

January 17, 2012

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Dwelling Fire and Extended Coverage  
Insurance Rates – North Carolina

The Rate Bureau filed with the Commissioner of Insurance proposed revised premium rates for dwelling fire and extended coverage insurance subject to the Rate Bureau's jurisdiction. The Rate Bureau's filing proposed (1) statewide average rate level changes of +20.5% for fire and extended coverage insurance; (2) rate levels varying by territory within the state according to the loss experience within the territory; (3) revised windstorm or hail exclusion credits; and (4) revised territory definitions.

Following a public hearing, the Commissioner of Insurance issued an Order adopting the proposed fire indications and revised territory definitions and rejecting in total the proposed extended coverage rate level. Following a vote of the Governing Committee, the Rate Bureau is implementing the Commissioner's Ordered rate level and is appealing the Commissioner's Order to the Court of Appeals.

The approved changes are to be implemented in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies effective on or after May 1, 2012.

Since these revised rates have been approved by the Commissioner of Insurance, no portion of the premiums on policies to which this applies is required to be escrowed.

The enclosed exhibits set forth (1) the rate level changes for fire insurance by territory; and (2) revised territory definitions. These exhibits are intended for your advance information to enable you to make preparations to implement the approved revisions. Miscellaneous rules in the Dwelling Manual that reference various territories will be sent at a later date.

Reprinted dwelling manual pages will be distributed in the usual manner as soon as possible. In the meantime, 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 directed to G.S. 58-36-30(a) which provides in part as follows:

"No insurer, officer, agent or representative thereof 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..."

G.S. 58-36-45 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..."

It is our opinion that receipt by an insured and agent, at least 15 days in advance of the effective date of a renewal policy, renewal certificate, billing or endorsement showing revised rates, together with a notice such as referred to below, complies with this statutory requirement. A notice should accompany such renewal policies, certificates, endorsements or billings as they become subject to the revised rates which notice may, in our opinion, be in a form at company option (printed notice, stamp notice, stick-on label, etc.), and the suggested language is 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.

It is important that each Company establish procedures that will insure continued compliance with the above cited 15 day advance notice requirement.

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

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms  
Attachments  
P-12-1

North Carolina  
Fire Key Premiums

Territory 07  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	11	5
	F	18	6
5-6	M	14	6
	F	19	6
7	M	16	6
	F	21	7
8	M	18	6
	F	24	9
9, 9e, 9s	M	35	12
	F	47	14
10	M	58	17
	F	72	20

Territory 08  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	13	5
	F	21	7
5-6	M	16	6
	F	23	7
7	M	20	7
	F	26	8
8	M	22	7
	F	29	10
9, 9e, 9s	M	42	13
	F	57	16
10	M	69	19
	F	85	22

Territory 32  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	29	14
	F	46	16
5-6	M	37	16
	F	51	19
7	M	42	17
	F	58	20
8	M	48	19
	F	65	24
9, 9e, 9s	M	93	31
	F	127	40
10	M	153	46
	F	188	55

North Carolina  
Fire Key Premiums

Territory 34  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	32	13
	F	51	17
5-6	M	41	16
	F	55	19
7	M	46	18
	F	62	21
8	M	52	19
	F	72	25
9, 9e, 9s	M	101	33
	F	138	41
10	M	166	47
	F	204	58

Territory 36  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	31	13
	F	48	16
5-6	M	38	16
	F	53	18
7	M	43	17
	F	59	21
8	M	49	18
	F	67	24
9, 9e, 9s	M	96	32
	F	131	40
10	M	157	45
	F	194	55

Territory 38  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	30	11
	F	45	15
5-6	M	37	14
	F	50	16
7	M	42	16
	F	57	18
8	M	48	16
	F	63	21
9, 9e, 9s	M	92	27
	F	124	35
10	M	151	40
	F	185	48

North Carolina  
Fire Key Premiums

Territory 39  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	24	12
	F	39	15
5-6	M	31	14
	F	42	16
7	M	35	15
	F	48	18
8	M	40	16
	F	54	20
9, 9e, 9s	M	78	28
	F	106	34
10	M	128	39
	F	156	48

