



January 3, 2024

Honorable Mike Causey  
Commissioner of Insurance  
North Carolina Department of Insurance  
3200 Beechleaf Court  
Raleigh, NC 27604

Re: Revision of Homeowners Insurance Rates

Dear Commissioner Causey:

Enclosed herewith for filing on behalf of all member companies of the North Carolina Rate Bureau are revised premium rates for homeowners insurance subject to the jurisdiction of the Rate Bureau.

The enclosed memoranda and exhibits set forth and explain the calculations for needed rate level changes to produce an overall statewide average rate level change of +42.2%. The filing shows the filed rate levels varying by territory and policy form within the state, the filed windstorm or hail exclusion credits, the filed windstorm loss mitigation credits, and the wind only rate levels.

The foregoing changes were calculated based on rates currently in force and reflect consideration duly given to data for the experience period set forth herein. Ratios in the filing relating to expense experience were developed from special calls issued by the Rate Bureau. In preparing this filing, due consideration has been given to the factors specified in G.S. 58-36-10(2).

Information and statistical data required pursuant to G.S. 58-36-15 and 11 NCAC 10.1105 are shown and referenced in Section E. Additionally, the pre-filed testimony of (a) Joanna Biliouris, General Manager, North Carolina Rate Bureau; (b) Paul Ericksen, ISO; (c) Minchong Mao, Aon; (d) Paul Anderson, Milliman; (e) Dr. George Zanjani, University of Alabama, are submitted herewith.

The revised rates 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 August 1, 2024.

Your approval of this filing is respectfully requested.

Sincerely,

Joanna Biliouris  
General Manager

Enclosure

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**

SECTION A - SUMMARY OF REVISION

Statewide Rate Level Changes ..... A-2  
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**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**STATEWIDE RATE LEVEL CHANGES**

<u>Form</u>	<u>Latest-Year Earned Premium<sup>(a)</sup></u>	<u>Indicated Change</u>	<u>Filed Change<sup>(b)</sup></u>
Owners	\$2,800,629,255	+42.4%	+42.4%
Tenants	\$80,339,123	+34.3%	+34.3%
<u>Condominium Unit Owners</u>	<u>\$38,624,005</u>	<u>+44.6%</u>	<u>+44.6%</u>
All Forms	\$2,919,592,383	+42.2%	+42.2%

<sup>(a)</sup> Year-ending 12/31/2021 Aggregate Calculated Earned Premiums at Current Level.

These values also appear on page A-3.

<sup>(b)</sup> The statewide filed changes are equal to the indicated changes.

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**

**INDICATED AND FILED RATE LEVEL CHANGES BY TERRITORY**

Territory	Latest-Year Earned Premium <sup>(a)</sup>			Indicated Rate Level Change			Filed Rate Level Change <sup>(b)</sup>		
	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners
110	\$105,759,930	\$135,745	\$267,169	+45.1%	+38.5%	+20.1%	+45.1%	+38.5%	+20.1%
120	\$112,071,547	\$364,930	\$1,890,558	+99.4%	+85.2%	+49.5%	+99.4%	+85.2%	+49.5%
130	\$34,452,945	\$164,959	\$167,341	+33.9%	+41.1%	+31.7%	+33.9%	+41.1%	+31.7%
140	\$329,199,525	\$3,919,870	\$4,112,427	+71.4%	+65.4%	+52.8%	+71.4%	+65.4%	+52.8%
150	\$97,019,563	\$997,489	\$390,477	+25.6%	+49.7%	+27.9%	+25.6%	+49.7%	+27.9%
160	\$82,038,164	\$1,593,311	\$833,624	+43.0%	+49.1%	+48.4%	+43.0%	+50.1%	+48.4%
170	\$5,021,369	\$109,517	\$0	+30.4%	+19.0%	-1.0%	+30.4%	+19.0%	+30.1%
180	\$67,739,546	\$2,505,697	\$354,165	+57.8%	+39.3%	+42.7%	+57.8%	+39.3%	+42.7%
190	\$18,594,146	\$371,285	\$5,727	+71.3%	+43.9%	+32.2%	+71.3%	+43.9%	+32.2%
200	\$9,909,044	\$111,350	\$297	+63.1%	+38.0%	+62.0%	+63.1%	+38.0%	+62.0%
210	\$22,715,143	\$818,058	\$31,442	+57.8%	+31.2%	+33.3%	+57.8%	+31.2%	+33.3%
220	\$81,739,944	\$3,010,245	\$592,223	+45.5%	+31.5%	+46.0%	+45.5%	+31.5%	+46.0%
230	\$19,983,603	\$400,678	\$19,990	+56.1%	+53.8%	+40.3%	+56.1%	+53.8%	+40.3%
240	\$100,347,589	\$2,205,771	\$153,762	+40.8%	+28.1%	+34.6%	+40.8%	+28.1%	+34.6%
250	\$45,997,179	\$858,105	\$43,920	+39.9%	+49.1%	+38.4%	+39.9%	+49.1%	+38.4%
260	\$28,635,677	\$726,973	\$6,836	+39.3%	+17.1%	+35.2%	+39.3%	+17.1%	+35.2%
270	\$375,054,061	\$16,798,879	\$6,425,889	+39.8%	+36.8%	+41.2%	+39.8%	+36.8%	+41.2%
280	\$58,795,201	\$2,189,474	\$1,044,984	+25.1%	+25.1%	+39.6%	+25.1%	+25.1%	+39.6%
290	\$45,906,432	\$929,776	\$463,904	+28.4%	+39.0%	+21.9%	+28.4%	+39.0%	+21.9%
300	\$15,838,170	\$235,706	\$10,641	+26.1%	+26.7%	+38.4%	+26.1%	+26.7%	+38.4%
310	\$253,675,880	\$11,566,604	\$3,525,133	+36.6%	+29.4%	+40.9%	+36.6%	+29.4%	+40.9%
320	\$139,864,771	\$3,505,032	\$749,385	+25.1%	+27.4%	+49.2%	+25.1%	+27.4%	+49.2%
330	\$6,433,349	\$111,669	\$12,502	+22.3%	+22.6%	+33.7%	+22.3%	+22.6%	+33.7%
340	\$351,365,881	\$18,414,785	\$12,600,422	+41.3%	+32.0%	+55.6%	+41.3%	+32.0%	+55.6%
350	\$94,517,118	\$2,343,906	\$680,523	+27.8%	+25.6%	+25.6%	+27.8%	+25.6%	+25.6%
360	\$196,497,518	\$4,660,765	\$2,992,156	+20.5%	+25.3%	+14.6%	+20.5%	+25.3%	+14.6%
370	\$13,395,792	\$108,773	\$545,200	+7.6%	+19.6%	+31.5%	+7.6%	+19.6%	+31.5%
380	\$39,737,451	\$564,121	\$354,655	+4.3%	+14.3%	+35.5%	+4.3%	+14.3%	+35.5%
390	\$48,322,717	\$615,650	\$348,653	+8.5%	+29.5%	+28.7%	+8.5%	+29.5%	+28.7%
Statewide	\$2,800,629,255	\$80,339,123	\$38,624,005	+42.4%	+34.3%	+44.6%	+42.4%	+34.3%	+44.6%

<sup>(a)</sup> The territory weights are the year-ending 12/31/2021 Aggregate Calculated Earned Premiums at Current Level.

<sup>(b)</sup> For Condominium Unit Owners, Territory 170, the indicated change has been impacted by the lack of exposures in any of the five years in the filing. Therefore, a filed change of +30.1% has been selected to implement 90% of the statewide indicated change ( $1.301 = 0.9 \times 1.446$ ). 90% was selected based on the relative changes for Territory 170 in Owners and Tenants. All other filed changes are equal to the indicated changes.



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CURRENT AND FILED BASE RATES** <sup>(a)</sup>

Territory	(1) Current Manual Base Rate			(2) Filed Rate Level Change <sup>(b)</sup>			(4) =(1) x (2) / (3) Filed Base Rate		
	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners
110	\$2,908	\$126	\$107	1.451	1.385	1.201	\$4,220	\$175	\$129
120	\$3,427	\$144	\$131	1.994	1.852	1.495	\$6,833	\$267	\$196
130	\$1,775	\$81	\$83	1.339	1.411	1.317	\$2,377	\$114	\$109
140	\$2,403	\$98	\$90	1.714	1.654	1.528	\$4,119	\$162	\$138
150	\$1,465	\$61	\$62	1.256	1.497	1.279	\$1,840	\$91	\$79
160	\$1,614	\$78	\$67	1.430	1.501	1.484	\$2,308	\$117	\$99
170	\$896	\$57	\$55	1.304	1.190	1.301	\$1,168	\$68	\$72
180	\$1,049	\$61	\$58	1.578	1.393	1.427	\$1,655	\$85	\$83
190	\$1,249	\$64	\$61	1.713	1.439	1.322	\$2,140	\$92	\$81
200	\$1,363	\$68	\$67	1.631	1.380	1.620	\$2,223	\$94	\$109
210	\$928	\$61	\$56	1.578	1.312	1.333	\$1,464	\$80	\$75
220	\$1,131	\$81	\$57	1.455	1.315	1.460	\$1,646	\$107	\$83
230	\$1,215	\$62	\$60	1.561	1.538	1.403	\$1,897	\$95	\$84
240	\$906	\$61	\$53	1.408	1.281	1.346	\$1,276	\$78	\$71
250	\$1,034	\$59	\$51	1.399	1.491	1.384	\$1,447	\$88	\$71
260	\$676	\$60	\$51	1.393	1.171	1.352	\$942	\$70	\$69
270	\$796	\$51	\$58	1.398	1.368	1.412	\$1,113	\$70	\$82
280	\$698	\$46	\$43	1.251	1.251	1.396	\$873	\$58	\$60
290	\$833	\$52	\$53	1.284	1.390	1.219	\$1,070	\$72	\$65
300	\$884	\$54	\$51	1.261	1.267	1.384	\$1,115	\$68	\$71
310	\$683	\$55	\$45	1.366	1.294	1.409	\$933	\$71	\$63
320	\$765	\$52	\$46	1.251	1.274	1.492	\$957	\$66	\$69
330	\$635	\$49	\$50	1.223	1.226	1.337	\$777	\$60	\$67
340	\$696	\$58	\$49	1.413	1.320	1.556	\$983	\$77	\$76
350	\$710	\$51	\$48	1.278	1.256	1.256	\$907	\$64	\$60
360	\$614	\$40	\$39	1.205	1.253	1.146	\$740	\$50	\$45
370	\$667	\$46	\$50	1.076	1.196	1.315	\$718	\$55	\$66
380	\$620	\$46	\$48	1.043	1.143	1.355	\$647	\$53	\$65
390	\$633	\$47	\$49	1.085	1.295	1.287	\$687	\$61	\$63
Statewide	\$922.47	\$56.40	\$54.96	1.424	1.343	1.446	\$1,315.88	\$76.23	\$79.67

<sup>(a)</sup> The Base Class for Owners is Protection Class 5, Frame construction, \$200,000 Coverage A and a \$1,000 deductible.  
The Base Class for Tenants and Condominium Unit Owners is Protection Class 5, Frame construction, \$10,000 Coverage C and a \$500 deductible.

<sup>(b)</sup> For Condominium Unit Owners, Territory 170, the indicated change has been impacted by the lack of exposures in any of the five years in the filing.  
Therefore, a filed change of +30.1% has been selected to implement 90% of the statewide indicated change (1.301 = 0.9 x 1.446). 90% was selected based on the relative changes for Territory 170 in Owners and Tenants. All other filed changes are equal to the indicated changes.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSUREDS**

The filed base rates by territory are shown on page A-4. These are the filed manual rates for the classification carrying a unity differential. The revised rates for the remaining classifications are determined by applying the established classification rate differentials to the base rates by territory.

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**

**SECTION B - MATERIAL TO BE IMPLEMENTED**

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**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**REVISED RULES**

**Homeowners Policy Program Changes:**

1. **Rule 301** - The Base Class Premium table has been revised to reflect the filed base rates. See page B-3 for the Base Class Premium table.
2. **Rule A3** - The Windstorm or Hail Exclusion credits have been revised to reflect the filed base rates. See page B-4 for the Windstorm or Hail Exclusion Credit table.
3. **Rule A9** - The Windstorm Loss Mitigation credits have been revised to reflect the filed base rates. See pages B-5-6 for the Windstorm Loss Mitigation Credit tables.

**Windstorm and Hail Policy Program Changes:**

1. **Rule 301** - The Base Class Premium table for the Windstorm and Hail Policy Program has been revised to reflect the filed base rates. See page B-7 for the Base Class Premium table for the Windstorm and Hail Policy Program.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**HOMEOWNERS POLICY PROGRAM MANUAL  
BASE CLASS PREMIUM PAGES**

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**RULE 301.  
BASE PREMIUM COMPUTATION**

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**Base Class Premium Table**

<b>TERRITORY</b>	<b>HO 00 03</b>	<b>HO 00 04</b>	<b>HO 00 06</b>
110	4,220	175	129
120	6,833	267	196
130	2,377	114	109
140	4,119	162	138
150	1,840	91	79
160	2,308	117	99
170	1,168	68	72
180	1,655	85	83
190	2,140	92	81
200	2,223	94	109
210	1,464	80	75
220	1,646	107	83
230	1,897	95	84
240	1,276	78	71
250	1,447	88	71
260	942	70	69
270	1,113	70	82
280	873	58	60
290	1,070	72	65
300	1,115	68	71
310	933	71	63
320	957	66	69
330	777	60	67
340	983	77	76
350	907	64	60
360	740	50	45
370	718	55	66
380	647	53	65
390	687	61	63

**Table 301. Base Class Premium**

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**HOMEOWNERS POLICY PROGRAM MANUAL  
RATE PAGES**

**RULE A3.**

**WINDSTORM OR HAIL EXCLUSION - TERRITORIES 110, 120, 130, 140, 150 AND 160 ONLY**

<b>Frame Construction</b>						
	<b>Territory</b>					
	<b>110</b>	<b>120</b>	<b>130</b>	<b>140</b>	<b>150</b>	<b>160</b>
All Forms Except <b>HO 00 04 And HO 00 06</b>	\$3,826	\$6,317	\$1,985	\$3,616	\$1,403	\$1,762
<b>HO 00 04</b>	114	205	58	103	33	52
<b>HO 00 06</b>	62	134	48	73	23	40

**Table A3.#1 Wind Or Hail Exclusion Credit - Frame**

<b>Masonry Construction</b>						
	<b>Territory</b>					
	<b>110</b>	<b>120</b>	<b>130</b>	<b>140</b>	<b>150</b>	<b>160</b>
All Forms Except <b>HO 00 04 And HO 00 06</b>	3,511	5,748	1,801	3,265	1,254	1,588
<b>HO 00 04</b>	99	182	52	93	30	46
<b>HO 00 06</b>	55	118	43	66	20	36

**Table A3.#2 Wind Or Hail Exclusion Credit - Masonry**

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**HOMEOWNERS POLICY PROGRAM MANUAL**  
**RATE PAGES**

**RULE A9.**

**WINDSTORM MITIGATION PROGRAM – ALL FORMS EXCEPT HO 00 04 AND HO 00 06**

Effective prior to March 31, 2019:

<b>Frame Construction</b>						
<b>Mitigation Feature</b>	<b>Territory 110</b>	<b>Territory 120</b>	<b>Territory 130</b>	<b>Territory 140</b>	<b>Territory 150</b>	<b>Territory 160</b>
Total Hip Roof	\$269	\$430	\$140	\$247	\$94	\$120
Opening Protection	275	441	140	249	92	124
Total Hip Roof and Opening Protection	544	867	274	495	184	242
IBHS Designation prior to March 31, 2019:						
<i>Hurricane Fortified for Safer Living®</i>	879	1,521	397	828	202	405
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 1	212	344	110	196	73	97
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 2	330	541	155	310	92	150
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 1	527	916	222	504	97	242
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 2	634	1,106	265	616	111	300
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 1	675	1,165	297	628	145	307
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 2	781	1,360	339	744	158	362

**Table A9. Windstorm Loss Mitigation Credit - Frame**

<b>Masonry Construction</b>						
<b>Mitigation Feature</b>	<b>Territory 110</b>	<b>Territory 120</b>	<b>Territory 130</b>	<b>Territory 140</b>	<b>Territory 150</b>	<b>Territory 160</b>
Total Hip Roof	\$248	\$389	\$125	\$223	\$85	\$108
Opening Protection	252	400	125	229	83	110
Total Hip Roof and Opening Protection	497	789	249	452	165	220
IBHS Designation prior to March 31, 2019:						
<i>Hurricane Fortified for Safer Living®</i>	805	1,381	358	745	181	365
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 1	191	315	98	176	66	85
<i>Hurricane Fortified for Existing Homes®</i> Bronze Option 2	300	492	141	279	83	135
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 1	482	836	203	456	87	220
<i>Hurricane Fortified for Existing Homes®</i> Silver Option 2	580	1,006	240	555	97	270
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 1	616	1,062	269	566	127	275
<i>Hurricane Fortified for Existing Homes®</i> Gold Option 2	711	1,238	307	671	142	325

**Table A9. Windstorm Loss Mitigation Credit - Masonry**

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**HOMEOWNERS POLICY PROGRAM MANUAL**  
**RATE PAGES**

**RULE A9.**

**WINDSTORM MITIGATION PROGRAM – ALL FORMS EXCEPT HO 00 04 AND HO 00 06**

**Effective on or after March 31, 2019:**

<b>Frame Construction</b>						
<b>Mitigation Feature</b>	<b>Territory 110</b>	<b>Territory 120</b>	<b>Territory 130</b>	<b>Territory 140</b>	<b>Territory 150</b>	<b>Territory 160</b>
Total Hip Roof	\$269	\$430	\$140	\$247	\$94	\$120
Opening Protection	275	441	140	249	92	124
Total Hip Roof and Opening Protection	544	867	274	495	184	242
IBHS Designation on or after March 31, 2019:						
<i>FORTIFIED for Safer Living®</i>	879	1,521	397	828	202	405
<i>FORTIFIED Roof - Hurricane - Existing Roof</i>	212	344	110	196	73	97
<i>FORTIFIED Roof - Hurricane - New Roof</i>	330	541	155	310	92	150
<i>FORTIFIED Roof - Hurricane - Silver - Existing Roof</i>	527	916	222	504	97	242
<i>FORTIFIED Roof - Hurricane - Silver - New Roof</i>	634	1,106	265	616	111	300
<i>FORTIFIED Roof - Hurricane - Gold - Existing Roof</i>	675	1,165	297	628	145	307
<i>FORTIFIED Roof - Hurricane - Gold - New Roof</i>	781	1,360	339	744	158	362

**Table A9. Windstorm Loss Mitigation Credit - Frame**

<b>Masonry Construction</b>						
<b>Mitigation Feature</b>	<b>Territory 110</b>	<b>Territory 120</b>	<b>Territory 130</b>	<b>Territory 140</b>	<b>Territory 150</b>	<b>Territory 160</b>
Total Hip Roof	\$248	\$389	\$125	\$223	\$85	\$108
Opening Protection	252	400	125	229	83	110
Total Hip Roof and Opening Protection	497	789	249	452	165	220
IBHS Designation on or after March 31, 2019:						
<i>FORTIFIED for Safer Living®</i>	805	1,381	358	745	181	365
<i>FORTIFIED Roof - Hurricane - Existing Roof</i>	191	315	98	176	66	85
<i>FORTIFIED Roof - Hurricane - New Roof</i>	300	492	141	279	83	135
<i>FORTIFIED Roof - Hurricane - Silver - Existing Roof</i>	482	836	203	456	87	220
<i>FORTIFIED Roof - Hurricane - Silver - New Roof</i>	580	1,006	240	555	97	270
<i>FORTIFIED Roof - Hurricane - Gold - Existing Roof</i>	616	1,062	269	566	127	275
<i>FORTIFIED Roof - Hurricane - Gold - New Roof</i>	711	1,238	307	671	142	325

**Table A9. Windstorm Loss Mitigation Credit - Masonry**



**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**WINDSTORM AND HAIL POLICY PROGRAM**  
**HOMEOWNERS MANUAL SUPPLEMENT**

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**RULE 301.**  
**BASE PREMIUM COMPUTATION**

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**Base Class Premium Table**

	<b>Territory</b>					
	<b>110</b>	<b>120</b>	<b>130</b>	<b>140</b>	<b>150</b>	<b>160</b>
<b>Frame Construction</b>						
<b>HS 00 03</b>	\$3,912	\$6,418	\$2,092	\$3,725	\$1,523	\$1,894
<b>HS 00 04</b>	144	237	83	137	62	86
<b>HS 00 06</b>	74	147	59	86	33	52
<b>Masonry Construction</b>						
<b>HS 00 03</b>	\$3,597	\$5,849	\$1,908	\$3,374	\$1,374	\$1,720
<b>HS 00 04</b>	129	214	77	127	59	80
<b>HS 00 06</b>	67	131	54	79	30	48

**Table 301.A.1.c.#1 Base Class Premium**

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**

SECTION C - SUPPORTING MATERIAL

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**NORTH CAROLINA**

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**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE**  
**OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	
	Adjusted Incurred	Adjusted	Incurred Losses	Adjusted	Loss	
	Losses Excluding	Excess	Adjusted for Excess	Incurred Losses	Trend	
<u>Year</u>	<u>Hurricane</u> <sup>(a)</sup>	<u>Losses</u> <sup>(b)</sup>	<u>[(1) - (2)] ×</u> <u>Excess Factor</u> <sup>(b)</sup>	<u>Including LAE</u> <u>(3) × LAE Factor</u> <sup>(c)</sup>	<u>Factor</u> <sup>(d)</sup>	
2017	940,083,838	176,136,465	835,758,426	935,213,679	1.602	
2018	927,950,061	2,502,100	1,012,440,069	1,132,920,437	1.519	
2019	1,153,435,354	308,642,199	924,203,712	1,034,183,954	1.439	
2020	1,346,984,674	442,620,933	989,373,933	1,107,109,431	1.364	
2021	1,157,196,353	94,005,310	1,163,131,001	1,301,543,590	1.293	
	(6)	(7)	(8)	(9)	(10)	(11)
	Earned	Premium	Average	Average	Trended	
	House-Years	Trend	Loss Cost	Rating	Base Class	Yearly
<u>Year</u>	<u>House-Years</u>	<u>Factor</u> <sup>(e)</sup>	<u>[(4)×(5)] / [(6)×(7)]</u>	<u>Factor</u> <sup>(f)</sup>	<u>(8) / (9)</u>	<u>Weights</u>
2017	1,917,797	1.361	574.00	1.309	438.50	0.10
2018	1,904,023	1.334	677.53	1.336	507.13	0.15
2019	1,947,707	1.294	590.47	1.379	428.19	0.20
2020	2,007,113	1.258	598.07	1.415	422.66	0.25
2021	2,056,820	1.220	670.66	1.473	455.30	0.30
(12)	Weighted Trended Non-Hurricane Base Class Loss Cost <sup>(g)</sup>					447.81
(13)	Credibility (9,833,460 House-Years) <sup>(h)</sup>					1.00
(14)	Trended Modeled Hurricane Base Class Loss Cost <sup>(i)</sup>					131.07
(15)	Trended Fixed Expense per Policy <sup>(j)</sup>					81.14
(16)	Base Class Loss Cost with Fixed Expense, (12) + (14) + (15)					660.02
(17)	Expected Loss and Fixed Expense Ratio <sup>(k)</sup>					0.747
(18)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (16) / (17)					883.56
(19)	Compensation for Assessment Risk per Policy <sup>(l)</sup>					15.16
(20)	Net Cost of Reinsurance per Policy <sup>(m)</sup>					415.20
(21)	Base Class Rate Excluding Deviations, (18) + (19) + (20)					1,313.92
(22)	Selected Deviation <sup>(n)</sup>					0.00
(23)	Deviation Amount per Policy [(21) / (1.0 - (22))] - (21)					0.00
(24)	Required Base Class Rate per Policy, (21) + (23)					1,313.92
(25)	Current Average Base Class Rate					922.47
(26)	Indicated Rate Level Change, (24) / (25) - 1					+42.4%
(27)	Filed Rate Level Change <sup>(o)</sup>					+42.4%

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE**  
**TENANTS**

<u>Year</u>	(1) Adjusted Incurred Losses Excluding <u>Hurricane</u> <sup>(a)</sup>	(2) Incurred Losses Including LAE <u>(1) × LAE Factor</u> <sup>(c)</sup>	(3) Loss Trend <u>Factor</u> <sup>(d)</sup>	(4) Earned <u>House-Years</u>	
2017	24,565,094	28,004,207	1.127	395,287	
2018	26,644,847	30,375,126	1.139	407,111	
2019	23,342,483	26,610,431	1.150	424,286	
2020	23,156,246	26,398,120	1.162	447,386	
2021	25,412,527	28,970,281	1.174	461,761	
<u>Year</u>	(5) Premium Trend <u>Factor</u> <sup>(e)</sup>	(6) Trended Average Loss Cost <u>[(2)×(3)] / [(4)×(5)]</u>	(7) Average Rating <u>Factor</u> <sup>(f)</sup>	(8) Trended Base Class Loss Cost <u>(6) / (7)</u>	(9) Yearly <u>Weights</u>
2017	0.921	86.69	3.459	25.06	0.10
2018	0.946	89.83	3.311	27.13	0.15
2019	0.971	74.28	3.184	23.33	0.20
2020	0.993	69.05	3.108	22.22	0.25
2021	1.000	73.66	3.087	23.86	0.30
(10)	Weighted Trended Non-Hurricane Base Class Loss Cost <sup>(g)</sup>				23.95
(11)	Credibility (2,135,831 House-Years) <sup>(h)</sup>				1.00
(12)	Trended Modeled Hurricane Base Class Loss Cost <sup>(i)</sup>				2.31
(13)	Trended Fixed Expense per Policy <sup>(j)</sup>				23.62
(14)	Base Class Loss Cost with Fixed Expense, (10) + (12) + (13)				49.88
(15)	Expected Loss and Fixed Expense Ratio <sup>(k)</sup>				0.747
(16)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (14) / (15)				66.77
(17)	Compensation for Assessment Risk per Policy <sup>(l)</sup>				0.93
(18)	Net Cost of Reinsurance per Policy <sup>(m)</sup>				8.02
(19)	Base Class Rate Excluding Deviation, (16) + (17) + (18)				75.72
(20)	Selected Deviation <sup>(n)</sup>				0.00
(21)	Deviation Amount per Policy, [(19) / (1.0 - (20))] - (19)				0.00
(22)	Required Base Class Rate per Policy, (19) + (21)				75.72
(23)	Current Average Base Class Rate				56.40
(24)	Indicated Rate Level Change, (22) / (23) - 1				+34.3%
(25)	Filed Rate Level Change <sup>(o)</sup>				+34.3%

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE**  
**CONDOMINIUM UNIT OWNERS**

<u>Year</u>	(1) Adjusted Incurred Losses Excluding <u>Hurricane</u> <sup>(a)</sup>	(2) Incurred Losses Including LAE <u>(1) × LAE Factor</u> <sup>(c)</sup>	(3) Loss Trend <u>Factor</u> <sup>(d)</sup>	(4) Earned <u>House-Years</u>	
2017	18,382,617	20,772,357	1.427	79,499	
2018	19,245,864	21,747,826	1.366	78,741	
2019	18,865,078	21,317,538	1.307	81,709	
2020	21,578,922	24,384,182	1.251	84,977	
2021	22,947,430	25,930,596	1.197	84,715	
<u>Year</u>	(5) Premium Trend <u>Factor</u> <sup>(e)</sup>	(6) Trended Average Loss Cost <u>[(2)×(3)] / [(4)×(5)]</u>	(7) Average Rating <u>Factor</u> <sup>(f)</sup>	(8) Trended Base Class Loss Cost <u>(6) / (7)</u>	(9) Yearly <u>Weights</u>
2017	1.148	324.79	7.139	45.50	0.10
2018	1.133	332.99	7.403	44.98	0.15
2019	1.118	305.00	7.799	39.11	0.20
2020	1.103	325.45	8.024	40.56	0.25
2021	1.084	338.00	8.331	40.57	0.30
(10)	Weighted Trended Non-Hurricane Base Class Loss Cost <sup>(g)</sup>				41.43
(11)	Credibility (409,641 House-Years) <sup>(h)</sup>				1.00
(12)	Trended Modeled Hurricane Base Class Loss Cost <sup>(i)</sup>				2.55
(13)	Trended Fixed Expense per Policy <sup>(j)</sup>				8.07
(14)	Base Class Loss Cost with Fixed Expense, (10) + (12) + (13)				52.05
(15)	Expected Loss and Fixed Expense Ratio <sup>(k)</sup>				0.747
(16)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (14) / (15)				69.68
(17)	Compensation for Assessment Risk per Policy <sup>(l)</sup>				0.90
(18)	Net Cost of Reinsurance per Policy <sup>(m)</sup>				8.91
(19)	Base Class Rate Excluding Deviation, (16) + (17) + (18)				79.49
(20)	Selected Deviation <sup>(n)</sup>				0.00
(21)	Deviation Amount per Policy, [(19) / (1.0 - (20))] - (19)				0.00
(22)	Required Base Class Rate per Policy, (19) + (21)				79.49
(23)	Current Average Base Class Rate				54.96
(24)	Indicated Rate Level Change, (22) / (23) - 1				+44.6%
(25)	Filed Rate Level Change <sup>(o)</sup>				+44.6%

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE**

- (a) Adjusted incurred losses exclude hurricane losses and reflect the following loss development factors:

<u>Year Ending</u>	<u>Owners Forms</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
12/31/2017	1.000	1.000	1.000
12/31/2018	0.999	1.000	1.001
12/31/2019	0.998	1.006	1.001
12/31/2020	1.004	1.014	1.000
12/31/2021	1.046	1.030	1.014

The excluded hurricane losses can be found on pages D-61-78.

