

NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA

BEFORE THE COMMISSIONER

IN THE MATTER OF THE FILING  
DATED FEBRUARY 13, 2019 BY THE  
NORTH CAROLINA RATE BUREAU  
FOR REVISION OF MOBILE  
HOMEOWNERS' MH(C) INSURANCE  
RATES

DOCKET NO. 1929

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AMENDED  
SETTLEMENT AGREEMENT  
AND CONSENT ORDER

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On February 13, 2019, the North Carolina Rate Bureau (“Rate Bureau”) filed with the North Carolina Department of Insurance (“Department”) a proposal for revised Mobile Home MH(C) insurance rates (the “2019 MH(C) Filing”). The 2019 MH(C) Filing proposed a statewide overall increase in MH(C) insurance rates of 19.0% with changes varying by coverage and territory. It also proposed territory definition changes and revisions to various rating relativities. The 2019 MH(C) Filing was assigned Docket No. 1929.

The Rate Bureau and the Department have agreed to settle the 2019 MH(C) Filing. The proposed settlement would provide for an overall statewide rate increase of 4.3%, with changes varying by coverage and territory as set forth on Exhibit A. The settlement would approve the territory definition changes but not the relativity changes.

It appearing to the Commissioner that the Rate Bureau and the Department have, after consultation with their respective legal, actuarial and economic advisors and subject to approval by the Commissioner and to the conditions hereinafter set forth, entered into a settlement of all matters and things in dispute in connection with the 2019 MH(C) Filing; and it further appearing to the Commissioner that a settlement under the circumstances set forth herein results in rates

that are neither excessive, inadequate, unreasonable, or unfairly discriminatory, that such settlement is in the public interest, that such settlement is fair and reasonable and should be approved and that, to the extent that the current rates and/or the filed rates differ from the rates approved by this order, the current rates and/or the filed rates are either excessive, inadequate, unreasonable or unfairly discriminatory;


NOW, THEREFORE, IT IS ORDERED AND AGREED as follows:

1. The 2019 MH(C) Filing is approved subject to the modification set forth in paragraph 2, below.
2. The approved overall statewide rate level increase, considering all coverages and territories, is 4.3%. The changes to territory definitions are approved; the changes to relativities are not approved. The approved territory rate level changes are set forth on the attached Exhibit A. The approved base rates by coverage and the approved territory relativities are set forth on the attached Exhibit B. The approved deductible debits and credits are set forth on the attached Exhibit C. The approved maximum windstorm or hail deductible credits are set forth on the attached Exhibit D. Exhibits A through D are incorporated herein by reference.
3. The revised rates and other changes 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 June 1, 2020.

4. The parties acknowledge that, by entering into this Consent Order, neither is condoning, validating, accepting or agreeing to the other's theories, methodologies or calculations regarding or pertaining to profit, dividends and deviations, computer models, catastrophe loadings, and/or any other theory, methodology or calculation not specifically enumerated herein. The parties further acknowledge that, by entering into this Consent Order, neither is bound or limited in filing, reviewing or contesting any future rate filings in any line of insurance subject to the Bureau's jurisdiction by the theories, methodologies or calculations contained in the 2019 MH(C) Filing.

This 19<sup>th</sup> day of December, 2019.

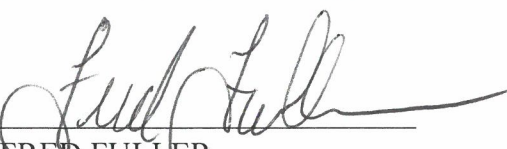
  
MIKE CAUSEY  
Commissioner of Insurance

WE CONSENT TO THE SIGNING AND ENTRY OF THIS ORDER:

NORTH CAROLINA RATE BUREAU

BY:   
RAYMOND F. EVANS  
General Manager

NORTH CAROLINA DEPARTMENT OF INSURANCE

BY:   
FRED FULLER  
Deputy Commissioner, Property and Casualty

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Mobile Homeowners  
MH(C) Program**

