



July 23, 2008

CIRCULAR LETTER TO ALL MEMBER COMPANIES

IMMEDIATE
ATTENTION REQUIRED

Re: Revised Mobile Homeowners MH(C)
Insurance Rates

On May 30, 2008, the Rate Bureau filed with the Commissioner of Insurance proposed revised Mobile Homeowners MH(C) insurance rates for coverages subject to the Rate Bureau's jurisdiction. The Rate Bureau's rate filing proposed (1) a statewide average rate level change for all Mobile Homeowners MH(C) forms, with changes varying by form and by territory; and (2) revised Windstorm or Hail Exclusion Credits.

The Bureau and the Department of Insurance have negotiated an agreement as to this filing, and on July 18, 2008, the Commissioner signed a Settlement Agreement and Consent Order approving settlement of this filing. The Settlement Agreement and Consent Order provides (1) an approved overall statewide average rate level increase of +3.8% and (2) modified Windstorm or Hail Exclusion Credits to track the revised base rates.

Enclosed are final exhibits which set forth (1) the rate level changes by territory; (2) the revised Windstorm or Hail Exclusion Credits; and (3) the revised base rates for all forms.

By a separate filing that has been approved, the Rate Bureau has revised the territorial definitions for the MH(C) program to track the current Homeowners territorial definitions. The approved rate levels discussed above apply to only two territories (Seacoast and rest of state),

but the implementation of new territorial definitions will require the collection of data as to more refined territories, thereby permitting rates to be analyzed in more detail in the future. It is important, therefore, that your company begin (if not already collecting) collecting data using the new territorial definitions.

Since these changes have been approved by the Commissioner, no portion of the premiums on applicable policies is required to be escrowed. The approved changes are to be implemented in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after December 1, 2008.

The enclosed exhibits are intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Notice of the changes should be sent as soon as possible to your Company's North Carolina agents to make them aware of the revisions.

In connection with the implementation of the revised rates, your attention is further directed to G.S. 58-36-30(a) which provides in part as follows:

"... no insurer and no officer, agent or representative of an insurer shall knowingly issue or deliver or knowingly permit the issuance or delivery of any policy of insurance in this State that does not conform to the rates, rating plans, classifications, schedules, rules and standards made and filed by the Bureau. An insurer may deviate from the rates promulgated by the Bureau if the insurer has filed the proposed deviation with the Bureau and the Commissioner, if the proposed deviation is based on sound actuarial principles, and if the proposed deviation is approved by the Commissioner...."

Your attention is also directed to G.S. 58-36-45 which provides in part as follows:

"Whenever an insurer changes the coverage other than at the request of the insured or changes the premium rate, it shall give the insured written notice of such coverage change or premium rate change at least 15 days in advance of the effective date of such change or changes with a

copy of such notice to the agent. This section shall apply to all policies and coverages subject to the provisions of this Article"

In the past, some insurers have given notice of premium rate changes by providing to an insured and agent, at least 15 days in advance of the effective date, a renewal policy, renewal certificate, billing or endorsement showing the revised rates, together with a written notice substantially as follows:

NOTICE OF RATE CHANGE - NORTH CAROLINA

The premium for this policy reflects changes in rates applicable to North Carolina placed into effect under the provisions of Article 36, Chapter 58 of the North Carolina General Statutes.

The form of this notice has varied at the option of the insurer (printed notice, stamp, stick-on label, etc.). Companies should consult legal counsel with respect to the appropriateness of their own notice and their own procedures under this statute. It is important that each Company establish procedures that will insure continued compliance with the 15 day advance notice requirement.

Please see to it that this circular letter is immediately brought to the attention of all interested personnel in your Company.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms

Attachments

P-08-13

NORTH CAROLINA
MOBILEHOMES INSURANCE - MH(C) PROGRAM

RATE LEVEL CHANGES

<u>TERRITORY</u>	<u>STRUCTURES</u>	<u>ADJACENT STRUCTURES</u>	<u>PERSONAL EFFECTS</u>	<u>LIABILITY</u>
05,06,42,43	24.9%	22.2%	13.2%	50.0%
32,34,36,38,39, 41,44,45,46,47 53,57,60,	3.3%	0.0%	-8.3%	50.0%
Statewide	5.1%	2.0%	-6.2%	50.0%

