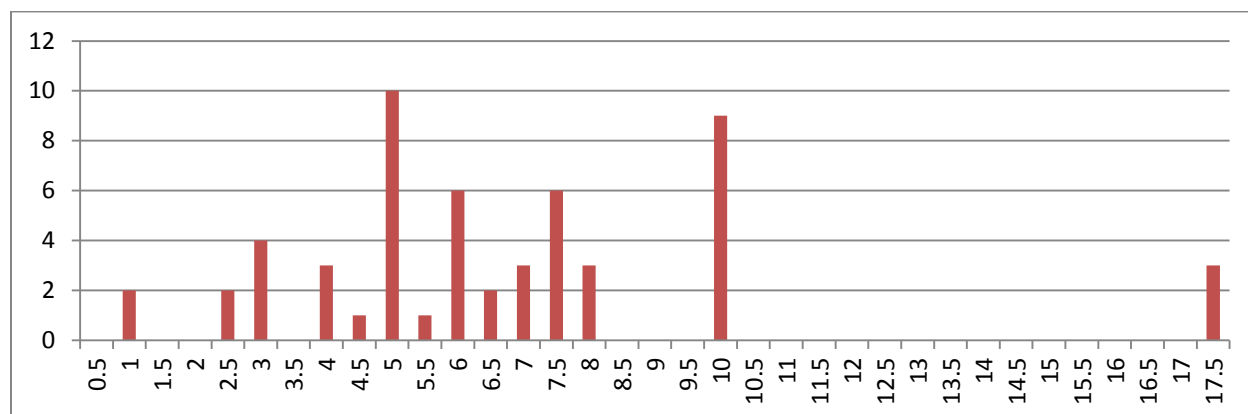
Deposit Premium is Rate-On-Line * Layer Limit

Expected Ceded Loss and Expected Reinstatement premium are the average annual amounts of each based on a simulation of catastrophe losses subject to the reinsurance program.

Expected Total Premium = Deposit Premium + Expected Reinstatement Premium

Net Cost of Reinsurance = Expected Total Premium – Expected Ceded Loss

North Carolina Rate Bureau
Support for Selected Catastrophe LAE Factor



This chart shows Catastrophe LAE factors applied to modeled catastrophe event losses in AM Best SRQ Submissions by Aon Benfield clients in 2016.

- Factors were rounded to the nearest 0.5
- A weighted average was used where factors varied by peril
- Multiple factors were counted where factors varied by company within a group
- Reflects all clients that included a provision for LAE

The mean factor is 6.8, the median is 6.0, and the mode is 5.0.

**North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2016
Homeowners
AIR v5.0 / RMS v18.0**

Peril	Territory	Layer 1 0.9B xs 0.6B		
		Premium	Ceded AAL	Reins Margin
		[1]	[2]	[3]
FF		0.0%	0.0%	0.0%
HU	110	8.1%	7.4%	8.8%
HU	120	7.3%	7.2%	7.5%
HU	130	1.9%	1.8%	2.1%
HU	140	19.0%	18.7%	19.2%
HU	150	4.2%	4.0%	4.4%
HU	160	3.7%	3.6%	3.9%
HU	170	0.1%	0.1%	0.1%
HU	180	3.0%	2.7%	3.2%
HU	190	0.9%	0.9%	1.0%
HU	200	0.5%	0.5%	0.5%
HU	210	0.8%	0.8%	0.9%
HU	220	1.9%	1.8%	2.1%
HU	230	0.7%	0.6%	0.7%
HU	240	2.2%	2.0%	2.4%
HU	250	0.9%	0.8%	0.9%
HU	260	0.5%	0.4%	0.5%
HU	270	6.9%	6.4%	7.5%
HU	280	0.9%	0.8%	0.9%
HU	290	0.8%	0.8%	0.9%
HU	300	0.2%	0.2%	0.2%
HU	310	2.6%	2.4%	2.8%
HU	320	1.3%	1.2%	1.4%
HU	330	0.0%	0.0%	0.1%
HU	340	3.8%	3.7%	3.9%
HU	350	0.7%	0.7%	0.7%
HU	360	1.0%	0.9%	1.1%
HU	370	0.0%	0.0%	0.0%
HU	380	0.1%	0.1%	0.1%
HU	390	0.1%	0.1%	0.1%
OW		18.0%	19.9%	15.9%
WT		7.8%	9.5%	6.1%

**North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2016
Homeowners
AIR v5.0 / RMS v18.0**

Peril	Territory	Layer 2 1.25B xs 1.5B		
		Premium	Ceded AAL	Reins Margin
		[1]	[2]	[3]
FF		0.0%	0.0%	0.0%
HU	110	6.7%	6.1%	7.1%
HU	120	8.2%	8.2%	8.2%
HU	130	1.8%	1.6%	1.9%
HU	140	21.8%	21.7%	21.8%
HU	150	4.2%	4.0%	4.4%
HU	160	4.3%	4.1%	4.5%
HU	170	0.1%	0.1%	0.1%
HU	180	3.3%	3.1%	3.5%
HU	190	1.1%	1.0%	1.1%
HU	200	0.6%	0.6%	0.6%
HU	210	1.0%	0.9%	1.0%
HU	220	2.5%	2.3%	2.6%
HU	230	0.8%	0.7%	0.8%
HU	240	2.6%	2.4%	2.8%
HU	250	1.1%	1.1%	1.2%
HU	260	0.6%	0.5%	0.6%
HU	270	9.0%	8.2%	9.5%
HU	280	1.2%	1.1%	1.2%
HU	290	1.0%	1.0%	1.1%
HU	300	0.3%	0.3%	0.3%
HU	310	3.4%	3.1%	3.6%
HU	320	1.6%	1.6%	1.7%
HU	330	0.1%	0.1%	0.1%
HU	340	4.4%	4.3%	4.5%
HU	350	0.8%	0.8%	0.8%
HU	360	1.0%	0.9%	1.0%
HU	370	0.0%	0.0%	0.0%
HU	380	0.1%	0.1%	0.1%
HU	390	0.1%	0.1%	0.1%
OW		13.0%	16.9%	10.2%
WT		3.3%	3.1%	3.5%

**North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2016
Homeowners
AIR v5.0 / RMS v18.0**

Peril	Territory	Layer 3 1.75B xs 2.75B		
		Premium	Ceded AAL	Reins Margin
		[1]	[2]	[3]
FF		0.0%	0.0%	0.0%
HU	110	5.6%	4.7%	6.0%
HU	120	8.8%	8.9%	8.7%
HU	130	1.6%	1.4%	1.7%
HU	140	23.4%	23.6%	23.3%
HU	150	4.1%	3.8%	4.2%
HU	160	4.7%	4.4%	4.8%
HU	170	0.1%	0.1%	0.1%
HU	180	3.4%	3.2%	3.5%
HU	190	1.2%	1.1%	1.2%
HU	200	0.7%	0.6%	0.7%
HU	210	1.0%	0.9%	1.0%
HU	220	2.8%	2.5%	2.9%
HU	230	0.9%	0.8%	0.9%
HU	240	2.8%	2.6%	2.9%
HU	250	1.3%	1.2%	1.4%
HU	260	0.6%	0.6%	0.6%
HU	270	10.2%	9.5%	10.6%
HU	280	1.4%	1.3%	1.4%
HU	290	1.2%	1.1%	1.3%
HU	300	0.3%	0.3%	0.3%
HU	310	4.1%	3.7%	4.3%
HU	320	2.0%	1.8%	2.0%
HU	330	0.1%	0.1%	0.1%
HU	340	5.0%	4.8%	5.2%
HU	350	0.9%	0.8%	0.9%
HU	360	1.1%	1.0%	1.1%
HU	370	0.0%	0.0%	0.0%
HU	380	0.1%	0.1%	0.1%
HU	390	0.1%	0.1%	0.1%
OW		8.9%	13.9%	6.5%
WT		1.7%	1.2%	2.0%

**North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2016
Homeowners
AIR v5.0 / RMS v18.0**

Peril	Territory	Layer 4 2.5B xs 4.5B		
		Premium	Ceded AAL	Reins Margin
		[1]	[2]	[3]
FF		0.0%	0.0%	0.0%
HU	110	5.1%	3.7%	5.5%
HU	120	9.2%	9.5%	9.0%
HU	130	1.5%	1.2%	1.6%
HU	140	24.4%	25.8%	24.0%
HU	150	3.9%	3.5%	4.1%
HU	160	4.9%	4.8%	5.0%
HU	170	0.1%	0.1%	0.1%
HU	180	3.4%	3.2%	3.5%
HU	190	1.2%	1.2%	1.3%
HU	200	0.7%	0.7%	0.7%
HU	210	1.0%	1.0%	1.0%
HU	220	3.0%	2.8%	3.1%
HU	230	1.0%	0.9%	1.0%
HU	240	2.9%	2.8%	3.0%
HU	250	1.4%	1.3%	1.4%
HU	260	0.6%	0.6%	0.6%
HU	270	11.1%	10.5%	11.3%
HU	280	1.5%	1.4%	1.6%
HU	290	1.3%	1.3%	1.4%
HU	300	0.3%	0.3%	0.3%
HU	310	4.7%	4.2%	4.9%
HU	320	2.2%	2.0%	2.2%
HU	330	0.1%	0.1%	0.1%
HU	340	5.1%	5.0%	5.1%
HU	350	0.8%	0.8%	0.8%
HU	360	1.0%	1.0%	1.0%
HU	370	0.0%	0.0%	0.0%
HU	380	0.1%	0.1%	0.1%
HU	390	0.0%	0.0%	0.0%
OW		6.1%	9.2%	5.1%
WT		1.1%	0.8%	1.2%

North Carolina Rate Bureau
Reinsurance Cost Allocation
CY 2016
Homeowners
AIR v5.0 / RMS v18.0

Peril	Territory	Layer 5		
		4.0B xs 7.0B		
		Premium	Ceded AAL	Reins Margin
		[1]	[2]	[3]
FF		0.0%	0.0%	0.0%
HU	110	4.4%	3.1%	4.7%
HU	120	9.5%	9.9%	9.4%
HU	130	1.4%	1.1%	1.5%
HU	140	25.5%	28.0%	24.9%
HU	150	3.7%	3.3%	3.8%
HU	160	5.1%	5.0%	5.1%
HU	170	0.1%	0.1%	0.1%
HU	180	3.4%	3.2%	3.5%
HU	190	1.3%	1.2%	1.3%
HU	200	0.7%	0.7%	0.7%
HU	210	1.1%	1.0%	1.1%
HU	220	3.2%	3.1%	3.2%
HU	230	1.0%	1.0%	1.0%
HU	240	3.1%	2.9%	3.2%
HU	250	1.5%	1.4%	1.5%
HU	260	0.7%	0.7%	0.7%
HU	270	12.1%	11.4%	12.3%
HU	280	1.7%	1.6%	1.7%
HU	290	1.5%	1.4%	1.5%
HU	300	0.4%	0.3%	0.4%
HU	310	5.2%	4.6%	5.4%
HU	320	2.3%	2.2%	2.4%
HU	330	0.1%	0.1%	0.1%
HU	340	5.1%	5.1%	5.1%
HU	350	0.8%	0.8%	0.7%
HU	360	0.9%	1.0%	0.9%
HU	370	0.0%	0.0%	0.0%
HU	380	0.0%	0.1%	0.0%
HU	390	0.0%	0.0%	0.0%
OW		3.4%	5.2%	3.0%
WT		0.8%	0.5%	0.8%

North Carolina Rate Bureau
 Reinsurance Cost Allocation
 CY 2016
 Homeowners
 AIR v5.0 / RMS v18.0

Exhibit RB-8E

Reinsurance Margin

Territory	Owners	Tenant	Condominium Unit Owners	Total
110	30,013,744	31,863	35,596	30,081,204
120	39,436,129	144,612	493,154	40,073,895
130	8,134,955	25,747	25,843	8,186,545
140	103,768,840	983,524	878,660	105,631,023
150	19,336,238	124,015	33,201	19,493,454
160	22,305,742	221,023	129,091	22,655,855
170	575,830	3,195	1	579,027
180	15,966,102	181,594	25,100	16,172,796
190	5,548,459	37,349	1,070	5,586,878
200	3,005,695	13,966	27	3,019,688
210	4,984,015	42,291	1,852	5,028,157
220	13,172,979	109,958	22,399	13,305,336
230	4,212,553	27,679	1,958	4,242,190
240	14,241,979	87,679	7,039	14,336,697
250	6,238,620	37,606	1,499	6,277,725
260	3,056,209	12,971	295	3,069,475
270	52,949,496	716,541	180,497	53,846,535
280	8,007,033	88,591	41,055	8,136,679
290	5,933,695	31,348	17,336	5,982,379
300	1,738,090	7,465	302	1,745,857
310	25,439,564	270,430	96,332	25,806,325
320	12,577,089	89,106	19,733	12,685,929
330	437,935	1,749	222	439,905
340	37,685,151	510,596	391,183	38,586,930
350	5,568,898	38,955	12,350	5,620,203
360	10,129,098	91,125	57,983	10,278,206
370	404,957	1,090	6,531	412,578
380	1,093,880	4,626	2,575	1,101,081
390	1,898,394	5,881	6,009	1,910,283
Total	457,861,369	3,942,574	2,488,893	464,292,836

**PREFILED TESTIMONY
OF
PAUL D. ANDERSON**

**2018 HOMEOWNERS INSURANCE RATE FILING BY THE
NORTH CAROLINA RATE BUREAU**

Q. Please state your name and business address.

A. My name is Paul D. Anderson. My business address is 15800 West Bluemound Road, Brookfield, WI 53005.

Q. By whom are you employed?

A. I am employed by Milliman, Inc. (Milliman) and have been employed by Milliman since February 1, 2007.

Q. What is your educational background?

A. I received a Bachelor of Science in Actuarial Science from Drake University in Des Moines, Iowa in 1993.

Q. Do you have any additional certifications or qualifications?

A. Yes. I have been a Fellow of the Casualty Actuarial Society since 2002. Since then, I have participated on several committees of the organization. I was on the Examination Committee of the Casualty Actuarial Society between 2004 and 2006. I served on the Volunteer Support Task Force from February 2012 until April 2013. I have been a member of the Volunteer Resources Committee since April 2013. I have also been a member of the American Academy of Actuaries since 2002, and meet all of the continuing education requirements of that organization as well as those of the Casualty Actuarial Society.

Q. What is your employment background?

A. I was employed by Allstate Insurance Company from June 1993 until January 2007. While at Allstate, I held various actuarial roles. I began my career as an Auto Pricing Analyst and over time, I assumed increasing responsibility in various departments that included Property Pricing, Auto Pricing, Property Research, and Auto Research. On the pricing teams, I assisted in developing rates for property and auto insurance products in most states across the country. On the research teams, I assisted in developing new property and auto risk classification plans to be implemented by Allstate's pricing teams. From 2006 until January 2007, I served as a Senior Manager for Allstate's Eastern region, which included

assisting in the oversight of the pricing strategies for approximately half the country, including North Carolina.

In February 2007 I began my career at Milliman. Since 2007 I have completed, managed, or overseen numerous property and auto pricing analyses for a variety of clients. My clients have included small single-state insurance companies, industry-leading national insurance companies, government entities, the North Carolina Rate Bureau, and other entities with similar coastal property exposure in states such as Florida and Texas. These client assignments have included such projects as pricing analyses to evaluate overall rate adequacy, predictive modeling assignments to develop new risk classification plans, and analyses of catastrophe losses to evaluate the adequacy and allocation of property premiums corresponding to catastrophe risk.

Q. What is Milliman?

A. Milliman is among the world's largest independent actuarial and consulting firms. Milliman was founded in Seattle in 1947 as Milliman & Robertson and today has offices in principal cities worldwide, covering markets in North America, Latin America, Europe, Asia and the Pacific, the Middle East, and Africa. Milliman employs more than 3,500 people, including actuaries and specialists ranging from clinicians to economists. The firm has consulting practices in employee benefits, financial services, healthcare, life insurance, and property and casualty insurance. Milliman serves the full spectrum of business, education, financial, governmental, union, and nonprofit organizations.

Q. What are your current responsibilities at Milliman?

A. I am responsible for managing and overseeing the personal lines and insurance-related predictive analytics portion of Milliman's Milwaukee Casualty practice. The personal lines and predictive analytics team conducts a variety of property and auto pricing, product development, and predictive modeling assignments, primarily for insurance companies. Over the last five years, we have completed property analyses for nearly every state in the country, including North Carolina.

Q. Were you engaged to provide actuarial services to the North Carolina Rate Bureau (the Rate Bureau) in relation to its 2018 homeowners rate filing?

A. Yes, I was.

Q. What was the scope of that engagement?

A. Milliman was engaged for several aspects of the 2018 homeowners rate filing. My role was to review the compensation for assessment risk provision and to conduct an independent review and provide feedback on the actuarial analyses underlying the filing. In these roles, I participated in many of the discussions in

which ISO presented the preliminary data to the Rate Bureau. In addition, my role also included participating in the Rate Bureau's Property Rating Subcommittee meetings in which the 2018 homeowners filing was discussed. During these discussions, I offered feedback and insights to assist in the subcommittee's selections and decisions related to this filing.

In addition to my role in this homeowners filing, Dr. David Appel of Milliman's New York office was also engaged to review the underwriting profit provision.

Q. Is your firm being compensated for this engagement?

A. Yes, it is.

Q. Is that compensation in any way contingent on the provision of favorable testimony in support of the proposed filing?

A. No, it is not.

Q. Have you completed your review of the 2018 homeowners rate filing?

A. Yes, I have.

Q. Were there any constraints placed on your review, such as limited or delayed access to data or limited time that may have hindered your complete review?

A. No, I was provided all the data and information that were necessary and I had adequate time for a complete review. My review was not limited in any way.

Q. What is the overall indicated change in homeowners rates in this filing?

A. This filing shows the need for an overall 26.1% statewide average rate increase. This includes a 26.8% change to owners rates, a 10.6% change to tenants rates, and a 12.9% change to condominium unit owners rates.

Q. Please describe the overall ratemaking methodology that underlies the filing.

A. The approach in this filing is generally consistent with prior homeowners filings submitted by the Rate Bureau. Consistent with the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* as published by the Casualty Actuarial Society, the indicated rates reflect the expected costs associated with insuring homeowners policies. These expected costs include claims, claim settlement expenses, operational and administrative expenses, and the cost of capital.

The statewide rate-level indications for homeowners policies are developed based on a loss cost methodology (instead of a loss ratio methodology). The indicated rate-level change is calculated for each segment (i.e., owners, tenants, and condominium unit owners) by comparing the required base rate per policy to the current base rate. The required base rate per policy is calculated by first projecting the losses and loss adjustment expenses for the policy period for which the filed rates are expected to be in effect. For the owners, tenants, and condominium unit owners forms, losses are projected excluding historical hurricane losses. In addition to the exclusion of those hurricane losses, the projected losses for owners forms are adjusted to remove excess wind losses and an excess factor is applied based on an average of the excess wind losses over more than 60 years of historical experience. Base class loss costs are calculated by dividing the adjusted incurred losses and loss adjustment expenses for each historical accident year by the corresponding earned house years and average rating factors. The base class loss costs by year are weighted together to develop a weighted trended non-hurricane base class loss cost. For each homeowners segment (owners, tenants, and condominium unit owners), a trended modeled hurricane base class loss cost and a provision for fixed expense per policy are also developed and added to the weighted trended non-hurricane base class loss cost to determine the total base class loss cost with fixed expense.

Following the development of the base class loss cost with fixed expense, other expected underwriting expenses associated with issuing homeowners insurance policies are incorporated to determine the required base rate per policy. These expected underwriting expenses include provisions for underwriting profit, contingencies, dividends, compensation for assessment risk, the net reinsurance cost per policy, and deviations. As mentioned above, the required base rate per policy is compared to the current average base rate to develop the overall statewide indicated rate-level change. This comparison of the required and current base rates is consistent with the *Statement of Principles* referenced above, is commonly used throughout the industry, and as such, is an actuarially sound method of developing an indicated rate-level change.

Q. Are there any changes in the ratemaking methodology compared to prior filings?

A. Yes. Although the 2018 homeowners filing is generally consistent with prior filings, there are a couple components of this filing that rely on different approaches as compared to the 2017 homeowners filing.

The first revised approach is that loss development factors are calculated separately for each policy form (i.e., owners, tenants, and condominium unit owners). In the 2017 homeowners filing, loss development factors were calculated for all policy forms combined. This change impacts the non-hurricane losses in the statewide and by-territory rate-level indications.

A second change in methodology in this homeowners filing is that the reinsurance costs are allocated to owners, tenants, and condominium unit owners based on information provided by Aon. By comparison, in the 2017 homeowners filing, the distribution of earned premium by policy form within each territory was used to allocate the reinsurance costs. This change impacts the statewide and by-territory net cost of reinsurance per policy, and it has a greater impact on the rate-level indications for the tenants and condominium unit owner forms than on the rate-level indications for the owners form.

Both of these updated approaches used to develop the statewide and by-territory rate-level indications are reasonable and actuarially sound.

Q. How are the expected losses determined?

- A. This filing uses five years of historical loss experience including accident years ending December 31, 2012 through December 31, 2016. Using five years of experience is consistent with North Carolina statutes and prior homeowners rate filings. It is also consistent with generally accepted ratemaking practices because the use of five years of historical experience balances stability of the overall rate level with responsiveness to the most recent conditions. Because severe weather-related events can cause volatility in the loss experience, hurricane losses and excess wind losses (for owners forms only) have been removed from the base loss experience. Each of the five years of losses has been developed to ultimate amounts and has been adjusted to a common \$1,000 deductible level for owners forms and a \$500 deductible level for tenants and condominium unit owners forms. Losses are developed to ultimate because the final incurred losses for an accident year are often different than initial loss estimates due to late-reporting of claims or as yet unknown settlement amounts on known claims.

After these initial adjustments, a provision for excess wind losses is applied to each accident year for the owners forms, and a provision for loss adjustment expenses is applied to each accident year for all homeowners forms. The excess loss factor of 1.068 for the owners forms in the filing is determined using ISO's standard excess wind procedure. This procedure evaluates historical non-hurricane wind experience back to 1950 to develop a ratio of the long-term average excess loss ratio to the long-term average normal loss ratio.

Following these additional adjustments, in order to reflect the expected change in costs, the losses are trended from the midpoint of each experience period to the midpoint of the trend period. Similar to prior homeowners filings, both external trend information and actual pure premium data are considered to select the loss trends. In this filing, additional adjustments are made to the owners and condominium unit owners loss trends based on the review of actual pure premium data. In reviewing external trends, the CoreLogic Residential Index

(successor to the Boeckh Residential Index) and the Modified Consumer Price Index are averaged together using an appropriate weight on each to develop the Current Cost Index. The weights used to combine the CoreLogic Residential Index and the Modified Consumer Price Index were updated in the 2017 homeowners filing and are unchanged with this filing. The Current Cost Index for each year is compared to the Current Cost Index for the trend period to determine Current Cost Factors for each accident year.

In addition to reflecting a loss trend, a premium trend is also determined by calculating Current Amount Factors for each accident year. The Current Amount Factors are developed by comparing the average policy amount relativity for each year to the comparable relativity for the trend period. The ratio of the Current Cost Factor and the Current Amount Factor is calculated for each year in order to apply a net trend (i.e., the net difference between the loss trend and premium trend) to each year's adjusted incurred losses.

In my opinion, all of the selections referenced above, including the excess loss factor, the loss adjustment expense factors, the loss trend factors, and the premium trend factors, are reasonable and actuarially sound.

After adjusting the losses for each of the items mentioned above, each year's trended losses and loss adjustment expenses are divided by the earned house years to determine the average trended loss cost. The average trended loss costs are multiplied by a Composite Projection Factor, which reflects the combined impact of a loss projection factor and premium projection factor. This Composite Projection Factor adjusts the loss costs to the policy period for which the filed rates are expected to be in effect. Those loss costs are converted to Trended Base Class Loss Costs by dividing by the Average Rating Factor applicable to each accident year. Finally, these base class loss costs are weighted together to develop a Weighted Trended Non-Hurricane Base Class Loss Cost. The weights applied to each accident year are consistent among all of the policy forms and assign more weight to the more recent years in order to be more responsive to the most recent loss experience.

In my opinion, the methodology used to develop average loss costs and the weights assigned to each of the homeowners policy forms are reasonable and are consistent with widely-used actuarial ratemaking practices.

- Q. In the previous response, you mentioned a loss adjustment expense provision. How are the homeowners provisions for loss adjustment expense determined?**
- A. The allocated and unallocated loss adjustment expenses are included with non-hurricane losses by applying a trended loss adjustment expense factor. Using information received from the Rate Bureau's data call for expense experience, loss adjustment expenses are summarized for calendar years 2012 through

2016. Consistent with prior homeowners filings, a three-year average is calculated after removing the highest and lowest ratio of expenses to losses. By excluding the highest and lowest ratios observed in the historical experience period, this methodology reduces the volatility in the average loss adjustment expense ratio that may result from variation in the underlying incurred losses from year to year. After the average loss adjustment expense ratio is calculated, it is adjusted to reflect the difference in the loss adjustment expense trend and the loss trend.

A separate provision for hurricane-related loss adjustment expenses is included in the modeled hurricane losses based on data and a recommendation provided by Aon.

Q. In your opinion, are the provisions for loss adjustment expenses reasonable?

A. Yes, the loss adjustment expense provisions are reasonable. It is common practice in the industry to use an average of historical experience to determine a loss adjustment expense provision, and it is reasonable to adjust that provision for expected differences in the loss adjustment expense trend and the loss trend.

Q. Is credibility considered in the rate-level indication?

A. Yes, credibility is considered. At the statewide level, based on the volume of data supporting the statewide rate-level indications, all three homeowners segments (owners, tenants, and condominium unit owners) are considered fully credible. The full credibility standards are 240,000 house years for owners, 285,000 house years for tenants, and 190,000 house years for condominium unit owners. When the territorial rate-level indications are calculated, partial credibility is determined using the square root rule and full credibility standards of 60,000 house years for owners, 75,000 house years for tenants, and 50,000 house years for condominium unit owners. The application of the square root rule is a long-standing actuarial methodology used throughout the industry.