- (b) A description of the "excess procedure" is provided in the Explanatory Memorandum of Section D and the calculation of both the excess losses and the excess factor is provided on pages D-32-33.
- (c) Trended non-modeled loss adjustment expense (LAE) loadings have been calculated to be 11.9%, 14.0% and 13.0% of incurred losses for Owners, Tenants, and Condominium Unit Owners, respectively. These factors are developed on page D-27.
- (d) The derivation of the Loss Trend Factors is shown on page D-17.
- (e) The derivation of the Premium Trend Factors is shown on page D-19.
- (f) The calculation of the Average Rating Factors can be found on pages D-43-60.
- (g) The Weighted Trended Non-Hurricane Base Class Loss Cost is the sum of the products, by year, of the Trended Base Class Loss Costs and the yearly weights.
- (h) Credibility values are assigned based on the statewide credibility table displayed on page D-23.
- (i) The modeled hurricane base-class loss costs are calculated by dividing the modeled losses by the product of the trended Average Rating Factor and Earned House Years for the latest year. Using the trended latest-year exposures, Aon developed the modeled losses by blending the results of the AIR and RMS hurricane models. The resulting losses were adjusted by Aon to include a loading for LAE of 6.0%. The development of the Modeled Hurricane Base Class Loss Costs is shown on pages D-79-81.
- (j) The derivation of the Trended Fixed Expense per Policy is shown on page D-29.
- (k) The derivation of the Expected Loss and Fixed Expense Ratio is shown on page D-24.

## **NORTH CAROLINA**

### **HOMEOWNERS INSURANCE**

#### **CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE**

- (l) The Compensation for Assessment Risk loading is 1.4% of premium and is based on an analysis done by Aon. The provision is calculated as  $(0.014 \times \text{Current Average Base Class Rate}) / (1 - \text{Provisions for Commissions \& Taxes})$ . The commission and tax provisions are those shown on page D-24.
- (m) The derivation of the statewide Net Cost of Reinsurance per Policy is provided on pages D-82-84. These loadings are based on an analysis done by Aon.
- (n) A 0% deviation loading was selected by the North Carolina Rate Bureau.
- (o) The filed rate level change is equal to the indicated rate level change.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED BASE CLASS LOSS COSTS BY TERRITORY**

**OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane Base Class	Five-Year Earned		Credibility- Weighted Base Class	Modeled Hurricane Base Class	Five-Year Trended Average	Total Base Class Loss Cost	Indicated Relativity	Indicated Statewide Base Class	Indicated Base Class Loss Cost
<u>Territory</u>	<u>Loss Cost<sup>(a)</sup></u>	<u>House Years</u>	<u>Credibility<sup>(b)</sup></u>	<u>Loss Cost*</u>	<u>Loss Cost<sup>(c)</sup></u>	<u>Rating Factor</u>	<u>(4) + (5)</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost**</u>	<u>Terr (8) / SW (8) × (9)</u>
110	318.26	96,997	1.00	318.26	1,177.25	2.232	1,495.51	2.576	578.88	1,491.34
120	419.32	103,375	1.00	419.32	1,446.48	1.923	1,865.80	3.214	578.88	1,860.71
130	378.75	62,392	1.00	378.75	490.94	1.826	869.69	1.498	578.88	867.25
140	386.60	433,556	1.00	386.60	812.73	1.744	1,199.33	2.066	578.88	1,196.09
150	376.90	237,911	1.00	376.90	299.99	1.616	676.89	1.166	578.88	675.04
160	426.32	194,307	1.00	426.32	349.87	1.459	776.19	1.337	578.88	774.04
170	503.85	21,674	0.60	482.35	101.03	1.614	583.38	1.005	578.88	581.83
180	472.20	252,725	1.00	472.20	199.77	1.528	671.97	1.157	578.88	669.83
190	562.31	65,089	1.00	562.31	272.80	1.443	835.11	1.438	578.88	832.51
200	581.34	29,048	0.60	528.84	303.18	1.635	832.02	1.433	578.88	829.62
210	485.84	99,442	1.00	485.84	145.37	1.467	631.21	1.087	578.88	629.31
220	607.96	274,217	1.00	607.96	141.03	1.510	748.99	1.290	578.88	746.83
230	625.77	69,441	1.00	625.77	194.49	1.447	820.26	1.413	578.88	818.04
240	496.64	395,728	1.00	496.64	98.80	1.588	595.44	1.026	578.88	593.99
250	585.18	162,824	1.00	585.18	106.36	1.560	691.54	1.191	578.88	689.52
260	444.74	132,762	1.00	444.74	47.68	1.940	492.42	0.848	578.88	490.94
270	447.69	1,383,907	1.00	447.69	74.18	1.953	521.87	0.899	578.88	520.47
280	347.20	214,584	1.00	347.20	54.50	2.255	401.70	0.692	578.88	400.63
290	407.85	168,168	1.00	407.85	79.27	1.871	487.12	0.839	578.88	485.73
300	503.67	66,892	1.00	503.67	61.25	1.569	564.92	0.973	578.88	563.31
310	449.57	1,300,328	1.00	449.57	34.93	1.670	484.50	0.834	578.88	482.83
320	457.04	649,673	1.00	457.04	37.47	1.623	494.51	0.852	578.88	493.26
330	372.81	35,438	0.70	395.99	23.46	1.786	419.45	0.722	578.88	417.99
340	473.36	1,497,871	1.00	473.36	38.74	1.948	512.10	0.882	578.88	510.62
350	472.69	470,106	1.00	472.69	26.31	1.663	499.00	0.859	578.88	497.31
360	402.13	977,497	1.00	402.13	14.36	1.900	416.49	0.717	578.88	415.10
370	409.95	55,587	0.90	413.96	10.13	2.128	424.09	0.730	578.88	422.62
380	366.97	179,713	1.00	366.97	8.94	2.063	375.91	0.647	578.88	374.57
390	404.78	202,208	1.00	404.78	7.91	2.230	412.69	0.711	578.88	411.62
Statewide	450.09	9,833,460	1.00	450.09	131.07	1.785	580.60	0.9999	578.84	578.90

\* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

\*\* Column (9) = Line (12) + Line (14), page C-2



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED BASE CLASS RATES**  
**OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Indicated	Trended	Expected	Current	Indicated	Compensation	Net Cost of	Base Class	Deviation Amount	Indicated
	Base Class	Fixed	Loss and	Base Class	Net Base	for Assessment	Reinsurance	Excluding	per Policy <sup>(g)</sup>	Required
	Loss Cost	Expense	Fixed Expense	Rate	Class Rate	Risk per Policy <sup>(e)</sup>	per Policy <sup>(f)</sup>	Deviations	[(8)/(1.0- Dev. %)] - (8)	Base Class
<u>Territory</u>	<u>Loss Cost</u>	<u>Ratio<sup>(d)</sup></u>	<u>Ratio</u>	<u>Rate</u>	<u>[(1)+(2)×(4)]/(3)</u>	<u>Risk per Policy<sup>(e)</sup></u>	<u>per Policy<sup>(f)</sup></u>	<u>(5) + (6) + (7)</u>	<u>[(8)/(1.0- Dev. %)] - (8)</u>	<u>(8) + (9)</u>
110	1,491.34	0.022	0.747	2,908	2,082.08	47.78	2,083.43	4,213.29	0.00	4,213.29
120	1,860.71	0.022	0.747	3,427	2,591.84	56.31	4,176.48	6,824.63	0.00	6,824.63
130	867.25	0.045	0.747	1,775	1,267.90	29.17	1,076.04	2,373.11	0.00	2,373.11
140	1,196.09	0.034	0.747	2,403	1,710.56	39.49	2,363.88	4,113.93	0.00	4,113.93
150	675.04	0.061	0.747	1,465	1,023.30	24.07	790.00	1,837.37	0.00	1,837.37
160	774.04	0.061	0.747	1,614	1,168.00	26.52	1,110.36	2,304.88	0.00	2,304.88
170	581.83	0.100	0.747	896	898.84	14.72	252.99	1,166.55	0.00	1,166.55
180	669.83	0.090	0.747	1,049	1,023.08	17.24	613.23	1,653.55	0.00	1,653.55
190	832.51	0.080	0.747	1,249	1,248.23	20.52	867.83	2,136.58	0.00	2,136.58
200	829.62	0.065	0.747	1,363	1,229.20	22.40	968.15	2,219.75	0.00	2,219.75
210	629.31	0.106	0.747	928	974.13	15.25	473.07	1,462.45	0.00	1,462.45
220	746.83	0.085	0.747	1,131	1,128.47	18.58	496.38	1,643.43	0.00	1,643.43
230	818.04	0.082	0.747	1,215	1,228.47	19.96	645.41	1,893.84	0.00	1,893.84
240	593.99	0.100	0.747	906	916.45	14.89	342.19	1,273.53	0.00	1,273.53
250	689.52	0.090	0.747	1,034	1,047.63	16.99	380.01	1,444.63	0.00	1,444.63
260	490.94	0.110	0.747	676	756.76	11.11	172.37	940.24	0.00	940.24
270	520.47	0.093	0.747	796	795.85	13.08	302.17	1,111.10	0.00	1,111.10
280	400.63	0.092	0.747	698	622.28	11.47	237.83	871.58	0.00	871.58
290	485.73	0.093	0.747	833	753.95	13.69	300.24	1,067.88	0.00	1,067.88
300	563.31	0.104	0.747	884	877.17	14.53	220.85	1,112.55	0.00	1,112.55
310	482.83	0.127	0.747	683	762.48	11.22	158.02	931.72	0.00	931.72
320	493.26	0.116	0.747	765	779.12	12.57	163.72	955.41	0.00	955.41
330	417.99	0.128	0.747	635	668.37	10.43	96.29	775.09	0.00	775.09
340	510.62	0.107	0.747	696	783.26	11.44	187.04	981.74	0.00	981.74
350	497.31	0.123	0.747	710	782.65	11.67	111.77	906.09	0.00	906.09
360	415.10	0.124	0.747	614	657.61	10.09	71.17	738.87	0.00	738.87
370	422.62	0.102	0.747	667	656.83	10.96	48.82	716.61	0.00	716.61
380	374.57	0.113	0.747	620	595.22	10.19	40.54	645.95	0.00	645.95
390	411.62	0.103	0.747	633	638.31	10.40	37.03	685.74	0.00	685.74
Statewide	578.90	0.088	0.747	922.47	883.39	15.16	415.20	1,313.75	0.00	1,313.75

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF FILED BASE CLASS RATES**

**OWNERS FORMS**

<u>Territory</u>	(1) Latest-Year Aggregate Calculated Earned Premium <u>at Current Level</u>	(2) Current Base <u>Class Rate</u>	(3) Indicated Required Base <u>Class Rate</u>	(4) Indicated Rate Level Change <u>(3) / (2)</u>	(5) Balanced Indicated Rate Level <u>Change<sup>(h)</sup></u>	(6) Filed Rate Level <u>Change<sup>(i)</sup></u>	(7) Filed Base <u>Class Rate</u>
110	105,759,930	2,908	4,213.29	1.449	1.451	1.451	4,220
120	112,071,547	3,427	6,824.63	1.991	1.994	1.994	6,833
130	34,452,945	1,775	2,373.11	1.337	1.339	1.339	2,377
140	329,199,525	2,403	4,113.93	1.712	1.714	1.714	4,119
150	97,019,563	1,465	1,837.37	1.254	1.256	1.256	1,840
160	82,038,164	1,614	2,304.88	1.428	1.430	1.430	2,308
170	5,021,369	896	1,166.55	1.302	1.304	1.304	1,168
180	67,739,546	1,049	1,653.55	1.576	1.578	1.578	1,655
190	18,594,146	1,249	2,136.58	1.711	1.713	1.713	2,140
200	9,909,044	1,363	2,219.75	1.629	1.631	1.631	2,223
210	22,715,143	928	1,462.45	1.576	1.578	1.578	1,464
220	81,739,944	1,131	1,643.43	1.453	1.455	1.455	1,646
230	19,983,603	1,215	1,893.84	1.559	1.561	1.561	1,897
240	100,347,589	906	1,273.53	1.406	1.408	1.408	1,276
250	45,997,179	1,034	1,444.63	1.397	1.399	1.399	1,447
260	28,635,677	676	940.24	1.391	1.393	1.393	942
270	375,054,061	796	1,111.10	1.396	1.398	1.398	1,113
280	58,795,201	698	871.58	1.249	1.251	1.251	873
290	45,906,432	833	1,067.88	1.282	1.284	1.284	1,070
300	15,838,170	884	1,112.55	1.259	1.261	1.261	1,115
310	253,675,880	683	931.72	1.364	1.366	1.366	933
320	139,864,771	765	955.41	1.249	1.251	1.251	957
330	6,433,349	635	775.09	1.221	1.223	1.223	777
340	351,365,881	696	981.74	1.411	1.413	1.413	983
350	94,517,118	710	906.09	1.276	1.278	1.278	907
360	196,497,518	614	738.87	1.203	1.205	1.205	740
370	13,395,792	667	716.61	1.074	1.076	1.076	718
380	39,737,451	620	645.95	1.042	1.043	1.043	647
390	48,322,717	633	685.74	1.083	1.085	1.085	687
Statewide	2,800,629,255	922.47	1,313.75	1.422	1.424	1.424	1,315.88

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED BASE CLASS LOSS COSTS BY TERRITORY**

**TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane Base Class	Five-Year Earned		Credibility- Weighted Base Class	Modeled Hurricane Base Class	Five-Year Trended Average	Total Base Class Loss Cost	Indicated Relativity	Indicated Statewide Base Class	Indicated Base Class Loss Cost
<u>Territory</u>	<u>Loss Cost<sup>(a)</sup></u>	<u>House Years</u>	<u>Credibility<sup>(b)</sup></u>	<u>Loss Cost*</u>	<u>Loss Cost<sup>(c)</sup></u>	<u>Rating Factor</u>	<u>(4) + (5)</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost**</u>	<u>Terr (8) / SW (8) × (9)</u>
110	9.96	1,713	0.10	22.84	35.10	3.235	57.94	2.182	26.26	57.30
120	15.44	5,983	0.20	22.50	46.00	3.060	68.50	2.580	26.26	67.75
130	21.62	2,442	0.10	24.01	15.30	3.877	39.31	1.481	26.26	38.89
140	17.92	67,945	0.90	18.56	22.91	2.917	41.47	1.562	26.26	41.02
150	20.04	23,444	0.50	22.16	8.09	3.418	30.25	1.139	26.26	29.91
160	23.72	31,943	0.60	23.94	10.94	2.887	34.88	1.314	26.26	34.51
170	15.00	2,341	0.10	23.34	2.46	3.603	25.80	0.972	26.26	25.52
180	21.19	64,865	0.90	21.50	4.98	2.846	26.48	0.997	26.26	26.18
190	31.16	7,780	0.30	26.34	6.31	3.408	32.65	1.230	26.26	32.30
200	25.48	2,333	0.10	24.39	7.45	3.584	31.84	1.199	26.26	31.49
210	23.66	18,469	0.40	24.03	3.44	3.049	27.47	1.035	26.26	27.18
220	45.17	60,401	0.80	40.99	3.08	2.687	44.07	1.660	26.26	43.59
230	45.24	10,496	0.30	30.56	4.52	2.902	35.08	1.321	26.26	34.69
240	27.68	48,554	0.80	27.00	2.48	3.240	29.48	1.110	26.26	29.15
250	41.11	20,697	0.50	32.69	2.71	3.137	35.40	1.333	26.26	35.00
260	26.57	17,023	0.40	25.19	1.24	3.243	26.43	0.995	26.26	26.13
270	21.33	520,478	1.00	21.33	1.67	3.053	23.00	0.866	26.26	22.74
280	14.95	64,540	0.90	15.88	1.26	3.396	17.14	0.646	26.26	16.96
290	29.17	22,089	0.50	26.72	1.79	3.572	28.51	1.074	26.26	28.20
300	29.68	5,829	0.20	25.35	1.44	3.575	26.79	1.009	26.26	26.50
310	25.17	314,460	1.00	25.17	0.85	3.060	26.02	0.980	26.26	25.73
320	23.31	91,942	1.00	23.31	0.91	3.323	24.22	0.912	26.26	23.95
330	12.61	2,747	0.10	23.10	0.59	3.845	23.69	0.892	26.26	23.42
340	28.81	490,175	1.00	28.81	0.86	3.060	29.67	1.118	26.26	29.36
350	22.25	61,042	0.90	22.45	0.65	3.301	23.10	0.870	26.26	22.85
360	15.86	143,954	1.00	15.86	0.35	3.768	16.21	0.611	26.26	16.04
370	10.36	2,658	0.10	22.88	0.26	4.367	23.14	0.872	26.26	22.90
380	13.55	13,646	0.40	19.98	0.23	4.128	20.21	0.761	26.26	19.98
390	21.72	15,842	0.40	23.25	0.20	3.495	23.45	0.883	26.26	23.19
Statewide	24.27	2,135,831	1.00	24.27	2.31	3.115	26.55	1.0000	26.26	26.26

\* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

\*\* Column (9) = Line (12) + Line (14), page C-3

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED BASE CLASS RATES**

**TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Indicated	Trended	Expected	Current	Indicated	Compensation	Net Cost of	Base Class	Deviation Amount	Indicated
	Base Class	Fixed	Loss and	Base Class	Net Base	for Assessment	Reinsurance	Rate	per Policy <sup>(g)</sup>	Required
	Loss Cost	Expense	Fixed Expense	Rate	Class Rate	Risk per Policy <sup>(e)</sup>	per Policy <sup>(f)</sup>	Excluding	per Policy <sup>(g)</sup>	Base Class
<u>Territory</u>	<u>Loss Cost</u>	<u>Ratio<sup>(d)</sup></u>	<u>Ratio</u>	<u>Rate</u>	<u>[(1)+(2)×(4)]/(3)</u>	<u>Risk per Policy<sup>(e)</sup></u>	<u>per Policy<sup>(f)</sup></u>	<u>(5) + (6) + (7)</u>	<u>[(8)/(1.0- Dev. %)] - (8)</u>	<u>(8) + (9)</u>
110	57.30	0.180	0.747	126	107.07	2.07	65.46	174.60	0.00	174.60
120	67.75	0.166	0.747	144	122.70	2.37	141.80	266.87	0.00	266.87
130	38.89	0.234	0.747	81	77.44	1.33	35.59	114.36	0.00	114.36
140	41.02	0.257	0.747	98	88.63	1.61	71.92	162.16	0.00	162.16
150	29.91	0.353	0.747	61	68.87	1.00	21.53	91.40	0.00	91.40
160	34.51	0.327	0.747	78	80.34	1.28	35.56	117.18	0.00	117.18
170	25.52	0.359	0.747	57	61.56	0.94	5.39	67.89	0.00	67.89
180	26.18	0.424	0.747	61	69.67	1.00	14.34	85.01	0.00	85.01
190	32.30	0.337	0.747	64	72.11	1.05	18.99	92.15	0.00	92.15
200	31.49	0.302	0.747	68	69.65	1.12	23.17	93.94	0.00	93.94
210	27.18	0.397	0.747	61	68.80	1.00	10.31	80.11	0.00	80.11
220	43.59	0.339	0.747	81	95.11	1.33	10.12	106.56	0.00	106.56
230	34.69	0.409	0.747	62	80.39	1.02	14.00	95.41	0.00	95.41
240	29.15	0.373	0.747	61	69.48	1.00	7.75	78.23	0.00	78.23
250	35.00	0.398	0.747	59	78.29	0.97	8.76	88.02	0.00	88.02
260	26.13	0.379	0.747	60	65.42	0.99	3.91	70.32	0.00	70.32
270	22.74	0.473	0.747	51	62.73	0.84	6.27	69.84	0.00	69.84
280	16.96	0.471	0.747	46	51.71	0.76	5.11	57.58	0.00	57.58
290	28.20	0.397	0.747	52	65.39	0.85	6.11	72.35	0.00	72.35
300	26.50	0.381	0.747	54	63.02	0.89	4.56	68.47	0.00	68.47
310	25.73	0.438	0.747	55	66.69	0.90	3.65	71.24	0.00	71.24
320	23.95	0.426	0.747	52	61.72	0.85	3.75	66.32	0.00	66.32
330	23.42	0.391	0.747	49	57.00	0.81	2.29	60.10	0.00	60.10
340	29.36	0.415	0.747	58	71.53	0.95	4.16	76.64	0.00	76.64
350	22.85	0.438	0.747	51	60.49	0.84	2.78	64.11	0.00	64.11
360	16.04	0.488	0.747	40	47.60	0.66	1.91	50.17	0.00	50.17
370	22.90	0.366	0.747	46	53.19	0.76	1.10	55.05	0.00	55.05
380	19.98	0.388	0.747	46	50.64	0.76	1.23	52.63	0.00	52.63
390	23.19	0.449	0.747	47	59.29	0.77	0.85	60.91	0.00	60.91
Statewide	26.26	0.419	0.747	56.40	66.80	0.93	8.02	75.75	0.00	75.75

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF FILED BASE CLASS RATES**

**TENANTS FORMS**

<u>Territory</u>	(1) Latest-Year Aggregate Calculated Earned Premium <u>at Current Level</u>	(2) Current Base <u>Class Rate</u>	(3) Indicated Required Base <u>Class Rate</u>	(4) Indicated Rate Level Change <u>(3) / (2)</u>	(5) Balanced Indicated Rate Level <u>Change<sup>(h)</sup></u>	(6) Filed Rate Level <u>Change<sup>(i)</sup></u>	(7) Filed Base <u>Class Rate</u>
110	135,745	126	174.60	1.386	1.385	1.385	175
120	364,930	144	266.87	1.853	1.852	1.852	267
130	164,959	81	114.36	1.412	1.411	1.411	114
140	3,919,870	98	162.16	1.655	1.654	1.654	162
150	997,489	61	91.40	1.498	1.497	1.497	91
160	1,593,311	78	117.18	1.502	1.501	1.501	117
170	109,517	57	67.89	1.191	1.190	1.190	68
180	2,505,697	61	85.01	1.394	1.393	1.393	85
190	371,285	64	92.15	1.440	1.439	1.439	92
200	111,350	68	93.94	1.381	1.380	1.380	94
210	818,058	61	80.11	1.313	1.312	1.312	80
220	3,010,245	81	106.56	1.316	1.315	1.315	107
230	400,678	62	95.41	1.539	1.538	1.538	95
240	2,205,771	61	78.23	1.282	1.281	1.281	78
250	858,105	59	88.02	1.492	1.491	1.491	88
260	726,973	60	70.32	1.172	1.171	1.171	70
270	16,798,879	51	69.84	1.369	1.368	1.368	70
280	2,189,474	46	57.58	1.252	1.251	1.251	58
290	929,776	52	72.35	1.391	1.390	1.390	72
300	235,706	54	68.47	1.268	1.267	1.267	68
310	11,566,604	55	71.24	1.295	1.294	1.294	71
320	3,505,032	52	66.32	1.275	1.274	1.274	66
330	111,669	49	60.10	1.227	1.226	1.226	60
340	18,414,785	58	76.64	1.321	1.320	1.320	77
350	2,343,906	51	64.11	1.257	1.256	1.256	64
360	4,660,765	40	50.17	1.254	1.253	1.253	50
370	108,773	46	55.05	1.197	1.196	1.196	55
380	564,121	46	52.63	1.144	1.143	1.143	53
390	615,650	47	60.91	1.296	1.295	1.295	61
Statewide	80,339,123	56.40	75.75	1.344	1.343	1.343	76.23

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED BASE CLASS LOSS COSTS BY TERRITORY**

**CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane Base Class	Five-Year Earned		Credibility- Weighted Base Class	Modeled Hurricane Base Class	Five-Year Trended Average	Total Base Class Loss Cost	Indicated Relativity	Indicated Statewide Base Class	Indicated Base Class Loss Cost
<u>Territory</u>	<u>Loss Cost<sup>(a)</sup></u>	<u>House Years</u>	<u>Credibility<sup>(b)</sup></u>	<u>Loss Cost*</u>	<u>Loss Cost<sup>(c)</sup></u>	<u>Rating Factor</u>	<u>(4) + (5)</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost**</u>	<u>Terr (8) / SW (8) × (9)</u>
110	52.63	1,489	0.10	43.07	17.64	7.687	60.71	1.317	43.98	57.92
120	36.10	10,499	0.40	39.65	28.95	7.368	68.60	1.489	43.98	65.49
130	22.06	1,120	0.10	40.02	12.43	8.913	52.45	1.138	43.98	50.05
140	40.86	32,154	0.80	41.09	16.00	7.325	57.09	1.239	43.98	54.49
150	19.26	3,141	0.20	37.46	5.22	9.720	42.68	0.926	43.98	40.73
160	27.26	7,468	0.30	37.59	8.36	7.896	45.95	0.997	43.98	43.85
170	0.00	0	0.00	42.01	0.00	1.000	42.01	0.912	43.98	40.11
180	51.29	4,210	0.20	43.87	3.28	7.520	47.15	1.023	43.98	44.99
190	25.71	66	0.00	42.01	4.07	11.002	46.08	1.000	43.98	43.98
200	0.00	12	0.00	42.01	5.62	3.292	47.63	1.034	43.98	45.48
210	17.29	294	0.00	42.01	2.38	9.555	44.39	0.963	43.98	42.35
220	68.25	6,092	0.30	49.88	1.64	8.452	51.52	1.118	43.98	49.17
230	0.67	315	0.00	42.01	3.30	6.151	45.31	0.983	43.98	43.23
240	33.75	1,324	0.10	41.18	1.94	10.189	43.12	0.936	43.98	41.17
250	47.53	434	0.00	42.01	1.49	9.753	43.50	0.944	43.98	41.52
260	76.63	86	0.00	42.01	0.84	8.428	42.85	0.930	43.98	40.90
270	51.03	59,890	1.00	51.03	1.11	9.150	52.14	1.132	43.98	49.79
280	27.22	13,001	0.50	34.62	0.94	9.416	35.56	0.772	43.98	33.95
290	24.09	5,223	0.30	36.63	1.34	8.704	37.97	0.824	43.98	36.24
300	1.00	124	0.00	42.01	1.03	8.076	43.04	0.934	43.98	41.08
310	37.47	46,626	0.90	37.92	0.60	8.675	38.52	0.836	43.98	36.77
320	40.82	10,097	0.40	41.53	0.62	8.294	42.15	0.915	43.98	40.24
330	0.00	125	0.00	42.01	0.50	9.369	42.51	0.923	43.98	40.59
340	47.94	142,888	1.00	47.94	0.59	8.979	48.53	1.053	43.98	46.31
350	26.92	8,284	0.40	35.97	0.46	8.573	36.43	0.791	43.98	34.79
360	21.56	39,841	0.80	25.65	0.24	9.736	25.89	0.562	43.98	24.72
370	34.82	7,559	0.30	39.85	0.22	7.432	40.07	0.870	43.98	38.26
380	37.35	4,109	0.20	41.08	0.19	8.823	41.27	0.896	43.98	39.41
390	37.41	3,170	0.20	41.09	0.20	11.306	41.29	0.896	43.98	39.41
Statewide	42.01	409,641	1.00	42.01	2.55	8.644	46.08	1.0000	43.98	43.98