Territory 41  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	38	16
	F	61	20
5-6	M	50	19
	F	67	22
7	M	55	20
	F	75	24
8	M	62	22
	F	85	29
9, 9e, 9s	M	123	36
	F	166	46
10	M	201	53
	F	245	65

Territory 44  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	26	12
	F	41	15
5-6	M	34	14
	F	45	17
7	M	38	17
	F	49	19
8	M	43	17
	F	58	21
9, 9e, 9s	M	83	30
	F	112	37
10	M	136	42
	F	166	51

North Carolina  
Fire Key Premiums

Territory 45  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	29	13
	F	46	16
5-6	M	38	15
	F	50	18
7	M	43	17
	F	58	20
8	M	48	18
	F	65	23
9, 9e, 9s	M	95	31
	F	127	40
10	M	153	44
	F	189	55

Territory 46  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	26	11
	F	41	14
5-6	M	34	13
	F	44	16
7	M	38	15
	F	52	18
8	M	43	16
	F	58	20
9, 9e, 9s	M	84	28
	F	113	34
10	M	136	39
	F	168	49

Territory 47  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	28	13
	F	44	15
5-6	M	36	14
	F	47	17
7	M	41	16
	F	55	19
8	M	46	17
	F	62	22
9, 9e, 9s	M	90	30
	F	121	38
10	M	145	42
	F	179	52

North Carolina  
Fire Key Premiums

Territory 48  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	19	9
	F	31	11
5-6	M	25	11
	F	33	12
7	M	29	11
	F	38	14
8	M	31	12
	F	44	16
9, 9e, 9s	M	62	21
	F	84	26
10	M	102	31
	F	125	37

Territory 49  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	19	9
	F	32	12
5-6	M	25	12
	F	34	12
7	M	30	12
	F	39	14
8	M	32	12
	F	46	17
9, 9e, 9s	M	64	22
	F	87	27
10	M	105	32
	F	129	38

Territory 52  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	20	10
	F	33	12
5-6	M	26	12
	F	36	13
7	M	30	12
	F	40	15
8	M	34	13
	F	47	17
9, 9e, 9s	M	66	22
	F	89	29
10	M	107	34
	F	131	40

North Carolina  
Fire Key Premiums

Territory 53  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	21	10
	F	33	11
5-6	M	26	11
	F	36	13
7	M	30	12
	F	40	13
8	M	34	13
	F	46	17
9, 9e, 9s	M	66	22
	F	88	27
10	M	108	32
	F	132	38

Territory 57  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	27	12
	F	42	15
5-6	M	34	15
	F	46	16
7	M	39	16
	F	52	19
8	M	44	16
	F	60	22
9, 9e, 9s	M	86	29
	F	116	36
10	M	139	42
	F	171	51

Territory 60  
Owner Occupied and Non-Owner-Occupied

Protection Class	Construction	Coverage A	Coverage C
1-4	M	20	9
	F	32	12
5-6	M	26	10
	F	35	13
7	M	28	13
	F	38	14
8	M	33	13
	F	45	16
9, 9e, 9s	M	63	22
	F	86	28
10	M	104	31
	F	128	38



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

**A. Cities**

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

**B. Other Than Cities**

<b>County of</b>	<b>Code</b>
Alamance	57
Alexander	60
Alleghany	60
Anson	44
Ashe	60
Avery	60
Beaufort	4943
Bertie	45
Bladen	41
Brunswick	5242
Buncombe	60
Burke	60
Cabarrus	60
Caldwell	60
Camden	4943
Carteret	5243
Caswell	46
Catawba	60
Chatham	53
Cherokee	60
Chowan	4943
Clay	60
Cleveland	60
Columbus	41
Craven	4943
Cumberland	34
Currituck	4843
Dare	4843
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

**County of**

Haywood	60
Henderson	60
Hertford	45
Hoke	47
Hyde	4843
Iredell	60
Jackson	60
Johnston	47
Jones	4943
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	5242
Northampton	47
Onslow	5242
Orange	53
Pamlico	4843
Pasquotank	4943
Pender	5242
Perquimans	4943
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	4943
Union	39
Vance	46
Wake	53
Warren	46
Washington	4943
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: 0705

Beach areas in Brunswick, Carteret, New Hanover, Onslow and Pender counties: 0806

**DP-T-1**