Q. How is hurricane exposure reflected in each policy form's rate-level indication?

A. Similar to the Rate Bureau's prior homeowners filing, this filing reflects hurricane exposure in each of the owners, tenants, and condominium unit owners sections of the rate-level indication by using modeled hurricane losses rather than actual hurricane loss experience. Although there are actual hurricane losses in the experience period, the hurricane and excess wind losses have been removed from the base loss experience, as noted in my comments above. Actual hurricane losses have a significant amount of variability even when evaluating twenty or more years of historical loss experience in a state. As such, it is universally accepted by the property and casualty insurance industry that

hurricane models provide the most reliable basis of determining anticipated average annual hurricane losses over an extended time period. Hurricane models can be used to simulate 100,000 or more years of events, which provides a broader perspective on potential insured losses as compared to only evaluating the last several decades of losses. This broader perspective provides a more reliable estimate of the average frequency and severity of insured hurricane losses. Similarly, it provides a more reliable estimate of the frequency and severity of rare, but very severe events that may not have occurred within the last 100 years of recorded history, but have the potential to occur next year.

Q. How is the provision for expected hurricane losses different from prior homeowners rate filings?

A. The provision for average annual hurricane losses in this filing is consistent with the prior homeowners filing in that expected hurricane losses are developed through the use of hurricane models of two independent catastrophe modelers. It is my understanding that, prior to the 2017 homeowners filing, all prior Rate Bureau homeowners filings containing a provision for modeled hurricane losses included estimated hurricane losses that were developed by AIR Worldwide (or its predecessor). With this filing (and previously in the 2017 homeowners filing), in addition to relying on AIR's hurricane model, the Rate Bureau also relied upon hurricane losses derived from the RMS (Risk Management Solutions) hurricane model. To facilitate the use of two hurricane models, the Rate Bureau retained Aon to run both models and to develop modeled hurricane losses using the blended results of these two models. I reviewed the exposure data provided as input to each model, and it is my opinion that the data was reasonable and consistent with other sections of this filing. I am also familiar with the assumptions selected as inputs to each model, and it is my opinion that the assumptions were applied consistently in both the AIR and RMS models such that the resulting output of both models are comparable. However, because Aon ran both models, I am relying on the work and opinions of Aon as it relates to specific details about the modeling process. The reliance on Aon to run both models and to develop modeled hurricane losses using the blended results of these two models is consistent with the prior homeowners filing.

The Rate Bureau requested that Aon combine the results of the two hurricane models by averaging the results from each model. This approach of giving equal weight to each model is intuitive, easy to understand, and the most reasonable method of blending two hurricane models. This blending approach (i.e., averaging) is also a common practice among insurance companies that consider multiple hurricane models. Based on my review of the blended model results, it is my opinion that the resulting hurricane losses reflected in this filing are reasonable and can be relied upon for the various purposes for which modeled hurricane losses are used in this filing. Additionally, since both models are equally credible, it is also my opinion that assigning equal weight to each model

is the most reliable blending method and the most actuarially sound manner to consider two hurricane models.

Q. What model versions and modeling assumptions were used to develop estimated hurricane losses?

- A. The current AIR model is Touchstone v5.0 and the current RMS model is RiskLink v18.0. To develop the expected hurricane losses, Aon relied on AIR's Standard event set and on RMS' Historical event set. These event sets were used instead of AIR's Warm Sea-Surface Temperature (WSST) event set and RMS' Medium-Term Rate event set. Although many primary insurance companies consider the WSST and Medium-Term Rate events sets when developing expected hurricane losses for indicated rates in states other than North Carolina, the event sets selected for this filing are reasonable and actuarially sound.

Both the AIR and RMS models were run with aggregate demand surge included, which was identified as loss amplification in the RMS model. This standard procedure accounts for the expected additional cost for labor and materials after a very large hurricane occurs. Historical experience shows that, when major catastrophic events occur, the increased demand for building materials, labor, temporary housing, and other basic necessities can exceed the supply of these same items, which consequently increases their cost. Running models with demand surge is consistent with the Rate Bureau's prior homeowners filings, and is the common practice by insurance companies when developing rates based on modeled hurricane losses. Although the demand surge component of each model was used in this filing, the storm surge component of each model was not used to develop hurricane losses.

Q. Were any other calculations applied to the hurricane losses derived from the models?

- A. Yes. Before providing the blended hurricane losses, Aon trended the modeled hurricane losses and applied a hurricane-specific provision for loss adjustment expense. After Aon provided the trended modeled hurricane losses (including LAE), ISO calculated a Trended Modeled Hurricane Base Class Loss Cost for each segment. The Trended Modeled Hurricane Base Class Loss Costs have been adjusted for LAE and trend in a consistent manner as the Weighted Trended Non-Hurricane Base Class Loss Costs.

Q. How is the provision for commission and brokerage determined?

- A. The provision for commission and brokerage is determined based on the three-year average of the ratio of homeowners commission and brokerage expense relative to homeowners written premium including deviations. Deviations are included in the premium amounts underlying this calculation to be consistent with

the actual calculation of commission and brokerage amounts paid by individual companies within the industry.

Q. In your opinion, is the provision for commission and brokerage reasonable?

A. Yes, the commission and brokerage provision is reasonable. It is common practice in the industry to use a three-year average to determine a commission and brokerage provision.

Q. How is the provision for taxes, licenses, and fees determined?

A. The provision for taxes, licenses, and fees is determined based on the three-year average of the ratio of homeowners taxes, licenses, and fees expense relative to homeowners written premium including deviations. Deviations are included in the premium amounts underlying this calculation to be consistent with the actual calculation of taxes, licenses, and fees paid by individual companies within the industry.

Q. In your opinion, is the provision for taxes, licenses, and fees reasonable?

A. Yes, the taxes, licenses, and fees provision is reasonable. It is common practice in the industry to use a three-year average to determine a taxes, licenses, and fees provision.

Q. How is the provision for other acquisition expense determined?

A. The provision for other acquisition expense is determined based on the three-year average of the ratio of homeowners other acquisition expense relative to homeowners earned premium excluding deviations.

The three-year average provision is then trended from the midpoint of the experience period to the midpoint of the trend period based on an expense trend derived from cost indices. Following this, the trended other acquisition expense provision is added to the trended general expense provision and applied to the statewide average homeowners premium (adjusted for premium trend) to develop an average all-forms fixed expense load. This all-forms fixed expense load is allocated to each policy form based on a relativity of 1.00 for owners and a relativity of 0.50 for tenants and condominium unit owners. The average fixed expense load for each policy form is then adjusted to the base class level by dividing by each policy form's average rating factor, current amount factor, and premium projection factor. The resulting amounts are the fixed expense amounts per policy for each policy form.

Q. In your opinion, is the provision for other acquisition expense reasonable?

- A. Yes, the other acquisition expense provision is reasonable. It is common practice in the industry to use a three-year average to determine an other acquisition expense provision, and to trend fixed expense provisions to account for inflation.

Q. How is the provision for general expense determined?

- A. The provision for general expense is determined based on the three-year average of the ratio of homeowners general expense relative to homeowners earned premium.

The three-year average provision is then trended from the midpoint of the experience period to the midpoint of the trend period based on an expense trend derived from cost indices. As noted above, the trended general expense provision is added to the trended other acquisition expense provision. This sum is applied to the statewide average trended homeowners premium, allocated to each policy form, and adjusted to the base class level to develop the fixed expense amounts per policy for each policy form.

Q. In your opinion, is the provision for general expense reasonable?

- A. Yes, the general expense provision is reasonable. It is common practice in the industry to use a three-year average to determine a general expense provision, and to trend fixed expense provisions to account for inflation.

Q. Is a provision for policyholder dividends included in the filing?

- A. Yes, the Rate Bureau reviewed historical data and developed a provision for expected policyholder dividends. The Rate Bureau evaluated five years of historical experience and selected a provision for policyholder dividends to be 0.40% based on a five-year average ratio of the total policyholders dividends issued by homeowners insurers in North Carolina to the total direct written premium of those same companies.

The Actuarial Standard of Practice (ASOP) No. 29 regarding *Expense Provisions in Property/Casualty Insurance Ratemaking* states the following:

The Statement of Principles Regarding Property and Casualty Insurance Ratemaking of the Casualty Actuarial Society (CAS) classifies policyholder dividends as an expense to operations. When the actuary determines that policyholder dividends are a reasonably expected expense and are associated with the risk transfer, the actuary may include a provision in the rate for the expected amount of policyholder dividends. In making this determination, the actuary should consider the following: the company's dividend payment history, its current dividend policy or practice, whether dividends are related to loss

experience, the capitalization of the company, and other considerations affecting the payment of dividends.

As stated in ASOP NO. 29, policyholder dividends are classified as an operating expense. In addition to the above excerpt from the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking*, the Statement also articulates that indicated rates should reflect the expected costs associated with insuring homeowners policies, including all operating expenses. As such, since policyholder dividends are classified as an operating expense, it is consistent with the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* and ASOP No. 29 to include a provision for policyholder dividends in the proposed rates reflected in this filing.

Q. In your opinion, is the provision for policyholder dividends reasonable?

- A. Yes, the policyholder dividends provision is reasonable. It is reasonable and actuarially sound to calculate a five-year average ratio to determine a provision for policyholder dividends, and to treat this provision in a similar manner as a variable underwriting expense.

By reviewing five years of historical experience to determine a provision for policyholder dividends, the Rate Bureau is complying with the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* by considering the dividend payment history and ensuring that the selected provision is a reasonably expected expense.

Q. Is a contingency provision included in the filing?

- A. Yes, the Rate Bureau is including a 1% contingency provision in this filing. This is consistent with the prior homeowners rate filings submitted by the Rate Bureau.

In addition to being consistent with prior Rate Bureau filings, the use of a contingency provision is common within the property and casualty insurance industry. According to the *Actuarial Standard of Practice No. 30: Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*, “the actuary should include a contingency provision if the assumptions used in the ratemaking process produce cost estimates that are not expected to equal average actual costs, and if this difference cannot be eliminated by changes in other components of the ratemaking process.” There are several reasons why expected cost estimates may not be equal to actual costs. Some of these reasons include adverse court decisions, extension of coverage for unforeseen or unintended exposures, regulatory delay or reduction in filed rate changes, and unexpected large losses not sufficiently recognized in the normal ratemaking process. Based on reasons such as those listed above, the Rate Bureau believes a contingency provision is appropriate and necessary.

Included with this filing as Exhibit RB-10 is an exhibit I prepared that summarizes the estimated impact of delays in the filing process within the State of North Carolina. The delay in filed rate changes, whether caused by the regulatory review process or other delays inherent in the filing process, is one of several items listed above that supports the use of a contingency provision in a rate-level indication. Exhibit RB-10 lists the ten property rate filings submitted by the North Carolina Rate Bureau between 2008 and 2018. For each filing, I compare the effective date assumed in the rate filing to the actual effective date. This difference, which reflects the delay due to the filing process, ranges from 1 month in the 2012 homeowners filing, to 22 months in the 2011 dwelling filing. After determining the length of delay for each filing, I apply the net trend (i.e., the loss trend offset by the premium trend) in that filing for the number of months of delay to determine the estimated impact of the delay in the filing process on the overall rate level. The estimated impact of delay varies across the ten filings, ranging from -1.2% in the 2018 dwelling filing to +5.9% in the 2008 MH(C) mobile homeowners filing, with an average impact of +1.2%.

Based on prior filings submitted by the North Carolina Rate Bureau, my experience with property filings submitted by insurance companies in other states, and the 1.2% estimated impact of delays in the North Carolina filing process, it is my opinion that a 1% contingency provision is reasonable, consistent with common actuarial practice, and appropriate based on fundamental actuarial principles.

Q. Are you providing expert testimony concerning the underwriting profit provision?

A. No, I am relying on the work and opinions of Dr. Vander Weide and Dr. Appel as to the underwriting profit provision. The scope of my analysis and testimony relates to other aspects of the proposed rate filing.

Q. Earlier you said that one of your roles related to this filing was to review the compensation for assessment risk provision. Can you please explain this issue?

A. Yes. There is considerable risk to primary insurers that is attributable to the exposures written in the North Carolina Insurance Underwriting Association (i.e., the Coastal Property Insurance Pool, or "Beach Plan") and the North Carolina Joint Underwriting Association (i.e., the FAIR Plan). Together, the Beach Plan and FAIR Plan serve as the "residual market" for residential property insurance in North Carolina. These two entities provide property insurance when policyholders are unable to purchase insurance coverage from companies in the voluntary market. In states with significant exposure to catastrophic events, property insurance residual markets may grow to represent a sizable portion of the total insured risk in the exposed regions of the state. In North Carolina, the

Beach Plan has become the predominant writer of homeowners insurance in the 18 coastal counties that it covers.

Similar to voluntary insurance companies, the Beach and FAIR Plans use the premiums collected from policies they issue to fund the losses and expenses attributable to the coverages they insure. When premiums are greater than losses and expenses during a fiscal year, the Beach and FAIR Plans accumulate surplus. That surplus is available to pay losses in the event that future losses and expenses exceed collected premiums plus investment income. However, if the surplus of either the Beach Plan or FAIR Plan is exhausted, then additional losses are passed through to property insurers in North Carolina in the form of an assessment. The potential overall industry assessment from the Beach Plan is limited to \$1 billion, but the potential assessment from the FAIR Plan is unlimited. If losses in the Beach Plan exceed the retained surplus, the \$1 billion industry assessment, and any other resources of the Beach Plan (such as reinsurance), any additional losses are passed through directly to residential property insurance policyholders in North Carolina.

This risk of potential assessment by the Beach Plan or FAIR Plan on property insurers in North Carolina requires that insurance companies be compensated for the additional risk to their capital. To quantify this risk, I have applied a procedure developed by Milliman to incorporate a provision in the homeowners rates that compensates insurers for that risk.

Q. Can you please explain the procedure you applied?

- A. Yes. The methodology developed by Milliman to quantify the compensation for assessment risk involves two steps. The first step is to calculate the magnitude of the exposure itself, and the second step is to determine the fair compensation to be paid to insurers for being required to bear that risk.

To quantify the magnitude of the exposure, it was necessary to estimate the expected value of the assessments on insurers arising from catastrophic losses incurred by the Beach Plan or FAIR Plan. Because an assessment on insurers results only after either the Beach or FAIR Plan has exhausted other resources available to pay losses, I needed to determine the likelihood of that occurring as well as the amount by which the losses exceed those other resources. As such, I obtained information from the Beach and FAIR Plans regarding the reinsurance programs in place for the 2018 storm season, along with assumptions of each plan's accumulated surplus available for the season. The accumulated surplus and available reinsurance represent the "other resources" that are available to pay for hurricane losses during the 2018 storm season. I then obtained the AIR and RMS hurricane model runs used by the Beach and FAIR Plans, and evaluated the estimated losses corresponding to each event simulated by the models. For each modeled loss, I determined the amount of loss that would be covered by reinsurance and the remaining losses that would be funded either

from the plans' accumulated surplus, through assessments on property insurers in the state, or ultimately through assessments on North Carolina property insurance policyholders. I subtracted the accumulated surplus of the Beach and FAIR Plans from the losses remaining after reinsurance, limited the assessable losses due to Beach Plan exposures to \$1 billion, and calculated the average assessment on property insurers across all events simulated by the models. This average assessment on property insurers is equal to the expected value of the losses that would be funded through assessments on North Carolina property insurers.

As noted above, this calculation produces a measure of the magnitude of the exposure. That is, it represents the risk to insurers' capital that is associated with the exposure to Beach or FAIR Plans assessments. The second step in Milliman's analysis is to develop a method of measuring the fair compensation to insurers for bearing this risk.

Q. Can you please explain how you measured the compensation for bearing this risk?

A. Yes. To measure the fair compensation for bearing this risk, I relied on publicly-available data that quantifies the market price of catastrophe risk, taken from recently-issued insurance linked securities. Insurance linked securities (ILS) are securities such as bonds, which have conditional payoffs that are very similar to reinsurance. Investors purchase these securities at significant yield premiums compared to risk-free bonds because the investors are exposed to loss of principal and interest if certain "insured events" occur.

Q. What kind of data is available and how is this information used to determine the compensation for assessment risk?

A. Lane Financial, LLC is a firm that specializes in the analysis of insurance linked securities. In March of each year, Lane publishes a table of data that summarizes a variety of information that can be used to evaluate the fair compensation for bearing catastrophe risk. For each ILS in the table, Lane publishes the following data: the yield on the security; the excess return over the risk-free rate; the probability that the security will suffer a loss; and the expected value of loss anticipated on the security. These data elements provide the foundation for my analysis of the proper compensation for bearing the risk of Beach or FAIR Plan assessments.

Before describing the mechanics of the analysis, I will first define several terms that will prove useful in this discussion.

- The "*yield spread*" is simply the difference between the yield on a particular ILS and the risk-free rate. If a \$100 million bond is issued with a yield spread of 10%, this implies that the insurer issuing the bond would pay \$10 million in

interest in excess of the risk-free rate to encourage investors to purchase such a security.

- Now assume that the distribution of hurricane losses is such that, based on the probability and amount of potential hurricane losses, an investor would anticipate having an average loss of \$2 million per year. This amount is identified as the “*expected loss*.”
- Since the investor in this example receives compensation of \$10 million in excess of the risk-free rate for bearing the risk of loss, the “*expected profit*” to the investor is \$8 million (i.e., \$10 million in interest in excess of the risk-free rate minus \$2 million of expected losses).
- Finally, I define a term known as the “*profit multiple*,” which is the ratio of expected profit to expected loss. In the above example, the profit multiple would be \$8 million of expected profit divided by \$2 million of expected loss, or a profit multiple of 4.0.

The profit multiples derived from insurance linked securities provide an estimate of the compensation that investors require to bear catastrophe risk, in that they tell us what investment returns are required in order to take on the risk of loss from a catastrophic event. One particularly important feature of this metric is that it is a measure of compensation per dollar of expected loss. As a result, because the first step of my analysis determines the expected value of losses that would be funded through assessments, the profit multiple can be applied to those expected values to develop an estimate of the fair compensation for bearing such risk. This is the measure of risk I rely upon in evaluating the fair compensation for property insurers whose capital is exposed to Beach or FAIR Plan assessments.

Q. Generally speaking, which insurance linked securities have larger risk premiums and higher profit multiples?

- A. For exposures such as catastrophic events, securities that have a lower probability of incurring a loss have greater volatility and as a result, have larger risk premiums. Securities with larger risk premiums have a larger ratio of expected profit to expected loss and as such, have higher profit multiples.

Q. Have you developed any exhibits that summarize the calculations used to develop the fair compensation to insurers for bearing the risk of Beach Plan or FAIR Plan assessments?

- A. Yes. Exhibit RB-11 contains ten pages of information required to develop the fair compensation for bearing Beach and FAIR Plan assessment risk.
- *Page 1* of Exhibit RB-11 shows a summary of the Beach Plan’s reinsurance program, and *Page 6* shows a similar summary of the FAIR Plan’s reinsurance program. These summaries include the various layers of reinsurance purchased and the coverage levels within those layers.

- *Page 2* shows the curve I fit to the ILS profit multiples based on all catastrophe-related securities issued in the last ten years. This exhibit also includes the equation of the fitted curve, which can be used to determine the average profit multiple for any layer to which insurer capital is exposed.
- *Pages 3 and 7* display the profit multiples calculated for each layer of the Beach and FAIR Plan's loss distributions, based on the equation shown on Page 2. In order to determine the fair compensation to voluntary insurers for bearing the risk of assessments, I need to determine which layers contain losses that will be funded by assessments, as well as the corresponding expected losses within those layers. The profit multiples can then be applied to the expected losses to determine the appropriate compensation per dollar of expected loss in each layer.
- *Pages 4 and 8* illustrate how potential losses for the Beach Plan Residential Account and FAIR Plan are funded. (The Beach Plan determines losses and assesses voluntary insurers separately for each account, while the FAIR Plan has only one account.) Because of the \$1 billion limit on Beach Plan assessments, any amounts needed to pay claims in excess of the assessable amounts are to be collected through surcharges on property insurance policyholders statewide.

For each event simulated by the hurricane models, losses are separated by account (Beach Plan Residential, Beach Plan Commercial, and FAIR Plan). Then, the losses for each account are divided into layers based on the source of funding for those losses – Beach or FAIR Plan surplus, assessments on voluntary insurers, private reinsurance, and ultimately any additional amounts in the Beach Plan to be covered by policyholder surcharges. Finally, the losses associated with each event are accumulated in each of the loss layers to determine expected values.

- Although Pages 4 and 8 illustrate the funding of potential losses within each layer, the purpose of my analysis is to determine the fair compensation for the risk of assessments on private insurers. As such, the analysis must take into account the probability of losses occurring within each layer and the expected value of losses that will be borne by private insurers. *Pages 5 and 9* of Exhibit RB-11 provide that analysis. They show the expected value of the losses that would be covered by the Beach Plan Residential and FAIR Plan accounts, and the average annual amount of those losses that would be assessed to private insurers. Pages 5 and 9 also display the average profit multiples associated with each layer of the loss distribution, and the product of the indicated profit multiples times the expected losses within each layer. The sum of those values is the indicated compensation for assessment risk for each account.

- The final step in my calculation is to determine the appropriate provision to be included in the homeowners rates to compensate insurers for the risk of Beach Plan or FAIR Plan assessments. This provision, expressed as a percent of premium, is developed on *Page 10* of Exhibit RB-11. Since assessments for Beach or FAIR Plan losses are applied to all property insurance lines in the state, the bottom table on Exhibit RB-11, Page 10 shows the development of a charge that will produce an amount of revenue equal to the total required compensation of \$89.23 million. As shown on this exhibit, that charge amounts to 2.8% of total property insurance premium in the state.

Q. In your opinion, is it appropriate to include a 2.8% provision for the compensation for assessment risk in homeowners rates in North Carolina?

A. Yes. Insurance companies writing homeowners policies in North Carolina are exposed to the risk of Beach Plan or Fair Plan assessments as a result of writing voluntary market property insurance in the state. As such, those insurance companies are entitled to receive fair compensation for bearing that risk and it is appropriate to include that compensation in the homeowners rates. The model Milliman has developed relies on a widely-accepted measure of compensation to determine a provision that will fairly reward insurers for bearing this additional risk to their capital.

Q. Earlier, when describing the overall ratemaking methodology that underlies this filing, you said that the expected underwriting expenses include a provision for the net reinsurance cost per policy. Can you please explain this issue?

A. Yes. Homeowners insurance is one of several types of coverages that has exposure to potential catastrophic events. In such coverages (homeowners, mobile homeowners, and other property coverages), individual catastrophic events can result in significant losses that exceed the amount of liability the typical insurer can reasonably assume for solvency and financial stability considerations. As a result, in these lines of business, insurers routinely purchase reinsurance to mitigate their exposure to extreme events. In order to accurately reflect the expected costs associated with insuring property policies, as discussed in the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking*, it is appropriate to include the cost of this reinsurance in the ratemaking process for these lines of insurance.

Q. In your opinion, is it appropriate to include a provision for the net reinsurance cost per policy in homeowners rates in North Carolina?

A. Yes. Insurance companies writing homeowners policies in North Carolina incur a significant cost for bearing the risk of properties exposed to catastrophic events. Regardless of whether the risk of catastrophic losses is retained by the primary

insurer or transferred to a reinsurer, the market cost of bearing that risk must be included in the rates. This is a foundational actuarial principle included in the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* and is a legitimate cost of the risk transfer inherent in the purchase of property insurance. As such, the net reinsurance cost per policy should be included in the North Carolina homeowners rates.

Q. How does this filing reflect the net reinsurance cost per policy?

A. For many years, the Rate Bureau has included a provision for the net reinsurance cost per policy. To support this filing, the Rate Bureau has engaged Aon, the world's largest reinsurance broker, to develop the provision for the net reinsurance cost per policy. It is my understanding that Aon was retained by the Rate Bureau based on their ability to access relevant data and experience from the reinsurance market, their expertise with catastrophe-related issues, and their prominence with respect to the reinsurance industry. This is consistent with the previous homeowners rate filing submitted by the Rate Bureau.

Q. In your opinion, is it appropriate to allocate reinsurance costs within North Carolina in a way that is proportional to risk?

A. Yes. The risk associated with insuring properties exposed to catastrophic events varies geographically within North Carolina. As such, the cost for bearing that risk should be allocated proportional to the measurement of risk. In its analysis of reinsurance costs for this filing, Aon provides the statewide provision for the net reinsurance cost per policy and also allocates the reinsurance costs to each policy form and each territory. This allocation is appropriate and consistent with the objective of producing rates that are fair, reasonable, and not unfairly discriminatory across policyholders.

Q. Are you providing expert testimony concerning the development of the net cost of reinsurance provision?

A. No, I am relying on the work and opinion of Aon as to the development of the net cost of reinsurance provision.

Q. Is a provision for deviations included in the filing?

A. No, the Rate Bureau reviewed historical data and considered whether to apply a provision for deviations, but elected not to include one in this filing.

Q. Does the filing review the rate-level adequacy by territory?

A. Yes. With this filing, the Rate Bureau developed indicated rate-level changes by territory using a similar methodology as the statewide indication. A base loss cost is calculated for each territory using the historical loss experience. In

addition, a credibility value is assigned to each territory for each policy form based on the number of house years underlying each loss cost. As mentioned earlier, for territorial ratemaking, the full credibility standards are 60,000 house years for the owners forms, 75,000 house years for the tenant form, and 50,000 house years for the condominium unit owners form. Using the credibility for each territory, a Credibility-Weighted Base Loss Cost is determined by territory. Additional calculations are applied to each territory to reflect expenses, dividends, and reinsurance in a similar manner as applied at a statewide level. The result of these calculations is an Indicated Rate-Level Change by territory.

In my opinion, the methodology used to develop the indicated rate-level change by territory and by policy form is reasonable and is consistent with widely-used actuarial ratemaking practices.

Q. Does the filing review the wind exclusion credits and wind mitigation credits?

- A. Yes. Based on the indicated rates by territory (for Territories 110 to 160) and by policy form that are being proposed with this filing, the wind exclusion credits and wind mitigation credits are being updated in a corresponding manner. Using the underlying formula for the statewide rate-level indication, an adjustment is made to the appropriate components of the indication formula to reflect the non-wind losses as a percent of the total losses. The indicated non-wind rate is subtracted from the indicated overall rate to determine the indicated wind exclusion credit for each territory. For those territories where the proposed rate is less than the indicated rate, the wind exclusion credit is similarly reduced such that the resulting non-wind rate remains consistent with the indicated non-wind rate. The wind mitigation credits for Territories 110 to 160 are being revised in a manner proportional to the wind exclusion credits.