ALL COVERAGES
COMBINED

Statewide 3.8%

NORTH CAROLINA

MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

1. TERRITORIES 05,06,42,43; SEACOAST COUNTY SURCHARGE

MOBILEHOME	33.0%
ADJACENT STRUCTURE	34.4%
PERSONAL EFFECTS	35.8%

2. TERRITORIES 32,34,36,38,39,41,44,45,46,47,53,57,60
 COMPREHENSIVE MOBILEHOME COVERAGE;\$100 DEDUCTIBLE

RATING BASE	PREMIUM	
	Primary Residence	Rental
\$ 0 - 3,999	\$53.20	\$89.35
4,000 - 4,999	66.63	113.11
5,000 - 5,999	80.06	136.87
6,000 - 6,999	93.49	160.63
7,000 - 7,999	106.92	184.39
8,000 - 8,999	120.34	208.15
9,000 - 9,999	133.77	231.91
10,000 - 10,999	147.20	255.67
11,000 - 11,999	162.18	280.98
12,000 - 12,999	177.16	306.28
13,000 - 13,999	192.14	331.59
14,000 - 14,999	207.12	356.90
15,000 - 15,999	222.10	382.21
16,000 - 16,999	237.07	407.52
17,000 - 17,999	252.05	432.83
18,000 - 18,999	267.03	458.14
19,000 - 19,999	282.01	483.44
20,000 - 20,999	296.99	508.75
21,000 - 21,999	311.97	534.06
22,000 - 22,999	326.94	559.37
23,000 - 23,999	341.92	584.68
24,000 - 24,999	356.90	609.99
25,000 - 25,999	371.88	635.30
26,000 - 26,999	386.86	660.60
27,000 - 27,999	401.84	685.91
28,000 - 28,999	416.82	711.22
29,000 - 29,999	431.79	736.53
30,000 - 30,999	446.77	761.84

If value is in excess of \$30,999, increase the premium by the following amount for each \$1,000 of excess or any part thereof:

14.98	25.31
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NORTH CAROLINA

MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

3. TERRITORIES 32,34,36,38,39,41,44,45,46,47,53,57,60
 NAMED PERILS MOBILEHOME COVERAGE; NO DEDUCTIBLE

RATING BASE	PREMIUM	
	Primary Residence	Rental
\$ 0 - 3,999	\$45.19	\$81.35
4,000 - 4,999	58.11	104.59
5,000 - 5,999	71.02	127.83
6,000 - 6,999	83.93	151.08
7,000 - 7,999	96.84	174.32
8,000 - 8,999	109.76	197.56
9,000 - 9,999	122.67	220.80
10,000 - 10,999	135.58	244.05
11,000 - 11,999	148.49	267.29
12,000 - 12,999	161.41	290.53
13,000 - 13,999	174.32	313.77
14,000 - 14,999	187.23	337.02
15,000 - 15,999	200.14	360.26
16,000 - 16,999	213.06	383.50
17,000 - 17,999	225.97	406.74
18,000 - 18,999	238.88	429.99
19,000 - 19,999	251.79	453.23
20,000 - 20,999	264.71	476.47
21,000 - 21,999	277.62	499.71
22,000 - 22,999	290.53	522.96
23,000 - 23,999	303.44	546.20
24,000 - 24,999	316.36	569.44
25,000 - 25,999	329.27	592.68
26,000 - 26,999	342.18	615.93
27,000 - 27,999	355.09	639.17
28,000 - 28,999	368.01	662.41
29,000 - 29,999	380.92	685.65
30,000 - 30,999	393.83	708.90

If value is in excess of \$30,999, increase the premium by the following amount for each \$1,000 of excess or any part thereof:

