

NORTH CAROLINA DEPARTMENT OF INSURANCE

RALEIGH, NORTH CAROLINA

IN THE MATTER OF THE FILING)
DATED DECEMBER 14, 2020 BY THE)
NORTH CAROLINA RATE BUREAU) DOCKET NO. 2017
FOR REVISION OF DWELLING INSURANCE)
RATES)

SETTLEMENT AGREEMENT
AND CONSENT ORDER

On December 14, 2020, the North Carolina Rate Bureau (“Rate Bureau”) filed with the North Carolina Department of Insurance (“Department”) a proposal for revised dwelling insurance rates (the “2020 Dwelling Filing”). This 2020 Dwelling Filing was assigned Docket No. 2017 and proposed a statewide overall increase in dwelling insurance rates of 18.7% with changes varying by coverage and territory.

The Rate Bureau and the Department have agreed to settle the 2020 Dwelling Filing. The proposed settlement would provide for an overall statewide rate increase of 7.6%, with changes varying by coverage and territory as set forth on Exhibit A.

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 2020 Dwelling 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 2020 Dwelling Filing is approved subject to the modifications set forth in paragraph 2, below.
2. The approved overall statewide rate level increase, considering all coverages and territories, is 7.6%. The approved territory rate level changes by coverage are set forth on the attached Exhibit A. The resulting approved territory base class premiums by coverage are set forth on the attached Exhibit B. The approved windstorm or hail exclusion credits by coverage are set forth on the attached Exhibit C. The approved wind mitigation credits by coverage are set forth on the attached Exhibits D and E. Exhibits A through E are incorporated herein by reference.
3. The revised rates and other approved 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 November 1, 2021.

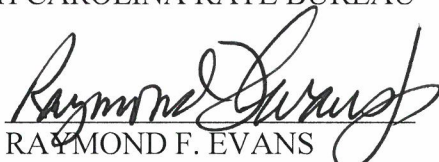
4. The parties acknowledge that, by entering into this Consent Order, neither is condoning, validating, accepting or agreeing to the other's theories, methodologies or calculations regarding or pertaining to profit, dividends and deviations, computer models, catastrophe loadings, and/or any other theory, 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 2020 Dwelling Filing.

This 23rd day of March, 2021.


MIKE CAUSEY
Commissioner of Insurance for the
State of North Carolina

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

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

STATEWIDE AND TERRITORY RATE LEVEL CHANGES

Territory	Fire		Extended Coverage	
	Buildings	Contents	Buildings	Contents
110	0.0%	0.0%	+10.0%	+10.0%
120	0.0%	0.0%	+10.0%	+10.0%
130	0.0%	0.0%	+10.0%	+10.0%
140	0.0%	0.0%	+10.0%	+10.0%
150	0.0%	0.0%	+10.0%	+2.9%
160	0.0%	0.0%	+10.0%	+6.0%
170	0.0%	0.0%	+10.0%	+10.0%
180	0.0%	0.0%	+10.0%	+10.0%
190	0.0%	0.0%	+10.0%	+10.0%
200	0.0%	0.0%	+10.0%	+10.0%
210	0.0%	0.0%	+10.0%	+10.0%
220	0.0%	0.0%	+10.0%	+10.0%
230	0.0%	0.0%	+10.0%	+10.0%
240	0.0%	0.0%	+10.0%	+10.0%
250	0.0%	0.0%	+10.0%	+10.0%
260	0.0%	0.0%	+10.0%	+10.0%
270	0.0%	0.0%	+10.0%	+10.0%
280	0.0%	0.0%	+10.0%	+10.0%
290	0.0%	0.0%	+10.0%	+9.7%
300	0.0%	0.0%	+10.0%	+10.0%
310	0.0%	0.0%	+10.0%	+10.0%
320	0.0%	0.0%	+10.0%	+10.0%
330	0.0%	0.0%	+10.0%	+10.0%
340	0.0%	0.0%	+10.0%	+10.0%
350	0.0%	0.0%	+10.0%	+10.0%
360	0.0%	0.0%	+10.0%	+10.0%
370	0.0%	0.0%	+10.0%	+10.0%
380	0.0%	0.0%	+10.0%	+10.0%
390	0.0%	0.0%	+10.0%	+10.0%
Statewide	0.0%	0.0%	+10.0%	+9.3%
Statewide for both Classes	0.0%		+10.0%	
Combined Statewide Change for all Forms and Classes			+7.6%	