In my opinion, the methodology used to develop the revised wind exclusion credits and wind mitigation credits is reasonable and is consistent with widely-used actuarial ratemaking practices.

Q. Does the filing review the wind-only rates?

- A. Yes. Based on the indicated wind exclusion credits by territory (for Territories 110 to 160) and by policy form that are being proposed with this filing, the wind-only rates are also being updated in a corresponding manner. Using the proposed wind exclusion credits by territory, a fixed expense component is added to each credit to develop the proposed wind-only rates.

In my opinion, the methodology used to develop the revised wind-only rates is reasonable and is consistent with widely-used actuarial ratemaking practices.

Q. What is the difference between the indicated rate level and the filed rate level?

A. The indicated rate level is the actuarially sound and correct rate level for each territory and each policy form. It is the indicated rate change by territory that is needed to sufficiently cover the expected losses and expenses while still providing a fair and reasonable profit. The indicated rate level is also the rate level that complies with the statutory requirement that rates not be excessive, inadequate, or unfairly discriminatory.

For owners forms, the statewide indicated rate-level change is 26.8%. Due to differences by territory in historical loss experience, modeled hurricane losses, and other expenses, the indicated change by territory varies throughout the state. For many of the western territories, the indicated change is less than 26.8%, but for several of the territories closer to the coast, the indicated change is greater than 26.8%. In contrast to this, the statewide indicated rate-level changes for tenants and condominium unit owners are 10.6% and 12.9%, respectively, and similar to the owners forms, the indicated changes by territory vary across the state.

In order to mitigate the impact of these indicated rate changes on policyholders, the Rate Bureau has filed rates that reflect a cap on the changes by territory for each policy form. The filing proposes to cap the rate changes by territory at 20%, 25%, or 30% for owners forms, depending on the magnitude of the indicated territorial rate change. For tenants and condominium unit owners forms, the filing proposes to cap the rate changes by territory at 5%, 10%, or 15%, depending on the magnitude of the indicated territorial rate change. This capping results in an overall statewide rate-level change of 17.4% instead of the indicated rate-level change of 26.1%.

In my opinion, the Rate Bureau's selected by-territory caps of 20% to 30% for owners forms and 5% to 15% for tenants and condominium unit owners forms is reasonable and is an effective strategy to mitigate the impact of this filing on policyholders in those territories with the highest indicated rate changes. However, for those territories that are impacted by the cap (i.e., their indicated rate changes are greater than 20% or 5%), it should be noted that the proposed rates in those territories will continue to be inadequate.

Q. I understand that you are not providing an opinion concerning the underwriting profit (profit) provision or the development of the net cost of reinsurance (NCOR) provision. If I ask you to assume that the provisions for profit and NCOR are reasonable and actuarially sound, then in your opinion, is the overall rate-level indication shown in the homeowners filing by the North Carolina Rate Bureau reasonable?

- A. Yes, if I assume that the provisions for profit and NCOR are reasonable, then in my opinion, the overall homeowners rate-level indication shown by the Rate Bureau, and the rate-level indications for each policy form, are reasonable and actuarially sound.
- Q. Again, assuming that the provisions for profit and NCOR are reasonable, do you have an opinion whether the proposed rates, as capped in the filing, reasonably provide for the expected costs for homeowners insurance in North Carolina?**
- A. If I assume that the provisions for profit and NCOR are reasonable, then in my opinion, the proposed rates in this filing reasonably reflect the expected costs for homeowners insurance. However, in those territories where the Rate Bureau has capped the rates in this filing to mitigate the impact on affected policyholders, the proposed rates do not reflect all expected costs. The expected costs that can be quantified by the difference between a territory's indicated rate change and its capped rate change are not being reflected in the proposed rates.
- Q. Assuming that the provisions for profit and NCOR are reasonable, in your opinion, are the proposed homeowners rates not excessive, inadequate, or unfairly discriminatory?**
- A. If I assume that the provisions for profit and NCOR are reasonable, then in my opinion, the proposed homeowners rates in this filing are not excessive or unfairly discriminatory. Similarly, the rates in those territories unaffected by the proposed cap are not inadequate; however, in those territories where the Rate Bureau is proposing to cap the effect of this filing, the proposed rates continue to be inadequate by the difference between the indicated rate change and the capped rate change.
- Q. Does this conclude your testimony?**
- A. Yes, it does.

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

Development of the Estimated Impact of Delay in Rate Filing Process

NCRB Rate Filing	Policy Type / Coverage	Premium Weight	(1)	(2)	(3)	(4)	(5)
			Assumed Effective Date	Actual Effective Date	Selected Loss Trend	Selected Premium Trend	Estimated Impact of Delay in Filing Process
2018 Dwelling	Fire	\$102,088,428	6/1/18	2/1/19	0.2%	2.3%	-1.3%
	EC	187,663,877	6/1/18	2/1/19	0.4%	2.1%	-1.1%
	Total	\$289,752,305					-1.2%
2017 HO	Owners	\$2,010,516,565	6/1/18	10/1/18	3.1%	1.1%	0.7%
	Tenants	62,551,401	6/1/18	10/1/18	-3.1%	-1.0%	-0.7%
	Condos	24,591,783	6/1/18	10/1/18	1.9%	0.5%	0.5%
	Total	\$2,097,659,749					0.6%
2014 HO	Owners	\$2,257,970,589	7/1/14	6/1/15	5.3%	2.3%	2.7%
	Tenants	45,065,871	7/1/14	6/1/15	2.9%	-1.0%	3.6%
	Condos	22,629,842	7/1/14	6/1/15	5.4%	0.0%	5.0%
	Total	\$2,325,666,302					2.7%
2014 MH(C)	Property	\$77,349,418	6/1/15	10/1/15	3.0%	2.8%	0.1%
	Liability	1,546,804	6/1/15	10/1/15	2.8%	n/a	0.9%
	Total	\$78,896,222					0.1%
2014 MH(F)	Owners	\$44,750,216	6/1/15	10/1/15	4.6%	2.2%	0.8%
	Tenants	100,658	6/1/15	10/1/15	2.5%	-0.2%	0.9%
	Total	\$44,850,874					0.8%
2012 HO	Owners	\$2,168,814,729	6/1/13	7/1/13	5.4%	3.0%	0.2%
	Tenants	32,405,190	6/1/13	7/1/13	4.0%	0.0%	0.3%
	Condos	18,252,996	6/1/13	7/1/13	4.0%	2.0%	0.2%
	Total	\$2,219,472,915					0.2%
2011 Dwelling	Fire	\$84,664,174	6/1/11	4/1/13	3.6%	2.9%	1.3%
	EC	150,823,062	6/1/11	4/1/13	4.1%	2.8%	2.3%
	Total	\$235,487,236					2.0%
2008 HO	Owners	\$1,498,766,325	1/1/09	5/1/09	4.4%	3.9%	0.2%
	Tenants	24,074,875	1/1/09	5/1/09	0.2%	2.7%	-0.8%
	Condos	13,213,524	1/1/09	5/1/09	0.2%	2.9%	-0.9%
	Total	\$1,536,054,724					0.1%
2008 MH(C)	Property	\$76,284,985	10/1/07	12/1/08	7.5%	2.4%	5.9%
	Liability	1,161,840	10/1/07	12/1/08	4.0%	n/a	4.7%
	Total	\$77,446,825					5.9%
2008 MH(F)	Owners	\$43,659,180	10/1/07	12/1/08	6.6%	5.8%	0.9%
	Tenants	158,638	10/1/07	12/1/08	0.4%	-4.1%	5.5%
	Total	\$43,817,818					0.9%

Average Impact of Delay in Filing Process: 1.2%

(1), (3), (4) From historical NCRB rate filings

(2) From historical NCRB settlement agreements or circulars

(5) = $\frac{[1 + (3)]}{[1 + (4)]} \wedge \frac{[(2) - (1)]}{365} - 1$

North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan

Summary of 2018 Catastrophe Reinsurance

<u>Risk Finance Structure ⁽¹⁾</u>	<u>Attachment Point (\$ Millions)</u>	<u>Exhaustion Point (\$ Millions)</u>	<u>Coverage</u>	<u>Reinstatement</u>
Reinsurance Layer 1	\$1,000.0	\$1,100.0	100.0%	No
Reinsurance Layer 2	2,690.0	2,940.0	100.0%	No

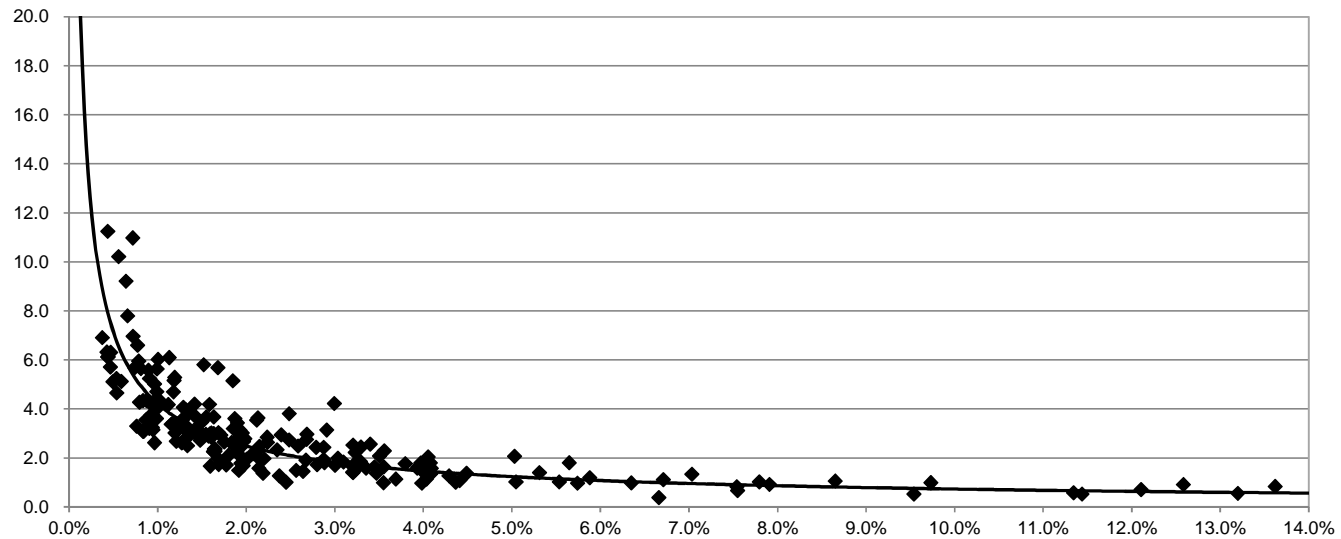
Notes: The above reinsurance covers aggregate loss for all accounts combined (Residential & Commercial).

(1) Reinsurance provides Annual Aggregate coverage.

North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan
North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan

Catastrophe Bond Profit Multiples

Adjusted Profit Multiples by Average Probability of Loss



Source: Lane Financial LLC, Annual Securitization Reviews.

Notes: Based on near-term cat bonds issued from January 2009 to March 2018.

Includes all U.S. bonds with a probability of first loss between 0.05% and 20.0%; excludes bonds with no stated profit multiples.

Profit multiples were adjusted based on the year each bond was issued in order to normalize for different market conditions by year.

Equation of the fitted curve:

$$y = 0.12591 x^{-0.76195}$$

Equation to determine average Profit Multiple over specific interval:

$$\text{Avg PM} = \frac{\int_a^b 0.12591 x^{-0.76195} dx}{(b-a)}$$

North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan

Catastrophe Bond Profit Multiples

<u>Annual Aggregate Layer</u>	<u>Source of Funding</u>	<u>Total Beach Plan</u>		<u>Attachment Probability</u>	<u>Exhaustion Probability</u>	<u>Profit Multiple</u>
		<u>Layer Attachment</u>	<u>Layer Exhaustion ⁽¹⁾</u>			
\$0 to 1,000	Surplus	\$0.0	\$1,000.0	46.39%	5.82%	0.42
\$1,000 to 1,100	Reinsurance	1,000.0	1,100.0	5.82%	5.32%	1.14
\$1,100 to 1,790	Surplus	1,100.0	1,790.0	5.32%	3.16%	1.42
\$1,790 to 2,690	Company Assessments	1,790.0	2,690.0	3.16%	1.91%	2.10
\$2,690 to 2,940	Reinsurance	2,690.0	2,940.0	1.91%	1.71%	2.68
\$2,940 to 3,040	Company Assessments	2,940.0	3,040.0	1.71%	1.63%	2.85
\$3,040 & Higher	Policyholder Surcharges	3,040.0	52,755.2	1.63%	0.0005%	10.41

(1) The Layer Exhaustion for the highest layer was selected to be equal to the largest amount of modeled annual hurricane losses after blending 100,000 years of AIR and RMS modeled losses.

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan
Residential Accounts Only**

Illustration of How Hurricane Losses are Funded
Voluntary Market Assessments Limited to \$1 Billion on All Beach Plan Accounts Combined
(\$ in Millions)

<u>Annual Aggregate Layer</u>	<u>Total Beach Plan</u>			<u>Beach Plan: Residential Portion</u>	<u>Hurricane Losses Funded by:</u>			
	<u>Layer Attachment</u>	<u>Layer Exhaustion</u>	<u>Total Losses in Layer</u>		<u>Beach Plan Surplus</u>	<u>Private Reinsurance</u>	<u>Assessments on Member Companies ⁽¹⁾</u>	<u>Policyholder Surcharges</u>
\$0 to 1,000	\$0.0	\$1,000.0	\$1,000.0	\$874.6	\$874.6	-	-	-
\$1,000 to 1,100	1,000.0	1,100.0	100.0	85.6	-	\$85.6	-	-
\$1,100 to 1,790	1,100.0	1,790.0	690.0	685.9	685.9	-	-	-
\$1,790 to 2,690	1,790.0	2,690.0	900.0	634.7	-	-	\$634.7	-
\$2,690 to 2,940	2,690.0	2,940.0	250.0	214.7	-	214.7	-	-
\$2,940 to 3,040	2,940.0	3,040.0	100.0	100.0	-	-	100.0	-
\$3,040 & Higher	3,040.0	52,755.2	49,715.2	32,368.1	-	-	-	\$32,368.1
Total					\$1,560.4	\$300.3	\$734.7	\$32,368.1

(1) Total losses paid by Member Companies (\$734.7 M) reflects the Residential portion of the \$1 Billion Beach Plan assessment on the total Voluntary Market.

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan
Residential Accounts Only**

Determination of the Cost of Reinsurance Provided to the NCIUA by the Voluntary Market
Voluntary Market Assessments Limited to \$1 Billion on All Beach Plan Accounts Combined
(\$ in Millions)

<u>Annual Aggregate Layer</u>	Beach Plan: Residential Losses in Layer	Assessments Paid by Member Companies ⁽¹⁾	<u>Expected Losses</u> ⁽²⁾		Indicated Profit Multiple ⁽⁴⁾	Cost of Providing Reinsurance ⁽⁵⁾
			<u>Total</u>	<u>Exposed</u> ⁽³⁾		
\$0 to 1,000	\$874.6	-	\$105.93	-	0.42	-
\$1,000 to 1,100	85.6	-	4.77	-	1.14	-
\$1,100 to 1,790	685.9	-	27.45	-	1.42	-
\$1,790 to 2,690	634.7	\$634.7	15.79	\$15.79	2.10	\$33.16
\$2,690 to 2,940	214.7	-	3.90	-	2.68	-
\$2,940 to 3,040	100.0	100.0	3.04	3.04	2.85	8.67
\$3,040 & Higher	32,368.1	-	41.51	-	10.41	-
Total		\$734.7	\$202.40	\$18.83		\$41.83

(1) See Exhibit RB-11, Page 4.

(2) From AIR & RMS hurricane models.

(3) Expected loss subject to Beach Plan assessments of Voluntary Market.

(4) See Exhibit RB-11, Page 3.

(5) = Exposed Expected Losses x Profit Multiple (from Cat Bond data).

North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan

Summary of 2018 Catastrophe Reinsurance

<u>Risk Finance Structure ⁽¹⁾</u>	<u>Attachment Point (\$ Millions)</u>	<u>Exhaustion Point (\$ Millions)</u>	<u>Coverage</u>	<u>Reinstatement</u>
Reinsurance Layer 1	\$130.0	\$281.0	100.0%	No

Notes: The above reinsurance covers aggregate losses for all FAIR Plan accounts combined (Residential & Commercial).

(1) Reinsurance provides Annual Aggregate coverage.

North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan

Catastrophe Bond Profit Multiples

<u>Annual Aggregate Layer</u> ⁽¹⁾	<u>Total FAIR Plan</u>		<u>Attachment Probability</u>	<u>Exhaustion Probability</u>	<u>Profit Multiple</u>
	<u>Layer Attachment</u>	<u>Layer Exhaustion</u> ⁽²⁾			
\$0 to 130	\$0.0	\$130.0	46.24%	5.82%	0.42
<i>\$0 to 23.4</i>	<i>0.0</i>	<i>23.4</i>	<i>46.24%</i>	<i>16.61%</i>	<i>0.32</i>
<i>\$23.4 to 130</i>	<i>23.4</i>	<i>130.0</i>	<i>16.61%</i>	<i>5.82%</i>	<i>0.71</i>
\$130 to 281	130.0	281.0	5.82%	2.57%	1.46
\$281 & Higher	281.0	6,039.0	2.57%	0.0005%	7.49

(1) The first layer was selected to be equal to the FAIR Plan's surplus as of June 30, 2018 (\$23.4 million).

(2) The Layer Exhaustion for the highest layer was selected to be equal to the largest amount of modeled annual hurricane losses after blending 100,000 years of AIR and RMS modeled losses.

**North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan
Residential & Commercial Accounts**

Illustration of How Hurricane Losses are Funded
Reflecting Unlimited Industry Exposure to FAIR Plan Assessments
(\$ in Millions)

<u>Annual Aggregate Layer</u>	<u>Total FAIR Plan</u>			<u>Hurricane Losses Funded by:</u>		
	<u>Layer Attachment</u>	<u>Layer Exhaustion</u>	<u>Total Losses in Layer</u>	<u>FAIR Plan Surplus</u>	<u>Private Reinsurance</u>	<u>Assessments on Member Companies</u>
\$0 to 23.4	\$0.0	\$23.4	\$23.4	\$23.4	-	-
\$23.4 to 130	23.4	130.0	106.6	-	-	\$106.6
\$130 to 281	130.0	281.0	151.0	-	\$151.0	-
\$281 & Higher	281.0	6,039.0	5,758.0	-	-	5,758.0
Total				\$23.4	\$151.0	\$5,864.6

**North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan
Residential & Commercial Accounts**

Determination of the Cost of Reinsurance Provided to the NCJUA by the Voluntary Market
Reflecting Unlimited Industry Exposure to FAIR Plan Assessments
(\$ in Millions)

<u>Annual Aggregate Layer</u>	Total FAIR Plan Losses <u>in Layer</u>	Assessments Paid by Member <u>Companies</u> ⁽¹⁾	<u>Expected Losses</u> ⁽²⁾		Indicated Profit Multiple ⁽⁴⁾	Cost of Providing Reinsurance ⁽⁵⁾
			<u>Total</u>	<u>Exposed</u> ⁽³⁾		
\$0 to 23.4	\$23.4	-	\$5.20	-	0.32	-
\$23.4 to 130	106.6	\$106.6	10.17	\$10.17	0.71	\$7.22
\$130 to 281	151.0	-	5.82	-	1.46	-
\$281 & Higher	5,758.0	5,758.0	8.08	8.08	7.49	60.49
Total		\$5,864.6	\$29.26	\$18.25		\$67.71

(1) See Exhibit RB-11, Page 8.

(2) From AIR & RMS hurricane models.

(3) Expected loss subject to FAIR Plan assessments of Voluntary Market.

(4) See Exhibit RB-11, Page 7.

(5) = Exposed Expected Losses x Profit Multiple (from Cat Bond data).

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan
North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan
Residential Accounts Only**

**Determination of the Compensation for Bearing the Risk of Beach Plan & Fair Plan Assessments
(\$ in Millions)**

(1) Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCIUA (Beach Plan):	\$41.83
(2) Cost of Reinsurance Provided by the Voluntary Market to the NCJUA (FAIR Plan):	\$67.71
(3) Residential Premium as % of Total FAIR Plan Assessment Base:	<u>70%</u>
(4) Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCJUA (FAIR Plan):	<u>\$47.40</u>
(5) Total Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCIUA & NCJUA:	<u>\$89.23</u>

	(6)	(7) = (6) / Total (6)	(8) = (5) x (7)	(9) = (8) / (6)
	Estimated 2018 Industry Written Premium @	% of Total Industry Premium	Allocated Compensation for Risk of Assessment	Compensation for Assessment Risk as % of 2018 Manual Premium
<u>Policy Form</u>	<u>Manual Rates</u>	<u></u>	<u></u>	<u></u>
Homeowners	\$2,658.4	84.6%	\$75.46	2.8%
Dwelling Fire & EC	348.6	11.1%	9.89	2.8%
MobileHome	136.5	4.3%	3.88	2.8%
Total	\$3,143.5	100.0%	\$89.23	2.8%

(1) From Exhibit RB-11, Page 5.

(2) From Exhibit RB-11, Page 9.

(4) = (2) x (3)

(5) = (1) + (4)

(6) 2018 Industry Premium includes NCIUA and NCJUA.

PREFILED TESTIMONY
OF
JAMES H. VANDER WEIDE

2018 HOMEOWNERS INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU

Q. WHAT IS YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS?

A. My name is James H. Vander Weide. I am President of Financial Strategy Associates, a firm that provides strategic and financial consulting services to corporate clients. My business address is 3606 Stoneybrook Drive, Durham, North Carolina 27705.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR ACADEMIC EXPERIENCE.

A. I graduated from Cornell University with a Bachelor's Degree in Economics and then attended Northwestern University where I earned a Ph.D. in Finance. I joined the faculty of the School of Business at Duke University where I was subsequently named Assistant Professor, Associate Professor, Professor, and Research Professor. I have published research in the areas of finance and economics and taught courses in these fields at Duke for more than thirty-five years. I am now retired from my teaching duties at Duke.

I have taught courses in corporate finance, investment management, and management of financial institutions. I also taught a graduate seminar on the theory of public utility pricing and lectured in executive development seminars on

the cost of capital, financial analysis, capital budgeting, mergers and acquisitions, cash management, short-run financial planning, and competitive strategy.

I have served as Program Director and taught in numerous executive education programs at Duke, including the Duke Advanced Management Program, the Duke Management Challenge, the Duke Executive Program in Telecommunications, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. I have also taught in tailored programs developed for corporations such as ABB, Accenture, Allstate, AT&T, Progress Energy, GlaxoSmithKline, Lafarge, MidAmerican Energy, Norfolk Southern, The Rank Group, Siemens, TRW, and Wolseley PLC.

In addition to my teaching and executive education activities, I have written research papers on such topics as portfolio management, the cost of capital, capital budgeting, the effect of regulation on the performance of public utilities, and cash management. My articles have been published in *American Economic Review*, *Financial Management*, *International Journal of Industrial Organization*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Bank Research*, *Journal of Accounting Research*, *Journal of Cash Management*, *Management Science*, *The Journal of Portfolio Management*, *Atlantic Economic Journal*, *Journal of Economics and Business*, and *Computers and Operations Research*. I have written a book titled *Managing Corporate Liquidity: an Introduction to Working Capital Management*, a chapter for *The Handbook of*

Modern Finance, “Financial Management in the Short Run,” and a chapter for the book, *The Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*, “Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory.”

Q. HAVE YOU PREVIOUSLY PRESENTED EVIDENCE ON THE COST OF CAPITAL AND OTHER REGULATORY ISSUES?

A. Yes. As an expert on financial and economic theory and practice, I have participated in more than five hundred regulatory and legal proceedings before the public service commissions of forty-five states and four Canadian provinces, the Federal Energy Regulatory Commission, the National Energy Board (Canada), the Federal Communications Commission, the Canadian Radio-Television and Telecommunications Commission, the United States Congress, the National Telecommunications and Information Administration, the insurance commissions of five states, the Iowa State Board of Tax Review, the National Association of Securities Dealers, and the North Carolina Property Tax Commission. In addition, I have prepared expert testimony in proceedings before the United States District Court for the District of Nebraska; the United States District Court for the District of New Hampshire; the United States District Court for the District of Northern Illinois; the United States District Court for the Eastern District of North Carolina; the Montana Second Judicial District Court, Silver Bow County; the United States District Court for the Northern District of California; the Superior Court, North Carolina; the United States Bankruptcy Court for the

Southern District of West Virginia; the United States District Court for the Eastern District of Michigan; and the Supreme Court of the State of New York.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been asked by the North Carolina Rate Bureau to make an independent appraisal of the aggregate cost of equity capital for the companies writing homeowners insurance in North Carolina and to recommend a rate of return on equity that is fair, that allows those companies in the aggregate to attract and retain capital on reasonable terms, that is commensurate with returns on investments of comparable risk, and that maintains the financial integrity of those companies in the aggregate.

Q. WHAT DO YOU MEAN BY THE PHRASE "COST OF EQUITY CAPITAL?"

A. A firm's cost of equity capital is the rate of return expectation that is required in the marketplace on equity investments of comparable risk. If an investor does not expect to earn a return on an equity investment in a firm that is at least as large as the return the investor could expect to earn on other investments of comparable risk, then the investor will not invest in that firm's shares. Thus, a firm's cost of equity capital is also the rate of return expectation that is required in the marketplace in order to induce equity investors to purchase shares in that firm.

Q. IS THE COST OF EQUITY CAPITAL THE SAME AS THE RETURN ON EQUITY?

A. No. The cost of equity capital is a market-based concept that reflects investors' future expectations, while the return on equity is an accounting concept that measures results of past performance. The return on equity is equal to income available for common equity divided by the book value of common equity.