12.91	23.24
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NORTH CAROLINA

MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

4. TERRITORIES 32,34,36,38,39,41,44,45,46,47,53,57,60
SEASONAL/VACATION; \$250 DEDUCTIBLE

RATING BASE	PREMIUM	PREMIUM
	Comprehensive Coverage	Named Perils Coverage
\$ 0 - 3,999	\$53.20	\$45.19
4,000 - 4,999	66.63	58.11
5,000 - 5,999	80.06	71.02
6,000 - 6,999	93.49	83.93
7,000 - 7,999	106.92	96.84
8,000 - 8,999	120.34	109.76
9,000 - 9,999	133.77	122.67
10,000 - 10,999	147.20	135.58
11,000 - 11,999	162.18	148.49
12,000 - 12,999	177.16	161.41
13,000 - 13,999	192.14	173.80
14,000 - 14,999	207.12	187.23
15,000 - 15,999	222.10	200.14
16,000 - 16,999	237.07	213.06
17,000 - 17,999	252.05	225.97
18,000 - 18,999	267.03	238.88
19,000 - 19,999	282.01	251.79
20,000 - 20,999	296.99	264.71
21,000 - 21,999	311.97	277.62
22,000 - 22,999	326.94	290.53
23,000 - 23,999	341.92	303.44
24,000 - 24,999	356.90	316.36
25,000 - 25,999	371.88	329.27
26,000 - 26,999	386.86	342.18
27,000 - 27,999	401.84	355.09
28,000 - 28,999	416.82	368.01
29,000 - 29,999	431.79	380.92
30,000 - 30,999	446.77	393.83

If value is in excess of \$30,999, increase the premium by the following amount for each \$1,000 of excess or any part thereof:

14.98	12.91
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NORTH CAROLINA

MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

5. ADJACENT STRUCTURES COVERAGE--TERRITORIES 32,34,36,38,39,41,44,45,46,47,53,57,60

Amount of Insurance	Comprehensive Premium	Amount of Insurance	Named Perils Premium
\$300	\$4.35	\$100	\$1.25

Increment per \$100 of Insurance:

	<u>Deductible</u>	<u>Comprehensive</u>	<u>Deductible</u>	<u>Named Perils</u>
Primary Residence	\$100	\$1.45	None	\$1.25
Seasonal/Vacation	\$250	\$1.45	\$250	\$1.25
Tenant	\$100	\$1.45	None	\$1.25

6. COMPREHENSIVE PERSONAL EFFECTS COVERAGE--TERRITORIES 32,34,36,38,39,41,44,45,46,47,53,57,60

Amount of Insurance	Premium
\$500	\$8.25

Increment per \$100 of Insurance:

	<u>Deductible</u>	
Primary Residence	\$100	\$0.92
Seasonal/Vacation	\$250	\$0.92
Tenants	\$100	\$0.92

7. PERSONAL LIABILITY COVERAGE-- All Territories

<u>Limits</u>	<u>Premium</u>
\$ 25,000	\$ 15.00
50,000	16.50
100,000	19.50
200,000	21.00
250,000	22.50
300,000	24.00

NORTH CAROLINA

MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

8. DEDUCTIBLE--COMPREHENSIVE COVERAGE-- Territories 05,06,42,43

Deductible Amount		Primary Residence		Seasonal/Vacation Residence	
None	Mobile Home	Add	\$13.74		
	Adjacent Structures	Add	\$1.22		
	Personal Effects	Add	\$6.79		
\$50	Mobile Home	Add	\$6.25		
	Adjacent Structures	Add	\$0.61		
	Personal Effects	Add	\$3.40		
\$100	Mobile Home	Included	---		
	Adjacent Structures	Included	---		
	Personal Effects	Included	---		
\$250	Mobile Home	Subtract	\$11.24		
	Adjacent Structures	Subtract	\$1.22		
	Personal Effects	Subtract	\$6.79		
\$500	Mobile Home	Subtract	\$28.73	Subtract	\$17.49
	Adjacent Structures	Subtract	\$9.78	Subtract	\$8.55
	Personal Effects	Subtract	\$10.19	Subtract	\$3.40

DEDUCTIBLE--COMPREHENSIVE COVERAGE-- Territories 32,34,36,38,39,41,44,45,46,47,53,57,60

Deductible Amount		Primary Residence		Seasonal/Vacation Residence	
None	Mobile Home	Add	\$11.36		
	Adjacent Structures	Add	\$1.00		
	Personal Effects	Add	\$5.50		
\$50	Mobile Home	Add	\$5.17		
	Adjacent Structures	Add	\$0.50		
	Personal Effects	Add	\$2.75		
\$100	Mobile Home	Included	---		
	Adjacent Structures	Included	---		
	Personal Effects	Included	---		
\$250	Mobile Home	Subtract	\$9.30		
	Adjacent Structures	Subtract	\$1.00		
	Personal Effects	Subtract	\$5.50		
\$500	Mobile Home	Subtract	\$23.76	Subtract	\$14.46
	Adjacent Structures	Subtract	\$8.00	Subtract	\$7.00
	Personal Effects	Subtract	\$8.25	Subtract	\$2.75