NORTH CAROLINA
DWELLING PROPERTY INSURANCE
APPROVED BASE CLASS PREMIUMS

<u>Territory</u>	<u>Fire</u>		<u>Extended Coverage</u>	
	<u>Buildings</u>	<u>Contents</u>	<u>Buildings</u>	<u>Contents</u>
110	\$17	\$4	\$191	\$26
120	\$17	\$4	\$214	\$31
130	\$32	\$9	\$154	\$23
140	\$29	\$9	\$167	\$23
150	\$29	\$9	\$140	\$11
160	\$33	\$11	\$145	\$15
170	\$44	\$13	\$69	\$6
180	\$45	\$14	\$75	\$7
190	\$46	\$14	\$77	\$9
200	\$62	\$16	\$97	\$12
210	\$41	\$13	\$63	\$4
220	\$41	\$12	\$56	\$3
230	\$64	\$17	\$89	\$10
240	\$42	\$13	\$57	\$3
250	\$39	\$12	\$59	\$3
260	\$47	\$13	\$55	\$2
270	\$31	\$10	\$42	\$2
280	\$28	\$9	\$41	\$2
290	\$36	\$11	\$52	\$2
300	\$47	\$15	\$47	\$4
310	\$35	\$11	\$34	\$1
320	\$34	\$11	\$38	\$1
330	\$36	\$12	\$41	\$1
340	\$31	\$9	\$32	\$1
350	\$35	\$11	\$33	\$1
360	\$29	\$9	\$32	\$2
370	\$32	\$10	\$34	\$2
380	\$29	\$9	\$30	\$1
390	\$30	\$10	\$30	\$1

For Fire, the Base Class is Protection Class 5 with Frame Construction; \$15,000 Coverage A, \$6,000 Coverage C.
For Extended Coverage, the Base Class is Form DP-001; \$15,000 Coverage A, \$6,000 Coverage C.

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

WINDSTORM OR HAIL EXCLUSION CREDITS

<u>Territory</u>	<u>Construction</u>	<u>Buildings</u>	<u>Contents</u>
110	Masonry	145	17
	Frame	153	18
	Mobile Home	191	23
120	Masonry	172	24
	Frame	181	25
	Mobile Home	226	31
130	Masonry	107	19
	Frame	113	20
	Mobile Home	141	25
140	Masonry	121	16
	Frame	127	17
	Mobile Home	159	21
150	Masonry	102	8
	Frame	107	8
	Mobile Home	134	10
160	Masonry	104	10
	Frame	109	11
	Mobile Home	136	14

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

WINDSTORM MITIGATION CREDITSBUILDINGSFrame Construction

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Total Hip Roof	8	9	6	6	5	4
Opening Protection	8	9	6	6	5	4
Total Hip Roof and Opening Protection	17	18	11	11	11	10
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	27	33	12	22	14	18
Hurricane Fortified for Existing Homes® Bronze Option 1	6	7	3	3	4	3
Hurricane Fortified for Existing Homes® Bronze Option 2	10	11	6	8	5	6
Hurricane Fortified for Existing Homes® Silver Option 1	17	21	8	14	6	11
Hurricane Fortified for Existing Homes® Silver Option 2	21	24	9	16	9	13
Hurricane Fortified for Existing Homes® Gold Option 1	21	24	11	16	11	13
Hurricane Fortified for Existing Homes® Gold Option 2	23	28	12	21	12	17
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	27	33	12	22	14	18
FORTIFIED Roof – Hurricane – Existing Roof	6	7	3	3	4	3
FORTIFIED Roof – Hurricane – New Roof	10	11	6	8	5	6
FORTIFIED Home – Hurricane – Silver – Existing Roof	17	21	8	14	6	11
FORTIFIED Home – Hurricane – Silver – New Roof	21	24	9	16	9	13
FORTIFIED Home – Hurricane – Gold – Existing Roof	21	24	11	16	11	13
FORTIFIED Home – Hurricane – Gold – New Roof	23	28	12	21	12	17