Q. HAVE YOU FORMED AN OPINION REGARDING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. Yes.

Q. WHAT IS YOUR OPINION IN THAT REGARD?

A. The cost of equity capital for such a company is in the range 9.0 percent to 13.8 percent.

Q. WHAT ECONOMIC PRINCIPLES DID YOU CONSIDER IN ARRIVING AT THAT OPINION?

A. There are two primary economic principles relevant to my appraisal of the cost of equity capital. The first, relating to the demand for capital, states that a firm should continue to invest in its business only so long as the return on its investment is greater than or equal to its cost of capital. In the context of a regulated firm, this principle suggests that the regulatory agency should establish revenue levels which will offer the firm an opportunity to earn a return on its investment that is at least equal to its cost of capital.

The second principle, relating to the supply of capital, states that rational investors are maximizing their total return on capital only if the returns they expect to receive on investments of comparable risk are equal. If these returns are not equal, rational investors will reduce or completely eliminate investments in those activities yielding lower expected returns for a given level of risk and will increase investments in those activities yielding higher expected returns. The second principle implies that regulated firms will be unable to obtain the capital required to expand service on reasonable terms unless they are able to provide investors returns equal to those expected on investments of comparable risk.

Q. DO THESE ECONOMIC PRINCIPLES APPLY TO THE SETTING OF INSURANCE RATES?

A. Yes. These are general economic principles that apply to investing in any business activity, including insurance.

Q. HOW DID YOU GO ABOUT DETERMINING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. I used two generally accepted methods to estimate the cost of equity: (1) the Discounted Cash Flow (DCF) Model, and (2) the Risk Premium Approach.

Q. PLEASE DESCRIBE THE DCF MODEL.

A. The DCF Model suggests that investors value an asset on the basis of the future cash flows they expect to receive from owning the asset. Thus, investors value

an investment in a bond because they expect to receive a sequence of semi-annual coupon payments over the life of the bond and a terminal payment equal to the bond's face value at the time the bond matures. Likewise, investors value an investment in a firm's stock because they expect to receive a sequence of dividend payments and, perhaps, expect to sell the stock at a higher price sometime in the future.

A second fundamental principle of the DCF approach is that investors value a dollar received in the future less than a dollar received today. This is because, if they had the dollar today, they could invest it in an interest earning account and increase their wealth. This principle is called the time value of money.

Applying the two fundamental DCF principles noted above to an investment in a bond suggests that investors should value their investment in the bond on the basis of the present value of the bond's future cash flows. Thus, the price of the bond should be equal to:

Equation 1

$$P_B = \frac{C}{(1+i)} + \frac{C}{(1+i)^2} + \dots + \frac{C+F}{(1+i)^n}$$

where:

P_B	=	Bond price;
C	=	Cash value of the coupon payment (assumed for notational convenience to occur annually rather than semi-annually);
F	=	Face value of the bond;
i	=	The rate of interest the investor could earn by investing his money in an alternative bond of equal risk; and
n	=	The number of periods before the bond matures.

Applying these same principles to an investment in a firm's stock suggests that the price of the stock should be equal to:

Equation 2

$$P_s = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n}$$

where:

- P_s = Current price of the firm's stock;
- D_1, D_2, \dots, D_n = Expected annual dividend per share on the firm's stock;
- P_n = Price per share of stock at the time the investor expects to sell the stock; and
- k = Return the investor expects to earn on alternative investments of the same risk, i.e., the investor's required rate of return.

Equation (2) is frequently called the Annual Discounted Cash Flow (DCF) Model of stock valuation.

Q. HOW DO YOU USE THE DCF MODEL TO DETERMINE THE COST OF EQUITY CAPITAL?

A. The "k" in the equation is the cost of equity capital. We make certain simplifying assumptions regarding the other factors in the equation and then mathematically solve for "k."

Q. WHAT ARE THE ASSUMPTIONS YOU MAKE?

A. Most analysts make three simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate ("g") into the indefinite future.

Second, they assume that the stock price at time “n” is simply the present value of all dividends expected in periods subsequent to “n.” Third, they assume that the investors’ required rate of return, “k,” exceeds the expected dividend growth rate, “g.”

Q. DOES THE ANNUAL DCF MODEL OF STOCK VALUATION PRODUCE APPROPRIATE ESTIMATES OF A FIRM’S COST OF EQUITY CAPITAL?

A. No. The Annual DCF Model of stock valuation produces appropriate estimates of a firm’s cost of equity capital only if the firm pays dividends just once a year. Since most firms pay dividends quarterly, the Annual DCF Model produces downwardly biased estimates of the cost of equity. Investors can expect to earn a higher annual effective return on an investment in a firm that pays quarterly dividends than in one which pays the same amount of dollar dividends once at the end of each year. A complete analysis of the implications of the quarterly payment of dividends on the DCF Model is provided in Exhibit RB-15. For the reasons cited there, I employed the Quarterly DCF Model throughout my calculations.

Q. PLEASE DESCRIBE THE QUARTERLY DCF MODEL YOU USED.

A. The Quarterly DCF Model I use is described by Equation 10 on page 10 in Exhibit RB-15. This equation shows that the cost of equity is: the sum of the dividend yield and the growth rate, where the dividend in the dividend yield is the equivalent dividend at the end of the year, and the growth rate is the expected growth in dividends or earnings per share.

Q. HOW DO YOU APPLY THE DCF APPROACH TO OBTAIN THE COST OF EQUITY CAPITAL FOR THE COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. I apply the DCF approach to two groups of companies: Value Line's group of property/casualty insurance companies and the S&P 500.

Q. WHY DO YOU APPLY THE DCF APPROACH TO THE S&P 500 AS WELL AS TO VALUE LINE'S PROPERTY/CASUALTY INSURANCE COMPANIES?

A. As I noted previously, the cost of equity is defined as the rate of return investors expect to earn on investments in other companies of comparable risk. I apply the DCF approach to the S&P 500 because they are a large group of companies that, on average, are typically viewed as being comparable in risk to the property/casualty insurance industry. The use of a larger set of comparable risk companies should provide an accurate estimate of the cost of equity for the companies writing homeowners insurance in North Carolina.

Q. DO YOU INCLUDE ALL THE VALUE LINE PROPERTY/CASUALTY INSURANCE COMPANIES?

A. No. Among the Value Line property/casualty insurance companies, I only include companies which pay a quarterly dividend, have not lowered their dividends, and have a positive five-year earnings growth forecast available from I/B/E/S (formerly known as the Institutional Brokers Estimate System, now part of

Thomson Reuters). The Value Line property/casualty companies I use are shown in Exhibit RB-13.

Q. WHAT CRITERIA DO YOU USE TO SELECT COMPANIES IN THE S&P 500?

A. I include those firms which pay dividends and which have at least three five-year earnings forecasts available from I/B/E/S. I exclude the insurance companies in the S&P 500, as identified by I/B/E/S Thomson Reuters, because I have already calculated DCF results for the Value Line property/casualty insurance companies. The S&P 500 companies I use are shown in Exhibit RB-14.

Q. WHY DO YOU ELIMINATE ANY COMPANY WHICH HAD RECENTLY LOWERED ITS DIVIDEND OR WHICH FAILS TO PAY DIVIDENDS?

A. I eliminate those companies because it is difficult to make a reliable estimate of the future dividend growth rate for companies that have recently lowered their dividends or do not pay dividends. If a company has recently lowered its dividend, investors do not know whether the company will again lower its dividend in the future, or whether the company will attempt to increase its dividend back toward its previous level. If a company does not pay a dividend, one cannot mathematically apply the DCF approach.

Q. HOW DO YOU ESTIMATE THE GROWTH COMPONENT OF THE QUARTERLY DCF MODEL?

A. I use the average of analysts' estimates of future earnings per share (EPS) growth reported by I/B/E/S. As part of their research, financial analysts working at

Wall Street firms periodically estimate EPS growth for each firm they follow. The EPS forecasts for each firm are then published. The forecasts are used by investors who are contemplating purchasing or selling shares in individual companies.

Q. WHAT IS I/B/E/S?

A. I/B/E/S is a collection of analysts' forecasts for a broad group of companies expressed in terms of a mean forecast and a standard deviation of forecast for each firm. The mean forecast is used by investors as an estimate of future firm performance.

Q. WHY DO YOU USE THE I/B/E/S GROWTH ESTIMATES?

A. The I/B/E/S growth rates (1) are widely circulated in the financial community, (2) include the projections of reputable financial analysts who develop estimates of future growth, (3) are reported on a timely basis to investors, and (4) are widely used by institutional and other investors. For these reasons, I believe these estimates represent unbiased estimates of investors' expectations of each firm's long-term growth prospects and, accordingly, are incorporated by investors into their return requirements. Consequently, in my opinion, they provide the best available estimate of investors' long-term growth expectations.

Q. WHY DO YOU RELY EXCLUSIVELY ON ANALYSTS' PROJECTIONS OF FUTURE EPS GROWTH IN ESTIMATING THE INVESTORS' EXPECTED

GROWTH RATE RATHER THAN LOOKING AT PAST HISTORICAL GROWTH RATES?

A. There is considerable empirical evidence that analysts' forecasts are more highly correlated with stock prices than are firms' historical growth rates, and, thus, that investors actually use these forecasts.

Q. HAVE YOU PERFORMED ANY STUDIES CONCERNING THE USE OF ANALYSTS' FORECASTS AS THE BEST ESTIMATE OF INVESTORS' EXPECTED GROWTH RATE, G?

A. Yes, I prepared a study with Willard T. Carleton, Professor of Finance Emeritus at the University of Arizona, on why analysts' forecasts provide the best estimate of investors' expectations of future long-term growth. This study is described in a paper entitled "Investor Growth Expectations: Analysts vs. History," published in *The Journal of Portfolio Management*.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR STUDY.

A. First, we performed a correlation analysis to identify the historically-oriented growth rates which best described a firm's stock price. Then we did a regression study comparing the historical growth rates with the consensus analysts' forecasts. In every case, the regression equations containing the average of analysts' forecasts statistically outperformed the regression equations containing the historical growth estimates. These results are consistent with those found by Cragg and Malkiel, the early major research in this area. These results are also consistent with the hypothesis that investors use analysts' forecasts, rather than

historically-oriented growth calculations, in making buy and sell decisions. They provide overwhelming evidence that the analysts' forecasts of future growth are superior to historically-oriented growth measures in predicting a firm's stock price.

Q. WHAT PRICE DO YOU USE IN YOUR DCF MODEL?

A. I use a simple average of the monthly high and low stock prices for each firm for the three-month period, June, July, and August 2018. These high and low stock prices are obtained from Thomson Reuters.

Q. WHY DO YOU USE THE THREE-MONTH AVERAGE STOCK PRICE, P_0 , IN APPLYING THE DCF METHOD?

A. I use a three-month average stock price in applying the DCF method because stock prices fluctuate daily, while financial analysts' forecasts for a given company are generally changed less frequently, often on a quarterly basis. Thus, to match the stock price with an earnings forecast, it is appropriate to average stock prices over a three-month period.

Q. PLEASE EXPLAIN YOUR INCLUSION OF FLOTATION COSTS.

A. All firms that have sold securities in the capital markets have incurred some level of flotation costs, including underwriters' commissions, legal fees, printing expense, etc. These costs are paid from the proceeds of the stock sale and must be recovered over the life of the equity issue. Costs vary depending upon the size of the issue, the type of registration method used and other factors, but

in general these costs range between four percent and five percent of the proceeds from the issue. In addition to these costs, the underwriter's offer price is set below the most recent closing price before the public offering in order to reduce the risk that the underwriters will be unable to sell the entire offering at the offer price. The difference between the offer price and the recent closing price is generally in the range two percent to three percent. Thus, the total flotation cost, including both issuance expense and underwriter discount, could range anywhere from five percent to eight percent of the proceeds of an equity issue. These cost ranges have been developed and confirmed in a number of generally accepted studies. I believe a combined five percent allowance for flotation costs is a conservative estimate that should be used in applying the DCF model in this proceeding.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR APPLICATION OF THE DCF METHOD TO THE PROPERTY/CASUALTY INSURANCE COMPANIES AND THE S&P 500.

A. As shown in Exhibits RB-13 and RB-14, the average DCF cost of equity capital for my group of Value Line property/casualty companies is 12.9 percent; and for the S&P 500 companies, 13.8 percent.

Q. WHAT CONCLUSION DO YOU REACH FROM YOUR DCF ANALYSIS ABOUT THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. On the basis of my DCF analysis, I would conclude that for companies writing homeowners insurance in North Carolina the cost of equity is approximately 13.4 percent.

Q. YOU NOTE THAT THE SECOND METHOD YOU USE TO ESTIMATE THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA IS A RISK PREMIUM APPROACH. PLEASE DESCRIBE THAT APPROACH.

A. I perform a study of the comparable returns received by bond and stock investors over the last ninety-two years. I estimate the returns on stock and bond portfolios, using stock price and dividend yield data on the S&P 500 stock portfolio and bond yield data on Moody's A-rated utility bonds.

My study consists of analyzing the historically achieved returns on broadly based stock and bond portfolios going back to 1926. For stocks, I use the S&P 500 stock portfolio; and for bonds, I use Moody's A-rated utility bonds. The resulting annual returns on the stock and bond portfolios purchased in each year from 1926 through 2017 are shown on Exhibit RB-16. The difference between the stock return and the bond return over that period of time on an arithmetic average basis is 4.76 percentage points.

Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR RISK PREMIUM ANALYSES?

A. My own studies, combined with my analysis of other studies, provide strong evidence for the belief that investors today require an equity return of at least

4.76 percentage points above the expected yield on A-rated long-term debt issues.

The average yield on Moody's seasoned A-rated utility bonds for the three months June through August 2018 was 4.27 percent. On the basis of this information and my knowledge of bond market conditions, I conclude that the long-term yield on A-rated utility bonds is approximately 4.27 percent. Adding a 4.76 percentage point risk premium to the 4.27 percent expected yield on A-rated utility bonds, I obtain an expected return on equity of 9.0 percent.

Q. ARE THERE REASONS TO BELIEVE THAT THE RESULT OF YOUR EX POST RISK PREMIUM ANALYSIS MAY UNDERESTIMATE THE COST OF EQUITY AT THIS TIME?

A. Yes. The ex post risk premium model may produce an unrealistically low result because the model result is highly sensitive to the estimate of the bond yield. At this time, bond yields are unusually low, reflecting policy decisions of the United States government and the Federal Reserve Bank to keep interest rates low in order to stimulate the economy. The ex post risk premium cost of equity result is the sum of the risk premium and the bond yield; and, as a result, the use of an unusually low bond yield in the model may cause the ex post risk premium model result to underestimate the cost of equity. Further, because the cost of equity is a forward-looking concept, it would be reasonable to apply the ex post risk premium model using a forecast of the expected bond yield, rather than a recent bond yield. Because bond yields are expected to increase over the next several

years, the use of a forecasted bond yield would produce a significantly higher ex post risk premium estimate of the cost of equity. Thus, I consider my ex post risk premium model result to be conservative.

Q. BASED ON YOUR ANALYSES, WHAT IS YOUR OPINION AS TO THE COST OF CAPITAL FOR THE AVERAGE INSURANCE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. Based on my review and studies, I believe that a conservative estimate of the cost of common equity capital for the average insurance company writing homeowners insurance in North Carolina is in the range 9.0 percent to 13.8 percent.

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
PROPERTY/CASUALTY INSURANCE COMPANIES

	COMPANY	MOST RECENT QUARTERLY DIVIDEND (d ₀)	STOCK PRICE (P ₀)	FORECAST OF FUTURE EARNINGS GROWTH	DCF MODEL RESULT
1	Allstate Corp.	0.460	94.700	13.0%	15.3%
2	Amer. Financial Group	0.350	110.110	12.3%	13.9%
3	Berkley (W.R.)	0.350	75.752	15.5%	16.8%
4	Chubb Ltd.	0.730	132.785	10.0%	12.6%
5	Cincinnati Financial	0.530	72.038	4.7%	7.9%
6	CNA Fin'l	0.350	46.652	5.8%	8.9%
7	Erie Indemnity	0.840	121.098	10.0%	13.3%
8	Old Republic	0.195	21.014	10.0%	14.5%
9	RLI Corp.	0.220	71.432	9.8%	11.2%
10	Selective Ins. Group	0.180	58.775	13.1%	14.6%
14	Average				12.9%

Note:¹

- d₀ = Latest quarterly dividend.
d₁, d₂, d₃, d₄, = Expected next four quarterly dividends, calculated by multiplying the last four quarterly dividends per Value Line, by the factor (1 + g).
P₀ = Average of the monthly high and low stock prices during the three months ending August 2018 per Thomson Reuters.
FC = Flotation costs.
g = I/B/E/S forecast of future earnings growth August 2018.
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs as shown by the formula below:

$$k = \frac{d_1(1+k)^{75} + d_2(1+k)^{50} + d_3(1+k)^{25} + d_4}{P_0(1-FC)} + g$$

¹ At August 2018, I have conservatively eliminated DCF model results equal to 20.6 percent, 24.1 percent, and 46.5 percent.

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

	COMPANY	STOCK PRICE (P ₀)	DIVIDEND (D ₀)	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT
1	3M	202.10	5.44	9.70%	12.8%
2	ABBOTT LABORATORIES	63.47	1.12	11.84%	13.9%
3	ABBVIE	95.02	3.84	16.12%	21.1%
4	ACTIVISION BLIZZARD	74.57	0.34	15.10%	15.7%
5	ADV.AUTO PARTS	142.30	0.24	13.98%	14.2%
6	AETNA	188.44	2.00	9.69%	10.9%
7	AGILENT TECHS.	64.53	0.60	10.84%	11.9%
8	ALBEMARLE	94.84	1.34	12.70%	14.4%
9	ALLEGION	80.93	0.84	12.20%	13.4%
10	ALLERGAN	175.28	2.88	5.79%	7.6%
11	AMERICAN EXPRESS	100.92	1.40	11.80%	13.4%
12	AMERISOURCEBERGEN	86.00	1.52	10.20%	12.3%
13	AMGEN	190.21	5.28	5.38%	8.5%
14	ANTHEM	245.84	3.00	15.49%	17.0%
15	APPLE	196.75	2.92	12.78%	14.6%
16	APPLIED MATS.	47.49	0.80	17.82%	19.9%
17	APTIV	94.56	0.88	13.37%	14.5%
18	AT&T	32.36	2.00	6.20%	13.3%
19	AUTOMATIC DATA PROC.	136.88	2.76	14.60%	17.1%
20	AVERY DENNISON	107.27	2.08	13.31%	15.6%
21	BALL	37.83	0.40	10.57%	11.8%
22	BANK OF NEW YORK MELLON	54.00	1.12	8.13%	10.5%
23	BAXTER INTL.	73.17	0.76	13.00%	14.2%
24	BECTON DICKINSON	242.70	3.00	14.57%	16.1%
25	BEST BUY	76.03	1.80	13.70%	16.6%
26	BLACKROCK	505.21	12.52	13.80%	16.8%
27	BOEING	346.89	6.84	19.01%	21.5%
28	BORGWARNER	45.45	0.68	6.77%	8.5%
29	BRISTOL MYERS SQUIBB	56.92	1.60	10.98%	14.3%
30	BROADCOM	231.67	7.00	14.03%	17.7%
31	CARDINAL HEALTH	50.73	1.91	4.94%	9.2%
32	CARNIVAL	59.70	2.00	12.73%	16.8%
33	CBS 'B'	54.13	0.72	17.36%	19.0%
34	CENTERPOINT EN.	27.36	1.11	8.62%	13.3%
35	CH ROBINSON WWD.	90.24	1.84	13.21%	15.7%
36	CHURCH & DWIGHT CO.	53.58	0.87	10.34%	12.2%
37	CIGNA	177.76	0.04	14.48%	14.5%
38	CISCO SYSTEMS	43.40	1.32	10.28%	13.9%
39	CLOROX	133.51	3.84	7.46%	10.8%
40	CMS ENERGY	47.06	1.43	6.97%	10.4%
41	COCA COLA	44.83	1.56	7.25%	11.2%
42	COLGATE-PALM.	65.50	1.68	7.25%	10.2%

	COMPANY	STOCK PRICE (P ₀)	DIVIDEND (D ₀)	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT
43	CONSTELLATION BRANDS 'A'	216.43	2.08	12.00%	13.1%
44	CORNING	30.57	0.72	9.81%	12.6%
45	COSTCO WHOLESALE	214.44	2.28	11.96%	13.2%
46	COTY CL.A	13.39	0.50	15.23%	19.8%
47	CSX	68.70	0.88	20.38%	22.0%
48	CUMMINS	138.76	4.56	11.70%	15.6%
49	DANAHER	101.26	0.64	9.00%	9.7%
50	DARDEN RESTAURANTS	106.11	3.00	12.35%	15.7%
51	DISCOVER FINANCIAL SVS.	73.37	1.60	13.07%	15.7%
52	DOLLAR GENERAL	98.60	1.16	15.86%	17.3%
53	DOMINION ENERGY	68.66	3.34	6.34%	11.9%
54	DTE ENERGY	105.22	3.53	5.49%	9.3%
55	DUKE ENERGY	79.00	3.71	4.13%	9.4%
56	ECOLAB	143.35	1.64	13.65%	15.0%
57	ELI LILLY	93.31	2.25	12.10%	15.0%
58	ESTEE LAUDER COS.'A'	141.87	1.52	15.56%	16.9%
59	EVERSOURCE ENERGY	58.80	2.02	5.80%	9.7%
60	EXELON	42.21	1.38	4.30%	7.9%
61	EXPEDIA GROUP	127.84	1.28	17.69%	18.9%
62	EXPEDITOR INTL.OF WASH.	74.11	0.90	11.13%	12.6%
63	FEDEX	242.34	2.60	13.44%	14.7%
64	FIDELITY NAT.INFO.SVS.	105.77	1.28	13.41%	14.9%
65	FOOT LOCKER	52.05	1.38	7.64%	10.7%
66	GAP	30.87	0.97	12.08%	15.8%
67	GENERAL DYNAMICS	194.66	3.72	12.47%	14.7%
68	GENERAL ELECTRIC	13.28	0.48	6.17%	10.3%
69	GENERAL MOTORS	39.11	1.52	10.40%	15.0%
70	GLOBAL PAYMENTS	115.70	0.04	19.39%	19.4%
71	HARLEY-DAVIDSON	43.11	1.48	10.43%	14.5%
72	HCA HEALTHCARE	116.06	1.40	13.64%	15.1%
73	HERSHEY	95.85	2.69	9.37%	12.6%
74	HOME DEPOT	196.52	4.12	14.85%	17.4%
75	HONEYWELL INTL.	151.59	2.98	10.54%	12.8%
76	HP	23.47	0.56	9.46%	12.2%
77	HUMANA	310.29	2.00	15.23%	16.0%
78	HUNT JB TRANSPORT SVS.	123.67	0.96	20.81%	21.8%
79	ILLINOIS TOOL WORKS	141.44	4.00	12.31%	15.7%
80	INTEL	50.44	1.20	10.22%	13.0%
81	INTERCONTINENTAL EX.	74.35	0.96	12.20%	13.7%
82	INTERNATIONAL PAPER	53.38	1.90	14.99%	19.4%
83	INTERPUBLIC GROUP	22.82	0.84	7.30%	11.5%
84	JACOBS ENGR.	66.68	0.60	16.07%	17.2%
85	JOHNSON & JOHNSON	127.32	3.60	7.73%	11.0%
86	JP MORGAN CHASE & CO.	111.02	2.48	9.32%	11.9%
87	KELLOGG	68.94	2.24	6.92%	10.6%
88	KIMBERLY-CLARK	108.67	4.00	6.00%	10.2%

	COMPANY	STOCK PRICE (P ₀)	DIVIDEND (D ₀)	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT
89	KLA TENCOR	111.54	3.00	11.07%	14.2%
90	KRAFT HEINZ	61.31	2.50	5.31%	9.9%
91	KROGER	28.78	0.56	6.71%	8.9%
92	L BRANDS	33.27	2.40	7.38%	15.8%
93	LOWE'S COMPANIES	99.75	1.92	16.00%	18.4%
94	MARRIOTT INTL.'A'	128.95	1.64	18.16%	19.7%
95	MARTIN MRTA.MATS.	213.69	1.92	13.60%	14.7%
96	MASCO	38.48	0.42	14.77%	16.1%
97	MCCORMICK & COMPANY NV.	115.99	2.08	10.61%	12.7%
98	MEDTRONIC	88.93	2.00	7.10%	9.7%
99	MERCK & COMPANY	63.96	1.92	7.20%	10.6%
100	MICROSOFT	104.45	1.68	12.42%	14.3%
101	MOLSON COORS BREWING 'B'	66.74	1.64	7.44%	10.2%
102	MONDELEZ INTERNATIONAL CL.A	41.76	1.04	9.77%	12.7%
103	MOTOROLA SOLUTIONS	118.54	2.08	13.58%	15.7%
104	NETAPP	78.63	1.60	15.95%	18.5%
105	NEXTERA ENERGY	166.78	4.44	9.44%	12.5%
106	NIKE 'B'	77.81	0.80	12.21%	13.4%
107	NISOURCE	25.84	0.78	5.71%	9.1%
108	NORFOLK SOUTHERN	162.06	3.20	16.61%	19.1%
109	NORTHERN TRUST	108.11	2.20	15.14%	17.6%
110	NORTHROP GRUMMAN	307.72	4.80	15.89%	17.8%
111	OMNICOM GROUP	71.65	2.40	7.03%	10.9%
112	ORACLE	46.75	0.76	8.33%	10.2%
113	PACKAGING CORP.OF AM.	113.64	3.16	12.43%	15.8%
114	PARKER-HANNIFIN	164.26	3.04	8.03%	10.2%
115	PAYCHEX	69.59	2.24	8.33%	12.0%
116	PEPSICO	110.50	3.71	7.23%	11.1%
117	PERKINELMER	79.13	0.28	14.90%	15.3%
118	PFIZER	38.46	1.36	7.00%	11.0%
119	PHILIP MORRIS INTL.	81.13	4.56	8.15%	14.7%
120	PPG INDUSTRIES	106.21	1.83	9.60%	11.6%
121	PROCTER & GAMBLE	79.05	2.87	6.50%	10.6%
122	PUB.SER.ENTER.GP.	52.34	1.80	6.34%	10.2%
123	PVH	153.37	0.15	12.27%	12.4%
124	QUEST DIAGNOSTICS	110.25	2.00	9.87%	12.0%
125	RALPH LAUREN CL.A	135.40	2.50	10.05%	12.2%
126	REPUBLIC SVS.'A'	70.82	1.50	13.83%	16.4%
127	ROCKWELL AUTOMATION	175.55	3.68	12.17%	14.7%
128	ROCKWELL COLLINS	136.57	1.32	12.51%	13.7%
129	ROSS STORES	87.03	0.90	10.89%	12.1%
130	S&P GLOBAL	204.66	2.00	15.17%	16.4%
131	SEAGATE TECH.	55.50	2.52	7.12%	12.3%
132	SEMPRA EN.	113.77	3.58	8.89%	12.5%
133	SHERWIN-WILLIAMS	422.88	3.44	16.71%	17.7%
134	SKYWORKS SOLUTIONS	96.92	1.52	13.03%	14.9%