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MOBILEHOMES INSURANCE - MH(C) PROGRAM

REVISED RATING

9. DEDUCTIBLES--NAMED PERILS COVERAGE-- Territories 05,06,42,43

Deductible Amount

None	Mobile Home		---
	Adjacent Structures		---
	Personal Effects		---
\$50	Mobile Home	Subtract	\$6.25
	Adjacent Structures	Subtract	\$0.61
	Personal Effects	Subtract	\$2.83
\$100	Mobile Home	Subtract	\$11.87
	Adjacent Structures	Subtract	\$1.22
	Personal Effects	Subtract	\$5.66
\$250	Mobile Home	Subtract	\$21.23
	Adjacent Structures	Subtract	\$1.83
	Personal Effects	Subtract	\$11.32

DEDUCTIBLES--NAMED PERILS COVERAGE-- Territories 32,34,36,38,39,41,44,45,46,47,53,57,60

Deductible Amount

None	Mobile Home		---
	Adjacent Structures		---
	Personal Effects		---
\$50	Mobile Home	Subtract	\$5.17
	Adjacent Structures	Subtract	\$0.50
	Personal Effects	Subtract	\$2.29
\$100	Mobile Home	Subtract	\$9.81
	Adjacent Structures	Subtract	\$1.00
	Personal Effects	Subtract	\$4.59
\$250	Mobile Home	Subtract	\$17.56
	Adjacent Structures	Subtract	\$1.50
	Personal Effects	Subtract	\$9.17

10. WINDSTORM OR HAIL EXCLUSION -- Territories 05,06,42,43 only

Mobilehome (Comprehensive and Named Perils)	45.0%
Adjacent Structures	80.0%
Comprehensive Personal Effects	30.0%

1. TERRITORY DEFINITIONS – (For all Coverages and Perils Other than Earthquake).

A. Cities

City of	County of	Code
Charlotte	Mecklenburg	38
Durham	Durham	32
Greensboro	Guilford	36
Raleigh	Wake	32
Winston-Salem	Forsyth	36

B. Other Than Cities

County of	Code
Alamance	57
Alexander	60
Alleghany	60
Anson	44
Ashe	60
Avery	60
Beaufort	43
Bertie	45
Bladen	41
Brunswick	42
Buncombe	60
Burke	60
Cabarrus	60
Caldwell	60
Camden	43
Carteret	43
Caswell	46
Catawba	60
Chatham	53
Cherokee	60
Chowan	43
Clay	60
Cleveland	60
Columbus	41
Craven	43
Cumberland	34
Currituck	43
Dare	43
Davidson	57
Davie	60
Duplin	45
Durham	53
Edgecombe	47
Forsyth	57
Franklin	47
Gaston	39
Gates	45
Graham	60
Granville	46
Greene	45
Guilford	57
Halifax	47
Harnett	47
Haywood	60

County of	Code
Henderson	60
Hertford	45
Hoke	47
Hyde	43
Iredell	60
Jackson	60
Johnston	47
Jones	43
Lee	47
Lenoir	45
Lincoln	60
Macon	60
Madison	60
Martin	45
McDowell	60
Mecklenburg	39
Mitchell	60
Montgomery	44
Moore	47
Nash	47
New Hanover	42
Northampton	47
Onslow	42
Orange	53
Pamlico	43
Pasquotank	43
Pender	42
Perquimans	43
Person	46
Pitt	45
Polk	60
Randolph	57
Richmond	44
Robeson	41
Rockingham	60
Rowan	60
Rutherford	60
Sampson	45
Scotland	47
Stanly	60
Stokes	60
Surry	60
Swain	60
Transylvania	60
Tyrrell	43
Union	39
Vance	46
Wake	53
Warren	46
Washington	43
Watauga	60
Wayne	45
Wilkes	60
Wilson	47
Yadkin	57
Yancey	60

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 Carteret, Currituck, Dare and Hyde Counties: 05

Beach areas in Brunswick, New Hanover, Onslow and Pender Counties: 06

MH-C

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