\* Column (4) = (1) × (3) + (1.0-(3)) × Statewide (1)

\*\* Column (9) = Line (12) + Line (14), page C-4

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED BASE CLASS RATES**  
**CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Indicated	Trended	Expected	Current	Indicated	Compensation	Net Cost of	Base Class	Deviation Amount	Indicated
	Base Class	Fixed	Loss and	Base Class	Net Base	for Assessment	Reinsurance	Rate	per Policy <sup>(g)</sup>	Required
	Loss Cost	Expense	Fixed Expense	Rate	Class Rate	Risk per Policy <sup>(e)</sup>	per Policy <sup>(f)</sup>	Excluding	per Policy <sup>(g)</sup>	Base Class
<u>Territory</u>	<u>Loss Cost</u>	<u>Ratio<sup>(d)</sup></u>	<u>Ratio</u>	<u>Rate</u>	<u>[(1)+(2)×(4)]/(3)</u>	<u>Risk per Policy<sup>(e)</sup></u>	<u>per Policy<sup>(f)</sup></u>	<u>(5) + (6) + (7)</u>	<u>[(8)/(1.0- Dev. %)] - (8)</u>	<u>(8) + (9)</u>
110	57.92	0.085	0.747	107	89.71	1.76	37.33	128.80	0.00	128.80
120	65.49	0.073	0.747	131	100.47	2.15	93.80	196.42	0.00	196.42
130	50.05	0.095	0.747	83	77.56	1.36	30.69	109.61	0.00	109.61
140	54.49	0.106	0.747	90	85.72	1.48	50.71	137.91	0.00	137.91
150	40.73	0.116	0.747	62	64.15	1.02	14.36	79.53	0.00	79.53
160	43.85	0.132	0.747	67	70.54	1.10	28.07	99.71	0.00	99.71
170	40.11	0.000	0.747	55	53.69	0.90	0.00	54.59	0.00	54.59
180	44.99	0.161	0.747	58	72.73	0.95	9.32	83.00	0.00	83.00
190	43.98	0.105	0.747	61	67.45	1.00	12.41	80.86	0.00	80.86
200	45.48	0.318	0.747	67	89.41	1.10	18.30	108.81	0.00	108.81
210	42.35	0.131	0.747	56	66.51	0.92	7.44	74.87	0.00	74.87
220	49.17	0.145	0.747	57	76.89	0.94	5.62	83.45	0.00	83.45
230	43.23	0.190	0.747	60	73.13	0.99	10.29	84.41	0.00	84.41
240	41.17	0.130	0.747	53	64.34	0.87	6.36	71.57	0.00	71.57
250	41.52	0.141	0.747	51	65.21	0.84	4.75	70.80	0.00	70.80
260	40.90	0.163	0.747	51	65.88	0.84	2.45	69.17	0.00	69.17
270	49.79	0.132	0.747	58	76.90	0.95	4.30	82.15	0.00	82.15
280	33.95	0.173	0.747	43	55.41	0.71	4.07	60.19	0.00	60.19
290	36.24	0.152	0.747	53	59.30	0.87	4.59	64.76	0.00	64.76
300	41.08	0.170	0.747	51	66.60	0.84	3.37	70.81	0.00	70.81
310	36.77	0.180	0.747	45	60.07	0.74	2.78	63.59	0.00	63.59
320	40.24	0.184	0.747	46	65.20	0.76	2.86	68.82	0.00	68.82
330	40.59	0.149	0.747	50	64.31	0.82	1.90	67.03	0.00	67.03
340	46.31	0.159	0.747	49	72.42	0.81	3.21	76.44	0.00	76.44
350	34.79	0.170	0.747	48	57.50	0.79	2.15	60.44	0.00	60.44
360	24.72	0.185	0.747	39	42.75	0.64	1.42	44.81	0.00	44.81
370	38.26	0.189	0.747	50	63.87	0.82	1.27	65.96	0.00	65.96
380	39.41	0.165	0.747	48	63.36	0.79	1.08	65.23	0.00	65.23
390	39.41	0.127	0.747	49	61.09	0.81	1.37	63.27	0.00	63.27
Statewide	43.98	0.148	0.747	54.96	69.73	0.90	8.91	79.54	0.00	79.54

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF FILED BASE CLASS RATES**

**CONDOMINIUM UNIT OWNERS**

<u>Territory</u>	(1) Latest-Year Aggregate Calculated Earned Premium <u>at Current Level</u>	(2) Current Base <u>Class Rate</u>	(3) Indicated Required Base <u>Class Rate</u>	(4) Indicated Rate Level Change <u>(3) / (2)</u>	(5) Balanced Indicated Rate Level <u>Change<sup>(h)</sup></u>	(6) Filed Rate Level <u>Change<sup>(i)</sup></u>	(7) Filed Base <u>Class Rate</u>
110	267,169	107	128.80	1.204	1.201	1.201	129
120	1,890,558	131	196.42	1.499	1.495	1.495	196
130	167,341	83	109.61	1.321	1.317	1.317	109
140	4,112,427	90	137.91	1.532	1.528	1.528	138
150	390,477	62	79.53	1.283	1.279	1.279	79
160	833,624	67	99.71	1.488	1.484	1.484	99
170	0	55	54.59	0.993	0.990	1.301	72
180	354,165	58	83.00	1.431	1.427	1.427	83
190	5,727	61	80.86	1.326	1.322	1.322	81
200	297	67	108.81	1.624	1.620	1.620	109
210	31,442	56	74.87	1.337	1.333	1.333	75
220	592,223	57	83.45	1.464	1.460	1.460	83
230	19,990	60	84.41	1.407	1.403	1.403	84
240	153,762	53	71.57	1.350	1.346	1.346	71
250	43,920	51	70.80	1.388	1.384	1.384	71
260	6,836	51	69.17	1.356	1.352	1.352	69
270	6,425,889	58	82.15	1.416	1.412	1.412	82
280	1,044,984	43	60.19	1.400	1.396	1.396	60
290	463,904	53	64.76	1.222	1.219	1.219	65
300	10,641	51	70.81	1.388	1.384	1.384	71
310	3,525,133	45	63.59	1.413	1.409	1.409	63
320	749,385	46	68.82	1.496	1.492	1.492	69
330	12,502	50	67.03	1.341	1.337	1.337	67
340	12,600,422	49	76.44	1.560	1.556	1.556	76
350	680,523	48	60.44	1.259	1.256	1.256	60
360	2,992,156	39	44.81	1.149	1.146	1.146	45
370	545,200	50	65.96	1.319	1.315	1.315	66
380	354,655	48	65.23	1.359	1.355	1.355	65
390	348,653	49	63.27	1.291	1.287	1.287	63
Statewide	38,624,005	54.96	79.54	1.450	1.446	1.446	79.67



## NORTH CAROLINA

### HOMEOWNERS INSURANCE

#### INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE

- (a) The Non-Hurricane Base Class Loss Cost is based on five-year incurred developed losses (excluding hurricane), five-year house years, and the five-year average rating factor. Since the rate level indications by territory will be based on both modeled and non-modeled experience, and since the modeled loss experience is based on exposures that have been trended to the prospective period and loaded for LAE, the non-hurricane losses and corresponding average rating factors used in the calculation of the Non-Hurricane Base Class Loss Cost have also been trended to the prospective period and loaded for LAE. The calculation of the Non-Hurricane Base Class Loss Costs is displayed on pages D-61-78.
- (b) Credibility values are assigned based on the territory credibility table shown on page D-23.
- (c) The calculation of the Modeled Hurricane Base Class Loss Cost is shown on pages D-79-81.
- (d) The statewide trended fixed expense ratio, which is calculated on pages D-28-29, is adjusted in order to reflect the varying size of the current base rates by territory. This is accomplished by multiplying the statewide fixed expense ratio by the ratio of the statewide five-year average rate and the five-year average rate for the given territory. This calculation is shown on page D-30.
- (e) The loading for compensation for assessment risk of 1.4% is based on an analysis done by Aon. The provision per policy is calculated as  $(0.014 \times \text{Current Base Class Rate}) / (1 - \text{Provisions for Commission \& Taxes})$ . The commission and tax provisions are those shown on page D-24.
- (f) The calculation of the Net Cost of Reinsurance per Policy is displayed on pages D-82-84.
- (g) A 0% deviation loading was selected by the North Carolina Rate Bureau.
- (h) Since the statewide indicated rate level change may not equal the weighted average of the indicated rate level change by territory (shown in column (4)), an adjustment factor (calculated as  $\text{Statewide Indicated Rate Level Change} / \text{Statewide column (4)}$ ) is applied to the column (4) values in order to determine the column (5) values.
- (i) For Condominium Unit Owners, Territory 170, the indicated change has been impacted by the lack of exposures in any of the five years in the filing. Therefore, a filed change of +30.1% has been selected to implement 90% of the statewide indicated change ( $1.301 = 0.9 \times 1.446$ ). 90% was selected based on the relative changes for Territory 170 in Owners and Tenants. All other filed changes are equal to the indicated changes.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF WINDSTORM OR HAIL EXCLUSION CREDIT**

<b>OWNERS FORMS</b>																	
Territory	<i>L</i> <sup>(a)</sup>	<i>d</i>	<i>F</i> <sup>(b)</sup>	<i>(I-V)</i> <sup>(c)</sup>	<i>k</i>	<i>B</i> <sup>(d)</sup>	<i>R</i> <sup>(e)</sup>	<i>d'</i>	<i>d'R</i>	<i>D</i>	<i>Off-Balance</i>	<i>I</i>	<i>r</i>	<i>p<sub>f</sub></i>	<i>p<sub>m</sub></i>	<i>C<sub>f</sub></i>	<i>C<sub>m</sub></i>
110	1,491.34	0.160	63.98	0.747	0.195	47.78	2,083.43	0.0004	0.80	0.00	1.000	4,220	1.0014	1.0042	0.9216	3,826	3,511
120	1,860.71	0.176	75.39	0.747	0.208	56.31	4,176.48	0.0002	0.87	0.00	1.000	6,833	1.0080	0.9978	0.9078	6,317	5,748
130	867.25	0.344	79.88	0.747	0.399	29.17	1,076.04	0.0005	0.55	0.00	1.000	2,377	1.0004	1.0675	0.9687	1,985	1,801
140	1,196.09	0.253	81.70	0.747	0.301	39.49	2,363.88	0.0004	0.88	0.00	1.000	4,119	1.0022	1.0045	0.9071	3,616	3,265
150	675.04	0.424	89.37	0.747	0.491	24.07	790.00	0.0006	0.50	0.00	1.000	1,840	1.0023	1.0562	0.9440	1,403	1,254
160	774.04	0.421	98.45	0.747	0.486	26.52	1,110.36	0.0006	0.72	0.00	1.000	2,308	1.0013	1.0192	0.9189	1,762	1,588

<b>TENANTS</b>																	
Territory	<i>L</i> <sup>(a)</sup>	<i>d</i>	<i>F</i> <sup>(b)</sup>	<i>(I-V)</i> <sup>(c)</sup>	<i>k</i>	<i>B</i> <sup>(d)</sup>	<i>R</i> <sup>(e)</sup>	<i>d'</i>	<i>d'R</i>	<i>D</i>	<i>Off-Balance</i>	<i>I</i>	<i>r</i>	<i>p<sub>f</sub></i>	<i>p<sub>m</sub></i>	<i>C<sub>f</sub></i>	<i>C<sub>m</sub></i>
110	57.30	0.386	22.68	0.747	0.560	2.07	65.46	0.0001	0.01	0.00	1.000	175	1.0000	1.0055	0.8691	114	99
120	67.75	0.322	23.90	0.747	0.499	2.37	141.80	0.0000	0.01	0.00	1.000	267	1.0000	1.0011	0.8900	205	182
130	38.89	0.599	18.95	0.747	0.730	1.33	35.59	0.0001	0.00	0.00	1.000	114	1.0000	1.0344	0.9278	58	52
140	41.02	0.435	25.19	0.747	0.650	1.61	71.92	0.0001	0.01	0.00	1.000	162	1.0000	1.0005	0.8980	103	93
150	29.91	0.713	21.53	0.747	0.833	1.00	21.53	0.0002	0.00	0.00	1.000	91	1.0000	1.0177	0.9089	33	30
160	34.51	0.662	25.51	0.747	0.806	1.28	35.56	0.0002	0.01	0.00	1.000	117	1.0000	1.0054	0.8998	52	46

<b>CONDOMINIUM UNIT OWNERS</b>																	
Territory	<i>L</i> <sup>(a)</sup>	<i>d</i>	<i>F</i> <sup>(b)</sup>	<i>(I-V)</i> <sup>(c)</sup>	<i>k</i>	<i>B</i> <sup>(d)</sup>	<i>R</i> <sup>(e)</sup>	<i>d'</i>	<i>d'R</i>	<i>D</i>	<i>Off-Balance</i>	<i>I</i>	<i>r</i>	<i>p<sub>f</sub></i>	<i>p<sub>m</sub></i>	<i>C<sub>f</sub></i>	<i>C<sub>m</sub></i>
110	57.92	0.694	9.10	0.747	0.736	1.76	37.33	0.0001	0.00	0.00	1.000	129	1.0000	1.0000	0.8978	62	55
120	65.49	0.546	9.56	0.747	0.604	2.15	93.80	0.0000	0.00	0.00	1.000	196	1.0000	1.0002	0.8829	134	118
130	50.05	0.745	7.89	0.747	0.780	1.36	30.69	0.0001	0.00	0.00	1.000	109	1.0000	1.0126	0.9000	48	43
140	54.49	0.698	9.54	0.747	0.743	1.48	50.71	0.0002	0.01	0.00	1.000	138	1.0000	1.0003	0.8964	73	66
150	40.73	0.846	7.19	0.747	0.869	1.02	14.36	0.0002	0.00	0.00	1.000	79	1.0000	1.0353	0.9029	23	20
160	43.85	0.792	8.84	0.747	0.827	1.10	28.07	0.0002	0.01	0.00	1.000	99	1.0000	1.0057	0.8991	40	36

<sup>(a)</sup> equals column (10) on pages C-7, C-10 and C-13.

<sup>(b)</sup> equals the product of columns (2) and (4) on pages C-8, C-11 and C-14.

<sup>(c)</sup> equals (1.0 - statewide provisions for profit, dividends, contingencies, commission, taxes on page D-24).

<sup>(d)</sup> equals column (6) on pages C-8, C-11 and C-14.

<sup>(e)</sup> equals column (7) on pages C-8, C-11 and C-14.

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**CALCULATION OF WINDSTORM OR HAIL EXCLUSION CREDITS**

The filed wind exclusion credits are derived using the following formula.

$$C_x = [I - \{[(Ld + F) / (1.0 - V) + kB + d'R] / (1.0 - D)\} / \text{Off-Balance}]p_x r, \text{ where}$$

$C_x$  = Filed credit for construction type  $x$  (Frame or Masonry)

$I$  = Filed base class rate

$L$  = Pure-premium underlying indicated rate level change

$d$  = The portion of  $L$  that is attributable to non-wind losses

$F$  = Fixed expense provision underlying indicated rate level change

$V$  = Variable expense provision

$B$  = Provision in indicated base class rate for Compensation for Assessment Risk

$k$  = An adjustment factor, applied to  $B$ , to reflect exclusion of wind coverage  
= (Indicated non-wind rate without  $B$ ) / (Indicated rate, without  $B$ )  
=  $[(Ld + F) / (1.0 - V)] / [(L + F) / (1.0 - V)] = (Ld + F) / (L + F)$

$R$  = Reinsurance provision as calculated on pages D-82-84

$d'$  = The portion of the reinsurance cost attributable to non-wind related perils

$D$  = Selected deviation percentage

$p_x$  = Average protection class relativity for construction  $x$  (Frame or Masonry), weighted by latest-year industry earned house years

$r$  = Average policy form relativity weighted by latest-year industry earned house years

The derivation of the filed credits, using the formula defined above, is displayed on page C-17.

The  $d$  value is calculated as

$$\frac{\text{Credibility Weighted Non-Modeled BCLC Excluding Wind}}{\text{Total BCLC}}$$

where the numerator is calculated in the same manner as column (4) on pages C-7, C-10, and C-13 but with all wind losses excluded. The denominator is equal to column (7) on pages C-7, C-10, and C-13.

The  $d'$  value is calculated as

$$\frac{E + W}{E + W + O + H}$$

where each variable represents the reinsurance cost attributable to a particular peril ( $E$  = Earthquake and Fire Following,  $W$  = Winter Storm,  $O$  = Other Wind,  $H$  = Hurricane Wind).

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF WINDSTORM LOSS MITIGATION CREDITS - FRAME CONSTRUCTION**

	Territory					
	110	120	130	140	150	160
(1) Current Windstorm or Hail Exclusion Credit - Frame	2,076	2,862	1,295	1,773	959	997
(2) Filed Windstorm or Hail Exclusion Credit - Frame	3,826	6,317	1,985	3,616	1,403	1,762
(3) Ratio of Filed and Current Wind Credits = (2)/(1)	1.843	2.207	1.533	2.039	1.463	1.767
<b>(4) Current Windstorm Loss Mitigation Credits</b>						
Total Hip Roof	146	195	91	121	64	68
Opening Protection	149	200	91	122	63	70
Total Hip Roof and Opening Protection	295	393	179	243	126	137
<u>IBHS Designation:</u>						
FORTIFIED for Safer Living®	477	689	259	406	138	229
FORTIFIED Roof - Hurricane - Existing Roof	115	156	72	96	50	55
FORTIFIED Roof - Hurricane - New Roof	179	245	101	152	63	85
FORTIFIED Roof - Hurricane - Silver -Existing Roof	286	415	145	247	66	137
FORTIFIED Roof - Hurricane - Silver -New Roof	344	501	173	302	76	170
FORTIFIED Roof - Hurricane - Gold -Existing Roof	366	528	194	308	99	174
FORTIFIED Roof - Hurricane - Gold -New Roof	424	616	221	365	108	205
<b>(5) Revised Windstorm Loss Mitigation Credits = (3)×(4)</b>						
Total Hip Roof	269	430	140	247	94	120
Opening Protection	275	441	140	249	92	124
Total Hip Roof and Opening Protection	544	867	274	495	184	242
<u>IBHS Designation:</u>						
FORTIFIED for Safer Living®	879	1521	397	828	202	405
FORTIFIED Roof - Hurricane - Existing Roof	212	344	110	196	73	97
FORTIFIED Roof - Hurricane - New Roof	330	541	155	310	92	150
FORTIFIED Roof - Hurricane - Silver -Existing Roof	527	916	222	504	97	242
FORTIFIED Roof - Hurricane - Silver -New Roof	634	1106	265	616	111	300
FORTIFIED Roof - Hurricane - Gold -Existing Roof	675	1165	297	628	145	307
FORTIFIED Roof - Hurricane - Gold -New Roof	781	1360	339	744	158	362

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF WINDSTORM LOSS MITIGATION CREDITS - MASONRY CONSTRUCTION

	Territory					
	110	120	130	140	150	160
(1) Current Windstorm or Hail Exclusion Credit - Masonry	1,871	2,572	1,191	1,581	851	895
(2) Filed Windstorm or Hail Exclusion Credit - Masonry	3,511	5,748	1,801	3,265	1,254	1,588
(3) Ratio of Filed and Current Wind Credits = (2)/(1)	1.877	2.235	1.512	2.065	1.474	1.774
<b>(4) Current Windstorm Loss Mitigation Credits</b>						
Total Hip Roof	132	174	83	108	58	61
Opening Protection	134	179	83	111	56	62
Total Hip Roof and Opening Protection	265	353	165	219	112	124
<u>IBHS Designation:</u>						
FORTIFIED for Safer Living®	429	618	237	361	123	206
FORTIFIED Roof - Hurricane - Existing Roof	102	141	65	85	45	48
FORTIFIED Roof - Hurricane - New Roof	160	220	93	135	56	76
FORTIFIED Roof - Hurricane - Silver -Existing Roof	257	374	134	221	59	124
FORTIFIED Roof - Hurricane - Silver -New Roof	309	450	159	269	66	152
FORTIFIED Roof - Hurricane - Gold -Existing Roof	328	475	178	274	86	155
FORTIFIED Roof - Hurricane - Gold -New Roof	379	554	203	325	96	183
<b>(5) Revised Windstorm Loss Mitigation Credits = (3)×(4)</b>						
Total Hip Roof	248	389	125	223	85	108
Opening Protection	252	400	125	229	83	110
Total Hip Roof and Opening Protection	497	789	249	452	165	220
<u>IBHS Designation:</u>						
FORTIFIED for Safer Living®	805	1381	358	745	181	365
FORTIFIED Roof - Hurricane - Existing Roof	191	315	98	176	66	85
FORTIFIED Roof - Hurricane - New Roof	300	492	141	279	83	135
FORTIFIED Roof - Hurricane - Silver -Existing Roof	482	836	203	456	87	220
FORTIFIED Roof - Hurricane - Silver -New Roof	580	1006	240	555	97	270
FORTIFIED Roof - Hurricane - Gold -Existing Roof	616	1062	269	566	127	275
FORTIFIED Roof - Hurricane - Gold -New Roof	711	1238	307	671	142	325

## NORTH CAROLINA

### HOMEOWNERS INSURANCE

#### DERIVATION OF WINDSTORM LOSS MITIGATION CREDITS

The filed credits displayed on pages C-19 and C-20 apply to the current IBHS designations effective on or after March 31, 2019. The same filed credits apply to the previous IBHS designations according to the following mappings:

##### **Current IBHS Designation:**

FORTIFIED for Safer Living®  
FORTIFIED Roof - Hurricane - Existing Roof  
FORTIFIED Roof - Hurricane - New Roof  
FORTIFIED Home - Hurricane - Silver - Existing Roof  
FORTIFIED Home - Hurricane - Silver - New Roof  
FORTIFIED Home - Hurricane - Gold - Existing Roof  
FORTIFIED Home - Hurricane - Gold - New Roof

##### **Previous IBHS Designation:**

Hurricane Fortified for Safer Living®  
Hurricane Fortified for Existing Homes® Bronze Option 1  
Hurricane Fortified for Existing Homes® Bronze Option 2  
Hurricane Fortified for Existing Homes® Silver Option 1  
Hurricane Fortified for Existing Homes® Silver Option 2  
Hurricane Fortified for Existing Homes® Gold Option 1  
Hurricane Fortified for Existing Homes® Gold Option 2

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF WIND-ONLY RATES**

<b>OWNERS FORMS</b>							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Trended	Expected	Fixed	Revised	Revised	Revised	Revised
	Fixed	Loss and	Expense	Frame	Frame	Masonry	Masonry
	Expense	Fixed	Loading	Wind	Wind-Only	Wind	Wind-Only
<u>Territory</u>	<u>per Policy</u>	<u>Expense</u>	<u>Ratio</u>	<u>Exclusion</u>	<u>Base Rate</u>	<u>Exclusion</u>	<u>Base Rate</u>
			<u>(1)/(2)</u>	<u>Credit</u>	<u>(3) + (4)</u>	<u>Credit</u>	<u>(3) + (6)</u>
110	63.98	0.747	85.65	3,826	3,912	3,511	3,597
120	75.39	0.747	100.92	6,317	6,418	5,748	5,849
130	79.88	0.747	106.93	1,985	2,092	1,801	1,908
140	81.70	0.747	109.37	3,616	3,725	3,265	3,374
150	89.37	0.747	119.64	1,403	1,523	1,254	1,374
160	98.45	0.747	131.79	1,762	1,894	1,588	1,720

<b>TENANTS</b>							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Trended	Expected	Fixed	Revised	Revised	Revised	Revised
	Fixed	Loss and	Expense	Frame	Frame	Masonry	Masonry
	Expense	Fixed	Loading	Wind	Wind-Only	Wind	Wind-Only
<u>Territory</u>	<u>per Policy</u>	<u>Expense</u>	<u>Ratio</u>	<u>Exclusion</u>	<u>Base Rate</u>	<u>Exclusion</u>	<u>Base Rate</u>
			<u>(1)/(2)</u>	<u>Credit</u>	<u>(3) + (4)</u>	<u>Credit</u>	<u>(3) + (6)</u>
110	22.68	0.747	30.36	114	144	99	129
120	23.90	0.747	31.99	205	237	182	214
130	18.95	0.747	25.37	58	83	52	77
140	25.19	0.747	33.72	103	137	93	127
150	21.53	0.747	28.82	33	62	30	59
160	25.51	0.747	34.15	52	86	46	80

<b>CONDOMINIUM UNIT OWNERS</b>							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Trended	Expected	Fixed	Revised	Revised	Revised	Revised
	Fixed	Loss and	Expense	Frame	Frame	Masonry	Masonry
	Expense	Fixed	Loading	Wind	Wind-Only	Wind	Wind-Only
<u>Territory</u>	<u>per Policy</u>	<u>Expense</u>	<u>Ratio</u>	<u>Exclusion</u>	<u>Base Rate</u>	<u>Exclusion</u>	<u>Base Rate</u>
			<u>(1)/(2)</u>	<u>Credit</u>	<u>(3) + (4)</u>	<u>Credit</u>	<u>(3) + (6)</u>
110	9.10	0.747	12.18	62	74	55	67
120	9.56	0.747	12.80	134	147	118	131
130	7.89	0.747	10.56	48	59	43	54
140	9.54	0.747	12.77	73	86	66	79
150	7.19	0.747	9.63	23	33	20	30
160	8.84	0.747	11.83	40	52	36	48

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**CALCULATION OF WIND-ONLY RATES**

The filed wind-only rates are a function of the filed windstorm or hail exclusion credits. Since one full policy provides the same coverage as the combination of one non-wind policy and one wind-only policy (with identical characteristics), the premium between the two scenarios should differ only by the total fixed expense load.

The wind-only rates are calculated as follows:

$$W_x = C_x + \frac{F}{1 - V}$$

$W_x$  = Wind-only rate for construction type  $x$  (Frame or Masonry)

$C_x$  = Filed wind exclusion credit for construction type  $x$  (Frame or Masonry)

$F$  = Fixed expense provision underlying indicated rate level change

$V$  = Variable expense provision



**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**

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## NORTH CAROLINA

### HOMEOWNERS INSURANCE

#### EXPLANATORY MEMORANDUM

This memorandum supplements the filing letter and supporting exhibits setting forth a revision of homeowners insurance rates in the State of North Carolina. It is the purpose of this memorandum to describe the source data used and to set forth in detail the insurance ratemaking procedures reflected in the filing. Certain pages in the filing and accompanying material contain a notation "all carriers" or other similar wording. This indicates that the data are combined ISO, ISS, and NISS data. Data for certain companies are not included, as noted in Section E.

#### Premium and Loss Experience

This revision is based upon the combined premium and loss experience of all entities writing homeowners insurance in this State (licensed member companies and residual market entities), except as noted in Section E. In order to have this experience available in all detail necessary for rate review and ratemaking in accordance with accepted standards, all such companies are required to file each year their total homeowners insurance experience with the official statistical agents. Experience is recorded pursuant to the officially approved statistical plans and reported by the companies in accordance with instructions issued by the statistical agents under the Official Calls for Experience.

The Commissioner appointed the following statistical agents for the collection of homeowners insurance experience in North Carolina: Insurance Services Office (ISO), Independent Statistical Services, Inc. (ISS), American Association of Insurance Services (AAIS), and National Independent Statistical Service (NISS). At the direction of the North Carolina Rate Bureau, tabulations of experience reported to ISS, AAIS and NISS are provided to ISO so that ISO may aggregate the experience and develop the analysis included in this filing.

Experience utilized in the filing was collected under the Personal Lines Statistical Plan (Other Than Automobile) and the Official Statistical Programs of ISO, the Personal Lines Statistical Plan and the Statistical Programs of ISS, and the Homeowners Statistical Plan developed by the NISS and the Statistical Programs of the NISS. In substance, the statistical plans of these statistical agents are similar in North Carolina and provide for the recording and reporting of the experience in the detail required for ratemaking and in such form that the experience of all companies can be combined. The experience collected by AAIS and in the ISO Personal Lines Statistical Agent Plan (Other Than Automobile) is collected in lesser detail and has not been used in this review.