	COMPANY	STOCK PRICE (P ₀)	DIVIDEND (D ₀)	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT
135	SOUTHERN	46.22	2.40	2.10%	7.8%
136	SOUTHWEST AIRLINES	55.19	0.64	17.08%	18.5%
137	STANLEY BLACK & DECKER	140.78	2.64	10.82%	13.0%
138	STARBUCKS	52.03	1.44	13.87%	17.2%
139	STATE STREET	91.04	1.88	11.38%	13.8%
140	STRYKER	169.67	1.88	10.00%	11.3%
141	SYMANTEC	20.40	0.30	10.56%	12.3%
142	SYSCO	69.07	1.44	12.58%	15.1%
143	TAPESTRY	47.38	1.35	9.74%	13.1%
144	TE CONNECTIVITY	93.08	1.76	10.39%	12.6%
145	TECHNIPFMC	31.15	0.52	14.57%	16.6%
146	TEXAS INSTRUMENTS	112.48	2.48	14.41%	17.1%
147	THERMO FISHER SCIENTIFIC	221.65	0.68	11.91%	12.3%
148	TIFFANY & CO	133.42	2.20	10.91%	12.8%
149	TJX	97.71	1.56	10.63%	12.5%
150	TOTAL SYSTEM SERVICES	90.29	0.52	15.24%	15.9%
151	TRACTOR SUPPLY	79.22	1.24	13.64%	15.5%
152	TWENTY-FIRST CENTURY FOX CL.B	45.67	0.36	11.91%	12.8%
153	UNION PACIFIC	146.01	3.20	18.01%	20.8%
154	UNITED PARCEL SER.'B'	115.46	3.64	11.38%	15.1%
155	UNITEDHEALTH GROUP	253.92	3.60	15.37%	17.1%
156	UNIVERSAL HEALTH SVS.'B'	118.95	0.40	10.74%	11.1%
157	US BANCORP	51.88	1.20	6.80%	9.4%
158	V F	88.10	1.84	13.17%	15.7%
159	VERIZON COMMUNICATIONS	51.25	2.36	5.39%	10.6%
160	VIACOM 'B'	29.36	0.80	4.79%	7.8%
161	VISA 'A'	137.54	0.84	19.11%	19.9%
162	WALGREENS BOOTS ALLIANCE	65.58	1.76	11.64%	14.8%
163	WALMART	88.46	2.08	5.07%	7.7%
164	WALT DISNEY	109.37	1.68	11.23%	13.0%
165	WASTE MANAGEMENT	85.93	1.86	12.60%	15.2%
166	WEC ENERGY GROUP	64.43	2.21	4.54%	8.4%
167	WESTERN DIGITAL	74.20	2.00	5.63%	8.7%
168	WESTERN UNION	20.20	0.76	4.17%	8.4%
169	WHIRLPOOL	139.43	4.60	9.63%	13.5%
170	XCEL ENERGY	45.75	1.52	5.95%	9.7%
171	XILINX	70.86	1.44	14.02%	16.5%
172	ZOETIS	87.04	0.50	16.46%	17.2%
173	Average				13.8%

Note: In applying the DCF Model to the S&P 500, I include in the DCF analysis only those companies in the S&P 500 group which pay a dividend, have a positive growth rate, and have at least three analysts' long-term growth estimates. In addition, I exclude all companies in the I/B/E/S group of insurance companies. I also eliminate those companies with DCF results that vary from the mean by one standard deviation or more.

D_0	=	Latest dividend per Thomson Reuters.
d_0	=	Latest quarterly dividend.
P_0	=	Average of monthly high and low stock prices June, July, and August 2018 per Thomson Reuters.
FC	=	Selling and flotation costs.
g	=	I/B/E/S forecast of future earnings growth August 2018.
k	=	Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs as shown by the formula below:

$$k = \left[\frac{d_0(1+g)^{\frac{1}{4}}}{P_0(1-FC)} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$

THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In this appendix, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

- P_0 = current price per share of the firm's stock,
- D_1, D_2, \dots, D_n = expected annual dividends per share on the firm's stock,
- P_n = price per share of stock at the time investors expect to sell the stock, and
- k = return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return.

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating k . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate g into the indefinite future. Second, they assume that the stock price at time n is simply the present value of all dividends expected in periods subsequent to n . Third, they assume that the investors' required rate of return, k , exceeds the expected dividend growth rate g . Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24, ..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence $3, 3 \times 2, 3 \times 2^2, 3 \times 2^3, \dots$. This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is: a , the first term, r , the common ratio, and n , the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of n terms of a geometric progression. Call this sum S_n . Then

$$S_n = a + ar + \dots + ar^{n-1}. \quad (3)$$

However, this expression can be simplified by multiplying both sides of equation (3) by r and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n,$$

or

$$(1 - r) S_n = a(1 - r^n).$$

Solving for S_n , we obtain:

$$S_n = \frac{a(1 - r^n)}{(1 - r)} \quad (4)$$

as a simple expression for the sum of n terms of a geometric progression. Furthermore, if $|r| < 1$, then S_n is finite, and as n approaches infinity, S_n approaches $a \div (1 - r)$. Thus, for a geometric progression with an infinite number of terms and $|r| < 1$, equation (4) becomes:

$$S = \frac{a}{1 - r} \quad (5)$$

Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1+g)}{(1+k)}$$

and common factor

$$r = \frac{(1+g)}{(1+k)}$$

Applying equation (5) for the sum of such a geometric progression, we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1 - \frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

as we suggested earlier.

Quarterly DCF Model

The Annual DCF Model assumes that dividends grow at an annual rate of $g\%$ per year (see Figure 1).

Figure 1

Annual DCF Model

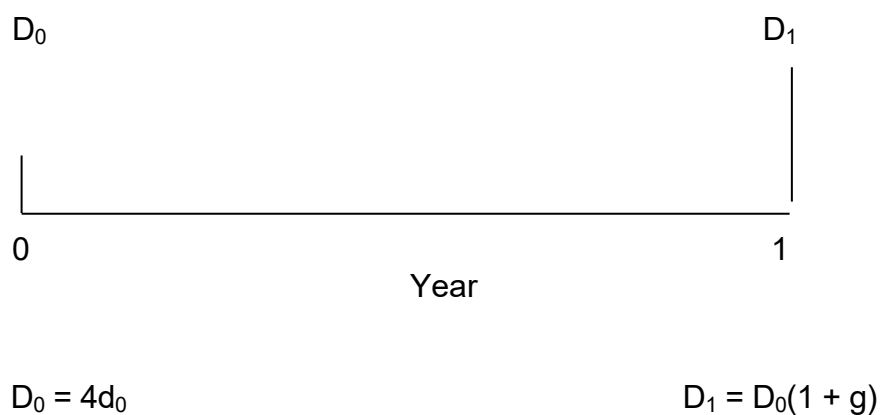
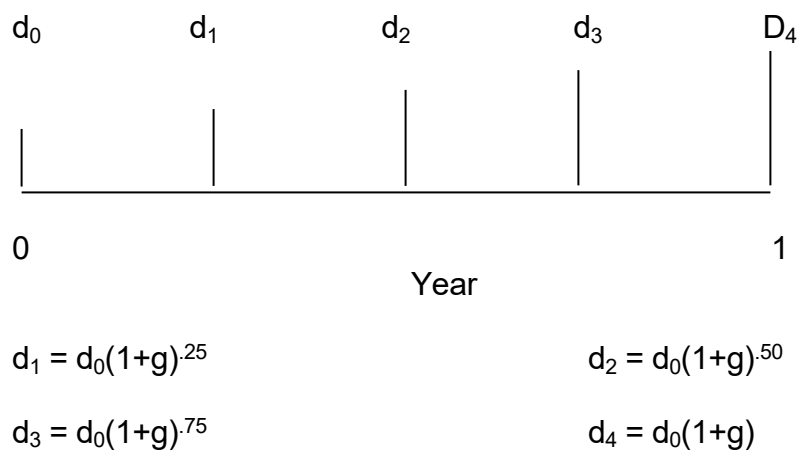


Figure 2

Quarterly DCF Model (Constant Growth Version)



In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor $(1 + g)^{.25}$, where g is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of constant growth and $k > g$, we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where d_0 is the last quarterly dividend payment, rather than the last annual dividend payment. (We use a lower case d to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

Solving equation (7) for k , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend assumption:

$$k = \left[\frac{d_0(I+g)^{\frac{1}{4}}}{P_0} + (I+g)^{\frac{1}{4}} \right]^4 - I \quad (8)$$

An Alternative Quarterly DCF Model

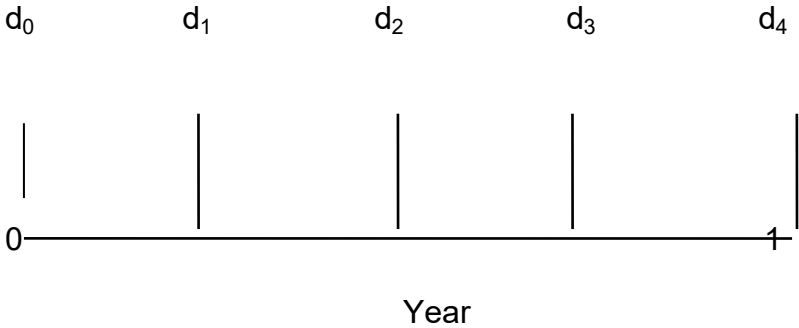
Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about where we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

Figure 3

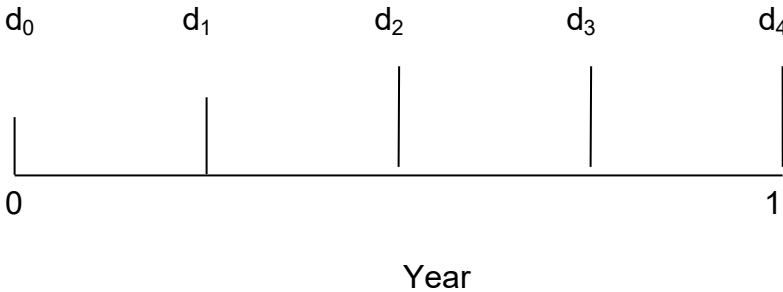
Quarterly DCF Model (Constant Dividend Version)

Case 1



$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

Case 2

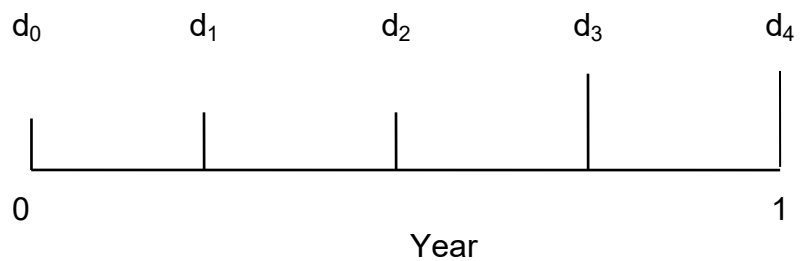


$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

Figure 3 (continued)

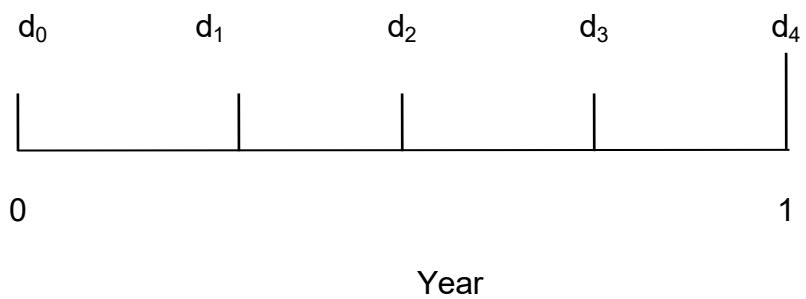
Case 3



$$d_1 = d_2 = d_0$$

$$d_3 = d_4 = d_0(1+g)$$

Case 4



$$d_1 = d_2 = d_3 = d_0$$

$$d_4 = d_0(1+g)$$

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where d_1 , d_2 , d_3 and d_4 are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that

$$D_1^* = d_1 (1 + k)^{3/4} + d_2 (1 + k)^{1/2} + d_3 (1 + k)^{1/4} + d_4 \quad (9)$$

is used in place of $D_0(1+g)$. But, we already know that the Annual DCF Model may be reduced to

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with D_1^* given by (9).

Although equation (10) looks like the Annual DCF Model, there are at least two very

important practical differences. First, since D_1^* is always greater than $D_0(1+g)$, the estimates of the cost of equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since D_1^* depends on k through equation (9), the unknown “ k ” appears on both sides of (10), and an iterative procedure is required to solve for k .

**COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2017**

YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RATE OF RETURN	RISK PREMIUM
2017	2,275.12	0.0209	24.71%	\$96.13	10.75%	13.97%
2016	1,918.60	0.0222	20.80%	\$95.48	4.87%	15.93%
2015	2,028.18	0.0208	-3.32%	\$107.65	-7.59%	4.26%
2014	1,822.36	0.0210	13.39%	\$89.89	24.20%	-10.81%
2013	1,481.11	0.0220	25.24%	\$97.45	-3.65%	28.89%
2012	1,300.58	0.0214	16.02%	\$94.36	7.52%	8.50%
2011	1,282.62	0.0185	3.25%	\$77.36	27.14%	-23.89%
2010	1,123.58	0.0203	16.18%	\$75.02	8.44%	7.74%
2009	865.58	0.0310	32.91%	\$68.43	15.48%	17.43%
2008	1,378.76	0.0206	-35.16%	\$72.25	0.24%	-35.40%
2007	1,424.16	0.0181	-1.38%	\$72.91	4.59%	-5.97%
2006	1,278.72	0.0183	13.20%	\$75.25	2.20%	11.01%
2005	1,181.41	0.0177	10.01%	\$74.91	5.80%	4.21%
2004	1,132.52	0.0162	5.94%	\$70.87	11.34%	-5.40%
2003	895.84	0.0180	28.22%	\$62.26	20.27%	7.95%
2002	1,140.21	0.0138	-20.05%	\$57.44	15.35%	-35.40%
2001	1,335.63	0.0116	-13.47%	\$56.40	8.93%	-22.40%
2000	1,425.59	0.0118	-5.13%	\$52.60	14.82%	-19.95%
1999	1,248.77	0.0130	15.46%	\$63.03	-10.20%	25.66%
1998	963.36	0.0162	31.25%	\$62.43	7.38%	23.87%
1997	766.22	0.0195	27.68%	\$56.62	17.32%	10.36%
1996	614.42	0.0231	27.02%	\$60.91	-0.48%	27.49%
1995	465.25	0.0287	34.93%	\$50.22	29.26%	5.68%
1994	472.99	0.0269	1.05%	\$60.01	-9.65%	10.71%
1993	435.23	0.0288	11.56%	\$53.13	20.48%	-8.93%
1992	416.08	0.0290	7.50%	\$49.56	15.27%	-7.77%
1991	325.49	0.0382	31.65%	\$44.84	19.44%	12.21%
1990	339.97	0.0341	-0.85%	\$45.60	7.11%	-7.96%
1989	285.41	0.0364	22.76%	\$43.06	15.18%	7.58%
1988	250.48	0.0366	17.61%	\$40.10	17.36%	0.25%
1987	264.51	0.0317	-2.13%	\$48.92	-9.84%	7.71%
1986	208.19	0.0390	30.95%	\$39.98	32.36%	-1.41%
1985	171.61	0.0451	25.83%	\$32.57	35.05%	-9.22%
1984	166.39	0.0427	7.41%	\$31.49	16.12%	-8.72%
1983	144.27	0.0479	20.12%	\$29.41	20.65%	-0.53%
1982	117.28	0.0595	28.96%	\$24.48	36.48%	-7.51%
1981	132.97	0.0480	-7.00%	\$29.37	-3.01%	-3.99%
1980	110.87	0.0541	25.34%	\$34.69	-3.81%	29.16%
1979	99.71	0.0533	16.52%	\$43.91	-11.89%	28.41%
1978	90.25	0.0532	15.80%	\$49.09	-2.40%	18.20%
1977	103.80	0.0399	-9.06%	\$50.95	4.20%	-13.27%
1976	96.86	0.0380	10.96%	\$43.91	25.13%	-14.17%
1975	72.56	0.0507	38.56%	\$41.76	14.75%	23.81%

**COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2017**

YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RATE OF RETURN	RISK PREMIUM
1974	96.11	0.0364	-20.86%	\$52.54	-12.91%	-7.96%
1973	118.40	0.0269	-16.14%	\$58.51	-3.37%	-12.77%
1972	103.30	0.0296	17.58%	\$56.47	10.69%	6.89%
1971	93.49	0.0332	13.81%	\$53.93	12.13%	1.69%
1970	90.31	0.0356	7.08%	\$50.46	14.81%	-7.73%
1969	102.00	0.0306	-8.40%	\$62.43	-12.76%	4.36%
1968	95.04	0.0313	10.45%	\$66.97	-0.81%	11.26%
1967	84.45	0.0351	16.05%	\$78.69	-9.81%	25.86%
1966	93.32	0.0302	-6.48%	\$86.57	-4.48%	-2.00%
1965	86.12	0.0299	11.35%	\$91.40	-0.91%	12.26%
1964	76.45	0.0305	15.70%	\$92.01	3.68%	12.02%
1963	65.06	0.0331	20.82%	\$93.56	2.61%	18.20%
1962	69.07	0.0297	-2.84%	\$89.60	8.89%	-11.73%
1961	59.72	0.0328	18.94%	\$89.74	4.29%	14.64%
1960	58.03	0.0327	6.18%	\$84.36	11.13%	-4.95%
1959	55.62	0.0324	7.57%	\$91.55	-3.49%	11.06%
1958	41.12	0.0448	39.74%	\$101.22	-5.60%	45.35%
1957	45.43	0.0431	-5.18%	\$100.70	4.49%	-9.67%
1956	44.15	0.0424	7.14%	\$113.00	-7.35%	14.49%
1955	35.60	0.0438	28.40%	\$116.77	0.20%	28.20%
1954	25.46	0.0569	45.52%	\$112.79	7.07%	38.45%
1953	26.18	0.0545	2.70%	\$114.24	2.24%	0.46%
1952	24.19	0.0582	14.05%	\$113.41	4.26%	9.79%
1951	21.21	0.0634	20.39%	\$123.44	-4.89%	25.28%
1950	16.88	0.0665	32.30%	\$125.08	1.89%	30.41%
1949	15.36	0.0620	16.10%	\$119.82	7.72%	8.37%
1948	14.83	0.0571	9.28%	\$118.50	4.49%	4.79%
1947	15.21	0.0449	1.99%	\$126.02	-2.79%	4.79%
1946	18.02	0.0356	-12.03%	\$126.74	2.59%	-14.63%
1945	13.49	0.0460	38.18%	\$119.82	9.11%	29.07%
1944	11.85	0.0495	18.79%	\$119.82	3.34%	15.45%
1943	10.09	0.0554	22.98%	\$118.50	4.49%	18.49%
1942	8.93	0.0788	20.87%	\$117.63	4.14%	16.73%
1941	10.55	0.0638	-8.98%	\$116.34	4.55%	-13.52%
1940	12.30	0.0458	-9.65%	\$112.39	7.08%	-16.73%
1939	12.50	0.0349	1.89%	\$105.75	10.05%	-8.16%
1938	11.31	0.0784	18.36%	\$99.83	9.94%	8.42%
1937	17.59	0.0434	-31.36%	\$103.18	0.63%	-31.99%
1936	13.76	0.0327	31.10%	\$96.46	11.12%	19.99%
1935	9.26	0.0424	52.84%	\$82.23	22.17%	30.66%
1934	10.54	0.0336	-8.78%	\$66.78	29.13%	-37.91%
1933	7.09	0.0542	54.08%	\$79.55	-11.03%	65.11%
1932	8.30	0.0822	-6.36%	\$70.67	18.23%	-24.59%
1931	15.98	0.0550	-42.56%	\$84.49	-11.63%	-30.93%

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2017

YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RATE OF RETURN	RISK PREMIUM
1930	21.71	0.0438	-22.01%	\$81.19	8.99%	-31.00%
1929	24.86	0.0336	-9.31%	\$83.95	1.48%	-10.79%
1928	17.53	0.0431	46.12%	\$86.71	1.43%	44.69%
1927	13.40	0.0502	35.84%	\$83.28	8.92%	26.92%
1926	12.65	0.0446	10.39%	\$80.81	8.01%	2.38%
Average 1926 - 2017			11.57%		6.82%	4.76%

Note: See Page 4 for an explanation of how stock and bond returns are derived and the source of the data presented.

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2017

RISK PREMIUM APPROACH

SOURCE OF DATA

Stock price and yield information is obtained from Standard & Poor's Security Price publication. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in thirty years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated Utility bond yield. The values shown on the ex post risk premium schedule are the January values of the respective indices.

Calculation of Stock and Bond Returns

Sample calculation of "Stock Return" column:

$$\text{StockReturn}(2017) = \left[\frac{\text{StockPrice}(2018) - \text{StockPrice}(2017) + \text{Dividend}(2017)}{\text{StockPrice}(2017)} \right]$$

where Dividend (2017) = Stock Price (2017) x Stock Div. Yield (2017)

Sample calculation of "Bond Return" column:

$$\text{Bond Return}(2017) = \left[\frac{\text{Bond Price}(2018) - \text{Bond Price}(2017) + \text{Interest (2017)}}{\text{Bond Price}(2017)} \right]$$

where Interest = \$4.00.

**PREFILED TESTIMONY
OF
DAVID APPEL**

**2018 HOMEOWNERS INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU**

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and present business address.

A. My name is David Appel, and my business address is 1 Pennsylvania Plaza, New York, NY.

Q. What is your occupation?

A. I am a Senior Consultant with the firm of Milliman, Inc.

Q. What is Milliman, Inc.?

A. Milliman (formerly Milliman & Robertson) is one of the nation's largest independently owned firms of actuaries and consultants. The company has more than 3500 employees, and operates offices in over 60 cities in the U.S., Europe, Asia, Africa, Australia and Latin America. Our clients number in the thousands: they include insurers, self-insured entities, Federal and State Governments, private corporations, non-profit organizations, unions, and many others.

Q. Please describe your educational and employment history.

A. A complete statement of my educational, employment and academic credentials is included as Exhibit RB-18 filed with this testimony.

To summarize, I have a B.A. in economics from Brooklyn College, City University of New York, and M.A. and Ph.D. degrees in economics from Rutgers University. Prior to 1980, I was an instructor in economics at Rutgers University. For the following nine years, I was employed by the National Council on Compensation Insurance (NCCI), the nation's largest workers compensation insurance statistical, research and ratemaking organization. I joined NCCI as Research Economist in 1980, and ultimately became Vice President for Research in 1985. In 1989, I joined Milliman, where I founded the economics consulting practice for the firm.

Q. Would you please describe some of your other professional activities?

A. Yes. Throughout my professional career, I have participated in a variety of academic and business activities related to insurance. I have twice been a member of the Board of Directors of the American Risk and Insurance Association, the leading learned society of insurance academics. For many years I was a member of the editorial board of the Journal of Insurance Regulation, the official research publication of the National Association of Insurance Commissioners, and I acted as a peer referee for a number of scholarly journals in economics and insurance. In addition, I was, for twelve years, an Adjunct Professor of Economics at Rutgers University.

Q. Have you ever published any papers or books?

A. Yes. I have authored many papers on various aspects of insurance that have been published in refereed books or scholarly journals. In addition, I have published a large number of papers in non-refereed journals as well. I have also co-edited three volumes of research papers dealing with various aspects of workers compensation and property-casualty insurance. My refereed publications are listed in Exhibit RB-18 filed with this testimony.

Q. Are you a member of any professional associations?

A. Yes. I am a member of the American Risk and Insurance Association, the leading association of insurance academicians. I have also been an elected fellow of the National Academy of Social Insurance, a member of the panel of neutrals of the American Arbitration Association, and a certified arbitrator and umpire of ARIAS, the world's leading insurance and reinsurance arbitration society.

Q. Have you ever testified in insurance rate regulatory proceedings?

A. Yes. I have testified on many occasions in such proceedings during my career, including numerous occasions in North Carolina. A complete list is contained in Exhibit RB-18 filed with this testimony.

Q. What was the general nature of your testimony in these cases?

A. I have addressed a wide variety of insurance issues during public testimony, including such diverse topics as the impact of economic and demographic factors on insurance costs, the effects of regulation on insurance availability, the use of econometric and statistical models in insurance forecasting, and the use of modern financial theory in developing insurance prices. In North Carolina, my testimony has tended to focus on matters relating to the cost of capital and the returns

expected from the underwriting profit provisions selected for use in the rates. However, in property rate filings, I have had substantial involvement in issues relating to catastrophe risk and the net cost of reinsurance, hence my testimony has addressed these issues as well.

Q. Have you been retained by the North Carolina Rate Bureau as a consultant in this rate case?

A. Yes. I have been asked to consider the following specific matters in connection with this case:

1. Whether Dr. Vander Weide's analysis provides a reasonable estimate of the cost of capital.
2. Whether other factors – including interest rate sensitivity, the small firm size typical of homeowners insurers in North Carolina, and the nature of the homeowners insurance exposure – create additional sources of risk which affect insurers' cost of capital.
3. Whether the return insurers would expect to earn from underwriting homeowners insurance in North Carolina, given that the filed underwriting profit provision is realized, are fair and reasonable.

I have performed various studies and analyses on these matters.