Overall Rate Changes by Territory Group

Territory Group	Mobile Home Structures	Adjacent Structures	Personal Effects	Liability	Total
1	14.5%	15.0%	0.0%	0.0%	11.9%
2	10.0%	10.0%	-15.0%	0.0%	5.8%
3	14.0%	14.0%	4.0%	0.0%	11.9%
4	11.0%	10.0%	-3.0%	0.0%	8.4%
5	7.0%	3.0%	-8.0%	0.0%	4.2%
6	0.0%	0.0%	0.0%	0.0%	0.0%
Statewide	5.7%	5.0%	-2.1%	0.0%	4.3%

For rating purposes, territories are grouped as follows:

Territory Group 1: Territories 110, 120, 130, and 140

Territory Group 2: Territories 150 and 160

Territory Group 3: Territories 180, 190, 200, 210, 220, and 230

Territory Group 4: Territories 170, 240, and 250

Territory Group 5: Territories 260, 270, 280, 290, and 300

Territory Group 6: Territories 310, 320, 330, 340, 350, 360, 370, 380, and 390

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Approved Premiums and Territory Relativities by Coverage  
(Premiums shown are for Territory Group 3)

**Mobile Home Structures**

Amount of Insurance (Coverage A)	Comprehensive \$100 Deductible		Named Perils \$0 Deductible		Seasonal / Vacation \$250 Deductible	
	Primary Residence	Rental	Primary Residence	Rental	Comprehensive	Named Perils
	\$0 - \$3,999	\$201.14	\$344.57	\$179.28	\$322.70	\$201.14
4,000 - 4,999	214.98	368.28	191.62	344.91	214.98	191.62
5,000 - 5,999	228.40	391.25	203.57	366.42	228.40	203.57
6,000 - 6,999	242.24	414.96	215.90	388.63	242.24	215.90
7,000 - 7,999	255.65	437.93	227.86	410.14	255.65	227.86
8,000 - 8,999	269.48	461.64	240.20	432.36	269.48	240.20
9,000 - 9,999	282.90	484.61	252.16	453.87	282.90	252.16
10,000 - 10,999	296.31	507.59	264.10	475.38	296.31	264.10
11,000 - 11,999	310.15	531.30	276.44	497.59	310.15	276.44
12,000 - 12,999	323.57	554.27	288.40	519.10	323.57	288.40
13,000 - 13,999	337.41	577.98	300.73	541.31	337.41	300.73
14,000 - 14,999	350.81	600.95	312.68	562.82	350.81	312.68
15,000 - 15,999	364.65	624.66	325.03	585.03	364.65	325.03
16,000 - 16,999	378.07	647.63	336.97	606.54	378.07	336.97
17,000 - 17,999	391.91	671.35	349.31	628.74	391.91	349.31
18,000 - 18,999	405.32	694.32	361.27	650.26	405.32	361.27
19,000 - 19,999	419.16	718.03	373.60	672.46	419.16	373.60
20,000 - 20,999	432.57	741.00	385.55	693.99	432.57	385.55
21,000 - 21,999	445.98	763.97	397.51	715.50	445.98	397.51
22,000 - 22,999	459.82	787.68	409.84	737.71	459.82	409.84
23,000 - 23,999	473.23	810.65	421.79	759.22	473.23	421.79
24,000 - 24,999	487.08	834.37	434.13	781.42	487.08	434.13
25,000 - 25,999	500.48	857.34	446.08	802.94	500.48	446.08
26,000 - 26,999	514.32	881.05	458.42	825.14	514.32	458.42
27,000 - 27,999	527.73	904.02	470.38	846.66	527.73	470.38
28,000 - 28,999	541.58	927.73	482.71	868.86	541.58	482.71
29,000 - 29,999	554.99	950.70	494.67	890.37	554.99	494.67
30,000 - 30,999	568.83	974.42	507.00	912.58	568.83	507.00
Each Add'l \$1,000	13.60	23.30	12.13	21.83	13.60	12.13