The licensing of an organization and its appointment as a statistical agent in North Carolina are predicated upon demonstration by the organization of its ability to perform this function. Moreover, the performance of the statistical agents is reviewed periodically through examination by personnel of state insurance departments under the convention examinations of the National Association of Insurance Commissioners. From time to time, such organizations are called upon by Insurance Department examiners to verify, and do verify, the data they consolidate as statistical agents.

The insurance companies likewise are subject to a variety of checks and controls. Effective controls are maintained within the company over the activities of company employees connected with the company's statistics. Companies are required by statute to submit directly to the Insurance Department statistical and accounting information to be found in the Annual Statement and the Insurance Expense Exhibit. These documents are scrutinized by experienced Insurance Department personnel throughout the country. The insurance companies are also subject to examination by the Insurance Department, which examinations include the statistical records of the companies.

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**Statewide Rate Level Exhibits (pages C-2-6)**

1. Experience

Homeowners insurance experience was compiled on a calendar accident year basis for the years ended December 31, 2021, 2020, 2019, 2018 and 2017. For any twelve-month period, the accident year experience compiles the losses resulting from accidents occurring during that period with the average rating factors and number of exposures "earned" during the same period. Since this filing utilizes catastrophe models to estimate the average annual losses attributable to hurricanes, actual hurricane losses have been removed from the ratemaking experience.

2. Losses

Losses compiled for any accident year include paid losses as well as loss reserves. The amounts that will ultimately be required as payments of claims on open cases are carefully determined by the claim departments of the companies, and experience has shown that these determinations are highly accurate in the aggregate. Since, however, there are differences between the total incurred losses so determined and the amounts ultimately paid, the ratemaking procedure provides for a "development" of the incurred losses to a basis which, for all practical purposes, can be considered as the ultimate basis. This development is accomplished as follows:

Each year the experience is compiled for the latest five years, all valued as of three months after the close of the latest accident year period. Thus, the experience is reported for the latest year as of 15 months, the preceding year as of 27 months, the next preceding year as of 39 months, the third preceding year as of 51 months and the fourth preceding year as of 63 months all measured from the beginning of each accident year respectively.

From reports of prior years, similarly aged experience was obtained so that there are available five successive reports for the earliest year, four successive reports for the next earliest year, three successive reports for the middle year and two successive reports for the second most recent year.

Homeowners claims generally are settled, and are therefore sufficiently matured, as of 63 months, by which time nearly all incurred losses have been paid. From a comparison of the incurred losses for each year at successive valuation dates, it is determined what the rate of development has been in the past in order to calculate the development of less mature losses. This development is reflected in the incurred losses for the less mature years by the application of loss development factors. In this filing, loss development factors have been calculated based on the statewide experience of companies reporting to ISO and three large company-groups reporting to the ISS, by policy form, and are as follows:

<u>Accident Year Ending</u>	<u>Factor to Develop to 63 Months</u>		
	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
December 31, 2021	1.046	1.030	1.014
December 31, 2020	1.004	1.014	1.000
December 31, 2019	0.998	1.006	1.001
December 31, 2018	0.999	1.000	1.001
December 31, 2017	1.000	1.000	1.000

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The derivation of the factors shown above is shown on pages D-11-13. By applying these factors, the reported incurred losses have been adjusted to the amounts at which it is believed they will ultimately be settled.

3. "Excess Wind" Losses and Modeled Hurricane Losses

In order to increase stability in indicated rate levels while maintaining adequacy in the event of wide swings in hurricane and other wind losses, an excess wind procedure (Owners forms only) and hurricane loss models have been utilized. Hence, inordinate shifts in rate level (both upward and downward), which might result from reflecting large hurricane and other wind losses only in the year in which they occur will be reduced.

With respect to the excess wind procedure (pages D-32-33), two adjustments to reported (non-hurricane) incurred losses are made. First, excess wind losses, which result from unusually severe non-hurricane wind activity, are removed from the ratemaking experience. Second, the excess losses for a given year are replaced with an expected excess wind loss loading, by application of the statewide "excess wind factor". This statewide excess wind factor is based on the long-term (non-hurricane) wind history and, therefore, is not subject to the type of yearly variation inherent in actual wind losses. In this filing, 30 years of historical experience are evaluated to determine the excess wind factor. The derivation of the excess wind factor is described below.

Statewide excess wind losses by year are calculated by determining a "normal" wind-to-total-minus-wind ratio which represents the long-term expected wind-to-total-minus-wind ratio. All losses above the "normal" ratio are defined as "excess" wind losses.

The "normal" wind-to-total-minus-wind ratio is determined by first capping the historical ratios for unusually large wind loss years at 5 times the median statewide value. The capped wind-to-total-minus-wind ratios are shown in column (5) of the excess wind factor exhibit, page D-32. An excess wind-to-total-minus-wind ratio for a given year is composed of two parts:

- (1) a capped excess wind-to-total-minus-wind ratio and
- (2) an "excess wind-to-total-minus-wind ratio above the cap".

The excess wind factor is calculated as:

Excess Factor =  $1.0 + [(average\ capped\ excess\ ratio + average\ excess\ ratio\ above\ the\ cap) \div (1.0 + normal\ ratio - average\ capped\ excess\ ratio)]$

Excess loss amounts reflecting the mix of deductibles purchased by insureds are adjusted to the base deductible by taking the ratio of excess losses (at reported deductible level) and wind losses (at reported deductible level) and applying it to wind losses at the base deductible level.

The modeled losses used in this filing are based on analysis performed by Aon on behalf of the North Carolina Rate Bureau and are displayed on pages D-79-81.

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4. Loss Adjustment Expense

Loss adjustment expenses are determined as an average percentage of the North Carolina incurred losses for calendar accident years 2018-2022, based on a North Carolina expense call. The high and low years are excluded from the average and the effects of loss trend and expense trend are incorporated into the calculated loading. See pages D-26-27.

A separate Loss Adjustment Expense factor was used for modeled hurricane losses.

5. Loss Trend

Loss trends are selected using the information provided by the observed growth in frequencies, severities, and pure premiums that occurred during the historical experience period. This procedure is displayed on pages D-14-17.

First, the frequencies, severities, and pure premiums are calculated by policy form group, cause-of-loss group (i.e., fire-related, water-related, etc.), and year. Hurricane losses are excluded from the loss experience. Then, average annual rates of change are calculated by fitting exponential curves to the data for three time periods: the latest five years, the latest four years, and the latest three years. Based on these average annual rates of change, historical annual rates of change are selected to trend the historical loss experience to the average occurrence date of the latest year (July 1, 2021) and prospective annual rates of change are selected to trend the losses from the latest year to one year beyond the assumed effective date (August 1, 2025). The historical and prospective annual rates of change that are selected for the pure premiums are used to trend the losses and are based on the selections for frequency and severity. The selected historical annual pure premium changes are +5.5%, -1.0%, and +4.5% for Owners, Tenants, and Condominium Unit Owners, respectively. The selected prospective annual pure premium changes are +6.5%, +4.0%, and +4.5% for Owners, Tenants, and Condominium Unit Owners, respectively.

6. Premium Trend

The premium trend procedure is based on the observed growth in yearly average policy amount relativities. For Owners, these relativities reflect the Coverage A limit selections made by insureds. For Tenants and Condominium Unit Owners, these relativities reflect the Coverage C limit selections made by insureds. This procedure is displayed on pages D-18-19.

First, the Current Amount Factors are calculated by policy form group and year. The Current Amount Factor trends the average policy amount relativity (and, therefore, the Average Rating Factor used in the derivation of the statewide and territory rate level indications) from a given historical year to the average date of writing for the latest year of the review (January 1, 2021). Then, average annual rates of change are calculated by fitting exponential curves to the data for three time periods: the latest five years, the latest four years, and the latest three years. Based on these annual rates of change, prospective annual rates of change are selected to trend the average policy amount relativities from the latest year to six months beyond the assumed effective date (February 1, 2025). The selected annual rates of change reflect consideration of the calculated values and the overall pattern in average relativity growth observed during the experience period. The selected prospective annual rates of change are +5.0%, 0.0%, and +2.0% for Owners, Tenants, and Condominium Unit Owners, respectively.

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7. Average Rating Factors

The earned premiums at present manual rates for the homeowners insurance coverages are calculated by multiplying the number of insured exposures earned during the experience period by the base rates and rating factors in effect at the time of review. The earned premiums at present rates are then used to determine average rating factors. The average rating factor is the ratio of the average rate (earned premium at manual level divided by corresponding house-years) and the current manual base rate. The average rating factor is used to convert the pure-premiums incurred during the experience period to the base-class level. This calculation is shown on pages D-43-60.

8. Credibility Factor Determination

Credibility considerations enter into the homeowners ratemaking formula in the calculation of statewide rate level indications which depend, in part, on the determination of the weighted statewide trended base-class pure-premium.

The statewide credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Pure-Premium" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 5% maximum departure from the expected value, translated to house year standards. Partial credibility ( $Z_p$ ) is calculated as follows:

$$Z_p = \sqrt{\frac{\text{Five-Year House Years}}{\text{Full Credibility Standard}}} \quad (\text{truncated to one decimal place})$$

The full credibility standard is 240,000 house years for Owners, 285,000 house years for Tenants, and 190,000 house years for Condominium Unit Owners. See page D-23.

9. Exposure Trend

The exposure trend procedure is based on the observed growth in yearly average policy amounts. For Owners, the policy amounts reflect the Coverage A limit selections made by insureds. For Tenants and Condominium Unit Owners, the policy amounts reflect the Coverage C limit selections made by insureds. This procedure is displayed on page D-20.

First, the average policy amounts are calculated by policy form group and year. Then average annual rates of change are calculated by fitting exponential curves to the data for three time periods: the latest five years, the latest four years, and the latest three years. Based on these average annual rates of change, annual rates of change are selected to trend the latest-year exposures used to calculate the modeled hurricane losses to six months beyond the assumed effective date (February 1, 2025). The selected annual changes are +5.0%, 0.0%, and +2.0% for Owners, Tenants, and Condominium Unit Owners, respectively.

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10. Fixed Expense

The fixed expense (general expenses and other acquisition expenses) loading is determined as an average percentage of North Carolina earned premiums for calendar accident years 2020-2022, based on a North Carolina expense call. See page D-24. The effects of premium trend and expense trend are incorporated into the selected loading, and then it is converted to a corresponding dollar value which can be incorporated into the pure-premium ratemaking methodology utilized in this filing. The dollar value is obtained by multiplying the trended loading by the trended average rate at current manual level. Distinct dollar values are generated for Owners, Tenants, and Condominium Unit Owners. These values by form reflect the judgment that the premium for a single Tenant or Condominium Unit Owner policy requires a dollar loading that is 50% of the dollar loading required by the premium for a single Owner policy. See pages D-28-30.

11. Expense Trend

The selected annual change to be applied to general expense, other acquisition expense and loss adjustment expense costs is based on the observed growth in the All Items Consumer Price Index, the All Items (Less Energy) Consumer Price Index, and the Compensation Cost Index. The selected annual change is +5.0% based on analysis and review of the index data, which are displayed on pages D-21-22.

12. Trend Periods

The effective date assumed in this filing is August 1, 2024 for new and renewal policies. Given this effective date, the trend periods for premiums, losses and expenses are as follows:

- premiums, and the corresponding average rating factors, are trended from January 1 of the given year to February 1, 2025.
- losses are trended from July 1 of the given year to August 1, 2025.
- general expense and other acquisition expense loadings, since they are based on 2020-2022 data, are trended from July 1, 2021 to February 1, 2025.
- loss adjustment expense percentages, since they are based on 2018-2022 data, are trended from July 1, 2020 to August 1, 2025.

13. Expected Loss and Fixed Expense Ratio

This quantity represents the portion of the premium income available for losses, loss adjustment expenses, general expenses and other acquisition expenses. It is determined from special calls for North Carolina expense experience and reflects the 2020-2022 results as reported by all companies licensed in North Carolina during those years. The breakdown of the expected loss and fixed expense ratio is set forth on page D-24.

14. Compensation for Assessment Risk per Policy

The loading for compensation for assessment risk of 1.4% is based on an analysis done by Aon. The provision per policy is calculated as  $(0.014 \times \text{Current Average Base Class Rate}) / (1 - \text{Provisions for Commission \& Taxes})$ . The commission and tax provisions are those shown on page D-24.

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15. Net Cost of Reinsurance per Policy

The provisions for the net cost of reinsurance are based on an analysis provided by Aon. This analysis generates the total dollars required by policy form and by territory based on latest-year house years. The conversion to the required base-class level is shown on pages D-82-84.

16. Selected Deviation

A 0% deviation loading was selected by the North Carolina Rate Bureau. See page D-31.

**Determination of Base-Class Loss Costs by Territory (pages C-7, C-10, and C-13)**

1. Non-Hurricane Base-Class Loss Cost (column 1)

A five-year non-hurricane base-class loss cost by territory is derived by dividing five-year territory losses excluding actual hurricane losses by the product of the five-year average rating factor and five-year house-years. For the Owners forms, the loss cost also excludes actual wind losses and includes a territory (non-hurricane) "wind provision" (described below). The losses are trended to one year beyond the assumed effective date (August 1, 2025) and the average rating factors are trended to six months beyond the assumed effective date (February 1, 2025) so as to be compatible with the modeled hurricane losses (which reflect exposures for the latest year trended to six months beyond the assumed effective date). Since the modeled hurricane losses include a loading for LAE, the non-hurricane loss cost has also been loaded for LAE. The calculation of the non-hurricane base-class loss costs by territory is shown on pages D-61-78.

The territory non-hurricane wind provision is calculated in a two-step process. In the first step, the statewide excess loss amounts and the excess factor are used to determine a statewide non-hurricane "wind provision". The non-hurricane wind provision is the dollar value of the "implicit" wind losses that remain in the ratemaking loss experience, after excess wind losses are removed and the excess factor is applied.

The statewide non-hurricane wind provision is defined as

$(T - E) \times F - (T - L)$ , where:

$T$  = statewide incurred non-modeled losses  
 $E$  = statewide non-modeled excess wind losses  
 $F$  = statewide excess wind factor  
 $L$  = non-hurricane wind losses

In the second step, the long-term history of wind losses by territory is used to distribute the statewide non-hurricane wind provision to each territory. This calculation is shown on pages D-34-42.



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#### 2. Credibility (column 3)

The territory credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Pure-Premium" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 10% maximum departure from the expected value, translated to house year standards. Partial credibility ( $Z_p$ ) is calculated as follows:

$$Z_p = \sqrt{\frac{\text{Five-Year House Years}}{\text{Full Credibility Standard}}} \quad (\text{truncated to one decimal place})$$

The full credibility standard is 60,000 house years for Owners, 75,000 house years for Tenants, and 50,000 house years for Condominium Unit Owners (see page D-23). The complement of credibility is assigned to the statewide five-year base-class loss cost excluding hurricane.

#### 3. Modeled Hurricane Base-Class Loss Cost (column 5)

The modeled hurricane base-class loss cost is derived by dividing the modeled hurricane losses by the product of the latest-year trended average rating factor and latest-year house-years. This calculation is shown on pages D-79-81.

#### 4. Five-Year Trended Average Rating Factor (column 6)

The five-year trended average rating factors are used as weights (along with the five-year earned house-years) to determine the statewide base-class loss costs in columns (7), (9), and (10). The calculation of the average rating factors is shown on pages D-43-60.

#### 5. Indicated Base-Class Loss Cost (column 10)

The territory relativities are applied to the statewide base-class loss cost (computed on the statewide indications pages) in order to obtain the indicated base-class loss costs by territory.

#### **Determination of Base Rates by Territory (pages C-8, C-11, and C-14)**

#### 1. Trended Fixed Expense Ratio (column 2)

The statewide trended fixed expense ratio, which is calculated on pages D-28-29, is adjusted in order to reflect the varying size of the current base rates by territory. This is accomplished by multiplying the statewide fixed expense ratio by the ratio of the statewide five-year average rate and the five-year average rate for the given territory. This calculation is shown on page D-30.

#### 2. Expected Loss and Fixed Expense Ratio (column 3)

These quantities represent the portion of the premium income available for losses, loss adjustment expenses, general expenses and other acquisition expenses.

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3. Compensation for Assessment Risk per Policy (column 6)

The loading for compensation for assessment risk of 1.4% is based on an analysis done by Aon. The provision per policy is calculated as  $(0.014 \times \text{Current Base Class Rate}) / (1 - \text{Provisions for Commission \& Taxes})$ . The commission and tax provisions are those shown on page D-24.

4. Net Cost of Reinsurance per Policy (column 7)

The provisions for the net cost of reinsurance are based on analysis provided by Aon. This analysis generates the total dollars required by policy form to cover the cost of the expense and profit components of the reinsurance premium paid by the primary insurers. The conversion to the base-class level that is required by the ratemaking methodology utilized in this filing is shown on pages D-82-84.

5. Deviation Amount per Policy (column 9)

A 0% deviation loading was selected by the North Carolina Rate Bureau. See page D-31.

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**LOSS DEVELOPMENT**

**OWNERS FORMS**

Accident	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	844,827,247	849,947,157	848,563,383	847,029,814	846,425,656
2011	1,755,706,177	1,786,473,287	1,788,269,334	1,788,379,803	1,786,036,957
2012	767,820,086	802,546,261	809,113,473	809,978,312	808,547,706
2013	649,134,834	663,298,428	663,695,843	661,314,970	660,888,687
2014	731,767,411	749,309,026	754,463,865	752,895,068	752,746,479
2015	705,879,148	722,009,061	720,208,802	718,063,799	717,365,661
2016	1,001,403,324	1,053,522,882	1,062,623,648	1,060,255,624	1,061,909,080
2017	868,447,319	917,355,231	924,867,908	925,733,493	924,172,255
2018	2,170,667,031	2,378,872,450	2,411,659,319	2,426,174,384	
2019	1,088,001,981	1,144,370,547	1,156,653,610		
2020	1,394,304,605	1,492,142,768			
2021	1,065,866,675				

Accident	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.006	0.998	0.998	0.999
2011	1.018	1.001	1.000	0.999
2012	1.045	1.008	1.001	0.998
2013	1.022	1.001	0.996	0.999
2014	1.024	1.007	0.998	1.000
2015	1.023	0.998	0.997	0.999
2016	1.052	1.009	0.998	1.002
2017	1.056	1.008	1.001	0.998
2018	1.096	1.014	1.006	
2019	1.052	1.011		
2020	1.070			
Average	<u>27:15</u> 1.042	<u>39:27</u> 1.006	<u>51:39</u> 0.999	<u>63:51</u> 0.999
Selected	1.042	1.006	0.999	0.999

**Selected Loss Development Factors**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	0.999	0.998	1.004	1.046

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**LOSS DEVELOPMENT**

**TENANTS**

Accident	Incurred Losses as of:					
	<u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010		15,753,663	15,890,258	16,061,400	16,161,647	16,134,409
2011		19,865,370	19,803,831	20,112,453	20,096,662	20,097,442
2012		17,663,193	17,493,095	17,565,336	17,636,862	17,626,862
2013		18,987,119	18,718,007	18,945,666	19,096,379	19,089,408
2014		17,953,991	18,038,269	18,089,827	18,237,973	18,294,443
2015		22,211,635	22,546,751	22,788,160	22,986,355	23,029,985
2016		21,987,951	22,680,741	22,696,792	23,031,821	22,993,803
2017		21,245,316	22,200,191	22,425,235	22,439,833	22,510,718
2018		35,416,067	37,446,048	37,516,101	37,548,263	
2019		23,403,482	23,818,306	24,061,613		
2020		25,124,695	25,802,720			
2021		27,247,115				

Accident	Link Ratios				
	<u>Year</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010		1.009	1.011	1.006	0.998
2011		0.997	1.016	0.999	1.000
2012		0.990	1.004	1.004	0.999
2013		0.986	1.012	1.008	1.000
2014		1.005	1.003	1.008	1.003
2015		1.015	1.011	1.009	1.002
2016		1.032	1.001	1.015	0.998
2017		1.045	1.010	1.001	1.003
2018		1.057	1.002	1.001	
2019		1.018	1.010		
2020		1.027			
Average		<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
		1.016	1.008	1.006	1.000
Selected		1.016	1.008	1.006	1.000

**Selected Loss Development Factors**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	1.000	1.006	1.014	1.030

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**LOSS DEVELOPMENT**

**CONDOMINIUM UNIT OWNERS**

Accident	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	8,698,244	8,702,113	8,655,846	8,548,088	8,514,501
2011	10,323,496	10,146,480	10,183,056	10,041,300	10,080,425
2012	8,881,346	9,026,219	9,145,088	9,138,878	9,139,987
2013	8,555,175	8,518,694	8,353,273	8,337,353	8,394,147
2014	10,848,390	10,898,846	10,998,198	11,101,719	11,101,719
2015	13,062,053	13,255,398	13,613,585	13,507,492	13,511,678
2016	13,127,298	13,613,509	13,111,995	13,428,669	13,439,801
2017	16,232,249	16,330,402	16,156,298	16,201,236	16,191,839
2018	26,978,820	28,963,843	29,185,654	29,102,892	
2019	16,075,642	16,113,931	16,173,307		
2020	18,347,434	18,639,700			
2021	19,829,188				

Accident	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.000	0.995	0.988	0.996
2011	0.983	1.004	0.986	1.004
2012	1.016	1.013	0.999	1.000
2013	0.996	0.981	0.998	1.007
2014	1.005	1.009	1.009	1.000
2015	1.015	1.027	0.992	1.000
2016	1.037	0.963	1.024	1.001
2017	1.006	0.989	1.003	0.999
2018	1.074	1.008	0.997	
2019	1.002	1.004		
2020	1.016			
Average	<u>27:15</u> 1.014	<u>39:27</u> 0.999	<u>51:39</u> 1.000	<u>63:51</u> 1.001
Selected	1.014	0.999	1.000	1.001

**Selected Loss Development Factors**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	1.001	1.001	1.000	1.014

NORTH CAROLINA

HOMEOWNERS INSURANCE

FREQUENCY, SEVERITY AND PURE PREMIUM RATES OF CHANGE

OWNERS FORMS

**FREQUENCY**

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	0.3363%	2.3831%	1.1968%	0.2259%	0.3465%	0.1043%	2.2098%	4.5929%
2018	0.3353%	1.8125%	1.4841%	0.1860%	0.5409%	0.1075%	2.6538%	4.4663%
2019	0.2994%	2.6539%	1.2001%	0.1560%	0.3848%	0.0749%	2.1152%	4.7691%
2020	0.2852%	3.3978%	1.2887%	0.1089%	0.4213%	0.0925%	2.1966%	5.5944%
2021	0.2764%	1.6209%	1.1682%	0.0925%	0.3712%	0.0669%	1.9752%	3.5961%
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	-5.4%	-1.4%	-1.9%	-20.7%	-1.1%	-9.9%	-4.1%	-2.6%
4-Year Average (2018 - 2021)	-6.1%	-0.9%	-6.3%	-21.8%	-9.9%	-11.4%	-8.1%	-4.8%
3-Year Average (2019 - 2021)	-3.9%	-21.8%	-1.3%	-23.0%	-1.8%	-5.5%	-3.4%	-13.2%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>-1.0%</b>
Prospective Time Period								<b>0.0%</b>

**SEVERITY**

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	34,760	8,819	10,313	3,790	5,944	10,091	12,671	10,673
2018	40,680	8,056	10,385	3,951	6,194	9,287	12,863	10,912
2019	43,149	10,837	10,903	4,409	7,361	12,496	14,400	12,417
2020	43,578	10,468	11,529	4,475	6,516	11,058	14,359	11,996
2021	60,134	12,259	13,313	4,639	7,945	12,491	18,424	15,645
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	+12.4%	+9.6%	+6.3%	+5.4%	+6.5%	+6.2%	+9.0%	+9.0%
4-Year Average (2018 - 2021)	+12.6%	+13.0%	+8.3%	+5.1%	+6.4%	+8.0%	+11.3%	+11.0%
3-Year Average (2019 - 2021)	+18.1%	+6.4%	+10.5%	+2.6%	+3.9%	-0.0%	+13.1%	+12.2%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>+6.5%</b>
Prospective Time Period								<b>+6.5%</b>

**PURE PREMIUM**

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	116.91	210.17	123.43	8.56	20.60	10.52	280.02	490.19
2018	136.40	146.01	154.12	7.35	33.50	9.98	341.35	487.36
2019	129.20	287.59	130.84	6.88	28.33	9.36	304.61	592.20
2020	124.30	355.69	148.56	4.87	27.45	10.23	315.41	671.10
2021	166.24	198.71	155.52	4.29	29.49	8.36	363.90	562.61
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	+6.3%	+8.1%	+4.3%	-16.4%	+5.3%	-4.3%	+4.6%	+6.1%
4-Year Average (2018 - 2021)	+5.7%	+12.0%	+1.6%	-17.8%	-4.1%	-4.3%	+2.3%	+5.7%
3-Year Average (2019 - 2021)	+13.4%	-16.9%	+9.0%	-21.0%	+2.0%	-5.5%	+9.3%	-2.5%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>+5.5%</b>
Prospective Time Period								<b>+6.5%</b>

NORTH CAROLINA

HOMEOWNERS INSURANCE

FREQUENCY, SEVERITY AND PURE PREMIUM RATES OF CHANGE

TENANTS

FREQUENCY

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	0.2335%	0.0395%	0.2006%	0.6476%	0.1885%	0.1644%	1.4346%	1.4741%
2018	0.2262%	0.0833%	0.2874%	0.5672%	0.2727%	0.1695%	1.5230%	1.6063%
2019	0.1963%	0.0368%	0.1970%	0.4740%	0.2119%	0.1424%	1.2216%	1.2584%
2020	0.1920%	0.0608%	0.1933%	0.3697%	0.2211%	0.1457%	1.1218%	1.1826%
2021	0.1791%	0.0225%	0.2161%	0.3456%	0.2330%	0.1286%	1.1024%	1.1249%
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	-6.7%	-13.4%	-2.4%	-15.5%	+2.2%	-6.2%	-8.0%	-8.1%
4-Year Average (2018 - 2021)	-7.0%	-29.0%	-8.4%	-15.9%	-4.2%	-7.7%	-10.0%	-10.7%
3-Year Average (2019 - 2021)	-4.5%	-21.8%	+4.7%	-14.6%	+4.9%	-5.0%	-5.0%	-5.5%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>-6.0%</b>
Prospective Time Period								<b>-1.0%</b>

SEVERITY

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	7,342	2,979	3,627	2,620	2,076	9,527	4,250	4,216
2018	6,645	2,241	3,833	2,758	1,880	9,893	4,175	4,075
2019	7,327	2,569	3,472	2,658	1,848	11,472	4,426	4,372
2020	7,322	2,783	3,763	2,611	1,675	10,551	4,463	4,377
2021	8,406	2,410	3,995	2,998	1,989	12,287	4,942	4,892
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	+3.7%	-2.1%	+1.8%	+2.2%	-2.0%	+5.9%	+3.8%	+3.8%
4-Year Average (2018 - 2021)	+7.3%	+3.0%	+2.1%	+2.4%	+0.7%	+5.8%	+5.3%	+5.6%
3-Year Average (2019 - 2021)	+7.1%	-3.1%	+7.3%	+6.2%	+3.7%	+3.5%	+5.7%	+5.8%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>+5.0%</b>
Prospective Time Period								<b>+5.0%</b>

PURE PREMIUM

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	17.14	1.18	7.28	16.97	3.91	15.67	60.97	62.15
2018	15.03	1.87	11.01	15.64	5.13	16.77	63.58	65.45
2019	14.38	0.94	6.84	12.60	3.92	16.33	54.07	55.01
2020	14.06	1.69	7.28	9.65	3.70	15.38	50.07	51.76
2021	15.05	0.54	8.63	10.36	4.63	15.81	54.48	55.02
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	-3.2%	-15.3%	-0.7%	-13.7%	+0.1%	-0.7%	-4.5%	-4.7%
4-Year Average (2018 - 2021)	-0.2%	-26.9%	-6.5%	-13.9%	-3.6%	-2.3%	-5.3%	-5.7%
3-Year Average (2019 - 2021)	+2.3%	-24.2%	+12.3%	-9.3%	+8.7%	-1.6%	+0.4%	+0.0%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>-1.0%</b>
Prospective Time Period								<b>+4.0%</b>