Q. Can you please summarize the conclusions you have reached in regard to the matters noted above?

A. Yes. I will summarize them in bullet form here, and then discuss them each more fully later in the testimony.

1. I have reviewed Dr. Vander Weide's cost of capital estimates, which rely on the two most widely recognized models used for this purpose, and find them to be reasonable. However, Dr. Vander Weide's estimates are based on the implicit assumption that insurers present investors with roughly average risk, relative to all possible investment activities. I believe that investors in the property-casualty insurance industry, and particularly in the lines of business at issue in this rate hearing, are subject to an above average degree of risk, and therefore I think it would be prudent to view Dr. Vander Weide's estimates as a conservative estimate of the return to which insurers are entitled.
2. I have also considered the impact of two factors on the risk and required return for insurers – interest rate sensitivity and firm size. These factors

affect the required return for insurers generally, regardless of the line of business. As regards interest rate sensitivity, because of the high degree of financial leverage and the substantial share of medium and long term bonds in insurer asset portfolios, insurers are particularly subject to interest rate risk that cannot be diversified away. Based on my previous analyses, I have found that investors must be compensated for this risk in the form of an additional risk premium above that required for the average security. As regards firm size, I have on many occasions studied the size distribution of insurers in North Carolina and found that the firms providing insurance coverage in the state tend to be smaller than those used in Dr. Vander Weide's cost of capital analysis. Since there is conclusive evidence that, over the long run, smaller firms have earned higher returns, this finding must be considered evidence that investors expect higher returns from small firms.

These analyses provide support for my opinion that Dr. Vander Weide's cost of capital estimates should be viewed as a conservative estimate of the return to which insurers are entitled.

3. In addition to these risk factors, I also note that the homeowners insurance at issue in this case is subject to significant catastrophe risk, which is not adequately reflected in Dr. Vander Weide's cost of capital estimates. This is yet another factor supporting my opinion that Dr. Vander Weide's cost of capital estimates should be viewed as conservative.
4. In order to test the underwriting profit provision selected and filed by the Rate Bureau, I have estimated the returns insurers would expect to earn from North Carolina homeowners insurance assuming the filed underwriting profit provision is fully earned, and assuming all of the other assumptions embedded in the rate calculations actually materialize. I am aware that North Carolina law provides that insurers are entitled to expect to earn a return equal to the returns of industries of comparable risk, and that in calculating that expected return, investment income from capital and surplus funds is not to be considered. I refer to that operating return as the statutory return. However, as is evident from the attached exhibits, I have estimated insurer pro forma returns both including and excluding expected investment income from capital and surplus. (I refer to the return including investment income on surplus as the total return.) I have done this to demonstrate that, if the filed underwriting profit provision is actually realized, and even if investment income on surplus is considered, insurer returns will not be excessive. Obviously, if returns are not excessive including investment income from capital and surplus, they will be non-excessive excluding such income.
5. I am aware that the North Carolina Rate Bureau has chosen to cap certain territorial rate increases in order to ameliorate the impact on policyholders

in those territories of the large indicated rate increases there and to obtain approval of the filing by the Commissioner of Insurance. The effect of that capping is to lower the requested rate change below the indicated rate change in the filing. In fact, while the indicated rate increase is 26.1%, the result of the territorial capping is to reduce the requested overall rate change to 17.4%. Assuming the losses and expenses projected in the filing actually materialize, the further result of that capping is that insurers will not collect sufficient revenue to produce the 9.0% underwriting profit selected and filed by the Rate Bureau; instead, the underwriting profit, and resulting rate of return, will fall short of the values I have estimated in the pro forma return calculations in the filing.

6. Based on my calculations, the selected underwriting profit provision of 9.0% would generate the following returns for homeowners insurers in North Carolina: a statutory return on net worth of 6.8% and a total return on net worth (i.e., including investment income on surplus) of 10.4%. Since these returns, even those that include investment income on surplus funds, are near or below the lower bound of Dr. Vander Weide's range for the fair rate of return, I conclude that the underwriting profit provisions are clearly not excessive. In addition, given the territorial capping noted above and assuming the losses and expenses projected in the filing actually materialize, the expected underwriting profit provision will be significantly less than the selected 9.0%. As a consequence, insurers would expect returns well below the lower bound for the range of fair returns.

II. COST OF CAPITAL REVIEW

- Q. You said your first assignment was to review Dr. Vander Weide's estimate of the cost of capital. Are you familiar with Dr. Vander Weide's approach to estimating the cost of capital in insurance rate cases?
- A. Yes. I am aware of the methodology upon which Dr. Vander Weide relies to estimate the cost of capital and have reviewed it on a number of occasions in the course of previous rate cases in North Carolina. Dr. Vander Weide has used the most widely recognized and accepted models for this purpose, namely the Discounted Cash Flow (DCF) model and the risk premium method. These models, when taken together and properly applied to a reasonably selected data set, provide acceptable estimates of the cost of capital for regulated insurers.
- Q. What has Dr. Vander Weide concluded with respect to the fair rate of return in this case?

A. Dr. Vander Weide has concluded that the fair rate of return for insurers is in the range of 9.0% to 13.8% on net worth as determined under generally accepted accounting principles (GAAP).

Q. In your opinion, is this an appropriate estimate of the required rate of return?

A. Yes, however as I indicated a moment ago, I believe that Dr. Vander Weide may have been conservative in his calculation of the required rate of return. Dr. Vander Weide has assumed that the property-casualty industry presents investors with average risk. However, based on my studies, I conclude the following:

1. There is evidence that the property casualty industry is considerably above average with respect to the volatility of the returns that it provides to investors. This higher volatility of returns makes the property-casualty industry an investment of above average risk.
2. Since investors require higher returns from smaller firms, and since the firms in Dr. Vander Weide's cost of capital analysis are significantly larger than the average property-casualty insurer in North Carolina, his approach tends to underestimate the true cost of capital for North Carolina homeowners insurers.

III. ADDITIONAL FACTORS AFFECTING RISK

Q. Your comments suggest that Dr. Vander Weide's cost of capital may be understated for insurers writing homeowners insurance in North Carolina. Can you please elaborate on this?

A. Certainly. As mentioned in the summary, I have considered whether other factors not addressed in the standard cost of capital analysis conducted by Dr. Vander Weide might indeed affect the risk and therefore the required return in this case. In fact, there were two such factors – interest rate risk and the small size of firms writing homeowners insurance in the state – that I have studied for a number of years and which clearly increase the cost of capital, or required return, in this case. Based on analyses I have conducted for previous rate hearings in North Carolina, I have concluded that both these factors create additional risks that require additional compensation above that demanded for the average security.

In addition to these factors (which affect risk and required returns for all lines of insurance), for the lines of coverage at issue in this case, the exposure to catastrophic losses associated with hurricanes in North Carolina contributes to additional risk that is otherwise not reflected in standard cost of capital analyses. As with interest rate risk and small firm size, this additional risk requires

compensation in the market, beyond that implied by the analyses conducted by Dr. Vander Weide. I will discuss these issues briefly below.

Q. You have made reference to the term interest rate risk. Can you please define this term?

A. Yes. Interest rate risk refers to the risk that the value of fixed income investments (such as bonds) will fluctuate with changes in interest rates. This means that there is a risk associated with holding bonds, particularly those with a relatively long term to maturity. While investments in equities are still considerably riskier than investments in long term bonds, as evidenced by the fact that returns to large company stocks have had a much higher mean and standard deviation than returns on long term government bonds over the past 80+ years, bonds investments impose risk as well.

Q. Does interest rate risk affect investments in property-casualty insurance stocks?

A. Yes. Property-casualty insurance companies invest large amounts of funds in bonds issued by both corporations and governmental bodies. The risk that investors face is that when interest rates change, the values of the bonds also change, and hence their investments in property-casualty stocks are subject to interest rate risk. This fact is widely recognized by the financial community. Since investors cannot diversify away interest rate risk, only the prospect of higher returns will induce them to purchase interest-sensitive stocks. That is, investors must be compensated for purchasing interest-sensitive stocks because they are increasing their exposure to interest rate risk. This is a risk separate and apart from the market risk investors face.

Q. Why is interest rate risk different from market risk?

A. In general, risk that is not diversifiable is known as systematic risk, or market risk. Systematic risk stems from events that take place on an economy-wide basis. Investors can only diversify away risks that have offsetting factors somewhere else in the economy. For instance, if one company has a bad year due to reasons specific to it alone, it is highly likely that another company will have a good year which will offset the bad performance. That sort of risk is diversifiable. However, the risk associated with events that take place economy-wide without offsetting factors is not diversifiable. It is this risk that is referred to as systematic risk or market risk.

Interest rate risk is a separate source of volatility for insurance stocks. Interest rates often change as a result of changes in expectations of future inflation. These changes primarily affect firms that hold what are called nominal assets and

liabilities. Nominal assets and liabilities have cash flows that are fixed in nominal terms (for example, accounts receivable, most contracts, and bonds) and are thus subject to erosion in value due to inflation. On the other hand, the cash flows associated with manufacturing and service operations tend to fluctuate with the price level. Since most non-financial firms hold relatively few nominal assets and liabilities, their stocks are not particularly sensitive to changes in interest rates that are due to changes in expected inflation. Therefore interest rate risk adds additional risk to insurance stocks, above and beyond market risk, that is not diversifiable.

Changes in interest rates that are not associated with changes in expected inflation will affect all stocks. This accounts for the moderate degree of correlation between changes in long term interest rates and returns to common stocks. However, the fact that most stocks are not very sensitive to changes in interest rates that are due to changes in expected inflation means that interest rate risk is not fully captured in measures of market risk.

Q. Is it possible to measure interest rate risk?

A. Yes, and in the past I have conducted a number of studies designed specifically to address this issue. The principal conclusions of those studies is that since insurer assets on average have a substantially longer financial duration than insurance liabilities, when interest rates change, the value of insurer equity is subject to potentially wide fluctuation. While the market risk for insurers as measured by beta is roughly average, the degree of interest rate risk to which the industry is exposed is considerably higher than average. Since this risk cannot be entirely diversified away, the overall risk associated with an investment in property/casualty insurance is greater than average.

Insurers are entitled to a rate of return above that allowed for the average risk investment in the U.S. economy for several reasons.

First, as noted, the high degree of financial leverage and mismatched durations of assets and liabilities contributes to the volatility of returns to investors in insurance stocks.

Second, the insurance industry is in the business of bearing risk. Individuals and corporations transfer to property-casualty insurers the potential liability for a wide range of possible adverse events, ranging from property damage to professional liability. In light of the unforeseen events that can occur, and, in the recent past, actually have occurred, investors in property-casualty insurance stocks are subject to considerable risk.

Finally, insurance is in the unique position of being a highly competitive industry that is also subject to a high degree of regulation. This combination of regulation

and competition creates an environment in which insurers are subject not only to the demands of the market but also to the pressures of the political process. There is substantial evidence that regulation can increase risk for a regulated enterprise, and when that is combined with an aggressively competitive industrial structure, risk is increased.

Q. You said that the combination of regulation and competition increased risk for insurers. Can you describe what you mean?

A. Yes. Traditionally, direct price and rate of return regulation has been imposed on industries known as "public utilities," such as generation and transmission of electric power, distribution of natural gas, provision of local water and sewer service and the like. Because of the nature of the production process, these industries are characterized as "natural monopolies," meaning that it is most efficient for a single producer to provide the service in question. In such circumstances, the state normally grants a monopoly to a single provider and then regulates that firm directly to prevent abuse of monopoly power.

Property-casualty insurance differs dramatically from this model. Rather than a single firm providing service, there are in most states literally hundreds of firms competing in the market, none of which typically have significant market power. These firms compete aggressively to increase market share and attract the best insureds by offering a variety of price and quality combinations that are best tailored to their business objectives. This vigorous competition provides discipline in the marketplace, and, when combined with direct rate of return regulation, the risk for insurers is increased.

I should note that historically, a number of competitively structured industries (such as airlines, trucking, and telecommunications) were subject to regulation, but in the past several decades there has been a movement to deregulate these activities. This is due in part to the widespread agreement that competition itself is an adequate regulator.

Q. You also said that you considered whether the size distribution of North Carolina insurers should impact the cost of capital in this case. Can you please describe this issue briefly and discuss its implications for this case?

A. Yes. It is a well established fact of empirical finance that small stocks tend to outperform large stocks. Ibbotson Associates, for instance, annually reports on the performance of firms in the ninth and tenth deciles of stocks listed on the principal U.S. stock exchanges; in recent years the data show that since 1926 these small firms have outperformed the market as a whole by approximately 4 to 5 percentage points, even after accounting for the fact that these firms have above average betas. Therefore an adjustment should be made to the cost of capital to

the extent that the property-casualty insurance industry is composed of small stocks.

Q. Have you conducted any studies with respect to the significance of the small stock effect?

A. Yes. As with interest rate risk, I have conducted a number of studies of this issue in previous years, and in each instance I found that (1) investors have earned higher returns from small stocks than from large stocks, and (2) the insurers in Dr. Vander Weide's cost of capital analysis are among the largest companies in the U.S. economy. The insurers in Dr. Vander Weide's analysis are larger, on average, than the companies in the property-casualty insurance industry, and they are larger, on average, than the companies writing homeowners insurance in North Carolina.

These facts suggest that the cost of capital for insurers writing homeowners insurance in North Carolina should be higher than for those firms contained in Dr. Vander Weide's cost of capital analysis. This reaffirms my conclusion that the cost of capital Dr. Vander Weide has presented is conservative.

Q. You also mentioned the impact of catastrophe risk on the cost of capital. Can you please discuss that briefly?

A. Yes. The potential for catastrophic losses from hurricanes produces additional risk to insurers beyond that captured in the cost of capital models relied upon by Dr. Vander Weide. For one thing, the estimated cost of capital for the insurers in Dr. Vander Weide's sample reflects the risk of the average activity for those insurers, not the risk of catastrophe exposures alone (as is relevant in this case). Since catastrophe exposed lines of business are significantly riskier than average, the cost of capital for those lines is higher as well.

In addition, as respects Dr. Vander Weide's risk premium model, since the occurrence of hurricanes is generally uncorrelated with the market, the losses associated with such events would not be captured in the estimated betas of insurers, and hence those values would tend to understate the risk associated with these lines of insurance. Because the betas for insurers indicate they are of average risk, but those values do not adequately incorporate the risk from extreme events like hurricanes, they understate the true risk to which insurers are subject.

Q. Can you please summarize your testimony on the cost of capital of the property-casualty insurance industry?

- A. Yes. Dr. Vander Weide has assumed that the property-casualty insurance industry presents investors with risks comparable to the average investment in equities. My analysis has shown that property-casualty insurance stocks are subject to additional volatility due to interest rate sensitivity, are relatively small when compared with the broad cross section of publicly traded firms in the U.S. economy, and are subject to risk from catastrophic events. Since each of these additional risks require compensation in the form of a higher return, I conclude that Dr. Vander Weide has been conservative in his calculation of the required rate of return on property-casualty insurance investments.

IV. PROJECTED RETURN ATTRIBUTABLE TO INSURANCE OPERATIONS

- Q. Earlier you said that you had calculated the statutory return insurers would expect from underwriting homeowners insurance in North Carolina. Have you conducted such an analysis?

- A. Yes, I have. I developed a model using traditional insurance profitability analyses and have calculated the statutory returns on equity that would be expected to arise assuming that actual underwriting and investment results materialize exactly as projected in this filing. The results are contained in Exhibit RB-19 filed with this testimony.

- Q. What do you mean when you use the term pro forma in that exhibit in connection with rate of return?

- A. I use this term to indicate that the rate of return presented in these exhibits is based on a series of assumptions regarding such inputs as underwriting profit, investment gain, leverage and the like. If these assumptions actually materialize, then the “pro forma” rates of return calculated in the exhibits will prevail. However, to the extent that these assumptions are not realized, the rate of return will differ from that calculated in the exhibits.

- Q. Do you have any reason to believe that the target underwriting profit of 9.0% included in this filing will not be realized during the period the upcoming homeowners insurance rates will be in effect?

- A. Yes. It is obvious that if the projections of losses and expenses in the filing are correct, insurers must obtain a rate increase of 26.1% in order to achieve the targeted underwriting profit of 9.0%. However, the rate increase actually filed by the NCRB is considerably lower than that, due to the capping of rate increases in certain territories. In fact, the impact of capping is to reduce the overall increase from 26.1% to 17.4%, the amount actually requested by the Bureau. If the 17.4%

rate increase is approved in its entirety, and the remaining assumptions in the filing materialize as projected, then the realized underwriting profit will be significantly less than the 9.0% target in the filing. Clearly, if the underwriting profit is lower, then insurer returns will be lower as well.

Q. Can you please now describe the components of the model you developed?

A. Yes. The model really consists of a single page that calculates the rate of return on equity attributable to undertaking the insurance activity. It sets forth estimates of income derived from underwriting, installment fees and investment of reserves and estimates of costs, comprised of losses, expenses and taxes. This exhibit is supported by several other exhibits which provide calculations of investment yield rates, tax rates, premium to surplus and net worth to surplus ratios, and installment fee income.

Q. Can you now please describe the principal elements of the rate of return analysis?

A. Yes.

1. Underwriting profit is the difference between earned premiums and projected incurred losses and expenses. This provision was selected by the appropriate committees of the Rate Bureau.
2. Installment fee income is projected based on historical installment revenues, taking into consideration the most recent information on the installment fee program.
3. Taxes are calculated assuming that the regular corporate tax rate applies to statutory underwriting (plus installment fee) income, and that an additional tax liability applies due to the reserve discounting and revenue offset provisions that are applicable to property casualty insurers. Taxes on investment income are calculated assuming that the current statutory tax rates apply to the various classes of investment income earned.
4. Investment gain on the insurance transaction is estimated as the product of an investment yield rate and the investible funds available from loss, loss adjustment expense and unearned premium reserves (i.e., policyholder supplied funds). The investment yield rate is derived as the average of the "embedded yield" and the "current yield," based on the actual portfolios of securities held by insurers. This estimated yield rate includes income from interest, dividends, real estate, and other assets, as well as realized capital gains. The investible funds in this calculation are estimated using the well known ISO State-X model, with one modification as described below.

Q. In previous testimony in North Carolina, you identified certain changes you made to the traditional rate of return analysis that is performed using this model. Did you continue these changes for this year's filing?

A. Yes. I removed the reduction of investible funds by the amount of agents' balances from the ISO State-X calculation. However, it continues to be true that the funds represented by agents' balances are not available for investment by insurers. Therefore, in the rate of return calculation, the investment income from this modified State-X calculation is reduced by the investment income attributable to agents' balances. This calculation recognizes (1) that the majority of agents' balances represent premiums not yet paid by insureds because of installment payment plans, and hence is unavailable for investment and (2) that for the small minority of agents' balances that is premiums collected by agents but not yet remitted to the companies, the investment income on that premium is additional compensation to the agents and a cost to the companies as part of the insurance transaction.

In addition, I adjusted the trended loss, LAE and fixed expense ratios to reflect the proposed rate change. That is to say, I have divided the trended loss and fixed expense ratios at present rates by one plus the proposed rate change to reflect the change in these ratios that occur when rates are changed.

Q. Could you please clarify how the underwriting profit provision contained in the rate filing was determined?

A. Yes. The issue of how the Rate Bureau determines the underwriting profit and contingency factor has routinely arisen in rate hearings in North Carolina over the past several years. Although it is evident from my exhibits that the Rate Bureau selects an underwriting profit and contingency provision to be included in the rates, there has been lengthy cross examination on this issue in every rate hearing in recent memory. Therefore, to clarify this matter, I will briefly discuss the procedure used by the Rate Bureau to determine the underwriting profit and contingency factor that is included in the proposed rates.

As part of the process of preparing a property insurance rate filing, the Property Rating Sub-Committee of the Rate Bureau meets to review data and determine values for a number of the important components of the proposed rates. One of these components is the underwriting profit factor. To determine this value, a procedure is followed in which I provide the committee with the estimated returns on equity (both statutory returns as well as returns adjusted to include investment income on surplus) associated with alternative underwriting profit provisions, and the committee then selects a provision after considering the cost of capital that has been developed by Dr. Vander Weide. Thus, the process is best described as one

in which I test alternative underwriting profit provisions, and the committee selects a value based on these tests.

Q. How do you know what values of the underwriting profit provision to test?

A. I have been performing this type of analysis on behalf of the Rate Bureau for many years, and I am quite familiar with the dynamics of these models. Therefore, it is relatively easy to know the general range of values around which the underwriting profit is likely to fall. Normally, I will select approximately five or six values of the underwriting profit provision to test, that comprise a range of perhaps two to three percentage points, and the committee typically selects a value within that range. (For example, for this filing, I believe I tested underwriting profit provisions for homeowners insurance in one half percentage point increments ranging from 7.0% to 11.0%, and the committee selected a value of 9.0%.) Of course, if the committee is not satisfied with the range of values I propose, I provide the returns associated with alternative values proposed by the committee.

Q. From what you've said, it appears that the Rate Bureau *selects* an underwriting profit provision, rather than *deriving* such a provision from the cost of capital. Is that correct, and if so, isn't it true that actuarial standards of practice require that the underwriting profit provision be *derived* from an underlying cost of capital?

A. It is correct that the Rate Bureau committee selects an underwriting profit provision and then tests whether that provision results in an expected rate of return on net worth that is consistent with the cost of capital. However, despite what has been suggested in the past by DOI witnesses, it is *not true* that actuarial standards of practice require that an underwriting profit be derived from the cost of capital. In fact, that issue is addressed explicitly in Actuarial Standard of Practice #30, entitled "Treatment of Underwriting Profit and Contingency Factors and the Cost of Capital in Property/Casualty Insurance Ratemaking." Section 3.1 of that ASOP states the following:

Estimating the Cost of Capital and the Underwriting Profit Provision – Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the specific risk transfer. This cost of capital can be provided for by estimating that cost and translating it into an underwriting profit provision, after taking leverage and investment income into account. Alternatively, the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital. The actuary may use any appropriate method, as long as such method is consistent with the considerations in this standard.

The procedure utilized by the Rate Bureau is exactly the approach articulated in this section (i.e., "the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital").

Q. Could you please clarify how you selected your investment yield rate and premium to surplus ratio?

A. Yes. To select the investment yield rate, I was asked by the Rate Bureau to compute the average of what are known as the "embedded" and "current" yields, where each was based on the actual asset portfolios insurers currently hold. There has been a long-standing debate regarding the choice between embedded and current yields in insurance profitability calculations. Since the Commissioner himself adopted an approach of averaging the embedded and current yields in his 1994 automobile decision (and in his decision in the 1996 case, he selected a yield which approximated the yield obtained from this approach), the Rate Bureau has chosen to follow that methodology since that time.

To estimate the embedded yield, I calculated the ratio of investment income divided by average invested assets and added to that an estimate of the ten year average ratio of realized capital gains to invested assets. The sum of these two is the estimated embedded yield.

To estimate the current yield, I determined the yields available in today's capital markets for the portfolio of securities currently held by the property-casualty insurance industry. I then calculated a weighted average of these yield rates based on the proportion of assets held by the industry in each of the various securities such as stocks, bonds, real estate and the like.

As far as the premium to surplus ratio is concerned, I also relied on information which reflects the actual degree of leverage for insurers writing homeowners insurance in North Carolina. The premium to surplus ratio I used is the ten year average premium to surplus ratio for the top 30 company groups which wrote homeowners insurance in North Carolina in each of those years.

Q. Can you please provide the results of your calculations regarding the projected rate of return to the insurance transaction if your underlying assumptions are realized?

A. Yes. I estimate that insurers in North Carolina should expect to earn a statutory return on net worth of 6.8% for homeowners insurance in North Carolina. In addition, the total return on net worth (i.e., including investment income on surplus) is 10.4% for homeowners coverage. While the statutory return is well below the lower bound of Dr. Vander Weide's range for the cost of capital, the total return falls within (albeit at the lower end of) that range.

Q. Are there any factors that might impact the realization of these projected returns?

A. Yes. In order for the aggregate industry to achieve the returns projected in these exhibits, every assumption in the model must be realized exactly, and the industry must receive the full indicated 26.1% rate increase. I have already mentioned one prominent reason why the projected returns will not be realized; the rate increase has been capped in various territories, such that the requested overall increase is only 17.4% (compared to the indicated 26.1%). If the other assumptions in the model are realized, the impact of this capping is to reduce the expected underwriting profit well below 9.0% and to reduce the statutory return on net worth and the expected total return on net worth well below the lower bound of Dr. Vander Weide's range for the cost of capital.

In addition to the capping, and even if every other projection in the filing is exactly realized, the industry will still not realize these projected returns because the filing does not reflect the current surplus position of the aggregate industry. For the sake of stability in the ratemaking process, the premium to surplus ratios used in my calculations are based on long term historical data. The most recent data show that the aggregate industry writing homeowners insurance in North Carolina has more surplus in relation to premiums than the historical averages used in my calculations. Therefore, even if all other assumptions were realized exactly, the calculated rate of return would overstate the returns the aggregate industry would reasonably expect.

VII. CONCLUSION

Q. Based on the studies and analyses you have performed, have you come to any conclusions regarding the provision for underwriting profit that has been filed by the Rate Bureau as part of the filing in this case?

A. Yes. Based on my evaluation of Dr. Vander Weide's cost of capital estimates, my consideration of insurer specific risk characteristics, and my estimation of projected and expected returns, I believe that the underwriting profit provision selected by the Rate Bureau and used in determining the indicated rate level changes complies with North Carolina law and is not excessive. Furthermore, given the territorial capping of the filed rate level changes, the underwriting profit and returns *expected* to be realized by insurers will be substantially lower than those expected to be realized under the indicated rate level changes, and hence will also not be excessive. Finally, assuming that the actuarial estimates in the filing are reasonable, it is my opinion that including the filed underwriting profit provision would produce rates that are just, reasonable and not excessive, inadequate or unfairly discriminatory.