**Adjacent Structures**

Amount of Insurance (Coverage B)	Comprehensive			Named Perils		
	Primary Residence	Seasonal / Vacation	Tenants	Primary Residence	Seasonal / Vacation	Tenants
	\$100 Deductible	\$250 Deductible	\$100 Deductible	\$0 Deductible	\$250 Deductible	\$0 Deductible
\$100	N/A	N/A	N/A	\$1.27	\$1.27	\$1.27
\$300	\$4.41	\$4.41	\$4.41	N/A	N/A	N/A
Each Add'l \$100	1.47	1.47	1.47	1.27	1.27	1.27

**Personal Effects**

Amount of Insurance (Coverage C)	Comprehensive		
	Primary Residence	Seasonal / Vacation	Tenants
	\$100 Deductible	\$250 Deductible	\$100 Deductible
\$500	\$15.91	\$15.91	\$15.91
Each Add'l \$100	0.77	0.77	0.77

**Territory Relativity**

Territory Group	Mobile Home Structures	Adjacent Structures	Personal Effects
1	1.719	1.881	1.806
2	1.651	1.800	1.535
3	1.000	1.000	1.000
4	0.974	0.965	0.933
5	0.939	0.904	0.885
6	0.798	0.742	0.814

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Approved Deductible Debits and (Credits)