NORTH CAROLINA

HOMEOWNERS INSURANCE

FREQUENCY, SEVERITY AND PURE PREMIUM RATES OF CHANGE  
CONDOMINIUM UNIT OWNERS

**FREQUENCY**

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	0.2629%	0.0881%	2.2554%	0.2553%	0.3686%	0.2252%	3.3674%	3.4555%
2018	0.2261%	0.1232%	2.8244%	0.2172%	0.5016%	0.2235%	3.9928%	4.1160%
2019	0.2790%	0.1542%	2.4245%	0.2215%	0.4920%	0.1995%	3.6165%	3.7707%
2020	0.2095%	0.1671%	2.4607%	0.1753%	0.4943%	0.2318%	3.5716%	3.7387%
2021	0.1900%	0.0685%	2.4234%	0.1452%	0.5052%	0.1865%	3.4503%	3.5188%
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	-7.0%	-2.0%	+0.1%	-12.6%	+6.4%	-3.3%	-0.6%	-0.6%
4-Year Average (2018 - 2021)	-7.8%	-15.5%	-4.3%	-13.4%	+0.3%	-3.9%	-4.4%	-4.7%
3-Year Average (2019 - 2021)	-17.5%	-33.3%	-0.0%	-19.0%	+1.3%	-3.3%	-2.3%	-3.4%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>-1.0%</b>
Prospective Time Period								<b>-1.0%</b>

**SEVERITY**

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	20,090	3,873	6,010	2,348	6,085	4,901	6,766	6,692
2018	11,423	4,832	6,105	2,878	4,321	5,500	5,972	5,938
2019	9,238	5,056	6,586	2,686	4,422	4,980	6,169	6,123
2020	13,836	4,475	6,964	3,080	5,298	6,269	6,901	6,792
2021	12,929	3,709	8,305	2,445	5,709	5,420	7,777	7,698
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	-6.7%	-1.6%	+8.1%	+1.5%	+0.8%	+3.4%	+4.3%	+4.2%
4-Year Average (2018 - 2021)	+8.1%	-8.7%	+10.3%	-3.5%	+10.7%	+1.9%	+9.5%	+9.2%
3-Year Average (2019 - 2021)	+18.3%	-14.4%	+12.3%	-4.6%	+13.6%	+4.3%	+12.3%	+12.1%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>+5.5%</b>
Prospective Time Period								<b>+5.5%</b>

**PURE PREMIUM**

<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Other Physical Damage</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	52.82	3.41	135.55	6.00	22.43	11.03	227.83	231.24
2018	25.82	5.95	172.42	6.25	21.68	12.29	238.46	244.41
2019	25.78	7.80	159.66	5.95	21.76	9.93	223.08	230.88
2020	28.98	7.48	171.36	5.40	26.18	14.53	246.45	253.93
2021	24.57	2.54	201.27	3.55	28.84	10.11	268.34	270.88
<b>Annual Rate of Change</b>								
5-Year Average (2017 - 2021)	-13.2%	-3.5%	+8.2%	-11.3%	+7.2%	-0.1%	+3.7%	+3.6%
4-Year Average (2018 - 2021)	-0.3%	-22.9%	+5.5%	-16.4%	+11.0%	-2.0%	+4.6%	+4.1%
3-Year Average (2019 - 2021)	-2.4%	-42.9%	+12.3%	-22.8%	+15.1%	+0.9%	+9.7%	+8.3%
<b>Selected Annual Rate of Change</b>								
Historical Time Period								<b>+4.5%</b>
Prospective Time Period								<b>+4.5%</b>



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF LOSS TREND FACTORS**

**OWNERS FORMS**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Year</u>	<u>Average Date of Occurrence</u> <sup>(a)</sup>	<u>Number of Years of Historical Loss Trend</u> <sup>(b)</sup>	<u>Historical Annual Loss Trend</u>	<u>Number of Years of Prospective Loss Trend</u> <sup>(c)</sup>	<u>Prospective Annual Loss Trend</u>	<u>Loss Trend Factors</u> <sup>(d)</sup>
2017	7/1/2017	4.0	+5.5%	4.0833	+6.5%	1.602
2018	7/1/2018	3.0	+5.5%	4.0833	+6.5%	1.519
2019	7/1/2019	2.0	+5.5%	4.0833	+6.5%	1.439
2020	7/1/2020	1.0	+5.5%	4.0833	+6.5%	1.364
2021	7/1/2021	0.0	+5.5%	4.0833	+6.5%	1.293

**TENANTS**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Year</u>	<u>Average Date of Occurrence</u> <sup>(a)</sup>	<u>Number of Years of Historical Loss Trend</u> <sup>(b)</sup>	<u>Historical Annual Loss Trend</u>	<u>Number of Years of Prospective Loss Trend</u> <sup>(c)</sup>	<u>Prospective Annual Loss Trend</u>	<u>Loss Trend Factors</u> <sup>(d)</sup>
2017	7/1/2017	4.0	-1.0%	4.0833	+4.0%	1.127
2018	7/1/2018	3.0	-1.0%	4.0833	+4.0%	1.139
2019	7/1/2019	2.0	-1.0%	4.0833	+4.0%	1.150
2020	7/1/2020	1.0	-1.0%	4.0833	+4.0%	1.162
2021	7/1/2021	0.0	-1.0%	4.0833	+4.0%	1.174

**CONDOMINIUM UNIT OWNERS**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Year</u>	<u>Average Date of Occurrence</u> <sup>(a)</sup>	<u>Number of Years of Historical Loss Trend</u> <sup>(b)</sup>	<u>Historical Annual Loss Trend</u>	<u>Number of Years of Prospective Loss Trend</u> <sup>(c)</sup>	<u>Prospective Annual Loss Trend</u>	<u>Loss Trend Factors</u> <sup>(d)</sup>
2017	7/1/2017	4.0	+4.5%	4.0833	+4.5%	1.427
2018	7/1/2018	3.0	+4.5%	4.0833	+4.5%	1.366
2019	7/1/2019	2.0	+4.5%	4.0833	+4.5%	1.307
2020	7/1/2020	1.0	+4.5%	4.0833	+4.5%	1.251
2021	7/1/2021	0.0	+4.5%	4.0833	+4.5%	1.197

<sup>(a)</sup> Average date of occurrence for the accident year shown in Column (1)

<sup>(b)</sup> Number of years between Column (2) and 7/1/2021, the average date of occurrence for the latest year.

<sup>(c)</sup> Number of years between 7/1/2021 and 8/1/2025, one year beyond the assumed effective date of 8/1/2024.

<sup>(d)</sup> Column (7) = [1 + (4)]<sup>(3)</sup> × [1 + (6)]<sup>(5)</sup>

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**AVERAGE POLICY AMOUNT RELATIVITY ANNUAL RATE OF CHANGE**

	Average Policy Amount Relativity		
Accident <u>Year</u>	Owners <u>(Coverage A)</u>	Tenants <u>(Coverage C)</u>	Condominium Unit Owners <u>(Coverage C)</u>
2017	1.161	2.519	4.371
2018	1.184	2.452	4.429
2019	1.221	2.390	4.491
2020	1.255	2.337	4.551
2021	1.294	2.320	4.630
 <b>Annual Rate of Change</b>			
5-Year Average (2017 - 2021)	+2.8%	-2.1%	+1.4%
4-Year Average (2018 - 2021)	+3.0%	-1.9%	+1.5%
3-Year Average (2019 - 2021)	+2.9%	-1.5%	+1.5%
 <b>Selected Annual Rate of Change</b>	 <b>+5.0%</b>	 <b>0.0%</b>	 <b>+2.0%</b>

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF PREMIUM TREND FACTORS**

**OWNERS FORMS**

(1)	(2)	(3)	(4)	(5)	(6)
	Average Policy Amount	Current Amount	Number of Years of Prospective	Prospective Annual	Premium Trend
<u>Year</u>	<u>Relativity</u>	<u>Factor</u> <sup>(a)</sup>	<u>Premium Trend</u> <sup>(b)</sup>	<u>Premium Trend</u>	<u>Factor</u> <sup>(c)</sup>
2017	1.161	1.115	4.0833	+5.0%	1.361
2018	1.184	1.093	4.0833	+5.0%	1.334
2019	1.221	1.060	4.0833	+5.0%	1.294
2020	1.255	1.031	4.0833	+5.0%	1.258
2021	1.294	1.000	4.0833	+5.0%	1.220

**TENANTS**

(1)	(2)	(3)	(4)	(5)	(6)
	Average Policy Amount	Current Amount	Number of Years of Prospective	Prospective Annual	Premium Trend
<u>Year</u>	<u>Relativity</u>	<u>Factor</u> <sup>(a)</sup>	<u>Premium Trend</u> <sup>(b)</sup>	<u>Premium Trend</u>	<u>Factor</u> <sup>(c)</sup>
2017	2.519	0.921	4.0833	0.0%	0.921
2018	2.452	0.946	4.0833	0.0%	0.946
2019	2.390	0.971	4.0833	0.0%	0.971
2020	2.337	0.993	4.0833	0.0%	0.993
2021	2.320	1.000	4.0833	0.0%	1.000

**CONDOMINIUM UNIT OWNERS**

(1)	(2)	(3)	(4)	(5)	(6)
	Average Policy Amount	Current Amount	Number of Years of Prospective	Prospective Annual	Premium Trend
<u>Year</u>	<u>Relativity</u>	<u>Factor</u> <sup>(a)</sup>	<u>Premium Trend</u> <sup>(b)</sup>	<u>Premium Trend</u>	<u>Factor</u> <sup>(c)</sup>
2017	4.371	1.059	4.0833	+2.0%	1.148
2018	4.429	1.045	4.0833	+2.0%	1.133
2019	4.491	1.031	4.0833	+2.0%	1.118
2020	4.551	1.017	4.0833	+2.0%	1.103
2021	4.630	1.000	4.0833	+2.0%	1.084

<sup>(a)</sup> Column (3) = Latest Year Column (2) / Column (2)

<sup>(b)</sup> Number of years between 1/1/2021 and 2/1/2025, six months beyond the assumed effective date of 8/1/2024.

<sup>(c)</sup> Column (6) = (3) × [1 + (5)]<sup>(4)</sup>

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**AVERAGE EXPOSURE PER POLICY ANNUAL RATE OF CHANGE**

	Average Exposure Per Policy		
Accident <u>Year</u>	Owners <u>(Coverage A)</u>	Tenants <u>(Coverage C)</u>	Condominium Unit Owners <u>(Coverage C)</u>
2017	260,767	27,810	51,318
2018	269,061	26,998	52,329
2019	281,550	26,254	53,311
2020	292,797	25,623	54,031
2021	306,497	25,440	55,045
<b>Annual Rate of Change</b>			
5-Year Average (2017 - 2021)	+4.2%	-2.3%	+1.7%
4-Year Average (2018 - 2021)	+4.4%	-2.0%	+1.7%
3-Year Average (2019 - 2021)	+4.3%	-1.6%	+1.6%
<b>Selected Annual Rate of Change</b>	<b>+5.0%</b>	<b>0.0%</b>	<b>+2.0%</b>

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DETERMINATION OF TREND FOR EXPENSES**

<u>Month</u>	<u>All Items CPI Index</u> <sup>(a)</sup>	<u>All Items (Less Energy) CPI Index</u> <sup>(b)</sup>	<u>Compensation Cost Index</u> <sup>(c)</sup>
Jul-19	256.6	262.1	
Aug-19	256.6	262.6	139.6
Sep-19	256.8	263.0	
Oct-19	257.3	263.5	
Nov-19	257.2	263.5	139.6
Dec-19	257.0	263.5	
Jan-20	258.0	264.5	
Feb-20	258.7	265.7	140.6
Mar-20	258.1	265.9	
Apr-20	256.4	265.5	
May-20	256.4	265.5	142.5
Jun-20	257.8	266.1	
Jul-20	259.1	267.1	
Aug-20	259.9	268.1	142.7
Sep-20	260.3	268.3	
Oct-20	260.4	268.7	
Nov-20	260.2	268.7	143.0
Dec-20	260.5	268.6	
Jan-21	261.6	269.2	
Feb-21	263.0	270.1	144.6
Mar-21	264.9	271.0	
Apr-21	267.1	273.1	
May-21	269.2	274.9	145.6
Jun-21	271.7	277.2	
Jul-21	273.0	278.2	
Aug-21	273.6	278.7	146.4
Sep-21	274.3	279.4	
Oct-21	276.6	281.2	
Nov-21	277.9	282.4	147.1
Dec-21	278.8	283.6	
Jan-22	281.1	285.8	
Feb-22	283.7	288.0	150.1
Mar-22	287.5	289.5	
Apr-22	289.1	291.2	
May-22	292.3	293.1	153.4
Jun-22	296.3	295.4	
Jul-22	296.3	296.7	
Aug-22	296.2	298.3	154.4
Sep-22	296.8	299.7	
Oct-22	298.0	300.8	
Nov-22	297.7	301.1	155.1
Dec-22	296.8	301.7	
Jan-23	299.2	303.6	
Feb-23	300.8	305.6	157.8
Mar-23	301.8	306.9	
Apr-23	303.4	308.2	
May-23	304.1	309.3	160.0
Jun-23	305.1	310.1	

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DETERMINATION OF TREND FOR EXPENSES**

	All Items CPI Index <sup>(a)</sup>	All Items (Less Energy) CPI Index <sup>(b)</sup>	Compensation Cost Index <sup>(c)</sup>	Combined <sup>(d)</sup>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	5.35%	4.77%	3.74%	4.40%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	6.62%	5.85%	4.42%	5.33%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	6.31%	6.22%	5.27%	5.77%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.48%	4.98%	5.09%	4.66%

(5) Average Annual Index <sup>(e)</sup>

Year Ended	All Items CPI Index <sup>(a)</sup>	All Items (Less Energy) CPI Index <sup>(b)</sup>	Compensation Cost Index <sup>(c)</sup>
12/31/2020	258.8	266.9	142.2
06/30/2021	263.2	270.4	144.0
12/31/2021	271.0	276.6	145.9
06/30/2022	282.0	285.5	149.3
12/31/2022	292.7	295.1	153.3
06/30/2023	299.7	303.5	156.8

(6) Current Cost Factor (Latest Index Value Divided by Average Annual Index)

Year Ended	All Items CPI Index <sup>(a)</sup>	All Items (Less Energy) CPI Index <sup>(b)</sup>	Compensation Cost Index <sup>(c)</sup>	Combined <sup>(d)</sup>
12/31/2020	1.179	1.162	1.125	1.148
06/30/2021	1.159	1.147	1.111	1.132
12/31/2021	1.126	1.121	1.097	1.110
06/30/2022	1.082	1.086	1.072	1.078
12/31/2022	1.042	1.051	1.044	1.045
06/30/2023	1.018	1.022	1.020	1.020

(7) Selected Annual Change = **+5.0%** (based on Comp. Cost Index and CPI with and without energy)

<sup>(a)</sup> CPI - All Urban Consumers - All Items. Source: Bureau of Labor Statistics (Series ID: CUUR0000SA0).

<sup>(b)</sup> CPI - All Urban Consumers - All Items Less Energy. Source: Bureau of Labor Statistics (Series ID: CUUR0000SA0LE).

<sup>(c)</sup> Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service. Source: Bureau of Labor Statistics (Series ID: CIU2015240000000I).

<sup>(d)</sup> Weighted average determined as .25 (All Items) + .25 (All Items - Less Energy) + .50 (CCI).

<sup>(e)</sup> Average year ended index for period shown.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CREDIBILITY TABLES**

**STATEWIDE CREDIBILITY**

<u>Owners</u>		<u>Tenants</u>		<u>Condominium Unit Owners</u>	
<u>House-Years</u>	<u>Credibility</u>	<u>House-Years</u>	<u>Credibility</u>	<u>House-Years</u>	<u>Credibility</u>
240,000 & Over	1.00	285,000 & Over	1.00	190,000 & Over	1.00
194,400 - 239,999	.90	230,850 - 284,999	.90	153,900 - 189,999	.90
153,600 - 194,399	.80	182,400 - 230,849	.80	121,600 - 153,899	.80
117,600 - 153,599	.70	139,650 - 182,399	.70	93,100 - 121,599	.70
86,400 - 117,599	.60	102,600 - 139,649	.60	68,400 - 93,099	.60
60,000 - 86,399	.50	71,250 - 102,599	.50	47,500 - 68,399	.50
38,400 - 59,999	.40	45,600 - 71,249	.40	30,400 - 47,499	.40
21,600 - 38,399	.30	25,650 - 45,599	.30	17,100 - 30,399	.30
9,600 - 21,599	.20	11,400 - 25,649	.20	7,600 - 17,099	.20
2,400 - 9,599	.10	2,850 - 11,399	.10	1,900 - 7,599	.10
0 - 2,399	.00	0 - 2,849	.00	0 - 1,899	.00

**TERRITORY CREDIBILITY**

<u>Owners</u>		<u>Tenants</u>		<u>Condominium Unit Owners</u>	
<u>House-Years</u>	<u>Credibility</u>	<u>House-Years</u>	<u>Credibility</u>	<u>House-Years</u>	<u>Credibility</u>
60,000 & Over	1.00	75,000 & Over	1.00	50,000 & Over	1.00
48,600 - 59,999	.90	60,750 - 74,999	.90	40,500 - 49,999	.90
38,400 - 48,599	.80	48,000 - 60,749	.80	32,000 - 40,499	.80
29,400 - 38,399	.70	36,750 - 47,999	.70	24,500 - 31,999	.70
21,600 - 29,399	.60	27,000 - 36,749	.60	18,000 - 24,499	.60
15,000 - 21,599	.50	18,750 - 26,999	.50	12,500 - 17,999	.50
9,600 - 14,999	.40	12,000 - 18,749	.40	8,000 - 12,499	.40
5,400 - 9,599	.30	6,750 - 11,999	.30	4,500 - 7,999	.30
2,400 - 5,399	.20	3,000 - 6,749	.20	2,000 - 4,499	.20
600 - 2,399	.10	750 - 2,999	.10	500 - 1,999	.10
0 - 599	.00	0 - 749	.00	0 - 499	.00

The formula used to obtain the credibility to be assigned is the square root of the quantity (five-year earned house-years/house-years required for full credibility). These tables are based on the 'frequency with severity modification' model discussed in "Credibility of the Pure Premium" by Mayerson, Bowers and Jones. The full credibility standards are based upon a Normal distribution with a 90% probability of meeting the test and a 5.0% and 10.0% maximum departure from the expected value for Statewide and Territories, respectively. The claims standards have been translated to house-year standards.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**EXPENSE, DIVIDENDS, PROFIT AND CONTINGENCIES**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>3-Year Average</u>	<u>Selected</u>
Commission and Brokerage	298,055,192	326,276,113	351,929,075	360,885,677	403,813,170		
Written Premium Including Deviations	2,464,248,017	2,636,750,707	2,842,077,401	3,041,658,055	3,416,118,045		
Ratio	0.121	0.124	0.124	0.119	0.118	0.120	0.120
Other Acquisition Expense	167,855,920	182,357,508	183,495,302	189,037,693	191,691,086		
Earned Premium at Current Manual Level <sup>(a)</sup>	2,811,982,365	2,915,009,033	3,026,388,529	3,141,008,404	3,438,471,586		
Ratio	0.060	0.063	0.061	0.060	0.056	0.059	0.059
General Expense	126,233,185	124,838,234	113,446,840	135,678,920	123,228,641		
Earned Premium at Current Manual Level <sup>(a)</sup>	2,811,982,365	2,915,009,033	3,026,388,529	3,141,008,404	3,438,471,586		
Ratio	0.045	0.043	0.037	0.043	0.036	0.039	0.039
Taxes, Licenses and Fees	68,245,754	73,902,704	81,197,007	85,874,580	96,287,242		
Written Premium Including Deviations	2,464,248,017	2,636,750,707	2,842,077,401	3,041,658,055	3,416,118,045		
Ratio	0.028	0.028	0.029	0.028	0.028	0.028	0.028
						<u>5-Year Average</u>	<u>Selected</u>
Direct Written Premium (Statutory Page 14)	2,660,370,763	2,831,680,169	3,043,529,552	3,255,596,441	3,643,680,035		
Total Dividends	11,677,883	17,986,477	15,534,397	14,368,232	14,447,837		
Ratio of Dividends to Direct Written Premium	0.4%	0.6%	0.5%	0.4%	0.4%	0.5%	0.5%

Expected Loss and Fixed Expense Ratio

Commission and Brokerage	12.0%
Taxes, Licenses and Fees	2.8%
Dividends	0.5%
Contingencies	1.0%
Profit	9.0%
Total	25.3%
1 - Variable Expense	74.7%

<sup>(a)</sup> The calculation of the on-leveling factors used to adjust the Earned Premium to the current manual level is found on page D-25.



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF EARNED PREMIUM AT CURRENT MANUAL LEVEL**

**(A) Calculation of On-leveling Factors**

Rate Filing Effective Date	Implemented Overall Rate Change	Cumulative Overall Rate Change	Portion of Earned Premium Based on Implemented Rates				
			<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
6/1/2015	1.000	1.000	0.968750	0.281250			
10/1/2018	1.048	1.048	0.031250	0.718750	0.777778	0.055556	
5/1/2020	1.040	1.090			0.222222	0.944444	0.829861
6/1/2022	1.079	1.176					0.170139
Average Cumulative Rate Change			1.0015	1.0345	1.0573	1.0877	1.1046
On-leveling Factor <sup>(a)</sup>			1.1742	1.1368	1.1123	1.0812	1.0646

**(B) Calculation of Earned Premium at Current Level**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
(1) Earned Premium Excluding Deviations	2,394,806,988	2,564,223,287	2,720,838,379	2,905,113,211	3,229,824,898
(2) On-leveling Factor	1.1742	1.1368	1.1123	1.0812	1.0646
(3) Earned Premium at Current Manual Level <sup>(b)</sup>	2,811,982,365	2,915,009,033	3,026,388,529	3,141,008,404	3,438,471,586

<sup>(a)</sup> The On-leveling Factor is calculated as the Total Cumulative Overall Rate Change divided by the Average Cumulative Rate Change for the accident year.

<sup>(b)</sup> (3) = (1) x (2)

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**NON-MODELED LOSS ADJUSTMENT EXPENSES**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>5-Year Average</u>
Allocated LAE	30,511,729	18,080,495	30,687,536	27,429,484	35,782,814	
Unallocated LAE	261,289,358	170,885,992	196,835,758	167,332,884	231,413,411	
Total LAE	291,801,087	188,966,487	227,523,294	194,762,368	267,196,225	
Incurred Losses	2,163,894,489	1,497,471,490	1,773,939,671	1,523,066,620	2,222,167,453	
Ratio: LAE/I.L.	0.135	0.126	0.128	0.128	0.120	0.127
					Selected LAE Ratio (a):	0.127

<sup>(a)</sup> The selection of 0.127 is based on the average LAE ratio excluding the high and low years (2018 and 2022).

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DERIVATION OF LOADINGS FOR NON-MODELED LOSS ADJUSTMENT EXPENSE (LAE)**

A. Selected Annual Expense Trend Factor	1.050
B. Midpoint of Historical LAE Experience (2018 - 2022)	July 1, 2020
C. Trend to Date <sup>(a)</sup>	August 1, 2025
D. Number of Trend Months	61
E. Expense Trend Factor = $A^{(D/12)}$	1.281

	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
F. Loss Trend Factor	1.364	1.162	1.251
G. Selected LAE Ratio	0.127	0.127	0.127
H. Trended LAE Factor = $1.000 + (G \times E / F) =$	1.119	1.140	1.130

<sup>(a)</sup> One year beyond the assumed effective date

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF ALL-FORMS TRENDED FIXED EXPENSE DOLLAR LOADING**

Calculation of Trend Factor for Fixed Expenses

A. Selected Annual Expense Trend Factor	1.050
B. Midpoint of Historical Expense Experience (2020 - 2022)	July 1, 2021
C. Trend to Date <sup>(a)</sup>	February 1, 2025
D. Number of Trend Months	43
E. Expense Trend Factor = A <sup>(D/12)</sup>	1.191

Calculation of Trend Factor for Premiums and Average All-Forms Fixed Expense Dollar Loading

	(1) 2021 Earned <u>Premium</u>	(2) 2021 Premium <u>Trend Factor</u>	(3) Trended Premium <u>(1) × (2)</u>	(4) 2021 House- <u>Years</u>	(5) Trended Average Rate <u>(3) / (4)</u>
Owners	\$2,800,629,255	1.220	\$3,416,767,691	2,056,820	\$1,661.19
Tenants	80,339,123	1.000	80,339,123	461,761	173.98
<u>Condos</u>	<u>38,624,005</u>	1.084	<u>41,868,421</u>	<u>84,715</u>	<u>494.23</u>
Total	\$2,919,592,383		\$3,538,975,235	2,603,296	\$1,359.42

F. All-Forms Premium Trend Factor (Total (3) / Total (1))	1.212
G. Selected Fixed Expense Ratio	0.098
H. Trended Fixed Expense Ratio (G × E / F)	0.096
I. All-Forms Trended Average Rate (Total (5))	\$1,359.42
J. All-Forms Fixed Expense Dollar Loading (H × I)	\$130.50

<sup>(a)</sup> Six months beyond the assumed effective date

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED FIXED EXPENSE LOADINGS BY FORM**

Calculation of Base-Class Fixed Expense Dollar Loading by Form

	(1)	(2)	(3)	(4)	(5)	(6)
	Latest Year House- Years	Selected Relativity for Fixed Expense Dollars Per Policy <sup>(a)</sup>	Average Fixed Expense Loading (2) × \$130.50 / Total (2) <sup>(b)</sup>	Latest Year Average Rating Factor	Latest Year Premium Trend Factor	Trended Fixed Expense Dollar Loading at Base-Class Level (3) / [(4) × (5)]
Owners	2,056,820	1.00	\$145.81	1.473	1.220	\$81.14
Tenants	461,761	0.50	72.91	3.087	1.000	23.62
<u>Condos</u>	<u>84,715</u>	<u>0.50</u>	72.91	8.331	1.084	8.07
Total	2,603,296	0.895				

Calculation of Trended Fixed Expense Ratio by Form

	(7)	(8)
	Latest Year Earned Premium	Trended Fixed Expense Ratio [(1) x (3)] / [(5) x (7)]
Owners	\$2,800,629,255	0.0878
Tenants	80,339,123	0.4191
<u>Condos</u>	<u>38,624,005</u>	0.1475
Total	\$2,919,592,383	

<sup>(a)</sup> The total of column (2) is calculated as the weighted average of the column (2), using column (1) as weights.