Q. Does this conclude your testimony?

A. Yes, it does.

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1989 to present 2017 1989 to 2016	MILLIMAN, INC. Senior Consultant Principal & Director - Economics Consulting Responsible for the formation, development and management of a national consulting practice in insurance economics.
1980 to 1989 1985 to 1989 1983	NATIONAL COUNCIL ON COMPENSATION INSURANCE Economic and Social Research Division Vice President Assistant Vice President Responsible for all economic and social research of NCCI
1982 1981 1980	Director of Economic and Social Research Senior Research Economist Associate Research Economist
1976 to 1997	RUTGERS UNIVERSITY
1981-97	Associate of the Graduate Faculty, Department of Economics, Newark, New Jersey
1981-93	Teach variety of graduate courses including: Microeconomic Theory, Industrial Organization, Public Finance
1978-80	Instructor, Department of Economics, New Brunswick, New Jersey
1976-78	Adjunct Instructor, Department of Economics, Newark, New Jersey
EDUCATION:	
1980	Ph.D., Economics, Rutgers University
1976	M.A., Economics, Rutgers University
1972	B.A., Economics, Brooklyn College, CUNY Fellow: National Academy of Social Insurance

PAPERS AND PUBLICATIONS

"Comment on Jaffee and Russell" in Deregulating Property-Liability Insurance, J. David Cummins, Editor, Brookings Institution Press, Washington, DC, 2002

"Dynamic Financial Analysis of a Workers Compensation Insurer", CAS Call Papers Program, 1997 (with Susan Witcraft and Mark Mulvaney)

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"Workers' Compensation and Employment: An Industry Analysis" in Disability and the Labor Market: Economic Problems, Policies and Programs, M. Anne Hill and Monroe Berkowitz, eds., (Ithaca:1986 ILR Press), (with James Lambrinos)

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"Workers' Compensation Pricing: The Role of Policyholder Dividends" (with David Durbin)

"The Impact of Lifetime Work on Mortality: Do Unisex Pensions Matter?" (with Richard J. Butler)

"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler and John D. Worrall)

"Framing, Firm Size and Financial Incentives in Workers' Compensation Insurance" (with Richard J. Butler and John D. Worrall)

"Application of NAIC Profitability Models to Long Tailed Lines of Insurance" (with James Gerofsky)

INVITED PRESENTATIONS

Huntington Beach, California, March 11, 2013
CAS RPM Seminar
"Risk Loads for Property Catastrophe Covers: Primary and Reinsurer Perspectives"

Huntington Beach, California, March 11, 2013
CAS RPM Seminar
"The Actuary as Expert Witness"

Philadelphia, Pennsylvania, March 20, 2012
CAS Ratemaking Seminar
"How Reinsurers Consider Risk Loads and Cost of Capital for Property Cat Covers"

Chicago, IL , March 17, 2010
CAS Ratemaking Seminar
"Logic, Fallacies and Paradoxes in Risk/Profit Loading in Ratemaking: A Socratic Dialogue"

Chicago, IL , March 16, 2010
CAS Ratemaking Seminar
"Quantifying Risk Loads for Property Catastrophe Exposure"

Las Vegas, NV, March 10, 2009
CAS Ratemaking Seminar
"Using Catastrophe Bonds to Infer Risk Loads/Profit Margins/Reinsurance Costs"

Boston, MA, March 17, 2008
CAS Ratemaking Seminar
"Using Catastrophe Bonds to Infer Risk Loads/Profit Margins/Reinsurance Costs"

Pinehurst, North Carolina, May 21, 2007
Workers Compensation Insurance Organizations Annual Meeting
"Enterprise Risk Management: What Is It and Why Is It Important?"

Salt Lake City, Utah, March 13, 2006
CAS Ratemaking Seminar
"Including Reinsurance Costs in Primary Insurance Rates"

New Orleans, Louisiana, March 11, 2005
CAS Ratemaking Seminar
"Including Reinsurance Costs in Primary Insurance Rates"

Philadelphia, Pennsylvania, March 11, 2004
CAS Ratemaking Seminar
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

New York, New York, December 12, 2003
Goldman Sachs Insurance Conference
"Interest Rate Changes and Insurance Underwriting"

San Antonio, Texas, March 28, 2003
CAS Ratemaking Seminar
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

San Antonio, Texas, March 27, 2003
CAS Ratemaking Seminar
"Rate of Return Models in Insurance Ratemaking"

San Diego, California, May 20, 2002
CAS Annual Meeting
"The Actuary as an Expert Witness"

Tampa, Florida, March 7, 2002
CAS Ratemaking Seminar
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Chicago, Illinois, December 10, 2001
NAIC Meeting
"The Impact of Proposition 103 in California"

Kansas City, Missouri, April 30, 2001
NAIC Meeting
"Personal Lines Regulation"

Las Vegas, Nevada, March 12, 2001
CAS Ratemaking Seminar
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Washington DC, January 18, 2001
Brookings Institution Conference on Insurance Regulation
"Auto Insurance Experience in California"

Bermuda, September 14, 2000
Ace Insurance Worldwide Actuarial Conference
"Rate of Return Models In Property Casualty Insurance Ratemaking"

Orlando, Florida, June 9, 1998
Florida Managed Care Institute Annual Conference
"Issues in Integrated Health Care"

Seattle, Washington, July 21, 1997
CAS Dynamic Financial Analysis Seminar
"Dynamic Financial Analysis of a Workers Compensation Insurer"

Boston, Massachusetts, March 14, 1997
CAS Ratemaking Seminar
"Discounted Cash Flow Models in Insurance Ratemaking"

East Lansing, Michigan, July 15, 1996
National Symposium on Workers Compensation
"Managed Care in Workers Compensation"

New Orleans, Louisiana, March 20, 1996
Global Business Research Seminar: Partnerships Between Insurers and Providers
"Integrating the Data Systems"

Orlando, Florida, November 15, 1995
Global Business Research Seminar: Documenting Savings From Managed Care
"Evaluating Savings From Managed Care"

Orlando, Florida, October 27, 1995
Self Insurance Association of America Annual Meeting
"Managed Care in Workers Compensation: A Magic Act or Humbug?"

San Diego, California, October 16, 1995
Global Business Research Seminar: Documenting Savings From Managed Care
"Technical Issues in Measuring Savings From Managed Care"

Durham, North Carolina, September 6, 1995
North Carolina HMO Association Annual Meeting
"Workers Compensation in North Carolina: Risks and Opportunities for HMO's"

Washington, DC, May 22, 1995
Global Business Research Seminar: Outcomes for Workers' Compensation Managed Care
"Measuring and Reporting the Savings"

Orlando, Florida, April 13, 1995
NCCI Annual Meeting
"Managed Care in Workers Compensation"

Phoenix, Arizona, April 3, 1995
Casualty Actuarial Society Seminar on Profitability
"Rate of Return Models - Selecting the Parameters"

New Orleans, Louisiana, March 16, 1995
Casualty Actuarial Society Ratemaking Seminar
"Discounted Cash Flow Models for Insurance Ratemaking"

Orlando, Florida, March 14, 1995
Standard & Poor's Rating Conference
"Consolidation in the Property/Casualty Insurance Industry"

Minneapolis, Minnesota, October 11, 1994
Casualty Actuarial Society Seminar on Medical Cost Containment
"Managed Care and Workers' Compensation"

Toronto, Ontario, August 22, 1994
American Risk and Insurance Association Annual Meeting
"Current Issues in Workers' Compensation"

Boston, Massachusetts, May 17, 1994
Casualty Actuarial Society Annual Meeting
"Standard Of Practice on Profit and Contingency"

Hartford, Connecticut, April 20, 1994
University of Connecticut Blue Cross/Blue Shield Symposium
"24 Hour Coverage - What Will It Involve"

Atlanta, Georgia, March 10, 1994
Casualty Actuarial Society Ratemaking Seminar
"Cash Flow Models for Insurance Ratemaking"

Cambridge, Massachusetts, March 2, 1994
Workers' Compensation Research Institute Health Care Reform Conference
"Early Results of the Florida Pilot Project"

Phoenix, Arizona, November 15, 1993
Casualty Actuarial Society Annual Meeting
"The Use Of Managed Care in Workers' Compensation"

New York, New York, October 20, 1993
Insurance Information Institute/Reinsurance Association of America Research Conference
"The Impact of Health Care Reform on Casualty Insurance"

Somerset, New Jersey, July 13, 1993
National Symposium on Workers' Compensation
"Economic Analysis of Workers' Compensation Issues"

Boston, Massachusetts, June 30, 1993
Institute of Actuaries of Japan Special Meeting
"Health Care Costs in Workers' Compensation"

Dallas, Texas, June 15, 1993
Stirling-Cooke Workers' Compensation Seminar
"Workers' Compensation Medical Costs: Trends, Causes and Solutions"

New York, New York, June 3, 1993
New York Business Group On Health
"The Crisis in Workers' Compensation Health Care"

Mauna Lani Bay, Hawaii, May 3, 1993
Western Association of Insurance Brokers Annual Meeting
"Trends in Insurance Insolvency"

Kingston, Ontario, April 28, 1993
Queen's University Workers' Compensation Conference
"Exposure Bases for Workers' Compensation: Equity vs. Practicality"

Sanibel Island, Florida, March 29, 1993
Workers' Compensation Reinsurance Bureau Annual Meeting
"The Use of Managed Care in Workers' Compensation"

Baltimore, Maryland, March 23, 1993
CAMAR Annual Meeting
"Estimating the Cost of Capital in Insurance Ratemaking"

Philadelphia, Pennsylvania, December 1, 1992
Economic Issues in Workers' Compensation Seminar,
"Rate of Return Regulation in Workers' Compensation"

Seattle, Washington, October 16, 1992
Casualty Actuarial Society Seminar on Profitability
"Risk Based Capital Standards for Property Casualty Insurers"

Washington, DC, August 18, 1992
American Risk and Insurance Association Annual Meeting
"The Crisis in Workers' Compensation"

New York, New York, May 19, 1992
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Palm Beach, Florida, April 23, 1992
NCCI Annual Meeting
"Is the Workers' Compensation Industry Competitive?"

Philadelphia, Pennsylvania, March 20, 1992
University of Pennsylvania/Duncanson & Holt Special Seminar
"Current Issues in Workers' Compensation"

Dallas, Texas, March 12, 1992
Casualty Actuarial Society Ratemaking Seminar
"Profitability Models in Insurance Ratemaking: Estimating the Parameters"

Houston, Texas, December 11, 1991
NCCI/NAIC Commissioners Symposium
"Rate Adequacy: Solvency and Safety Implications"

New York, New York, November 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Philadelphia, Pennsylvania, November 12, 1991
Casualty Actuarial Society Annual Meeting
"The Impact of Medical Costs on Casualty Coverages"

New York, New York, May 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Kiawah Island, South Carolina, April 15 & 16, 1991
Casualty Actuarial Society Seminar on Profitability
"Cost of Capital Estimation: Lessons From Public Utilities"

Chicago, Illinois, March 14, 1991
Casualty Actuarial Society Ratemaking Seminar
"The Use of Profitability Models in Insurance Ratemaking"

Orlando, Florida, October 24, 1990,
Financial Management Association Annual Meeting,
"Current Issues in Insurance Rate Regulation: California Prop. 103 and Pennsylvania Act 6"

New Brunswick, New Jersey, May 18, 1990,
Joint Conference on Workers' Compensation,
"Current State Issues and Benefit Reforms"

Orlando, Florida, May 8, 1990,
National Association of Insurance Commissioners Southeast Zone Raters Conference,
"Loss Cost Rating for Workers' Compensation"

Orlando, Florida, April 3, 1990,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Medical Costs in Workers' Compensation: Recent Trends in Cost Containment"

Philadelphia, Pennsylvania, March 15, 1990,
CAS Ratemaking Seminar,
"Rate of Return Models in Insurance Regulation: Return on Sales vs. Return on Equity"

Chicago, Illinois, November 10, 1989,
Alliance of American Insurers Research Committee,
"Recent Developments in Rate Regulation: California Proposition 103"

New York, New York, October 5, 1989,
NCCI Legal Trends Seminar,
"Medical Cost Containment in Workers' Compensation"

Philadelphia, Pennsylvania, September 7, 1989,
Workers' Compensation Congress,
"Medical Cost Containment in Workers' Compensation"

Denver, Colorado, August 21, 1989,
American Risk and Insurance Association Annual Meeting,
"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler)

Hilton Head, South Carolina, April 4, 1989,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Prospects for Workers' Compensation in the 1990's"

Mountain Lakes, New Jersey, March 29, 1989,
St. Clares-Riverside Medical Center,
"Stress in the Workplace"

Dallas, Texas, March 16, 1989,
Casualty Actuarial Society Ratemaking Seminar,
"The Impact of Tax Reform on Insurance Profitability"

New Orleans, Louisiana, December 15, 1988,
NAIC-NCCI Commissioners School,
"A Forecast for Workers' Compensation"

Philadelphia, Pennsylvania, November 17, 1988,
Economic Issues in Workers' Compensation Seminar,
"The Impact of Regulation on the Probability of Insolvency" (with John D. Worrall and David Durbin)

Boston, Massachusetts, November 14, 1988,
American Public Health Association Annual Meeting,
"Stress in the Workplace"

Atlanta, Georgia, September 14, 1988,
Casualty Loss Reserve Seminar,
"Estimating the Cost of Social Inflation in Workers' Compensation"

Reno, Nevada, August 15, 1988,
American Risk and Insurance Association Annual Meeting,
"Benefit Increases in Workers' Compensation"

New York, New York, June 13, 1988,
National Association Of Insurance Commissioners Annual Meeting,
"Alternative Rate of Return Models for Insurance Regulation"

Syracuse, New York, May 5, 1988,
Current Issues in Workers' Compensation Symposium,
"Workers' Compensation Stress Claims"

Hilton Head, South Carolina, April 22, 1988,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"A Forecast for Workers' Compensation Insurers"

Absecon, New Jersey, April 19, 1988,
Pennsylvania Coal Mine Rating Bureau Annual Meeting,
"The Use of Rate of Return Models in Insurance Rate Regulation"

Philadelphia, Pennsylvania, November 17, 1987,
Economic Issues in Workers' Compensation Seminar,
"The Transition to Permanent Disability Status" (with John D. Worrall and David Durbin)

Charlotte, North Carolina, October 20, 1987,
American Insurance Association Government Affairs Conference,
"Prospects for Workers' Compensation in 1988"

Minneapolis, Minnesota, September 29, 1987,
Minnesota Workers' Compensation Reinsurance Association Annual Meeting,
"Economic and Demographic Characteristics of Workers' Compensation Claims"

Airlie, Virginia, July 7, 1987,
National Symposium on Workers' Compensation,
"Forecasting Workers' Compensation Experience"

Santa Clara, California, June 30, 1987,
Symposium on Recent Advances in Ratemaking,
"Econometric Models of Workers' Compensation Losses"

Storrs, Connecticut, May 1, 1987,
University of Connecticut Symposium on Current Issues in Workers' Compensation,
"Current Research in Workers' Compensation"

Philadelphia, Pennsylvania, April 16, 1987,
Wharton School Graduate Seminar Series,
"Impact of Tax Reform on Workers' Compensation Profitability"

Boca Raton, Florida, December 4, 1986,
National Association of Insurance Commissioners/NCCI Commissioners School,
Panel Discussion on Current Issues in Workers' Compensation

Philadelphia, Pennsylvania, November 7, 1985,
Wharton School, University of Pennsylvania, Graduate Seminar Series,
"Litigation in Workers' Compensation"

Vancouver, British Columbia, August 19, 1985,
American Risk and Insurance Association Annual Meeting,
"Earnings Loss and Permanent Disability"

Washington, D.C., April 23, 1985,
Washington Conference on the Economics of Disability,
"Employment Effects of Workers' Compensation Insurance"

Schenectady, New York, January 18, 1985,
Union University Graduate Business Seminar Series,
"The Use of Modern Portfolio Theory in Insurance Regulation"

EXPERT TESTIMONY

Utica, New York, July 6, 2016

Village of Ilion, et.al., v. County of Herkimer, et.al.

San Francisco, California, November 19, 2015

State Farm General Homeowners Insurance Rate Hearing

Tallahassee, Florida, October 21, 2015

NCCI Workers Compensation Insurance Rate Hearing

Raleigh, North Carolina, October 27, 2014

Homeowners Insurance Rate Hearing

Tallahassee, Florida, October 14, 2014

NCCI Workers Compensation Insurance Rate Hearing

New York, NY, June 24, 2014

Omar Tigbao and Dorothy Tigbao, et. al.,v. QBE Financial Institutions Risk Services, Deposition

New York, NY, March 7, 2014

Thrift Development Corporation v. American International Group, et. al., Deposition

New York, New York, January 28, 2014

Cheryl Hall, et. al. v. Bank of America, N.A., et. al., Deposition

Santa Fe, New Mexico, November 7, 2013

Biennial Title Insurance Rate Hearing

Tallahassee, Florida, October 1, 2013

NCCI Workers Compensation Insurance Rate Hearing

New York, New York, July 10, 2013

Larry Arnett and Ronda Arnett, et. al. v. Bank of America, N.A., et. al., Deposition

Austin, Texas, April 25, 2013

State Farm Lloyds Homeowners Rate Hearing

Tallahassee, Florida, October 4, 2012

NCCI Workers Compensation Insurance Rate Hearing

Boston, Massachusetts, May 14, 2012

Massachusetts Workers Compensation Rate Hearing

New York, New York, February 17, 2012

Temporary Services, Inc. et. al. v. American International Group, et. al., Deposition

San Francisco, California, January 19, 2012

Mercury Insurance Company Homeowners Insurance Rate Hearing

Santa Fe, New Mexico, November 16, 2011

Biennial Title Insurance Rate Hearing

Tallahassee, Florida, October 11, 2011

NCCI Workers Compensation Insurance Rate Hearing

Tampa, Florida, September 13, 2011
Citizens Property Insurance Corporation Homeowners Insurance Hearing

Raleigh, North Carolina, July 25, 2011
Dwelling Fire and Extended Coverage Insurance Rate Hearing

Tallahassee, Florida, October 6, 2010
NCCI Workers Compensation Insurance Rate Hearing

Irvine, CA, April 21, 2010
Eastwood Insurance Services, Inc. et. al., vs. Titan Auto Insurance of NM, et. al. Deposition

San Francisco, California, March 9, 2010
Century National Insurance Company Proposition 103 Rollback Hearing

Santa Fe, New Mexico, November 18, 2009
Annual Title Insurance Rate Hearing

Tallahassee, Florida, October 29, 2009
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, September 14, 2009
Biennial Title Insurance Rate Hearing

Austin, Texas, April 1, 2009
State Farm Lloyds Homeowners Rate Hearing

Santa Fe, New Mexico, November 19, 2008
Annual Title Insurance Rate Hearing

New York, New York, November 13, 2008
Georgia Hensley, et. al., vs. Computer Sciences Corp. et. al., Deposition

Tallahassee, Florida, October 29, 2008
State Farm Florida Homeowners Insurance Hearing

Raleigh, North Carolina, July 1, 2008
Auto Insurance Rate Hearing

San Francisco, California, May 5, 2008
GeoVera Insurance Company Earthquake Rate Hearing

Tallahassee, Florida, January 23, 2008
Hartford Insurance Group Homeowners Insurance Rate Hearing

Boston, Massachusetts, January 9, 2008
Commerce Insurance Group Auto Insurance Rate Hearing

San Francisco, California, November 29, 2007
Explorer Insurance Company Automobile Rate Hearing

Santa Fe, New Mexico, November 19, 2007
Annual Title Insurance Rate Hearing

Reno, Nevada, June 14, 2007
Public Hearing Regarding Merger Between UnitedHealth Group and Sierra Health Systems

Austin, Texas, May 31, 2007
State Farm Lloyds Homeowners Rate Hearing

Reno, Nevada, October 26, 2006
Public Hearing Regarding Demutualization of Employers Insurance Group

San Francisco, California, August 30, 2006
Hearing on Proposed Title Insurance Rate Regulations

Austin, Texas, August 14, 2006
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 28, 2005
Auto Insurance Rate Hearing

Providence, Rhode Island, September 27, 2005
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, August 23, 2005
Safeco Insurance Company Earthquake Rate Hearing

Boston, Massachusetts, April 15, 2005
Massachusetts Workers Compensation Rate Hearing

Lawrence, Massachusetts, February 14, 2005
Highground, Inc. v. Mazonson

New York, NY, January 21, 2005
NFHA v. Prudential Deposition

Austin, Texas, July 13, 2004
Medical Protective Insurance Company Medical Malpractice Insurance Rate Hearing

Austin, Texas, December 16, 2003
Biennial Title Insurance Rate Hearing

Providence, Rhode Island, November 17, 2003
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, September 16, 2003
Century National Proposition 103 Rollback Hearing

Austin, Texas, September 11, 2003
Farmers Insurance Exchange Homeowner Rate Rollback Hearing

Austin, Texas, September 2, 2003
State Farm Lloyds Homeowners Rate Rollback Hearing

Austin, Texas, May 21, 2003
Farmers Insurance Group Settlement Hearing

Boston, Massachusetts, April 29, 2003
Massachusetts Workers Compensation Rate Hearing

Los Angeles, California, March 12, 2003
SCPIE Medical Malpractice Rate Hearing

Raleigh, North Carolina, July 17, 2002
Auto Insurance Rate Hearing

Tallahassee, Florida, February 25, 2002
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, February 5, 2002
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 24, 2001
Auto Insurance Rate Hearing

Boston, Massachusetts, August 14, 2001
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, March 6, 2001
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 23, 2000
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, December 7, 1999
Texas Auto Insurance Plan Association Rate Hearing

Raleigh, North Carolina, December 3, 1999
Auto Insurance Rate Hearing

Austin, Texas, November 3, 1999
Biennial Title Insurance Rate Hearing

Austin, Texas, September 8, 1999
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 13, 1999
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, June 22, 1999
Texas Property Benchmark Rate Hearing

Honolulu, Hawaii, December 16, 1998
NCCI Workers Compensation Insurance Rate Hearing

Richmond, Virginia, November 15, 1998
NCCI Workers Compensation Insurance Rate Hearing

Boston, Massachusetts, October 9, 1998
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, May 19, 1998
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, April 7, 1998
Auto Insurance Benchmark Rate Hearing

Austin, Texas, February 17, 1998
Property Insurance Benchmark Rate Hearing

Austin, Texas, November 18, 1997
Biennial Title Insurance Rate Hearing

Tallahassee, Florida, September 8, 1997
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, April 8, 1997
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, March 10, 1997
Auto Insurance Benchmark Rate Hearing

San Francisco, California, March 4, 1997
Insurance Department Hearing on Rating Factors

Raleigh, North Carolina, July 16, 1996
Auto Insurance Rate Hearing

San Francisco, California, March 11, 1996
Century National Proposition 103 Rollback Hearing

Sacramento, California, January 30, 1996
Hartford Steam Boiler Proposition 103 Rollback Hearing

San Francisco, California, January 8, 1996
SAFECO Insurance Company Earthquake Rate Hearing

Austin, Texas, December 21, 1995
Residential Property Insurance Benchmark Rate Hearing

Clearwater, Florida, December 8, 1995
Florida Windstorm Underwriting Association Rate Hearing

Austin, Texas, November 28, 1995
Private Passenger Auto Insurance Benchmark Rate Hearing

Austin, Texas, October 31, 1995
Texas Automobile Insurance Plan Association Rate Hearing

Sacramento, California, April 18, 1995
California Insurance Department Hearing on Auto Insurance Rating Factors

Portland, Maine, April 13, 1995
Workers Compensation Assigned Risk Pool Fresh Start Hearing

San Francisco, California, February 6, 1995
Farmers Insurance Group Earthquake Insurance Rate Hearing

Austin, Texas, January 6, 1995
Special Hearing on Classification Rules for Automobile Insurance

Austin, Texas, December 15, 1994
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, October 4, 1994
Texas Automobile Insurance Plan Association Rate Hearing

Austin, Texas, September 27, 1994
Private Passenger Auto Insurance Benchmark Rate Hearing

Raleigh, North Carolina, July 19, 1994
Private Passenger Auto Insurance Rate Hearing

San Francisco, California, December 22, 1993
Century National Homeowner's Insurance Rate Hearing

Raleigh, North Carolina, October 13, 1993
Homeowners/Farmowners Insurance Rate Hearing

Tallahassee, Florida, October 4, 1993
Workers' Compensation Insurance Rate Hearing

Boston, Massachusetts, September 9, 1993
Automobile Insurance Rate Hearing

Austin, Texas, March 4, 1993
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, February 10, 1993
Automobile Insurance Benchmark Rate Hearing

Honolulu, Hawaii, November 18, 1992
Liberty Mutual Insurance Automobile Rate Hearing

Raleigh, North Carolina, November 13, 1992
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 29, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 14, 1992
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, September 24, 1992
Workers' Compensation Insurance Rate Hearing

Nashville, Tennessee, May 27, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, May 13, 1992
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, April 10, 1992
Mercury General Proposition 103 Rollback Proceedings

Austin, Texas, January 27, 1992
Texas Automobile Insurance Plan Rate Hearing

Austin, Texas, December 17, 1991
Automobile Insurance Rate Hearing

Raleigh, North Carolina, December 16, 1991
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 22, 1991
Workers' Compensation Rate Hearing

Los Angeles, California, May 23, 1991,
Proposition 103 RCD-2 Proceedings

San Francisco, California, April 9, 1991
California Workers' Compensation Rate Study Commission

Nashville, Tennessee, March 20, 1991
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, March 12, 1991,
California Workers' Compensation Rate Study Commission

Olympia, Washington, February 26, 1991,
House Financial Institutions/Insurance Committee Hearing on Rules for Insurance Regulatory
Legislation

Olympia, Washington, November 27, 1990,
Insurance Department Public Hearing on Proposed Rules for Ratemaking

Harrisburg, Pennsylvania, November 12, 1990,
Allstate Insurance Company Automobile Insurance Rate Hearing

Tallahassee, Florida, November 1, 1990,
Scanlan v. Martinez, et.al., Superior Court of Leon County

San Bruno, California, October 1, 1990,
SAFECO Insurance Group Proposition 103 Rate Rollback Hearing

Austin, Texas, July 23, 1990,
Texas State Board of Insurance Special Hearing on Investment Income in Ratemaking

Harrisburg, Pennsylvania, July 18, 1990,
Pennsylvania National Mutual Insurance Company Automobile Insurance Rate Hearing

Harrisburg, Pennsylvania, June 28, 1990,
Harleysville Mutual Insurance Company Automobile Insurance Rate Hearing

Columbia, South Carolina, March 30, 1990,
Workers' Compensation Insurance Rate Hearing