Masonry Construction

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Total Hip Roof	8	9	6	6	5	4
Opening Protection	8	9	6	6	5	4
Total Hip Roof and Opening Protection	16	17	10	10	10	10
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	26	31	11	21	13	17
Hurricane Fortified for Existing Homes® Bronze Option 1	6	7	3	3	4	3
Hurricane Fortified for Existing Homes® Bronze Option 2	10	10	6	8	5	6
Hurricane Fortified for Existing Homes® Silver Option 1	16	20	8	13	6	10
Hurricane Fortified for Existing Homes® Silver Option 2	20	23	9	15	9	12
Hurricane Fortified for Existing Homes® Gold Option 1	20	23	10	15	10	12
Hurricane Fortified for Existing Homes® Gold Option 2	22	27	11	20	11	16
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	26	31	11	21	13	17
FORTIFIED Roof – Hurricane – Existing Roof	6	7	3	3	4	3
FORTIFIED Roof – Hurricane – New Roof	10	10	6	8	5	6
FORTIFIED Home – Hurricane – Silver – Existing Roof	16	20	8	13	6	10
FORTIFIED Home – Hurricane – Silver – New Roof	20	23	9	15	9	12
FORTIFIED Home – Hurricane – Gold – Existing Roof	20	23	10	15	10	12
FORTIFIED Home – Hurricane – Gold – New Roof	22	27	11	20	11	16

NORTH CAROLINA

DWELLING PROPERTY INSURANCE

WINDSTORM MITIGATION CREDITSCONTENTSFrame Construction

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Total Hip Roof	1	2	2	1	1	1
Opening Protection	1	2	2	1	1	1
Total Hip Roof and Opening Protection	1	3	2	1	1	1
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	4	6	3	4	2	3
Hurricane Fortified for Existing Homes® Bronze Option 1	1	2	2	1	1	1
Hurricane Fortified for Existing Homes® Bronze Option 2	1	3	2	1	1	1
Hurricane Fortified for Existing Homes® Silver Option 1	2	3	2	3	1	2
Hurricane Fortified for Existing Homes® Silver Option 2	2	5	2	3	1	2
Hurricane Fortified for Existing Homes® Gold Option 1	3	5	2	3	1	2
Hurricane Fortified for Existing Homes® Gold Option 2	3	5	3	3	2	2
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	4	6	3	4	2	3
FORTIFIED Roof – Hurricane – Existing Roof	1	2	2	1	1	1
FORTIFIED Roof – Hurricane – New Roof	1	3	2	1	1	1
FORTIFIED Home – Hurricane – Silver – Existing Roof	2	3	2	3	1	2
FORTIFIED Home – Hurricane – Silver – New Roof	2	5	2	3	1	2
FORTIFIED Home – Hurricane – Gold – Existing Roof	3	5	2	3	1	2
FORTIFIED Home – Hurricane – Gold – New Roof	3	5	3	3	2	2

Masonry Construction

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Total Hip Roof	1	2	2	1	1	1
Opening Protection	1	2	2	1	1	1
Total Hip Roof and Opening Protection	1	3	2	1	1	1
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	4	6	3	4	2	3
Hurricane Fortified for Existing Homes® Bronze Option 1	1	2	2	1	1	1
Hurricane Fortified for Existing Homes® Bronze Option 2	1	3	2	1	1	1
Hurricane Fortified for Existing Homes® Silver Option 1	2	3	2	3	1	2
Hurricane Fortified for Existing Homes® Silver Option 2	2	5	2	3	1	2
Hurricane Fortified for Existing Homes® Gold Option 1	3	5	2	3	1	2
Hurricane Fortified for Existing Homes® Gold Option 2	3	5	3	3	2	2
IBHS Designation on or after March 31, 2019:						
FORTIFIED for Safer Living®	4	6	3	4	2	3
FORTIFIED Roof – Hurricane – Existing Roof	1	2	2	1	1	1
FORTIFIED Roof – Hurricane – New Roof	1	3	2	1	1	1
FORTIFIED Home – Hurricane – Silver – Existing Roof	2	3	2	3	1	2
FORTIFIED Home – Hurricane – Silver – New Roof	2	5	2	3	1	2
FORTIFIED Home – Hurricane – Gold – Existing Roof	3	5	2	3	1	2
FORTIFIED Home – Hurricane – Gold – New Roof	3	5	3	3	2	2