Coverage	Deductible Type	Policy Form	Residence Type	Deductible	Territory Group						
					1	2	3	4	5	6	
Mobile Home Structures	All Peril	Comprehensive	Primary	\$0	\$25.85	\$24.84	\$16.54	\$16.11	\$15.53	\$13.21	
				\$50	11.76	11.30	7.54	7.34	7.07	6.01	
				\$250	(21.16)	(20.33)	(13.54)	(13.19)	(12.71)	(10.81)	
				\$500	(54.07)	(51.94)	(34.61)	(33.70)	(32.49)	(27.63)	
			Seasonal / Vacation	\$500	(\$32.92)	(\$31.63)	(\$21.06)	(\$20.50)	(\$19.76)	(\$16.81)	
			Named Perils	Primary	\$50	(\$11.76)	(\$11.30)	(\$7.54)	(\$7.34)	(\$7.07)	(\$6.01)
		\$100			(22.34)	(21.46)	(14.28)	(13.91)	(13.41)	(11.41)	
		Named Storm	Comprehensive	Primary	\$0	\$18.16	\$17.45	N/A	N/A	N/A	N/A
					\$50	4.21	4.05	N/A	N/A	N/A	N/A
					\$100	(7.43)	(7.14)	N/A	N/A	N/A	N/A
					\$250	(28.38)	(27.27)	N/A	N/A	N/A	N/A
				\$500	(60.96)	(58.56)	N/A	N/A	N/A	N/A	
	Seasonal / Vacation			\$250	(\$7.43)	(\$7.14)	N/A	N/A	N/A	N/A	
	Named Storm	Comprehensive	Primary	\$0	\$13.25	\$12.73	N/A	N/A	N/A	N/A	
				\$50	(24.79)	(23.82)	N/A	N/A	N/A	N/A	
				\$100	(35.14)	(33.76)	N/A	N/A	N/A	N/A	
				\$250	(52.42)	(50.36)	N/A	N/A	N/A	N/A	
			Seasonal / Vacation	\$250	(\$7.43)	(\$7.14)	N/A	N/A	N/A	N/A	
			\$500	(40.03)	(38.46)	N/A	N/A	N/A	N/A		
	Adjacent Structures	All Peril	Comprehensive	Primary	\$0	\$1.73	\$1.65	\$1.01	\$0.98	\$0.92	\$0.75
					\$50	0.86	0.83	0.50	0.48	0.45	0.37
					\$250	(1.73)	(1.65)	(1.01)	(0.98)	(0.92)	(0.75)
					\$500	(13.81)	(13.21)	(8.07)	(7.79)	(7.29)	(5.99)
				Seasonal / Vacation	\$500	(\$12.08)	(\$11.55)	(\$7.07)	(\$6.82)	(\$6.39)	(\$5.24)
Named Perils				Primary	\$50	(\$0.86)	(\$0.83)	(\$0.50)	(\$0.48)	(\$0.45)	(\$0.37)
			\$100		(1.73)	(1.65)	(1.01)	(0.98)	(0.92)	(0.75)	
Named Storm			Comprehensive	Primary	\$0	\$1.16	\$1.11	N/A	N/A	N/A	N/A
					\$50	0.30	0.29	N/A	N/A	N/A	N/A
					\$100	(0.55)	(0.53)	N/A	N/A	N/A	N/A
					\$250	(2.25)	(2.16)	N/A	N/A	N/A	N/A
				\$500	(14.23)	(13.61)	N/A	N/A	N/A	N/A	
		Seasonal / Vacation		\$250	(\$0.55)	(\$0.53)	N/A	N/A	N/A	N/A	
Named Storm		Comprehensive	Primary	\$0	\$0.94	\$0.90	N/A	N/A	N/A	N/A	
				\$50	(1.79)	(1.72)	N/A	N/A	N/A	N/A	
				\$100	(2.65)	(2.53)	N/A	N/A	N/A	N/A	
				\$250	(3.48)	(3.33)	N/A	N/A	N/A	N/A	
			Seasonal / Vacation	\$250	(\$0.55)	(\$0.53)	N/A	N/A	N/A	N/A	
			\$500	(12.50)	(11.96)	N/A	N/A	N/A	N/A		
Personal Effects		All Peril	Comprehensive	Primary	\$0	\$9.19	\$7.81	\$5.60	\$5.22	\$4.95	\$4.56
					\$50	4.60	3.91	2.80	2.61	2.47	2.28
					\$250	(9.19)	(7.81)	(5.60)	(5.22)	(4.95)	(4.56)
					\$500	(13.79)	(11.72)	(8.39)	(7.83)	(7.42)	(6.84)
				Seasonal / Vacation	\$500	(\$4.60)	(\$3.91)	(\$2.80)	(\$2.61)	(\$2.47)	(\$2.28)
	Named Perils			Primary	\$50	(\$3.83)	(\$3.26)	(\$2.33)	(\$2.17)	(\$2.06)	(\$1.90)
			\$100		(7.66)	(6.51)	(4.67)	(4.36)	(4.13)	(3.81)	
	Named Storm		Comprehensive	Primary	\$0	\$8.19	\$6.96	N/A	N/A	N/A	N/A
					\$50	3.64	3.09	N/A	N/A	N/A	N/A
					\$100	(0.91)	(0.77)	N/A	N/A	N/A	N/A
					\$250	(10.01)	(8.51)	N/A	N/A	N/A	N/A
				\$500	(14.56)	(12.38)	N/A	N/A	N/A	N/A	
		Seasonal / Vacation		\$250	(\$0.91)	(\$0.77)	N/A	N/A	N/A	N/A	
	Named Storm	Comprehensive	Primary	\$0	\$1.83	\$1.56	N/A	N/A	N/A	N/A	
				\$50	(5.58)	(4.74)	N/A	N/A	N/A	N/A	
				\$100	(9.34)	(7.94)	N/A	N/A	N/A	N/A	
				\$250	(16.83)	(14.31)	N/A	N/A	N/A	N/A	
			Seasonal / Vacation	\$250	(\$0.91)	(\$0.77)	N/A	N/A	N/A	N/A	
			\$500	(5.47)	(4.65)	N/A	N/A	N/A	N/A		

\*Deductible refers to all other perils deductible amount

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

Approved Maximum Windstorm or Hail Deductible Credits  
*(Mobile Home Structures; Territory Groups 1 and 2 only)*

Policy Form	Windstorm or Hail Deductible	Territory Group	
		1	2
Comprehensive	\$1,000	\$588.14	\$565.03
	\$2,000	1,176.29	1,130.06
	\$5,000	1,882.07	1,808.10
Named Perils	\$1,000	\$588.14	\$565.03
	\$2,000	1,176.29	1,130.06
	\$5,000	1,882.07	1,808.10