San Bruno, California, March 19, 1990,
California Proposition 103 Generic Hearing

Denver, Colorado, December 12, 1989,
Workers' Compensation Insurance Rate Hearing

Tampa, Florida, October 23, 1989,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 17, 1989,
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, September 25, 1989,
SAFECO Insurance Company of America Proposition 103 Rate Hearing

Austin, Texas, August 29, 1989,
Texas Insurance Advisory Association Property Insurance Rate Hearing

Providence, Rhode Island, April 13, 1989,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, January 24, 1989,
Workers' Compensation Insurance Rate Hearing

Hartford, Connecticut, November 14, 1988,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 3, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 2, 1988,
Workers' Compensation Insurance Rate Hearing

Montgomery, Alabama, June 30, 1988,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, March 24, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 27, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 9, 1987,
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, August 6, 1987,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, February 24, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 14, 1986,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 18, 1986,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, May 28, 1986,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, December 6, 1985,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, October 10, 1985,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, July 23, 1985,

Workers' Compensation Insurance Rate Hearing

Austin Texas, June 14, 1985,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 18, 1984,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, August 29, 1984,
Workers' Compensation Insurance Rate Hearing

Portland, Oregon, March 6, 1984,
NA IC Public Hearing on Investment Income and Insurance Profitability

Tallahassee, Florida, February 25, 1984,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, August 18, 1983,
Workers' Compensation Insurance Rate Hearing

Austin Texas, July 13, 1983,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, March 6, 1983,
Workers' Compensation Insurance Rate Hearing

Baton Rouge, Louisiana, March 16, 1982,
Louisiana Insurance Commission Public Hearing on Investment Income

Providence, Rhode Island, February 3, 1982,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, October 1, 1981,
Workers' Compensation Insurance Rate Hearing

NCRB - PRO FORMA STATUTORY RATE OF RETURN			
HOMEOWNERS INSURANCE			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	47.79%		
Commission & Brokerage	12.00%		
General Expense	3.81%		
Other Acquisition Expense	5.63%		
Taxes, Licenses and Fees	2.70%		
Policyholder Dividends	0.40%		
Net Cost of Reinsurance	16.71%		
Compensation for Assessment Risk	1.95%		
2. Pro-Forma Underwriting Profit	9.00%		
3. Installment Fee Income	0.38%		
4. Regular tax		1.97%	
5. Additional tax due to TRA		0.10%	
6. Total Return from Underwriting (post-tax)			7.31%
7. Investment Gain on Insurance Transaction	1.81%		
Less Investment Income on Agents Balances	0.63%		
Net Investment Gain on Insurance Transaction	1.19%	0.19%	1.00%
8. Total Return as a % of Premium (post-tax)			8.31%
9. Premium-to-Net Worth Ratio			0.823
10. Total Return as a % of Net Worth (post-tax)			6.84%

Note: Lines (1) to (8) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	21.00%
(b) Inv. Income Tax Rate =	15.97%
(c) Inv. Yield =	3.93%
(d) P/S Ratio =	0.94
(e) NW/S Ratio =	1.14
(f) Installment Fee Income=	0.38%
(g) Additional TRA tax=	0.10%
(h) Net Cost of Reinsurance=	16.71%

NOTES TO EXHIBIT RB-19, Page 1

1. The expense provisions are those used on page C-2, C-3 and C-4 of Exhibit RB-1, as adjusted for the proposed rate change
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-13. Investment income on agents' balances equals $0.157 \times 1.022 \times (c)$, where 0.157 is agents balances for premiums due less than 90 days and 1.022 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(6.) + (7.)$.
9. $(d.)/(e.)$.
10. $(8.) \times (9.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-19, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-19, pp. 11-13; average of current and embedded yields.
- (d) See RB-19, p. 14
- (e) See RB-19, pp. 15
- (f) See RB-19, p. 3
- (g) See RB-19, pp. 4-6
- (h) See prefiled testimony

NCRB - PRO FORMA TOTAL RATE OF RETURN INCLUDING INVESTMENT INCOME ON SURPLUS HOMEOWNERS INSURANCE			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	47.79%		
Commission & Brokerage	12.00%		
General Expense	3.81%		
Other Acquisition Expense	5.63%		
Taxes, Licenses and Fees	2.70%		
Policyholder Dividends	0.40%		
Net Cost of Reinsurance	16.71%		
Compensation for Assessment Risk	1.95%		
2. Pro-Forma Underwriting Profit	9.00%		
3. Installment Fee Income	0.38%		
4. Regular tax		1.97%	
5. Additional tax due to TRA		0.10%	
6. Total Return from Underwriting (post-tax)			7.31%
7. Investment Gain on Insurance Transaction	1.81%		
Less Investment Income on Agents Balances	0.63%		
Net Investment Gain on Insurance Transaction	1.19%	0.19%	1.00%
8. Investment Gain on Surplus (Including Prepaid Expense Adjustment)	5.10%	0.81%	4.28%
9. Total Return as a % of Premium (post-tax)			12.59%
10. Premium-to-Net Worth Ratio			0.823
11. Total Return as a % of Net Worth (post-tax)			10.36%

Note: Lines (1) to (9) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	21.00%
(b) Inv. Income Tax Rate =	15.97%
(c) Inv. Yield =	3.93%
(d) P/S Ratio =	0.94
(e) NW/S Ratio =	1.14
(f) Installment Fee Income=	0.38%
(g) Additional TRA tax=	0.10%
(h) Net Cost of Reinsurance=	16.71%

NOTES TO EXHIBIT RB-19, Page 1A

1. The expense provisions are those used on page C-2, C-3 and C-4 of Exhibit RB-1, as adjusted for the proposed rate change
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-13. Investment income on agents' balances equals $0.157 \times 1.022 \times (c)$, where 0.157 is agents balances for premiums due less than 90 days and 1.022 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(c.) \times [1/(d.) + (0.4477 \times 0.5185)]$, where 0.4477 is the prepaid expense ratio from page 7 . and 0.5185 is the unearned premium reserve to premium ratio from page 7.
9. $(6.) + (7.) + (8.)$.
10. $(d.)/(e.)$.
11. $(9.) \times (10.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-19, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-19, pp. 11-13; average of current and embedded yields.
- (d) See RB-19, p. 14
- (e) See RB-19, pp. 15
- (f) See RB-19, p. 3
- (g) See RB-19, pp. 4-6
- (h) See prefilled testimony

**NORTH CAROLINA
HOMEOWNERS INSURANCE
INSTALLMENT PAYMENT INCOME**

<u>Year</u>	<u>Inst. Charges</u>	<u>Statutory P. 14 Written Premium</u>	<u>Inst. Charges as a % of Prem.</u>
2017	9,400,022	2,550,833,862	0.37%
2016	9,269,104	2,449,748,507	0.38%
2015	8,487,731	2,363,450,359	0.36%
2014	8,449,380	2,300,687,625	0.37%
2013	9,624,737	2,166,606,381	0.44%
Selected Value			0.38%

Source: ISO.

**NORTH CAROLINA
HOMEOWNERS INSURANCE
CALCULATION OF TAXABLE INCOME**

1	Collected Earned Premium for current year	100.00%
2	UEPR 12/31/current	52.97%
3	UEPR 12/31/prior	50.59%
4	Increase = (2) - (3)	2.38%
5	20% of Increase = Taxable Income	0.48%
6	Tax Liability = (5)x.21	0.10%
7	Unpaid Losses current yr.	10.150%
8	Discounted unpaid losses current yr.	9.819%
9	Unpaid Losses prior yr	9.694%
10	Discounted unpaid losses prior yr.	9.378%
11	Additional Income	0.015%
12	Tax Liability	0.000%
	Other Tax Liabilities	
13	UEP	0.10%
14	Discounting of Loss Reserves	0.00%
15	Total	0.10%

**NORTH CAROLINA
HOMEOWNERS INSURANCE
CALCULATION OF TAXABLE INCOME**

(1) AY Avg Acc Date	(2) AY Pay Pattern	(3) Percent Unpaid	(4) Total Losses	(5) Unpaid Losses	(6) AY at 12/31/yr. t	(7) Discount Factor	(8) Discounted Weight	(9) AY at 12/31/yr. t-1	(10) Weight	(11) Discount Factor	(12) Discounted Weight
0.5	84.27%	15.73%	47.795	7.5	2017	0.971096	7.3				
1.5	96.37%	3.63%	45.646	1.7	2016	0.958627	1.6	2016	7.181	0.971096	7.0
2.5	98.71%	1.29%	43.594	0.6	2015	0.953261	0.5	2015	1.583	0.958627	1.5
3.5	99.45%	0.55%	41.634	0.2	2014	0.957413	0.2	2014	0.537	0.953261	0.5
4.5	99.74%	0.26%	39.763	0.1	2013	0.954145	0.1	2013	0.219	0.957413	0.2
5.5	99.87%	0.13%	37.975	0.1	2012	0.944441	0.0	2012	0.099	0.954145	0.1
6.5	99.93%	0.07%	36.268	0.0	2011	0.938655	0.0	2011	0.049	0.944441	0.0
7.5	100.00%	0.00%	34.638	0.0	2010	0.942357	0.0	2010	0.025	0.938655	0.0
8.5	100.00%	0.00%	33.081	0.0	2009	0.946737	0.0	2009	0.000	0.942357	0.0
9.5	100.00%	0.00%	31.593	0.0	2008	0.953998	0.0	2008	0.000	0.946737	0.0
10.5	100.00%	0.00%	30.173	0.0	2007	0.961346	0.0	2007	0.000	0.953998	0.0
11.5	100.00%	0.00%	28.817	0.0	2006	0.968791	0.0	2006	0.000	0.961346	0.0
12.5	100.00%	0.00%	27.521	0.0	2005	0.968791	0.0	2005	0	0.968791	0.0
13.5	100.00%	0.00%	26.284	0.0	2004	0.968791	0.0	2004	0	0.968791	0.0
14.5	100.00%	0.00%	25.103	0.0	2003	0.968791	0.0	2003	0	0.968791	0.0
15.5	100.00%	0.00%	23.974	0.0	2002	0.968791	0.0	2002	0	0.968791	0.0
16.5	100.00%	0.00%	22.896	0.0	2001	0.968791	0.0	2001	0	0.968791	0.0
17.5	100.00%	0.00%	21.867	0.0	2000	0.968791	0.0	2000	0	0.968791	0.0
18.5	100.00%	0.00%	20.884	0.0	1999	0.968791	0.0	1999	0	0.968791	0.0
19.5	100.00%	0.00%	19.945	0.0	1998	0.968791	0.0	1998	0	0.968791	0.0
20.5	100.00%	0.00%	19.049	0.0	1997	0.968791	0.0	1997	0	0.968791	0.0
21.5	100.00%	0.00%	18.192	0.0	1996	0.968791	0.0	1996	0	0.968791	0.0
22.5	100.00%	0.00%	17.375	0.0	1995	0.968791	0.0	1995	0	0.968791	0.0
23.5	100.00%	0.00%	16.593	0.0	1994	0.968791	0.0	1994	0	0.968791	0.0
24.5	100.00%	0.00%	15.848	0.0	1993	0.968791	0.0	1993	0	0.968791	0.0
25.5	100.00%	0.00%	15.135	0.0	1992	0.968791	0.0	1992	0	0.968791	0.0
26.5	100.00%	0.00%	14.455	0.0	1991	0.968791	0.0	1991	0	0.968791	0.0
27.5	100.00%	0.00%	13.805	0.0	1990	0.968791	0.0	1990	0	0.968791	0.0
28.5	100.00%	0.00%	13.184	0.0	1989	0.968791	0.0	1989	0	0.968791	0.0
29.5	100.00%	0.00%	12.592	0.0	1988	0.968791	0.0	1988	0	0.968791	0.0
30.5	100.00%	0.00%	12.026	0.0	1987	0.968791	0.0	1987	0	0.968791	0.0
31.5	100.00%	0.00%	11.485	0.0	1986	0.968791	0.0	1986	0	0.968791	0.0
32.5	100.00%	0.00%	10.969	0.0	1985	0.968791	0.0	1985	0	0.968791	0.0
33.5	100.00%	0.00%	10.476	0.0	1984	0.968791	0.0	1984	0	0.968791	0.0
34.5	100.00%	0.00%	10.005	0.0	1983	0.968791	0.0	1983	0	0.968791	0.0
35.5	100.00%	0.00%	9.555	0.0	1982	0.968791	0.0	1982	0	0.968791	0.0
36.5	100.00%	0.00%	9.125	0.0	1981	0.968791	0.0	1981	0	0.968791	0.0
37.5	100.00%	0.00%	8.715	0.0	1980	0.968791	0.0	1980	0	0.968791	0.0
38.5	100.00%	0.00%	8.323	0.0	1979	0.968791	0.0	1979	0	0.968791	0.0
39.5	100.00%	0.00%	7.949	0.0	1978	0.968791	0.0	1978	0	0.968791	0.0
40.5	100.00%	0.00%	7.592	0.0	1977	0.968791	0.0	1977	0	0.968791	0.0
41.5	100.00%	0.00%	7.251	0.0	1976	0.968791	0.0	1976	0	0.968791	0.0
42.5	100.00%	0.00%	6.925	0.0	1975	0.968791	0.0	1975	0	0.968791	0.0
43.5	100.00%	0.00%	6.613	0.0	1974	0.968791	0.0	1974	0	0.968791	0.0
44.5	100.00%	0.00%	6.316	0.0	1973	0.968791	0.0	1973	0	0.968791	0.0
45.5	100.00%	0.00%	6.032	0.0	1972	0.968791	0.0	1972	0	0.968791	0.0
46.5	100.00%	0.00%	5.761	0.0	1971	0.968791	0.0	1971	0	0.968791	0.0
47.5	100.00%	0.00%	5.502	0.0	1970	0.968791	0.0	1970	0	0.968791	0.0
48.5	100.00%	0.00%	5.255	0.0	1969	0.968791	0.0	1969	0	0.968791	0.0
49.5	100.00%	0.00%	5.018	0.0	1968	0.968791	0.0	1968	0	0.968791	0.0
50.5	100.00%	0.00%	4.793	0.0	1967	0.968791	0.0	1967	0	0.968791	0.0
51.5	100.00%	0.00%	4.577	0.0	1966	0.968791	0.0	1966	0	0.968791	0.0
52.5	100.00%	0.00%	4.372	0.0	1965	0.968791	0.0	1965	0	0.968791	0.0
53.5	100.00%	0.00%	4.175	0.0	1964	0.968791	0.0	1964	0	0.968791	0.0
54.5	100.00%	0.00%	3.987	0.0	1963	0.968791	0.0	1963	0	0.968791	0.0
55.5	100.00%	0.00%	3.808	0.0	1962	0.968791	0.0	1962	0	0.968791	0.0
56.5	100.00%	0.00%	3.637	0.0	1961	0.968791	0.0	1961	0	0.968791	0.0
57.5	100.00%	0.00%	3.473	0.0	1960	0.968791	0.0	1960	0	0.968791	0.0
58.5	100.00%	0.00%	3.317	0.0	1959	0.968791	0.0	1959	0	0.968791	0.0
59.5	100.00%	0.00%	3.168	0.0	1958	0.968791	0.0	1958	0	0.968791	0.0
60.5	100.00%	0.00%	3.026	0.0	1957	0.968791	0.0	1957	0	0.968791	0.0
61.5	100.00%	0.00%	2.890	0.0	1956	0.968791	0.0	1956	0	0.968791	0.0
62.5	100.00%	0.00%	2.760	0.0	1955	0.968791	0.0	1955	0	0.968791	0.0
63.5	100.00%	0.00%	2.636	0.0	1954	0.968791	0.0	1954	0	0.968791	0.0
64.5	100.00%	0.00%	2.517	0.0	1953	0.968791	0.0	1953	0	0.968791	0.0
65.5	100.00%	0.00%	2.404	0.0	1952	0.968791	0.0	1952	0	0.968791	0.0
66.5	100.00%		2.296	0.0	1951	0.968791	0.0	1951	0	0.968791	0.0
Sum				10.15	Sum		9.82	Sum			9.38

NOTES TO PAGES 4 AND 5

Page 4

- 1-3 Annual Statement, Statutory page 14, for all companies writing homeowners insurance in North Carolina.
- 4 Line (2) - line (3)
- 5 Line (4) x .20.
- 6 Line (5) x .21.
- 7 Unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (5).
- 8 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (8).
- 9 Unpaid prior-year losses at year-end as a percent of premium. Sum of Page 5, Column (5) divided by 5% assumed growth rate.
- 10 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (12).
- 11 Line (7) - Line (8) - {Line (9) - Line (10)}
- 12 Line (11) x .21
- 13 Line (6)
- 14 Line (12)
- 15 Line (13) + Line (14)

Page 5

- 1 Midpoint of number of years since end of accident period.
- 2 Accident year payout pattern developed from policy year developed losses.
- 3 1 - Column (2)
- 4 Losses, given historical growth rate.
- 5 Column (3) x Column (4)
- 6 Accident Year at current year end
- 7 Discount factor per IRS Regulations.
- 8 Column (5) x Column (7)
- 9 Accident Year at prior year end
- 10 Column (3), previous period x Column (4), current period
- 11 Discount factor per IRS Regulations.
- 12 Column (10) x Column (11)

**NCRB INVESTMENT INCOME CALCULATION
HOMEOWNERS INSURANCE**
Projected Investment Earnings on Loss, Loss
Adjustment Expense and Unearned Premium Reserves

A. UNEARNED PREMIUM RESERVES		
1. Direct Earned Premiums		1,000,000
2. Mean UEPR	51.85%	518,544
3. Deductions for prepaid expenses:		
Commissions & Brokerage	12.00%	
Taxes, Licenses & Fees (5/6)	2.25%	
Other Acquisition (1/2)	2.82%	
General Expense (1/2)	1.90%	
Cost of Reinsurance	25.80%	
Total	44.77%	
4. Deduction for Prepaid Expenses: (2) x (3)		232,172
5. Net UEPR Subject to Inv (2) - (4)		286,372
B. Loss and Loss Expense Reserves		
1. Direct Earned Premium		1,000,000
2. Expected Inc L & LAE to Premium Ratio	47.79%	477,945
3. Expected Mean L&LAE Reserve to Inc. L & LAE Ratio	36.61%	174,994
C. Net PH Funds Subj to Inv (A5 + B3)		
		461,366
D. Average Rate of Return		
		3.93%
E. Investment Earnings from Net Reserves (C) x (D)		
		18,142
F. Average Rate of Return as a Percent of Direct Earned Premium (E) / (A1)		
		1.81%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

All calculations are displayed per \$1,000,000 direct earned premiums.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/current year for all companies writing homeowners insurance in North Carolina. These data are from statutory page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/current year	2,495,257,062
2. Unearned Premium Reserve as of 12/31/current year	1,321,709,572
3. Unearned Premium Reserve as of 12/31/prior year	1,266,093,354
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	1,293,901,463
5. Ratio (4) ÷ (1)	51.85%

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB.

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line B-2

The expected loss and loss adjustment expense ratio reflects the expense provisions utilized in the filing.

Line B-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of mean loss reserves to incurred losses. This ratio is based on North Carolina companies' statutory page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

6	Incurring Losses	2013	933,427,119
7	Incurring Losses	2014	1,019,648,184
8	Incurring Losses	2015	1,010,529,329
9	Incurring Losses	2016	1,374,922,785
10	Incurring Losses	2017	1,236,962,609
11	Loss Reserves	2012	369,147,458
12	Loss Reserves	2013	347,285,705
13	Loss Reserves	2014	333,183,711
14	Loss Reserves	2015	369,147,458
15	Loss Reserves	2016	451,983,968
16	Loss Reserves	2017	403,160,415
17	Mean Loss Reserve	2013	358,216,582
18	Mean Loss Reserve	2014	340,234,708
19	Mean Loss Reserve	2015	341,701,298
20	Mean Loss Reserve	2016	401,101,426
21	Mean Loss Reserve	2017	427,572,192
22	Ratio	2013	38.38%
23	Ratio	2014	33.37%
24	Ratio	2015	33.81%
25	Ratio	2016	29.17%
26	Ratio	2017	34.57%
27	Average Loss Reserve		33.86%
28	Ratio of LAE Reserves to Loss Reserves		0.260
29	Ratio of Incurred LAE to Incurred Losses		0.165
30	Loss and LAE Reserve $[\frac{((27) \times (1.0 + (28)))}{(1.0 + (29))}]$		0.366

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The average rate of return is calculated as the arithmetic mean of the embedded and current yields. The embedded yield is the sum of two ratios: the most recent ratio of investment income to invested assets (see page 12), plus the ten year average ratio of capital gains to invested assets (see page 13). The current yield is the estimated, currently available rate of return (including income and expected capital gains) on the property/casualty industry investment portfolio (see page 11).

Embedded Yield =	3.05% + 0.37% =	3.42%
Current Yield =		4.45%
Average =		3.93%

PORTFOLIO YIELD AND TAX RATE - CURRENT YIELD				
(1)	(2)	(3)	(4)	(5)
Investable Asset	Percent of Assets	Estimated Prospective Pre-Tax Return	Tax Rate	Estimated Prospective Post-Tax Return
Bonds				
U.S. Govt	9.80%	2.56%	21.00%	2.02%
States & territories	8.36%	2.17%	5.25%	2.06%
Special revenue	17.45%	2.30%	5.25%	2.18%
Industrial	28.53%	3.37%	21.00%	2.66%
Preferred stock	0.34%	5.57%	13.13%	4.84%
Common stock	26.13%	10.23%	19.45%	8.24%
Mortgage Loans	1.10%	4.55%	21.00%	3.59%
Real estate	0.82%	5.90%	21.00%	4.66%
Cash & short-term invs.	7.46%	1.96%	21.00%	1.55%
Rate of Return Pre-Inv Exp	100.00%	4.73%	18.15%	3.87%
Investment Expenses		0.28%	35.00%	0.18%
Portfolio Rate of Return		4.45%	17.08%	3.69%

Sources:

Various issues of Federal Reserve Statistical Release, H.15(519).

Mergent Bond Record.

Standard & Poor's CreditWeek.

Value Line Investment Survey, Part II.

Ibbotson Associates, 2017 Yearbook

Ibbotson and Siegel, AREUEA Journal, 1984.

A.M. Best's Aggregates & Averages, 2018 edition.

PORTFOLIO YIELD AND TAX RATE EMBEDDED YIELD		
	Income	Tax Rate
Bonds		
Taxable	23,362,682	21.00%
Non-Taxable	9,714,339	5.25%
Stocks		
Taxable	7,610,774	13.13%
Non-Taxable	1,785,853	5.25%
Mortgage Loans	755,495	21.00%
Real Estate	1,839,346	21.00%
Contract Loans	622	21.00%
Cash / Short Term Inv.	980,167	21.00%
All Other	10,228,290	21.00%
Total	56,277,568	16.72%
Inv. Expenses	5,185,109	21.00%
Net Inv. Income	51,092,459	16.29%
Mean Invested Assets	1,676,831,258	
Inv. Inc. Yield Rate	3.05%	16.29%
Capital Gains (10 yr. avg) (% Of Inv. Assets)	0.37%	0.00%
Invest. Yield Rate (pre-tax)	3.42%	14.53%
Invest. Yield Rate (post-tax)	2.92%	

Source: Best's Aggregates and Averages, 2018 Edition, p. 12 (Exhibit of Net Investment Income, Col. 2 (Earned During Year)).

**CAPITAL GAINS OR LOSSES
AS A PERCENT OF MEAN ASSETS**
(All amounts in thousands of dollars)

Calendar Year	Mean Total Invested Assets	Realized Capital Gains	
		Amount	Percent
2008	1,288,393,875	(21,018,623)	-1.63%
2009	1,274,678,809	(8,079,575)	-0.63%
2010	1,330,998,082	8,100,143	0.61%
2011	1,366,568,026	7,563,305	0.55%
2012	1,400,656,619	9,035,405	0.65%
2013	1,473,600,934	12,163,890	0.83%
2014	1,543,882,475	12,093,078	0.78%
2015	1,567,611,077	9,887,732	0.63%
2016	1,596,937,470	8,086,268	0.51%
2017	1,676,831,258	15,725,303	0.94%
Total	14,520,158,622	53,556,926	0.37%

*Mean total invested assets is the average of the current year and prior year values of total invested assets (annual statement page 2, Line 9).

Source: "Best's Aggregates & Averages--Property-Casualty," various editions

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

PREMIUM-TO-SURPLUS RATIOS

<u>Year</u>	<u>Homeowners Insurance</u>
2017	0.91
2016	0.88
2015	0.90
2014	0.89
2013	0.90
2012	0.97
2011	1.02
2010	0.93
2009	0.97
2008	1.04
Five-Year Average	0.90
Ten - Year Average	0.94

Notes:

- 1 Data from Best's Data Service
and Best's Aggregates & Averages, various editions
- 2 Top 30 groups writing in each year

**NORTH CAROLINA HOMEOWNERS INSURANCE
CALCULATION OF GAAP NET WORTH TO SURPLUS RATIO**

	2012	2013	2014	2015	2016
Policyholder Surplus	587,061,063,988	653,380,281,255	675,233,591,461	674,150,481,028	700,833,588,840
+ Deferred Acquisition Costs	28,717,782,350	30,010,149,317	31,242,614,928	32,401,590,297	33,046,102,666
+ Non-Admitted DTA Provision	12,829,214,564	11,638,345,594	11,237,499,832	12,112,807,244	11,544,280,333
+ Non-admitted Assets (non-tax part)	36,238,971,886	33,348,888,924	33,563,586,431	40,260,421,135	43,722,898,341
+ Provision for Reinsurance	2,595,871,371	2,471,928,096	2,392,301,235	2,251,585,712	2,185,395,913
+ Provision for FASB 115(after-tax)	42,220,449,087	14,722,750,582	25,814,318,855	16,081,984,811	10,015,172,605
- Surplus Notes	(12,279,333,642)	(12,190,299,603)	(11,673,768,635)	(12,446,044,946)	(12,027,889,160)
GAAP-adjusted Net Worth	697,384,019,604	733,382,044,165	767,810,144,106	764,812,825,281	789,319,549,538
Ratio of GAAP Net Worth to Statutory Surplus	1.19	1.12	1.14	1.13	1.13
Five Year Average	1.14				

Source: ISO