<sup>(b)</sup> The calculation of the All-Forms Fixed Expense Dollar Loading is found on page D-28.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED FIXED EXPENSE RATIO BY TERRITORY**

(1) Trended Fixed Expense Ratio:

Owners	0.0878
Tenants	0.4191
Condominium Unit Owners	0.1475

Territory	Owners		Tenants		Condominium Unit Owners	
	(2)	(3)	(2)	(3)	(2)	(3)
	5-Year Average Rate	Trended Fixed Expense Ratio <sup>(a)</sup>	5-Year Average Rate	Trended Fixed Expense Ratio <sup>(a)</sup>	5-Year Average Rate	Trended Fixed Expense Ratio <sup>(a)</sup>
110	5,031.85	0.022	422.80	0.180	738.40	0.085
120	5,110.96	0.022	460.04	0.166	865.46	0.073
130	2,512.18	0.045	325.20	0.234	663.47	0.095
140	3,253.02	0.034	296.20	0.257	590.68	0.106
150	1,836.14	0.061	215.96	0.353	540.38	0.116
160	1,826.73	0.061	232.94	0.327	474.57	0.132
170	1,119.15	0.100	212.29	0.359	0.00	0.000
180	1,241.64	0.090	179.44	0.424	390.81	0.161
190	1,393.97	0.080	225.71	0.337	598.65	0.105
200	1,722.26	0.065	252.56	0.302	197.42	0.318
210	1,054.25	0.106	192.05	0.397	479.48	0.131
220	1,324.72	0.085	224.84	0.339	431.81	0.145
230	1,361.06	0.082	186.09	0.409	330.08	0.190
240	1,115.96	0.100	204.16	0.373	484.63	0.130
250	1,250.74	0.090	191.32	0.398	446.17	0.141
260	1,015.83	0.110	201.17	0.379	384.88	0.163
270	1,205.46	0.093	161.14	0.473	475.91	0.132
280	1,220.51	0.092	161.58	0.471	363.01	0.173
290	1,208.91	0.093	191.90	0.397	413.39	0.152
300	1,074.91	0.104	199.87	0.381	369.35	0.170
310	884.15	0.127	174.05	0.438	349.89	0.180
320	962.56	0.116	178.65	0.426	341.94	0.184
330	877.57	0.128	194.93	0.391	420.42	0.149
340	1,051.30	0.107	183.67	0.415	394.55	0.159
350	915.10	0.123	173.99	0.438	369.02	0.170
360	904.27	0.124	155.94	0.488	340.39	0.185
370	1,099.86	0.102	208.13	0.366	333.01	0.189
380	991.50	0.113	196.48	0.388	379.73	0.165
390	1,093.89	0.103	169.63	0.449	496.61	0.127
Statewide	1,277.04	0.088	181.74	0.419	425.95	0.148

<sup>(a)</sup> Column (3) = (1) x Statewide (2) / (2)

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**NET DEVIATIONS**

<u>Year</u>	Beach Plan Written Premium <u>Adjusted to Manual</u>	Voluntary Market Written Premium <u>Adjusted to Manual</u>	Beach Plan Direct Written Premium	Voluntary Market Direct Written Premium	Average <u>Deviation</u>
2018	217,721,613	2,448,550,996	230,059,925	2,464,248,017	1.1%
2019	211,039,452	2,643,502,984	223,180,673	2,636,750,707	0.2%
2020	227,702,444	2,824,860,702	240,961,124	2,842,077,401	1.0%
2021	263,593,055	3,037,690,014	279,403,016	3,041,658,055	0.6%
2022	306,888,835	3,409,572,126	325,727,632	3,416,118,045	0.7%
				5-Year Average:	0.7%
				Selection:	0.0%

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DERIVATION OF EXCESS FACTOR (EXCLUDES HURRICANE LOSSES)**  
**OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Reported Wind Losses	Reported Total Losses	Reported Non-Wind Losses (2) - (1)	Wind Ratio (1) / (3)	Capped Wind Ratio < (5 × Med)	Capped Excess Wind Ratio (5) - Avg(5)	Capped Excess Wind Losses (3) × (6)	Excess Wind Ratio Above The Cap (5) - (6)	Excess Wind Losses Above The Cap (8) × (3)	Total Excess Wind Losses (7) + (9)
Year										
1992	26,654,935	222,532,035	195,877,100	0.136	0.136	0.000	0	0.000	0	0
1993	97,830,940	321,921,891	224,090,951	0.437	0.437	0.019	4,257,728	0.000	0	4,257,728
1994	28,862,821	278,066,775	249,203,954	0.116	0.116	0.000	0	0.000	0	0
1995	52,370,482	291,974,195	239,603,713	0.219	0.219	0.000	0	0.000	0	0
1996	40,901,941	332,747,529	291,845,588	0.140	0.140	0.000	0	0.000	0	0
1997	37,382,138	303,669,980	266,287,842	0.140	0.140	0.000	0	0.000	0	0
1998	120,075,356	394,840,091	274,764,735	0.437	0.437	0.019	5,220,530	0.000	0	5,220,530
1999	58,232,430	350,186,938	291,954,508	0.199	0.199	0.000	0	0.000	0	0
2000	86,652,848	447,040,839	360,387,991	0.240	0.240	0.000	0	0.000	0	0
2001	29,726,203	371,449,659	341,723,456	0.087	0.087	0.000	0	0.000	0	0
2002	46,670,010	511,786,136	465,116,126	0.100	0.100	0.000	0	0.000	0	0
2003	112,051,939	466,385,684	354,333,745	0.316	0.316	0.000	0	0.000	0	0
2004	61,608,200	394,284,296	332,676,096	0.185	0.185	0.000	0	0.000	0	0
2005	48,759,995	427,428,941	378,668,946	0.129	0.129	0.000	0	0.000	0	0
2006	94,077,678	496,085,899	402,008,221	0.234	0.234	0.000	0	0.000	0	0
2007	90,878,477	552,538,869	461,660,392	0.197	0.197	0.000	0	0.000	0	0
2008	256,718,098	756,466,620	499,748,522	0.514	0.514	0.096	47,975,858	0.000	0	47,975,858
2009	208,743,190	761,556,250	552,813,060	0.378	0.378	0.000	0	0.000	0	0
2010	289,177,646	909,422,573	620,244,927	0.466	0.466	0.048	29,771,756	0.000	0	29,771,756
2011	988,749,951	1,541,428,800	552,678,849	1.789	1.715	1.297	716,824,467	0.074	40,898,235	757,722,702
2012	371,441,727	884,213,033	512,771,306	0.724	0.724	0.306	156,908,020	0.000	0	156,908,020
2013	218,088,997	723,503,764	505,414,767	0.432	0.432	0.014	7,075,807	0.000	0	7,075,807
2014	225,160,007	835,143,121	609,983,114	0.369	0.369	0.000	0	0.000	0	0
2015	183,292,990	786,973,708	603,680,718	0.304	0.304	0.000	0	0.000	0	0
2016	333,647,481	910,858,664	577,211,183	0.578	0.578	0.160	92,353,789	0.000	0	92,353,789
2017	422,066,638	990,085,833	568,019,195	0.743	0.743	0.325	184,606,238	0.000	0	184,606,238
2018	290,023,379	976,895,732	686,872,353	0.422	0.422	0.004	2,747,489	0.000	0	2,747,489
2019	574,330,680	1,191,170,156	616,839,476	0.931	0.931	0.513	316,438,651	0.000	0	316,438,651
2020	721,873,237	1,378,122,497	656,249,260	1.100	1.100	0.682	447,561,995	0.000	0	447,561,995
<u>2021</u>	<u>396,775,100</u>	<u>1,126,856,945</u>	<u>730,081,845</u>	<u>0.543</u>	<u>0.543</u>	<u>0.125</u>	<u>91,260,231</u>	<u>0.000</u>	<u>0</u>	<u>91,260,231</u>
Total	6,512,825,514	19,935,637,453	13,422,811,939	12.605	12.531	3.608	2,103,002,559	0.074	40,898,235	2,143,900,794
Average				0.420	0.418	0.120		0.002		

Average of Column (5) 0.418  
 Median value of Column (4) 0.343  
 Median × 5 1.715

Excess Factor = 1.0 + [(Avg(6) + Avg(8)) / (1.0 + Avg(5) - Avg(6))] = 1.094



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF STATEWIDE NON-HURRICANE WIND PROVISION**  
**OWNERS FORMS**

	(1)	(2)	(3)
	Excess	Statewide Adjusted	Statewide Adjusted Excess Losses
<u>Year</u>	<u>Ratio<sup>(a)</sup></u>	<u>Wind Losses</u>	<u>(1) × (2)</u>
2017	0.437	403,058,273	176,136,465
2018	0.009	278,011,067	2,502,100
2019	0.551	560,149,181	308,642,199
2020	0.620	713,904,731	442,620,933
2021	0.230	<u>408,718,740</u>	<u>94,005,310</u>
		2,363,841,992	1,023,907,007

	(4)	(5)	(6)
	Statewide Adjusted	Statewide Excess	Statewide Non-Hurricane Wind Provision
<u>Year</u>	<u>Total Losses</u>	<u>Factor</u>	<u>[{(4)-(3)}×(5)] - [(4)-(2)]</u>
2017	940,083,838	1.094	298,732,861
2018	927,950,061	1.094	362,501,075
2019	1,153,435,354	1.094	330,917,539
2020	1,346,984,674	1.094	356,293,990
2021	<u>1,157,196,353</u>	1.094	<u>414,653,388</u>
	5,525,650,280		1,763,098,853

<sup>(a)</sup> From calculation of excess factor; ratio of excess losses to reported wind losses

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF LONG-TERM RATIO OF WIND TO NON-WIND LOSSES**  
**OWNERS FORMS**

Territory Group <sup>(a)</sup>	Year	(1)	(2)	(3)	(4)
		Reported Wind Losses <sup>(b)</sup>	Reported Total Losses <sup>(b)</sup>	Reported Non-Wind Losses (2) - (1)	Wind Ratio (1) / (3)
Beach	1992	84,595	1,715,590	1,630,995	0.052
	1993	4,288,494	5,775,315	1,486,821	2.884
	1994	125,000	2,749,575	2,624,575	0.048
	1995	162,958	2,356,851	2,193,893	0.074
	1996	230,545	2,789,383	2,558,838	0.090
	1997	175,404	2,335,913	2,160,509	0.081
	1998	575,339	2,062,090	1,486,751	0.387
	1999	1,830,290	4,132,811	2,302,521	0.795
	2000	204,733	1,908,210	1,703,477	0.120
	2001	80,129	1,806,860	1,726,731	0.046
	2002	98,754	2,889,575	2,790,821	0.035
	2003	163,450	2,581,654	2,418,204	0.068
	2004	150,960	3,823,265	3,672,305	0.041
	2005	742,021	4,760,817	4,018,796	0.185
	2006	619,848	5,086,655	4,466,807	0.139
	2007	257,133	6,372,870	6,115,737	0.042
	2008	808,720	3,917,641	3,108,921	0.260
	2009	932,033	4,229,165	3,297,132	0.283
	2010	1,047,110	5,719,897	4,672,787	0.224
	2011	1,786,394	5,446,181	3,659,787	0.488
	2012	717,377	3,777,732	3,060,355	0.234
	2013	802,501	5,740,465	4,937,964	0.163
	2014	515,309	6,562,869	6,047,560	0.085
	2015	949,963	16,775,375	15,825,412	0.060
	2016	909,156	8,821,343	7,912,187	0.115
	2017	1,189,546	9,638,587	8,449,041	0.141
	2018	2,758,863	16,584,939	13,826,076	0.200
	2019	1,783,851	19,091,413	17,307,562	0.103
	2020	2,514,400	17,020,444	14,506,044	0.173
	<u>2021</u>	1,728,326	13,053,372	11,325,046	<u>0.153</u>
	Average				0.259

<sup>(a)</sup> The Beach Territory Group consists of current Territories 110 and 120, as well as past Territories 04, 05, 06, 07, and 08.

<sup>(b)</sup> Reported losses exclude hurricanes.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF LONG-TERM RATIO OF WIND TO NON-WIND LOSSES**  
**OWNERS FORMS**

Territory Group <sup>(a)</sup>	Year	(1)	(2)	(3)	(4)
		Reported Wind Losses <sup>(b)</sup>	Reported Total Losses <sup>(b)</sup>	Reported Non-Wind Losses (2) - (1)	Wind Ratio (1) / (3)
Coast	1992	1,892,843	17,167,807	15,274,964	0.124
	1993	26,069,678	43,448,529	17,378,851	1.500
	1994	1,046,637	19,530,710	18,484,073	0.057
	1995	3,007,093	22,981,194	19,974,101	0.151
	1996	1,399,703	23,253,667	21,853,964	0.064
	1997	1,973,079	22,914,583	20,941,504	0.094
	1998	3,601,959	24,173,431	20,571,472	0.175
	1999	10,818,032	29,886,810	19,068,778	0.567
	2000	3,329,614	26,876,050	23,546,436	0.141
	2001	1,218,889	26,169,789	24,950,900	0.049
	2002	1,175,062	22,848,887	21,673,825	0.054
	2003	3,444,082	21,962,518	18,518,436	0.186
	2004	2,220,822	25,425,963	23,205,141	0.096
	2005	4,756,111	27,867,905	23,111,794	0.206
	2006	2,773,666	32,757,755	29,984,089	0.093
	2007	1,258,680	36,398,865	35,140,185	0.036
	2008	4,325,522	40,628,554	36,303,032	0.119
	2009	3,659,383	45,149,412	41,490,029	0.088
	2010	6,116,634	52,015,859	45,899,225	0.133
	2011	12,569,814	56,340,518	43,770,704	0.287
	2012	6,670,728	46,808,734	40,138,006	0.166
	2013	5,019,000	46,843,884	41,824,884	0.120
	2014	17,108,125	67,705,860	50,597,735	0.338
	2015	10,715,035	58,250,792	47,535,757	0.225
	2016	8,637,948	54,022,284	45,384,336	0.190
	2017	10,359,595	56,074,507	45,714,912	0.227
	2018	12,966,916	75,280,903	62,313,987	0.208
	2019	13,301,565	67,837,670	54,536,105	0.244
	2020	24,893,832	72,611,219	47,717,387	0.522
	<u>2021</u>	39,750,636	106,290,887	66,540,251	<u>0.597</u>
	Average				0.235

<sup>(a)</sup> The Coast Territory Group consists of current Territories 130-160, as well as past Territories 30, 31, 48, 49, and 52.

<sup>(b)</sup> Reported losses exclude hurricanes.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF LONG-TERM RATIO OF WIND TO NON-WIND LOSSES**  
**OWNERS FORMS**

Territory Group <sup>(a)</sup>	Year	(1)	(2)	(3)	(4)
		Reported Wind Losses <sup>(b)</sup>	Reported Total Losses <sup>(b)</sup>	Reported Non-Wind Losses (2) - (1)	Wind Ratio (1) / (3)
Inland	1992	24,677,497	203,648,638	178,971,141	0.138
	1993	67,472,768	272,698,047	205,225,279	0.329
	1994	27,691,184	255,786,490	228,095,306	0.121
	1995	49,200,431	266,636,150	217,435,719	0.226
	1996	39,271,693	306,704,479	267,432,786	0.147
	1997	35,233,655	278,419,484	243,185,829	0.145
	1998	115,898,058	368,604,570	252,706,512	0.459
	1999	45,584,108	316,167,317	270,583,209	0.168
	2000	83,118,501	418,256,579	335,138,078	0.248
	2001	28,427,185	343,473,010	315,045,825	0.090
	2002	45,396,194	486,047,674	440,651,480	0.103
	2003	108,444,407	441,841,512	333,397,105	0.325
	2004	59,236,418	365,035,068	305,798,650	0.194
	2005	43,261,863	394,800,219	351,538,356	0.123
	2006	90,684,164	458,241,489	367,557,325	0.247
	2007	89,362,664	509,767,134	420,404,470	0.213
	2008	251,583,856	711,920,425	460,336,569	0.547
	2009	204,151,774	712,177,673	508,025,899	0.402
	2010	282,013,902	851,686,817	569,672,915	0.495
	2011	974,393,743	1,479,642,101	505,248,358	1.929
	2012	364,053,622	833,626,567	469,572,945	0.775
	2013	212,267,496	670,919,415	458,651,919	0.463
	2014	207,536,573	760,874,392	553,337,819	0.375
	2015	171,627,992	711,947,541	540,319,549	0.318
	2016	324,100,377	848,015,037	523,914,660	0.619
	2017	410,517,497	924,372,739	513,855,242	0.799
	2018	274,297,600	885,029,890	610,732,290	0.449
	2019	559,245,264	1,104,241,073	544,995,809	1.026
	2020	694,465,005	1,288,490,834	594,025,829	1.169
	<u>2021</u>	<u>355,296,138</u>	<u>1,007,512,686</u>	<u>652,216,548</u>	<u>0.545</u>
	Average				0.440

<sup>(a)</sup> The Inland Territory Group consists of current Territories 170-390, as well as past Territories 32-41, 44-47, 53, 57, and 60.

<sup>(b)</sup> Reported losses exclude hurricanes.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TERRITORY GROUP NON-HURRICANE WIND PROVISION OWNERS FORMS**

	(1)	(2)	(3)	(4)
Territory	Long-term Ratio of Wind to Non-Wind Losses	Non-Wind Losses for Latest Five Years	"Expected" Wind Losses for Latest Five Years (1) x (2)	"Expected" Wind Distribution (3) / Total (3)
<u>Group</u>				
Beach	0.259	65,413,769	16,942,166	0.01241222
Coast	0.235	276,822,642	65,053,321	0.04765955
<u>Inland</u>	0.440	2,915,825,718	<u>1,282,963,316</u>	<u>0.93992823</u>
Total			1,364,958,803	1.00000000

	(5)	(6)
Territory	Statewide Non-Hurricane Wind Provision	Territory Group Non-Hurricane Wind Provision (4) x (5)
<u>Group</u>	<u>Year</u>	
Beach	2017	298,732,861
	2018	362,501,075
	2019	330,917,539
	2020	356,293,990
	2021	414,653,388
Coast	2017	298,732,861
	2018	362,501,075
	2019	330,917,539
	2020	356,293,990
	2021	414,653,388
Inland	2017	298,732,861
	2018	362,501,075
	2019	330,917,539
	2020	356,293,990
	2021	414,653,388

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION  
OWNERS FORMS**

Territory Group	Territory	Year	(1)	(2)	(3)	(4)	
			Territory Earned House Years	Territory Group Earned House Years	Territory Group Non-Hurricane Wind Provision	Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$	
Beach	110	2017	18,665	38,013	3,707,938	1,820,658	
		2018	19,425	39,217	4,499,443	2,228,668	
		2019	19,403	41,159	4,107,421	1,936,303	
		2020	19,840	42,399	4,422,399	2,069,398	
		2021	19,664	39,584	5,146,769	2,556,742	
	120	2017	19,348	38,013	3,707,938	1,887,280	
		2018	19,792	39,217	4,499,443	2,270,775	
		2019	21,756	41,159	4,107,421	2,171,118	
		2020	22,559	42,399	4,422,399	2,353,001	
		2021	19,920	39,584	5,146,769	2,590,027	
	Coast	130	2017	11,517	174,960	14,237,474	937,203
			2018	12,122	179,546	17,276,638	1,166,428
			2019	12,535	182,573	15,771,381	1,082,823
			2020	12,924	190,091	16,980,811	1,154,500
			2021	13,294	200,996	19,762,194	1,307,084
		140	2017	81,281	174,960	14,237,474	6,614,290
			2018	83,440	179,546	17,276,638	8,028,932
			2019	84,600	182,573	15,771,381	7,308,084
			2020	89,055	190,091	16,980,811	7,955,275
			2021	95,180	200,996	19,762,194	9,358,224
150		2017	45,025	174,960	14,237,474	3,663,936	
		2018	46,204	179,546	17,276,638	4,445,935	
		2019	47,561	182,573	15,771,381	4,108,508	
		2020	49,043	190,091	16,980,811	4,381,007	
		2021	50,078	200,996	19,762,194	4,923,736	
160		2017	37,137	174,960	14,237,474	3,022,045	
		2018	37,780	179,546	17,276,638	3,635,343	
		2019	37,877	182,573	15,771,381	3,271,966	
		2020	39,069	190,091	16,980,811	3,490,030	
		2021	42,444	200,996	19,762,194	4,173,151	

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION**  
**OWNERS FORMS**

Territory Group	Territory	Year	(1)	(2)	(3)	(4)
			Territory Earned House Years	Territory Group Earned House Years	Territory Group Non-Hurricane Wind Provision	Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$
Inland	170	2017	4,387	1,704,824	280,787,449	722,546
		2018	4,343	1,685,260	340,724,994	878,065
		2019	4,306	1,723,975	311,038,737	776,886
		2020	4,261	1,774,623	334,890,779	804,097
		2021	4,377	1,816,240	389,744,425	939,254
	180	2017	49,885	1,704,824	280,787,449	8,216,145
		2018	50,006	1,685,260	340,724,994	10,110,187
		2019	50,251	1,723,975	311,038,737	9,066,261
		2020	50,867	1,774,623	334,890,779	9,599,160
		2021	51,716	1,816,240	389,744,425	11,097,665
	190	2017	13,527	1,704,824	280,787,449	2,227,920
		2018	13,203	1,685,260	340,724,994	2,669,376
		2019	12,845	1,723,975	311,038,737	2,317,489
		2020	12,737	1,774,623	334,890,779	2,403,611
		2021	12,777	1,816,240	389,744,425	2,741,799
	200	2017	5,987	1,704,824	280,787,449	986,069
		2018	5,897	1,685,260	340,724,994	1,192,252
		2019	5,765	1,723,975	311,038,737	1,040,119
		2020	5,687	1,774,623	334,890,779	1,073,199
		2021	5,712	1,816,240	389,744,425	1,225,730
	210	2017	19,615	1,704,824	280,787,449	3,230,624
		2018	19,462	1,685,260	340,724,994	3,934,817
		2019	19,782	1,723,975	311,038,737	3,569,059
		2020	20,178	1,774,623	334,890,779	3,807,809
		2021	20,405	1,816,240	389,744,425	4,378,681
220	2017	52,944	1,704,824	280,787,449	8,719,968	
	2018	52,797	1,685,260	340,724,994	10,674,470	
	2019	53,945	1,723,975	311,038,737	9,732,731	
	2020	55,999	1,774,623	334,890,779	10,567,624	
	2021	58,532	1,816,240	389,744,425	12,560,301	

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION  
OWNERS FORMS**

Territory Group	Territory	Year	(1)	(2)	(3)	(4)
			Territory Earned House Years	Territory Group Earned House Years	Territory Group Non-Hurricane Wind Provision	Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$
Inland	230	2017	13,944	1,704,824	280,787,449	2,296,601
		2018	13,912	1,685,260	340,724,994	2,812,721
		2019	13,853	1,723,975	311,038,737	2,499,352
		2020	13,782	1,774,623	334,890,779	2,600,814
		2021	13,950	1,816,240	389,744,425	2,993,511
	240	2017	75,238	1,704,824	280,787,449	12,391,828
		2018	75,635	1,685,260	340,724,994	15,291,845
		2019	78,308	1,723,975	311,038,737	14,128,292
		2020	81,830	1,774,623	334,890,779	15,442,216
		2021	84,717	1,816,240	389,744,425	18,179,304
	250	2017	31,252	1,704,824	280,787,449	5,147,258
		2018	31,135	1,685,260	340,724,994	6,294,858
		2019	31,939	1,723,975	311,038,737	5,762,419
		2020	33,404	1,774,623	334,890,779	6,303,700
		2021	35,094	1,816,240	389,744,425	7,530,773
	260	2017	25,916	1,704,824	280,787,449	4,268,410
		2018	25,986	1,685,260	340,724,994	5,253,836
		2019	26,423	1,723,975	311,038,737	4,767,225
		2020	26,923	1,774,623	334,890,779	5,080,665
		2021	27,514	1,816,240	389,744,425	5,904,191
270	2017	269,074	1,704,824	280,787,449	44,316,951	
	2018	266,456	1,685,260	340,724,994	53,871,936	
	2019	274,101	1,723,975	311,038,737	49,453,170	
	2020	284,296	1,774,623	334,890,779	53,649,766	
	2021	289,980	1,816,240	389,744,425	62,226,406	
280	2017	41,145	1,704,824	280,787,449	6,776,652	
	2018	41,245	1,685,260	340,724,994	8,338,893	
	2019	42,686	1,723,975	311,038,737	7,701,388	
	2020	44,324	1,774,623	334,890,779	8,364,424	
	2021	45,184	1,816,240	389,744,425	9,695,972	



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION**  
**OWNERS FORMS**

Territory Group	Territory	Year	(1)	(2)	(3)	(4)
			Territory Earned House Years	Territory Group Earned House Years	Territory Group Non-Hurricane Wind Provision	Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$
Inland	290	2017	31,815	1,704,824	280,787,449	5,239,985
		2018	32,260	1,685,260	340,724,994	6,522,310
		2019	33,271	1,723,975	311,038,737	6,002,738
		2020	34,694	1,774,623	334,890,779	6,547,137
		2021	36,128	1,816,240	389,744,425	7,752,657
	300	2017	13,431	1,704,824	280,787,449	2,212,109
		2018	13,038	1,685,260	340,724,994	2,636,016
		2019	13,178	1,723,975	311,038,737	2,377,568
		2020	13,536	1,774,623	334,890,779	2,554,391
		2021	13,709	1,816,240	389,744,425	2,941,795
	310	2017	255,392	1,704,824	280,787,449	42,063,502
		2018	252,569	1,685,260	340,724,994	51,064,270
		2019	258,446	1,723,975	311,038,737	46,628,703
		2020	264,603	1,774,623	334,890,779	49,933,482
		2021	269,318	1,816,240	389,744,425	57,792,576
	320	2017	126,507	1,704,824	280,787,449	20,835,921
		2018	125,121	1,685,260	340,724,994	25,296,899
		2019	128,626	1,723,975	311,038,737	23,206,641
		2020	133,067	1,774,623	334,890,779	25,111,199
		2021	136,352	1,816,240	389,744,425	29,259,587
330	2017	7,030	1,704,824	280,787,449	1,157,853	
	2018	6,772	1,685,260	340,724,994	1,369,159	
	2019	7,036	1,723,975	311,038,737	1,269,432	
	2020	7,242	1,774,623	334,890,779	1,366,645	
	2021	7,358	1,816,240	389,744,425	1,578,943	
340	2017	297,066	1,704,824	280,787,449	48,927,282	
	2018	289,666	1,685,260	340,724,994	58,564,522	
	2019	295,480	1,723,975	311,038,737	53,310,359	
	2020	304,436	1,774,623	334,890,779	57,450,405	
	2021	311,223	1,816,240	389,744,425	66,784,912	

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TERRITORY NON-HURRICANE WIND PROVISION  
OWNERS FORMS**

Territory Group	Territory	Year	(1)	(2)	(3)	(4)
			Territory Earned House Years	Territory Group Earned House Years	Territory Group Non-Hurricane Wind Provision	Territory Non-Hurricane Wind Provision $((1) / (2)) \times (3)$
Inland	350	2017	92,205	1,704,824	280,787,449	15,186,322
		2018	91,277	1,685,260	340,724,994	18,454,337
		2019	93,269	1,723,975	311,038,737	16,827,548
		2020	95,586	1,774,623	334,890,779	18,038,124
		2021	97,769	1,816,240	389,744,425	20,980,114
	360	2017	193,107	1,704,824	280,787,449	31,805,055
		2018	189,719	1,685,260	340,724,994	38,357,289
		2019	193,697	1,723,975	311,038,737	34,946,719
		2020	198,159	1,774,623	334,890,779	37,394,772
		2021	202,815	1,816,240	389,744,425	43,521,790
	370	2017	10,752	1,704,824	280,787,449	1,770,873
		2018	10,803	1,685,260	340,724,994	2,184,145
		2019	10,982	1,723,975	311,038,737	1,981,367
		2020	11,242	1,774,623	334,890,779	2,121,488
		2021	11,808	1,816,240	389,744,425	2,533,862
	380	2017	35,196	1,704,824	280,787,449	5,796,842
		2018	34,746	1,685,260	340,724,994	7,024,928
		2019	35,702	1,723,975	311,038,737	6,441,338
		2020	36,556	1,774,623	334,890,779	6,898,517
		2021	37,513	1,816,240	389,744,425	8,049,863
390	2017	39,409	1,704,824	280,787,449	6,490,730	
	2018	39,212	1,685,260	340,724,994	7,927,862	
	2019	40,084	1,723,975	311,038,737	7,231,936	
	2020	41,214	1,774,623	334,890,779	7,777,533	
	2021	42,289	1,816,240	389,744,425	9,074,738	

