

December 5, 2012

CIRCULAR LETTER TO ALL MEMBER COMPANIES

**IMPORTANT — REVISION OF EFFECTIVE DATE OF DWELLING FIRE AND EXTENDED COVERAGE RATES — NORTH CAROLINA**

By Circular Letter to All Member Companies [P-12-7](#) dated November 29, 2012, the Rate Bureau announced revised Dwelling Fire and Extended Coverage rates as a result of a Settlement and Consent Order entered into with the Department of Insurance. The revisions were to be implemented over a three year period as follows:

- An 11.4% statewide average increase applicable to all new and renewal policies becoming effective on or after March 1, 2013, varying by territory;
- An 8.3% increase, in all territories, applicable to all new and renewal policies becoming effective on or after March 1, 2014; and
- A 3.4% increase, in all territories, applicable to all new and renewal policies becoming effective on or after March 1, 2015.

The approved changes for the first year (the 11.4% statewide average rate level increase for dwelling extended coverage insurance) were to be implemented in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after March 1, 2013.

Due to company input that implementing programming changes during the year end was burdensome, the Governing Committee requested that the Commissioner amend the effective date to allow additional time for member companies to implement the revisions. The Commissioner has agreed to the Rate Bureau's request. The revised Rule of Application is as follows:

These changes are applicable to all new and renewal policies becoming effective on or after April 1, 2013.

The remaining years of revisions will be implemented as follows:

- An 8.3% increase, in all territories, applicable to all new and renewal policies becoming effective on or after April 1, 2014; and
- A 3.4% increase, in all territories, applicable to all new and renewal policies becoming effective on or after April 1, 2015.

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

P-12-8