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
110	2017	18,665	2,908	86,888,589	4,655.16	1.601	1.361	118,255,370	2.179
	2018	19,425	2,908	93,073,113	4,791.41	1.648	1.334	124,159,533	2.198
	2019	19,403	2,908	98,489,398	5,075.99	1.746	1.294	127,445,281	2.259
	2020	19,840	2,908	103,862,946	5,235.03	1.800	1.258	130,659,586	2.265
	<u>2021</u>	<u>19,664</u>	<u>2,908</u>	<u>105,759,930</u>	<u>5,378.35</u>	<u>1.850</u>	<u>1.220</u>	<u>129,027,115</u>	<u>2.256</u>
	Total	96,997	2,908	488,073,976	5,031.85	1.730		629,546,885	2.232
120	2017	19,348	3,427	92,080,070	4,759.15	1.389	1.361	125,320,975	1.890
	2018	19,792	3,427	97,125,558	4,907.31	1.432	1.334	129,565,494	1.910
	2019	21,756	3,427	109,398,091	5,028.41	1.467	1.294	141,561,130	1.899
	2020	22,559	3,427	117,670,328	5,216.11	1.522	1.258	148,029,273	1.915
	<u>2021</u>	<u>19,920</u>	<u>3,427</u>	<u>112,071,547</u>	<u>5,626.08</u>	<u>1.642</u>	<u>1.220</u>	<u>136,727,287</u>	<u>2.003</u>
	Total	103,375	3,427	528,345,594	5,110.96	1.491		681,204,159	1.923
130	2017	11,517	1,775	28,401,646	2,466.06	1.389	1.361	38,654,640	1.891
	2018	12,122	1,775	30,012,726	2,475.89	1.395	1.334	40,036,976	1.861
	2019	12,535	1,775	31,276,062	2,495.10	1.406	1.294	40,471,224	1.819
	2020	12,924	1,775	32,596,261	2,522.15	1.421	1.258	41,006,096	1.788
	<u>2021</u>	<u>13,294</u>	<u>1,775</u>	<u>34,452,945</u>	<u>2,591.62</u>	<u>1.460</u>	<u>1.220</u>	<u>42,032,593</u>	<u>1.781</u>
	Total	62,392	1,775	156,739,640	2,512.18	1.415		202,201,529	1.826
140	2017	81,281	2,403	246,041,356	3,027.05	1.260	1.361	334,862,286	1.714
	2018	83,440	2,403	260,761,486	3,125.14	1.301	1.334	347,855,822	1.735
	2019	84,600	2,403	275,255,027	3,253.61	1.354	1.294	356,180,005	1.752
	2020	89,055	2,403	299,107,553	3,358.68	1.398	1.258	376,277,302	1.758
	<u>2021</u>	<u>95,180</u>	<u>2,403</u>	<u>329,199,525</u>	<u>3,458.70</u>	<u>1.439</u>	<u>1.220</u>	<u>401,623,421</u>	<u>1.756</u>
	Total	433,556	2,403	1,410,364,947	3,253.02	1.354		1,816,798,836	1.744
150	2017	45,025	1,465	78,440,819	1,742.16	1.189	1.361	106,757,955	1.618
	2018	46,204	1,465	82,210,379	1,779.29	1.215	1.334	109,668,646	1.620
	2019	47,561	1,465	87,123,646	1,831.83	1.250	1.294	112,737,998	1.618
	2020	49,043	1,465	92,042,590	1,876.77	1.281	1.258	115,789,578	1.612
	<u>2021</u>	<u>50,078</u>	<u>1,465</u>	<u>97,019,563</u>	<u>1,937.37</u>	<u>1.322</u>	<u>1.220</u>	<u>118,363,867</u>	<u>1.613</u>
	Total	237,911	1,465	436,836,997	1,836.14	1.253		563,318,044	1.616

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
160	2017	37,137	1,614	63,893,944	1,720.49	1.066	1.361	86,959,658	1.451
	2018	37,780	1,614	66,536,199	1,761.15	1.091	1.334	88,759,289	1.456
	2019	37,877	1,614	69,032,647	1,822.55	1.129	1.294	89,328,245	1.461
	2020	39,069	1,614	73,445,380	1,879.89	1.165	1.258	92,394,288	1.465
	<u>2021</u>	<u>42,444</u>	<u>1,614</u>	<u>82,038,164</u>	<u>1,932.86</u>	<u>1.198</u>	<u>1.220</u>	<u>100,086,560</u>	<u>1.461</u>
	Total	194,307	1,614	354,946,334	1,826.73	1.132		457,528,040	1.459
170	2017	4,387	896	4,753,407	1,083.52	1.209	1.361	6,469,387	1.646
	2018	4,343	896	4,782,703	1,101.24	1.229	1.334	6,380,126	1.640
	2019	4,306	896	4,854,924	1,127.48	1.258	1.294	6,282,272	1.628
	2020	4,261	896	4,844,051	1,136.83	1.269	1.258	6,093,816	1.596
	<u>2021</u>	<u>4,377</u>	<u>896</u>	<u>5,021,369</u>	<u>1,147.22</u>	<u>1.280</u>	<u>1.220</u>	<u>6,126,070</u>	<u>1.562</u>
	Total	21,674	896	24,256,454	1,119.15	1.249		31,351,671	1.614
180	2017	49,885	1,049	59,380,930	1,190.36	1.135	1.361	80,817,446	1.544
	2018	50,006	1,049	60,381,647	1,207.49	1.151	1.334	80,549,117	1.536
	2019	50,251	1,049	62,088,303	1,235.56	1.178	1.294	80,342,264	1.524
	2020	50,867	1,049	64,202,609	1,262.17	1.203	1.258	80,766,882	1.514
	<u>2021</u>	<u>51,716</u>	<u>1,049</u>	<u>67,739,546</u>	<u>1,309.84</u>	<u>1.249</u>	<u>1.220</u>	<u>82,642,246</u>	<u>1.523</u>
	Total	252,725	1,049	313,793,035	1,241.64	1.184		405,117,955	1.528
190	2017	13,527	1,249	18,537,465	1,370.40	1.097	1.361	25,229,490	1.493
	2018	13,203	1,249	18,032,555	1,365.79	1.094	1.334	24,055,428	1.459
	2019	12,845	1,249	17,674,639	1,375.99	1.102	1.294	22,870,983	1.426
	2020	12,737	1,249	17,893,436	1,404.84	1.125	1.258	22,509,942	1.415
	<u>2021</u>	<u>12,777</u>	<u>1,249</u>	<u>18,594,146</u>	<u>1,455.28</u>	<u>1.165</u>	<u>1.220</u>	<u>22,684,858</u>	<u>1.421</u>
	Total	65,089	1,249	90,732,241	1,393.97	1.116		117,350,701	1.443
200	2017	5,987	1,363	10,323,100	1,724.25	1.265	1.361	14,049,739	1.722
	2018	5,897	1,363	10,085,703	1,710.31	1.255	1.334	13,454,328	1.674
	2019	5,765	1,363	9,888,671	1,715.29	1.258	1.294	12,795,940	1.628
	2020	5,687	1,363	9,821,774	1,727.06	1.267	1.258	12,355,792	1.594
	<u>2021</u>	<u>5,712</u>	<u>1,363</u>	<u>9,909,044</u>	<u>1,734.78</u>	<u>1.273</u>	<u>1.220</u>	<u>12,089,034</u>	<u>1.553</u>
	Total	29,048	1,363	50,028,292	1,722.26	1.264		64,744,833	1.635

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
210	2017	19,615	928	19,929,864	1,016.05	1.095	1.361	1.490	
	2018	19,462	928	19,952,744	1,025.22	1.105	1.334	1.474	
	2019	19,782	928	20,707,312	1,046.78	1.128	1.294	1.460	
	2020	20,178	928	21,531,437	1,067.07	1.150	1.258	1.447	
	<u>2021</u>	<u>20,405</u>	<u>928</u>	<u>22,715,143</u>	<u>1,113.21</u>	<u>1.200</u>	<u>1.220</u>	<u>1.463</u>	
	Total	99,442	928	104,836,500	1,054.25	1.136		135,335,789	1.467
220	2017	52,944	1,131	66,458,511	1,255.26	1.110	1.361	1.511	
	2018	52,797	1,131	67,959,696	1,287.19	1.138	1.334	1.518	
	2019	53,945	1,131	71,390,183	1,323.39	1.170	1.294	1.514	
	2020	55,999	1,131	75,713,775	1,352.06	1.195	1.258	1.504	
	<u>2021</u>	<u>58,532</u>	<u>1,131</u>	<u>81,739,944</u>	<u>1,396.50</u>	<u>1.235</u>	<u>1.220</u>	<u>99,722,732</u>	<u>1.506</u>
	Total	274,217	1,131	363,262,109	1,324.72	1.171		468,457,825	1.510
230	2017	13,944	1,215	18,268,569	1,310.14	1.078	1.361	1.468	
	2018	13,912	1,215	18,495,282	1,329.45	1.094	1.334	1.460	
	2019	13,853	1,215	18,768,271	1,354.82	1.115	1.294	1.443	
	2020	13,782	1,215	18,997,379	1,378.42	1.135	1.258	1.427	
	<u>2021</u>	<u>13,950</u>	<u>1,215</u>	<u>19,983,603</u>	<u>1,432.52</u>	<u>1.179</u>	<u>1.220</u>	<u>24,379,996</u>	<u>1.438</u>
	Total	69,441	1,215	94,513,104	1,361.06	1.120		122,101,070	1.447
240	2017	75,238	906	80,019,251	1,063.55	1.174	1.361	1.598	
	2018	75,635	906	81,711,633	1,080.34	1.192	1.334	1.591	
	2019	78,308	906	86,723,473	1,107.47	1.222	1.294	1.582	
	2020	81,830	906	92,814,205	1,134.23	1.252	1.258	1.575	
	<u>2021</u>	<u>84,717</u>	<u>906</u>	<u>100,347,589</u>	<u>1,184.50</u>	<u>1.307</u>	<u>1.220</u>	<u>122,424,059</u>	<u>1.595</u>
	Total	395,728	906	441,616,151	1,115.96	1.232		569,314,022	1.588
250	2017	31,252	1,034	37,244,339	1,191.74	1.153	1.361	1.569	
	2018	31,135	1,034	37,944,907	1,218.72	1.179	1.334	1.572	
	2019	31,939	1,034	39,948,827	1,250.79	1.210	1.294	1.565	
	2020	33,404	1,034	42,515,893	1,272.78	1.231	1.258	1.549	
	<u>2021</u>	<u>35,094</u>	<u>1,034</u>	<u>45,997,179</u>	<u>1,310.68</u>	<u>1.268</u>	<u>1.220</u>	<u>56,116,558</u>	<u>1.546</u>
	Total	162,824	1,034	203,651,145	1,250.74	1.210		262,603,384	1.560

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
260	2017	25,916	676	25,355,006	978.35	1.447	1.361	34,508,163	1.970
	2018	25,986	676	25,978,886	999.73	1.479	1.334	34,655,834	1.973
	2019	26,423	676	27,137,883	1,027.06	1.519	1.294	35,116,421	1.966
	2020	26,923	676	27,756,816	1,030.97	1.525	1.258	34,918,075	1.919
	<u>2021</u>	<u>27,514</u>	<u>676</u>	<u>28,635,677</u>	<u>1,040.77</u>	<u>1.540</u>	<u>1.220</u>	<u>34,935,526</u>	<u>1.878</u>
	Total	132,762	676	134,864,268	1,015.83	1.503		174,134,019	1.940
270	2017	269,074	796	304,767,484	1,132.65	1.423	1.361	414,788,546	1.937
	2018	266,456	796	309,085,452	1,159.99	1.457	1.334	412,319,993	1.944
	2019	274,101	796	328,658,221	1,199.04	1.506	1.294	425,283,738	1.949
	2020	284,296	796	350,679,414	1,233.50	1.550	1.258	441,154,703	1.949
	<u>2021</u>	<u>289,980</u>	<u>796</u>	<u>375,054,061</u>	<u>1,293.38</u>	<u>1.625</u>	<u>1.220</u>	<u>457,565,954</u>	<u>1.982</u>
	Total	1,383,907	796	1,668,244,632	1,205.46	1.514		2,151,112,934	1.953
280	2017	41,145	698	47,691,434	1,159.11	1.661	1.361	64,908,042	2.260
	2018	41,245	698	48,695,619	1,180.64	1.691	1.334	64,959,956	2.256
	2019	42,686	698	51,692,818	1,211.00	1.735	1.294	66,890,506	2.245
	2020	44,324	698	55,026,729	1,241.47	1.779	1.258	69,223,625	2.237
	<u>2021</u>	<u>45,184</u>	<u>698</u>	<u>58,795,201</u>	<u>1,301.24</u>	<u>1.864</u>	<u>1.220</u>	<u>71,730,145</u>	<u>2.274</u>
	Total	214,584	698	261,901,801	1,220.51	1.749		337,712,274	2.255
290	2017	31,815	833	36,490,753	1,146.97	1.377	1.361	49,663,915	1.874
	2018	32,260	833	37,907,971	1,175.08	1.411	1.334	50,569,233	1.882
	2019	33,271	833	40,233,708	1,209.27	1.452	1.294	52,062,418	1.879
	2020	34,694	833	42,761,513	1,232.53	1.480	1.258	53,793,983	1.861
	<u>2021</u>	<u>36,128</u>	<u>833</u>	<u>45,906,432</u>	<u>1,270.66</u>	<u>1.525</u>	<u>1.220</u>	<u>56,005,847</u>	<u>1.861</u>
	Total	168,168	833	203,300,377	1,208.91	1.451		262,095,396	1.871
300	2017	13,431	884	13,633,167	1,015.05	1.148	1.361	18,554,740	1.563
	2018	13,038	884	13,437,276	1,030.62	1.166	1.334	17,925,326	1.555
	2019	13,178	884	14,103,517	1,070.23	1.211	1.294	18,249,951	1.567
	2020	13,536	884	14,890,957	1,100.10	1.244	1.258	18,732,824	1.566
	<u>2021</u>	<u>13,709</u>	<u>884</u>	<u>15,838,170</u>	<u>1,155.31</u>	<u>1.307</u>	<u>1.220</u>	<u>19,322,567</u>	<u>1.594</u>
	Total	66,892	884	71,903,087	1,074.91	1.216		92,785,408	1.569

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Earned House Years	Current Base Rate	Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]
<u>Territory</u>	<u>Year</u>	<u>Years</u>	<u>Current Level</u>	<u>(3) / (1)</u>	<u>(4) / (2)</u>	<u>Factor</u>	<u>(3) x (6)</u>	<u>(7) / [(1)x(2)]</u>
310	2017	255,392	683	216,563,897	847.97	1.242	294,743,464	1.690
	2018	252,569	683	216,633,235	857.72	1.256	288,988,735	1.675
	2019	258,446	683	226,407,640	876.03	1.283	292,971,486	1.660
	2020	264,603	683	236,400,470	893.42	1.308	297,391,791	1.646
	<u>2021</u>	<u>269,318</u>	<u>683</u>	<u>253,675,880</u>	<u>941.92</u>	<u>1.379</u>	<u>309,484,574</u>	<u>1.682</u>
	Total	1,300,328	683	1,149,681,122	884.15	1.295	1,483,580,050	1.670
320	2017	126,507	765	116,212,549	918.63	1.201	158,165,279	1.634
	2018	125,121	765	116,130,840	928.15	1.213	154,918,541	1.618
	2019	128,626	765	122,890,436	955.41	1.249	159,020,224	1.616
	2020	133,067	765	130,253,095	978.85	1.280	163,858,394	1.610
	<u>2021</u>	<u>136,352</u>	<u>765</u>	<u>139,864,771</u>	<u>1,025.76</u>	<u>1.341</u>	<u>170,635,021</u>	<u>1.636</u>
	Total	649,673	765	625,351,691	962.56	1.258	806,597,459	1.623
330	2017	7,030	635	6,144,516	874.04	1.376	8,362,686	1.873
	2018	6,772	635	5,970,752	881.68	1.388	7,964,983	1.852
	2019	7,036	635	6,265,325	890.47	1.402	8,107,331	1.815
	2020	7,242	635	6,285,218	867.88	1.367	7,906,804	1.719
	<u>2021</u>	<u>7,358</u>	<u>635</u>	<u>6,433,349</u>	<u>874.33</u>	<u>1.377</u>	<u>7,848,686</u>	<u>1.680</u>
	Total	35,438	635	31,099,160	877.57	1.382	40,190,490	1.786
340	2017	297,066	696	292,597,816	984.96	1.415	398,225,628	1.926
	2018	289,666	696	292,235,426	1,008.87	1.450	389,842,058	1.934
	2019	295,480	696	309,900,359	1,048.80	1.507	401,011,065	1.950
	2020	304,436	696	328,616,593	1,079.43	1.551	413,399,674	1.951
	<u>2021</u>	<u>311,223</u>	<u>696</u>	<u>351,365,881</u>	<u>1,128.98</u>	<u>1.622</u>	<u>428,666,375</u>	<u>1.979</u>
	Total	1,497,871	696	1,574,716,075	1,051.30	1.510	2,031,144,800	1.948
350	2017	92,205	710	80,411,327	872.09	1.228	109,439,816	1.672
	2018	91,277	710	81,063,277	888.10	1.251	108,138,412	1.669
	2019	93,269	710	85,380,862	915.43	1.289	110,482,835	1.668
	2020	95,586	710	88,821,391	929.23	1.309	111,737,310	1.646
	<u>2021</u>	<u>97,769</u>	<u>710</u>	<u>94,517,118</u>	<u>966.74</u>	<u>1.362</u>	<u>115,310,884</u>	<u>1.661</u>
	Total	470,106	710	430,193,975	915.10	1.289	555,109,257	1.663

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
360	2017	193,107	614	165,373,155	856.38	1.395	1.361	225,072,864	1.898
	2018	189,719	614	165,338,618	871.49	1.419	1.334	220,561,716	1.893
	2019	193,697	614	174,054,250	898.59	1.464	1.294	225,226,200	1.894
	2020	198,159	614	182,658,728	921.78	1.501	1.258	229,784,680	1.889
	<u>2021</u>	<u>202,815</u>	<u>614</u>	<u>196,497,518</u>	<u>968.85</u>	<u>1.578</u>	<u>1.220</u>	<u>239,726,972</u>	<u>1.925</u>
	Total	977,497	614	883,922,269	904.27	1.473		1,140,372,432	1.900
370	2017	10,752	667	11,237,598	1,045.16	1.567	1.361	15,294,371	2.133
	2018	10,803	667	11,600,613	1,073.83	1.610	1.334	15,475,218	2.148
	2019	10,982	667	12,201,920	1,111.08	1.666	1.294	15,789,284	2.156
	2020	11,242	667	12,701,951	1,129.87	1.694	1.258	15,979,054	2.131
	<u>2021</u>	<u>11,808</u>	<u>667</u>	<u>13,395,792</u>	<u>1,134.47</u>	<u>1.701</u>	<u>1.220</u>	<u>16,342,866</u>	<u>2.075</u>
	Total	55,587	667	61,137,874	1,099.86	1.649		78,880,793	2.128
380	2017	35,196	620	33,104,259	940.57	1.517	1.361	45,054,896	2.065
	2018	34,746	620	33,293,963	958.21	1.546	1.334	44,414,147	2.062
	2019	35,702	620	35,130,245	983.99	1.587	1.294	45,458,537	2.054
	2020	36,556	620	36,918,778	1,009.92	1.629	1.258	46,443,823	2.049
	<u>2021</u>	<u>37,513</u>	<u>620</u>	<u>39,737,451</u>	<u>1,059.30</u>	<u>1.709</u>	<u>1.220</u>	<u>48,479,690</u>	<u>2.084</u>
	Total	179,713	620	178,184,696	991.50	1.599		229,851,093	2.063
390	2017	39,409	633	41,641,932	1,056.66	1.669	1.361	56,674,669	2.272
	2018	39,212	633	41,903,084	1,068.63	1.688	1.334	55,898,714	2.252
	2019	40,084	633	43,652,261	1,089.02	1.720	1.294	56,486,026	2.226
	2020	41,214	633	45,673,427	1,108.20	1.751	1.258	57,457,171	2.202
	<u>2021</u>	<u>42,289</u>	<u>633</u>	<u>48,322,717</u>	<u>1,142.68</u>	<u>1.805</u>	<u>1.220</u>	<u>58,953,715</u>	<u>2.202</u>
	Total	202,208	633	221,193,421	1,093.89	1.728		285,470,295	2.230
Statewide	2017	1,917,797	916.82	2,301,886,753	1,200.28	1.309	1.361	3,132,867,871	1.782
	2018	1,904,023	922.85	2,348,341,343	1,233.36	1.336	1.334	3,132,687,349	1.783
	2019	1,947,707	923.24	2,480,328,919	1,273.46	1.379	1.294	3,209,545,622	1.785
	2020	2,007,113	924.84	2,626,504,697	1,308.60	1.415	1.258	3,304,142,909	1.780
	<u>2021</u>	<u>2,056,820</u>	<u>924.36</u>	<u>2,800,629,255</u>	<u>1,361.63</u>	<u>1.473</u>	<u>1.220</u>	<u>3,416,767,692</u>	<u>1.797</u>
	Total	9,833,460	922.47	12,557,690,967	1,277.04	1.384		16,196,011,443	1.785



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
110	2017	335	126	163,208	487.19	3.867	0.921	150,315	3.561
	2018	353	126	153,478	434.78	3.451	0.946	145,190	3.264
	2019	337	126	138,501	410.98	3.262	0.971	134,484	3.167
	2020	340	126	133,330	392.15	3.112	0.993	132,397	3.090
	<u>2021</u>	<u>348</u>	<u>126</u>	<u>135,745</u>	<u>390.07</u>	<u>3.096</u>	1.000	<u>135,745</u>	<u>3.096</u>
	Total	1,713	126	724,262	422.80	3.356		698,131	3.235
120	2017	1,506	144	737,141	489.47	3.399	0.921	678,907	3.131
	2018	1,708	144	794,671	465.26	3.231	0.946	751,759	3.057
	2019	945	144	423,290	447.93	3.111	0.971	411,015	3.020
	2020	980	144	432,391	441.22	3.064	0.993	429,364	3.043
	<u>2021</u>	<u>844</u>	<u>144</u>	<u>364,930</u>	<u>432.38</u>	<u>3.003</u>	1.000	<u>364,930</u>	<u>3.003</u>
	Total	5,983	144	2,752,423	460.04	3.195		2,635,975	3.060
130	2017	459	81	168,823	367.81	4.541	0.921	155,486	4.182
	2018	474	81	158,438	334.26	4.127	0.946	149,882	3.904
	2019	479	81	151,396	316.07	3.902	0.971	147,006	3.789
	2020	497	81	150,529	302.88	3.739	0.993	149,475	3.713
	<u>2021</u>	<u>533</u>	<u>81</u>	<u>164,959</u>	<u>309.49</u>	<u>3.821</u>	1.000	<u>164,959</u>	<u>3.821</u>
	Total	2,442	81	794,145	325.20	4.015		766,808	3.877
140	2017	13,328	98	4,301,604	322.75	3.293	0.921	3,961,777	3.033
	2018	13,679	98	4,140,747	302.71	3.089	0.946	3,917,147	2.922
	2019	13,784	98	3,963,262	287.53	2.934	0.971	3,848,327	2.849
	2020	13,339	98	3,800,070	284.88	2.907	0.993	3,773,470	2.887
	<u>2021</u>	<u>13,815</u>	<u>98</u>	<u>3,919,870</u>	<u>283.74</u>	<u>2.895</u>	1.000	<u>3,919,870</u>	<u>2.895</u>
	Total	67,945	98	20,125,553	296.20	3.022		19,420,591	2.917
150	2017	4,447	61	1,055,464	237.34	3.891	0.921	972,082	3.583
	2018	4,682	61	1,046,509	223.52	3.664	0.946	989,998	3.466
	2019	4,657	61	998,639	214.44	3.515	0.971	969,678	3.413
	2020	4,684	61	964,907	206.00	3.377	0.993	958,153	3.353
	<u>2021</u>	<u>4,974</u>	<u>61</u>	<u>997,489</u>	<u>200.54</u>	<u>3.288</u>	1.000	<u>997,489</u>	<u>3.288</u>
	Total	23,444	61	5,063,008	215.96	3.540		4,887,400	3.418

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
160	2017	5,596	78	1,446,617	258.51	3.314	0.921	1,332,334	3.052
	2018	6,128	78	1,490,609	243.25	3.119	0.946	1,410,116	2.950
	2019	6,360	78	1,463,145	230.05	2.949	0.971	1,420,714	2.864
	2020	6,515	78	1,447,004	222.10	2.847	0.993	1,436,875	2.828
	<u>2021</u>	<u>7,344</u>	<u>78</u>	<u>1,593,311</u>	<u>216.95</u>	<u>2.781</u>	1.000	<u>1,593,311</u>	<u>2.781</u>
	Total	31,943	78	7,440,686	232.94	2.986		7,193,350	2.887
170	2017	421	57	97,778	232.25	4.075	0.921	90,054	3.753
	2018	426	57	92,886	218.04	3.825	0.946	87,870	3.619
	2019	463	57	95,712	206.72	3.627	0.971	92,936	3.522
	2020	500	57	101,072	202.14	3.546	0.993	100,364	3.522
	<u>2021</u>	<u>531</u>	<u>57</u>	<u>109,517</u>	<u>206.25</u>	<u>3.618</u>	1.000	<u>109,517</u>	<u>3.618</u>
	Total	2,341	57	496,965	212.29	3.724		480,741	3.603
180	2017	11,186	61	2,228,548	199.23	3.266	0.921	2,052,493	3.008
	2018	11,757	61	2,236,398	190.22	3.118	0.946	2,115,633	2.950
	2019	12,768	61	2,270,259	177.81	2.915	0.971	2,204,421	2.830
	2020	14,102	61	2,398,202	170.06	2.788	0.993	2,381,415	2.768
	<u>2021</u>	<u>15,052</u>	<u>61</u>	<u>2,505,697</u>	<u>166.47</u>	<u>2.729</u>	1.000	<u>2,505,697</u>	<u>2.729</u>
	Total	64,865	61	11,639,104	179.44	2.942		11,259,659	2.846
190	2017	1,439	64	356,147	247.50	3.867	0.921	328,011	3.562
	2018	1,481	64	343,900	232.21	3.628	0.946	325,329	3.432
	2019	1,518	64	339,158	223.42	3.491	0.971	329,322	3.390
	2020	1,607	64	345,555	215.03	3.360	0.993	343,136	3.336
	<u>2021</u>	<u>1,735</u>	<u>64</u>	<u>371,285</u>	<u>214.00</u>	<u>3.344</u>	1.000	<u>371,285</u>	<u>3.344</u>
	Total	7,780	64	1,756,045	225.71	3.527		1,697,083	3.408
200	2017	436	68	124,857	286.37	4.211	0.921	114,993	3.879
	2018	451	68	121,466	269.33	3.961	0.946	114,907	3.747
	2019	468	68	118,542	253.29	3.725	0.971	115,104	3.617
	2020	476	68	113,005	237.41	3.491	0.993	112,214	3.467
	<u>2021</u>	<u>502</u>	<u>68</u>	<u>111,350</u>	<u>221.81</u>	<u>3.262</u>	1.000	<u>111,350</u>	<u>3.262</u>
	Total	2,333	68	589,220	252.56	3.714		568,568	3.584

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
210	2017	3,122	61	665,900	213.29	3.497	0.921	613,294	3.220
	2018	3,276	61	650,956	198.70	3.257	0.946	615,804	3.082
	2019	3,536	61	670,157	189.52	3.107	0.971	650,722	3.017
	2020	4,047	61	741,935	183.33	3.005	0.993	736,741	2.984
	<u>2021</u>	<u>4,488</u>	<u>61</u>	<u>818,058</u>	<u>182.28</u>	<u>2.988</u>	1.000	<u>818,058</u>	<u>2.988</u>
	Total	18,469	61	3,547,006	192.05	3.148		3,434,619	3.049
220	2017	10,082	81	2,532,786	251.22	3.101	0.921	2,332,696	2.856
	2018	10,776	81	2,526,106	234.42	2.894	0.946	2,389,696	2.738
	2019	11,888	81	2,644,073	222.42	2.746	0.971	2,567,395	2.666
	2020	13,381	81	2,867,091	214.27	2.645	0.993	2,847,021	2.627
	<u>2021</u>	<u>14,274</u>	<u>81</u>	<u>3,010,245</u>	<u>210.89</u>	<u>2.604</u>	1.000	<u>3,010,245</u>	<u>2.604</u>
	Total	60,401	81	13,580,301	224.84	2.776		13,147,053	2.687
230	2017	1,728	62	372,400	215.51	3.476	0.921	342,980	3.201
	2018	1,954	62	380,629	194.79	3.142	0.946	360,075	2.972
	2019	2,316	62	405,986	175.30	2.827	0.971	394,212	2.745
	2020	2,237	62	393,511	175.91	2.837	0.993	390,756	2.817
	<u>2021</u>	<u>2,261</u>	<u>62</u>	<u>400,678</u>	<u>177.21</u>	<u>2.858</u>	1.000	<u>400,678</u>	<u>2.858</u>
	Total	10,496	62	1,953,204	186.09	3.001		1,888,701	2.902
240	2017	8,277	61	1,870,347	225.97	3.704	0.921	1,722,590	3.412
	2018	8,668	61	1,839,743	212.25	3.480	0.946	1,740,397	3.292
	2019	9,662	61	1,918,521	198.56	3.255	0.971	1,862,884	3.161
	2020	10,692	61	2,078,251	194.37	3.186	0.993	2,063,703	3.164
	<u>2021</u>	<u>11,255</u>	<u>61</u>	<u>2,205,771</u>	<u>195.98</u>	<u>3.213</u>	1.000	<u>2,205,771</u>	<u>3.213</u>
	Total	48,554	61	9,912,633	204.16	3.347		9,595,345	3.240
250	2017	3,533	59	756,149	214.02	3.627	0.921	696,413	3.341
	2018	3,833	59	757,882	197.73	3.351	0.946	716,956	3.170
	2019	4,085	59	763,823	186.98	3.169	0.971	741,672	3.077
	2020	4,501	59	823,711	183.01	3.102	0.993	817,945	3.080
	<u>2021</u>	<u>4,745</u>	<u>59</u>	<u>858,105</u>	<u>180.84</u>	<u>3.065</u>	1.000	<u>858,105</u>	<u>3.065</u>
	Total	20,697	59	3,959,670	191.32	3.243		3,831,091	3.137

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
260	2017	2,935	60	662,630	225.77	3.763	0.921	610,282	3.466
	2018	3,115	60	654,658	210.16	3.503	0.946	619,306	3.314
	2019	3,403	60	675,501	198.50	3.308	0.971	655,911	3.212
	2020	3,671	60	704,703	191.96	3.199	0.993	699,770	3.177
	<u>2021</u>	<u>3,899</u>	<u>60</u>	<u>726,973</u>	<u>186.45</u>	<u>3.108</u>	1.000	<u>726,973</u>	<u>3.108</u>
	Total	17,023	60	3,424,465	201.17	3.353		3,312,242	3.243
270	2017	99,728	51	16,847,262	168.93	3.312	0.921	15,516,328	3.051
	2018	101,676	51	16,682,296	164.07	3.217	0.946	15,781,452	3.043
	2019	104,592	51	16,676,169	159.44	3.126	0.971	16,192,560	3.036
	2020	107,308	51	16,863,521	157.15	3.081	0.993	16,745,476	3.060
	<u>2021</u>	<u>107,174</u>	<u>51</u>	<u>16,798,879</u>	<u>156.74</u>	<u>3.073</u>	1.000	<u>16,798,879</u>	<u>3.073</u>
	Total	520,478	51	83,868,127	161.14	3.160		81,034,695	3.053
280	2017	11,917	46	2,031,259	170.45	3.705	0.921	1,870,790	3.413
	2018	12,337	46	2,033,455	164.83	3.583	0.946	1,923,648	3.390
	2019	12,916	46	2,067,740	160.09	3.480	0.971	2,007,776	3.379
	2020	13,397	46	2,106,257	157.22	3.418	0.993	2,091,513	3.394
	<u>2021</u>	<u>13,973</u>	<u>46</u>	<u>2,189,474</u>	<u>156.69</u>	<u>3.406</u>	1.000	<u>2,189,474</u>	<u>3.406</u>
	Total	64,540	46	10,428,185	161.58	3.513		10,083,201	3.396
290	2017	3,849	52	792,375	205.87	3.959	0.921	729,777	3.646
	2018	4,145	52	808,979	195.17	3.753	0.946	765,294	3.551
	2019	4,402	52	831,476	188.89	3.633	0.971	807,363	3.527
	2020	4,671	52	876,287	187.60	3.608	0.993	870,153	3.582
	<u>2021</u>	<u>5,022</u>	<u>52</u>	<u>929,776</u>	<u>185.14</u>	<u>3.560</u>	1.000	<u>929,776</u>	<u>3.560</u>
	Total	22,089	52	4,238,893	191.90	3.690		4,102,363	3.572
300	2017	1,080	54	242,133	224.20	4.152	0.921	223,004	3.824
	2018	1,115	54	231,669	207.77	3.848	0.946	219,159	3.640
	2019	1,157	54	226,979	196.18	3.633	0.971	220,397	3.528
	2020	1,200	54	228,550	190.46	3.527	0.993	226,950	3.502
	<u>2021</u>	<u>1,277</u>	<u>54</u>	<u>235,706</u>	<u>184.58</u>	<u>3.418</u>	1.000	<u>235,706</u>	<u>3.418</u>
	Total	5,829	54	1,165,037	199.87	3.701		1,125,216	3.575

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
310	2017	56,584	55	10,665,018	188.48	3.427	0.921	9,822,482	3.156
	2018	58,849	55	10,567,248	179.57	3.265	0.946	9,996,617	3.089
	2019	62,194	55	10,720,993	172.38	3.134	0.971	10,410,084	3.043
	2020	67,042	55	11,211,267	167.23	3.041	0.993	11,132,788	3.019
	<u>2021</u>	<u>69,791</u>	<u>55</u>	<u>11,566,604</u>	<u>165.73</u>	<u>3.013</u>	<u>1.000</u>	<u>11,566,604</u>	<u>3.013</u>
	Total	314,460	55	54,731,130	174.05	3.165		52,928,575	3.060
320	2017	16,398	52	3,169,417	193.28	3.717	0.921	2,919,033	3.423
	2018	17,071	52	3,157,436	184.96	3.557	0.946	2,986,934	3.365
	2019	18,196	52	3,223,316	177.14	3.407	0.971	3,129,840	3.308
	2020	19,616	52	3,370,696	171.83	3.304	0.993	3,347,101	3.281
	<u>2021</u>	<u>20,661</u>	<u>52</u>	<u>3,505,032</u>	<u>169.64</u>	<u>3.262</u>	<u>1.000</u>	<u>3,505,032</u>	<u>3.262</u>
	Total	91,942	52	16,425,897	178.65	3.436		15,887,940	3.323
330	2017	513	49	108,489	211.48	4.316	0.921	99,918	3.975
	2018	519	49	103,418	199.26	4.067	0.946	97,833	3.847
	2019	536	49	104,080	194.18	3.963	0.971	101,062	3.848
	2020	571	49	107,817	188.82	3.853	0.993	107,062	3.827
	<u>2021</u>	<u>608</u>	<u>49</u>	<u>111,669</u>	<u>183.67</u>	<u>3.748</u>	<u>1.000</u>	<u>111,669</u>	<u>3.748</u>
	Total	2,747	49	535,473	194.93	3.978		517,544	3.845
340	2017	92,568	58	18,026,461	194.74	3.358	0.921	16,602,371	3.092
	2018	94,248	58	17,697,017	187.77	3.237	0.946	16,741,378	3.063
	2019	97,251	58	17,736,921	182.38	3.144	0.971	17,222,550	3.053
	2020	102,120	58	18,153,732	177.77	3.065	0.993	18,026,656	3.044
	<u>2021</u>	<u>103,988</u>	<u>58</u>	<u>18,414,785</u>	<u>177.09</u>	<u>3.053</u>	<u>1.000</u>	<u>18,414,785</u>	<u>3.053</u>
	Total	490,175	58	90,028,916	183.67	3.167		87,007,740	3.060
350	2017	10,810	51	2,051,117	189.74	3.720	0.921	1,889,079	3.427
	2018	11,078	51	2,008,210	181.28	3.555	0.946	1,899,767	3.363
	2019	11,729	51	2,025,063	172.65	3.385	0.971	1,966,336	3.287
	2020	13,178	51	2,192,228	166.36	3.262	0.993	2,176,882	3.239
	<u>2021</u>	<u>14,247</u>	<u>51</u>	<u>2,343,906</u>	<u>164.52</u>	<u>3.226</u>	<u>1.000</u>	<u>2,343,906</u>	<u>3.226</u>
	Total	61,042	51	10,620,524	173.99	3.412		10,275,970	3.301

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
360	2017	27,284	40	4,506,561	165.17	4.129	0.921	4,150,543	3.803
	2018	27,400	40	4,395,399	160.42	4.011	0.946	4,158,047	3.794
	2019	28,267	40	4,364,003	154.39	3.860	0.971	4,237,447	3.748
	2020	29,892	40	4,520,753	151.24	3.781	0.993	4,489,108	3.754
	<u>2021</u>	<u>31,111</u>	<u>40</u>	<u>4,660,765</u>	<u>149.81</u>	<u>3.745</u>	<u>1.000</u>	<u>4,660,765</u>	<u>3.745</u>
	Total	143,954	40	22,447,481	155.94	3.899		21,695,910	3.768
370	2017	512	46	116,628	227.79	4.952	0.921	107,414	4.561
	2018	531	46	113,680	214.09	4.654	0.946	107,541	4.403
	2019	531	46	108,088	203.56	4.425	0.971	104,953	4.297
	2020	534	46	106,052	198.60	4.317	0.993	105,310	4.287
	<u>2021</u>	<u>550</u>	<u>46</u>	<u>108,773</u>	<u>197.77</u>	<u>4.299</u>	<u>1.000</u>	<u>108,773</u>	<u>4.299</u>
	Total	2,658	46	553,221	208.13	4.525		533,991	4.367
380	2017	2,630	46	543,596	206.69	4.493	0.921	500,652	4.138
	2018	2,625	46	525,134	200.05	4.349	0.946	496,777	4.114
	2019	2,681	46	517,027	192.85	4.192	0.971	502,033	4.071
	2020	2,787	46	531,249	190.62	4.144	0.993	527,530	4.115
	<u>2021</u>	<u>2,923</u>	<u>46</u>	<u>564,121</u>	<u>192.99</u>	<u>4.195</u>	<u>1.000</u>	<u>564,121</u>	<u>4.196</u>
	Total	13,646	46	2,681,127	196.48	4.271		2,591,113	4.128
390	2017	2,584	47	498,945	193.09	4.108	0.921	459,528	3.784
	2018	2,756	47	495,402	179.75	3.824	0.946	468,650	3.618
	2019	3,165	47	518,363	163.78	3.485	0.971	503,330	3.384
	2020	3,501	47	558,955	159.66	3.397	0.993	555,042	3.373
	<u>2021</u>	<u>3,836</u>	<u>47</u>	<u>615,650</u>	<u>160.49</u>	<u>3.415</u>	<u>1.000</u>	<u>615,650</u>	<u>3.415</u>
	Total	15,842	47	2,687,315	169.63	3.609		2,602,200	3.495
Statewide	2017	395,287	56.42	77,139,660	195.15	3.459	0.921	71,045,626	3.186
	2018	407,111	56.54	76,208,419	187.19	3.311	0.946	72,093,162	3.132
	2019	424,286	56.37	76,160,183	179.50	3.184	0.971	73,951,534	3.092
	2020	447,386	56.32	78,322,631	175.07	3.108	0.993	77,774,370	3.087
	<u>2021</u>	<u>461,761</u>	<u>56.36</u>	<u>80,339,123</u>	<u>173.98</u>	<u>3.087</u>	<u>1.000</u>	<u>80,339,123</u>	<u>3.087</u>
	Total	2,135,831	56.40	388,170,016	181.74	3.222		375,203,815	3.115

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
110	2017	274	107	174,599	637.22	5.955	1.148	6.837	
	2018	284	107	195,383	687.97	6.430	1.133	7.285	
	2019	299	107	223,134	746.27	6.974	1.118	7.797	
	2020	307	107	239,199	779.15	7.282	1.103	8.032	
	<u>2021</u>	<u>325</u>	<u>107</u>	<u>267,169</u>	<u>822.06</u>	<u>7.683</u>	1.084	<u>8.328</u>	
	Total	1,489	107	1,099,484	738.40	6.901		1,224,720	7.687
120	2017	1,951	131	1,513,790	775.90	5.923	1.148	6.800	
	2018	1,982	131	1,630,393	822.60	6.279	1.133	7.115	
	2019	2,284	131	1,993,565	872.84	6.663	1.118	7.449	
	2020	2,300	131	2,058,112	894.83	6.831	1.103	7.534	
	<u>2021</u>	<u>1,982</u>	<u>131</u>	<u>1,890,558</u>	<u>953.86</u>	<u>7.281</u>	1.084	<u>2,049,365</u>	<u>7.893</u>
	Total	10,499	131	9,086,418	865.46	6.607		10,133,335	7.368
130	2017	212	83	129,461	610.67	7.357	1.148	8.446	
	2018	219	83	136,845	624.86	7.528	1.133	8.530	
	2019	224	83	147,173	657.02	7.916	1.118	8.850	
	2020	233	83	162,270	696.44	8.391	1.103	9.255	
	<u>2021</u>	<u>232</u>	<u>83</u>	<u>167,341</u>	<u>721.30</u>	<u>8.690</u>	1.084	<u>181,398</u>	<u>9.420</u>
	Total	1,120	83	743,090	663.47	7.994		828,587	8.913
140	2017	6,404	90	3,504,849	547.29	6.081	1.148	6.981	
	2018	6,607	90	3,744,497	566.75	6.297	1.133	7.135	
	2019	6,415	90	3,795,925	591.73	6.575	1.118	7.351	
	2020	6,297	90	3,834,879	609.00	6.767	1.103	7.464	
	<u>2021</u>	<u>6,431</u>	<u>90</u>	<u>4,112,427</u>	<u>639.47</u>	<u>7.105</u>	1.084	<u>4,457,871</u>	<u>7.702</u>
	Total	32,154	90	18,992,577	590.68	6.563		21,197,669	7.325
150	2017	605	62	300,119	496.06	8.001	1.148	9.185	
	2018	613	62	320,745	523.24	8.439	1.133	9.562	
	2019	610	62	331,470	543.39	8.764	1.118	9.799	
	2020	642	62	354,515	552.20	8.906	1.103	9.824	
	<u>2021</u>	<u>671</u>	<u>62</u>	<u>390,477</u>	<u>581.93</u>	<u>9.386</u>	1.084	<u>423,277</u>	<u>10.174</u>
	Total	3,141	62	1,697,326	540.38	8.716		1,892,831	9.720

NORTH CAROLINA

HOMEOWNERS INSURANCE

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
160	2017	1,367	67	597,735	437.26	6.526	1.148	686,200	7.492
	2018	1,460	67	664,108	454.87	6.789	1.133	752,434	7.692
	2019	1,477	67	701,144	474.71	7.085	1.118	783,879	7.921
	2020	1,526	67	747,495	489.84	7.311	1.103	824,487	8.064
	<u>2021</u>	<u>1,638</u>	<u>67</u>	<u>833,624</u>	<u>508.93</u>	<u>7.596</u>	1.084	<u>903,648</u>	<u>8.234</u>
	Total	7,468	67	3,544,106	474.57	7.083		3,950,648	7.896
170	2017	0	55	0	0.00	0.000	1.148	0	1.000
	2018	0	55	0	0.00	0.000	1.133	0	1.000
	2019	0	55	0	0.00	0.000	1.118	0	1.000
	2020	0	55	0	0.00	0.000	1.103	0	1.000
	<u>2021</u>	<u>0</u>	<u>55</u>	<u>0</u>	<u>0.00</u>	<u>0.000</u>	1.084	<u>0</u>	<u>1.000</u>
	Total	0	55	0	0.00	0.000		0	1.000
180	2017	851	58	307,406	361.23	6.228	1.148	352,902	7.150
	2018	830	58	311,150	374.88	6.463	1.133	352,533	7.323
	2019	826	58	327,164	396.08	6.829	1.118	365,769	7.635
	2020	855	58	345,438	404.02	6.966	1.103	381,018	7.683
	<u>2021</u>	<u>848</u>	<u>58</u>	<u>354,165</u>	<u>417.65</u>	<u>7.201</u>	1.084	<u>383,915</u>	<u>7.806</u>
	Total	4,210	58	1,645,323	390.81	6.738		1,836,137	7.520
190	2017	15	61	9,364	624.27	10.234	1.148	10,750	11.749
	2018	15	61	9,305	620.33	10.169	1.133	10,543	11.522
	2019	14	61	8,227	587.64	9.633	1.118	9,198	10.770
	2020	11	61	6,888	626.18	10.265	1.103	7,597	11.322
	<u>2021</u>	<u>11</u>	<u>61</u>	<u>5,727</u>	<u>520.64</u>	<u>8.535</u>	1.084	<u>6,208</u>	<u>9.252</u>
	Total	66	61	39,511	598.65	9.814		44,296	11.002
200	2017	2	67	384	192.00	2.866	1.148	441	3.291
	2018	3	67	496	165.33	2.468	1.133	562	2.796
	2019	3	67	439	146.33	2.184	1.118	491	2.443
	2020	3	67	753	251.00	3.746	1.103	831	4.134
	<u>2021</u>	<u>1</u>	<u>67</u>	<u>297</u>	<u>297.00</u>	<u>4.433</u>	1.084	<u>322</u>	<u>4.806</u>
	Total	12	67	2,369	197.42	2.947		2,647	3.292



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
210	2017	60	56	27,040	450.67	8.048	1.148	31,042	9.239
	2018	57	56	26,337	462.05	8.251	1.133	29,840	9.348
	2019	58	56	27,641	476.57	8.510	1.118	30,903	9.514
	2020	60	56	28,507	475.12	8.484	1.103	31,443	9.358
	<u>2021</u>	<u>59</u>	<u>56</u>	<u>31,442</u>	<u>532.92</u>	<u>9.516</u>	1.084	<u>34,083</u>	<u>10.316</u>
	Total	294	56	140,967	479.48	8.562		157,311	9.555
220	2017	1,187	57	492,778	415.15	7.283	1.148	565,709	8.361
	2018	1,154	57	486,704	421.75	7.399	1.133	551,436	8.383
	2019	1,199	57	515,578	430.01	7.544	1.118	576,416	8.434
	2020	1,251	57	543,309	434.30	7.619	1.103	599,270	8.404
	<u>2021</u>	<u>1,301</u>	<u>57</u>	<u>592,223</u>	<u>455.21</u>	<u>7.986</u>	1.084	<u>641,970</u>	<u>8.657</u>
	Total	6,092	57	2,630,592	431.81	7.576		2,934,801	8.452
230	2017	69	60	21,466	311.10	5.185	1.148	24,643	5.952
	2018	67	60	21,555	321.72	5.362	1.133	24,422	6.075
	2019	66	60	22,072	334.42	5.574	1.118	24,676	6.231
	2020	58	60	18,891	325.71	5.429	1.103	20,837	5.988
	<u>2021</u>	<u>55</u>	<u>60</u>	<u>19,990</u>	<u>363.45</u>	<u>6.058</u>	1.084	<u>21,669</u>	<u>6.566</u>
	Total	315	60	103,974	330.08	5.501		116,247	6.151
240	2017	249	53	109,626	440.27	8.307	1.148	125,851	9.536
	2018	255	53	112,990	443.10	8.360	1.133	128,018	9.472
	2019	265	53	124,179	468.60	8.842	1.118	138,832	9.885
	2020	277	53	141,095	509.37	9.611	1.103	155,628	10.601
	<u>2021</u>	<u>278</u>	<u>53</u>	<u>153,762</u>	<u>553.10</u>	<u>10.436</u>	1.084	<u>166,678</u>	<u>11.312</u>
	Total	1,324	53	641,652	484.63	9.144		715,007	10.189
250	2017	77	51	33,465	434.61	8.522	1.148	38,418	9.783
	2018	78	51	34,235	438.91	8.606	1.133	38,788	9.751
	2019	89	51	39,910	448.43	8.793	1.118	44,619	9.830
	2020	94	51	42,108	447.96	8.784	1.103	46,445	9.688
	<u>2021</u>	<u>96</u>	<u>51</u>	<u>43,920</u>	<u>457.50</u>	<u>8.971</u>	1.084	<u>47,609</u>	<u>9.724</u>
	Total	434	51	193,638	446.17	8.748		215,879	9.753

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
260	2017	18	51	6,571	365.06	7.158	1.148	7,544	8.218
	2018	16	51	6,056	378.50	7.422	1.133	6,861	8.408
	2019	18	51	7,116	395.33	7.752	1.118	7,956	8.667
	2020	17	51	6,521	383.59	7.521	1.103	7,193	8.296
	<u>2021</u>	<u>17</u>	<u>51</u>	<u>6,836</u>	<u>402.12</u>	<u>7.885</u>	1.084	<u>7,410</u>	<u>8.547</u>
	Total	86	51	33,100	384.88	7.547		36,964	8.428
270	2017	11,460	58	5,031,279	439.03	7.569	1.148	5,775,908	8.690
	2018	11,367	58	5,153,764	453.40	7.817	1.133	5,839,215	8.857
	2019	11,907	58	5,699,278	478.65	8.253	1.118	6,371,793	9.226
	2020	12,545	58	6,191,973	493.58	8.510	1.103	6,829,746	9.387
	<u>2021</u>	<u>12,611</u>	<u>58</u>	<u>6,425,889</u>	<u>509.55</u>	<u>8.785</u>	1.084	<u>6,965,664</u>	<u>9.523</u>
	Total	59,890	58	28,502,183	475.91	8.205		31,782,326	9.150
280	2017	2,480	43	837,384	337.65	7.852	1.148	961,317	9.015
	2018	2,498	43	877,188	351.16	8.167	1.133	993,854	9.253
	2019	2,609	43	947,183	363.04	8.443	1.118	1,058,951	9.439
	2020	2,715	43	1,012,796	373.04	8.675	1.103	1,117,114	9.569
	<u>2021</u>	<u>2,699</u>	<u>43</u>	<u>1,044,984</u>	<u>387.17</u>	<u>9.004</u>	1.084	<u>1,132,763</u>	<u>9.760</u>
	Total	13,001	43	4,719,535	363.01	8.442		5,263,999	9.416
290	2017	1,033	53	402,654	389.79	7.355	1.148	462,247	8.443
	2018	1,009	53	404,299	400.69	7.560	1.133	458,071	8.566
	2019	1,045	53	432,565	413.94	7.810	1.118	483,608	8.732
	2020	1,074	53	455,701	424.30	8.006	1.103	502,638	8.830
	<u>2021</u>	<u>1,062</u>	<u>53</u>	<u>463,904</u>	<u>436.82</u>	<u>8.242</u>	1.084	<u>502,872</u>	<u>8.934</u>
	Total	5,223	53	2,159,123	413.39	7.800		2,409,436	8.704
300	2017	23	51	8,048	349.91	6.861	1.148	9,239	7.876
	2018	24	51	8,761	365.04	7.158	1.133	9,926	8.109
	2019	25	51	9,026	361.04	7.079	1.118	10,091	7.915
	2020	25	51	9,323	372.92	7.312	1.103	10,283	8.065
	<u>2021</u>	<u>27</u>	<u>51</u>	<u>10,641</u>	<u>394.11</u>	<u>7.728</u>	1.084	<u>11,535</u>	<u>8.377</u>
	Total	124	51	45,799	369.35	7.242		51,074	8.076

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
310	2017	9,175	45	2,977,644	324.54	7.212	1.148	3,418,335	8.279
	2018	9,044	45	3,051,250	337.38	7.497	1.133	3,457,066	8.494
	2019	9,348	45	3,309,652	354.05	7.868	1.118	3,700,191	8.796
	2020	9,580	45	3,450,426	360.17	8.004	1.103	3,805,820	8.828
	<u>2021</u>	<u>9,479</u>	<u>45</u>	<u>3,525,133</u>	<u>371.89</u>	<u>8.264</u>	<u>1.084</u>	<u>3,821,244</u>	<u>8.958</u>
	Total	46,626	45	16,314,105	349.89	7.775		18,202,656	8.675
320	2017	1,943	46	626,351	322.36	7.008	1.148	719,051	8.045
	2018	1,967	46	648,594	329.74	7.168	1.133	734,857	8.122
	2019	2,043	46	700,159	342.71	7.450	1.118	782,778	8.329
	2020	2,093	46	728,127	347.89	7.563	1.103	803,124	8.342
	<u>2021</u>	<u>2,051</u>	<u>46</u>	<u>749,385</u>	<u>365.38</u>	<u>7.943</u>	<u>1.084</u>	<u>812,333</u>	<u>8.610</u>
	Total	10,097	46	3,452,616	341.94	7.433		3,852,143	8.294
330	2017	26	50	9,430	362.69	7.254	1.148	10,826	8.328
	2018	22	50	8,480	385.45	7.709	1.133	9,608	8.735
	2019	24	50	9,984	416.00	8.320	1.118	11,162	9.302
	2020	26	50	12,156	467.54	9.351	1.103	13,408	10.314
	<u>2021</u>	<u>27</u>	<u>50</u>	<u>12,502</u>	<u>463.04</u>	<u>9.261</u>	<u>1.084</u>	<u>13,552</u>	<u>10.039</u>
	Total	125	50	52,552	420.42	8.408		58,556	9.369
340	2017	27,722	49	9,998,585	360.67	7.361	1.148	11,478,376	8.450
	2018	27,074	49	10,158,140	375.20	7.657	1.133	11,509,173	8.676
	2019	28,375	49	11,315,455	398.78	8.138	1.118	12,650,679	9.099
	2020	29,981	49	12,303,191	410.37	8.375	1.103	13,570,420	9.237
	<u>2021</u>	<u>29,736</u>	<u>49</u>	<u>12,600,422</u>	<u>423.74</u>	<u>8.648</u>	<u>1.084</u>	<u>13,658,857</u>	<u>9.374</u>
	Total	142,888	49	56,375,793	394.55	8.052		62,867,505	8.979
350	2017	1,549	48	528,044	340.89	7.102	1.148	606,195	8.153
	2018	1,586	48	564,523	355.94	7.415	1.133	639,605	8.402
	2019	1,668	48	622,667	373.30	7.777	1.118	696,142	8.695
	2020	1,737	48	661,227	380.67	7.931	1.103	729,333	8.748
	<u>2021</u>	<u>1,744</u>	<u>48</u>	<u>680,523</u>	<u>390.21</u>	<u>8.129</u>	<u>1.084</u>	<u>737,687</u>	<u>8.812</u>
	Total	8,284	48	3,056,984	369.02	7.688		3,408,962	8.573

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF TRENDED AVERAGE RATING FACTORS - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Aggregate Calculated Earned Premium at Current Level	Average Rate (3) / (1)	Average Rating Factor (4) / (2)	Premium Trend Factor	Trended Aggregate Calculated Earned Premium at Current Level (3) x (6)	Trended Average Rating Factor (7) / [(1)x(2)]	
<u>Territory</u>	<u>Year</u>	<u>Earned House Years</u>	<u>Current Base Rate</u>						
360	2017	7,845	39	2,473,639	315.31	8.085	1.148	2,839,738	9.282
	2018	7,645	39	2,500,201	327.04	8.386	1.133	2,832,728	9.501
	2019	7,888	39	2,704,425	342.85	8.791	1.118	3,023,547	9.828
	2020	8,220	39	2,891,095	351.71	9.018	1.103	3,188,878	9.947
	<u>2021</u>	<u>8,243</u>	<u>39</u>	<u>2,992,156</u>	<u>362.99</u>	<u>9.307</u>	<u>1.084</u>	<u>3,243,497</u>	<u>10.089</u>
	Total	39,841	39	13,561,516	340.39	8.728		15,128,388	9.736
370	2017	1,472	50	459,657	312.27	6.245	1.148	527,686	7.170
	2018	1,483	50	482,156	325.12	6.502	1.133	546,283	7.367
	2019	1,499	50	503,273	335.74	6.715	1.118	562,659	7.507
	2020	1,544	50	526,939	341.28	6.826	1.103	581,214	7.529
	<u>2021</u>	<u>1,561</u>	<u>50</u>	<u>545,200</u>	<u>349.26</u>	<u>6.985</u>	<u>1.084</u>	<u>590,997</u>	<u>7.572</u>
	Total	7,559	50	2,517,225	333.01	6.660		2,808,839	7.432
380	2017	803	48	284,041	353.72	7.369	1.148	326,079	8.460
	2018	782	48	285,679	365.32	7.611	1.133	323,674	8.623
	2019	808	48	306,828	379.74	7.911	1.118	343,034	8.845
	2020	845	48	329,107	389.48	8.114	1.103	363,005	8.950
	<u>2021</u>	<u>871</u>	<u>48</u>	<u>354,655</u>	<u>407.18</u>	<u>8.483</u>	<u>1.084</u>	<u>384,446</u>	<u>9.196</u>
	Total	4,109	48	1,560,310	379.73	7.911		1,740,238	8.823
390	2017	627	49	286,557	457.03	9.327	1.148	328,967	10.708
	2018	600	49	292,639	487.73	9.954	1.133	331,560	11.278
	2019	623	49	313,279	502.86	10.262	1.118	350,246	11.473
	2020	661	49	333,129	503.98	10.285	1.103	367,441	11.345
	<u>2021</u>	<u>659</u>	<u>49</u>	<u>348,653</u>	<u>529.06</u>	<u>10.797</u>	<u>1.084</u>	<u>377,940</u>	<u>11.704</u>
	Total	3,170	49	1,574,257	496.61	10.135		1,756,154	11.306
Statewide	2017	79,499	54.89	31,151,966	391.85	7.139	1.148	35,762,460	8.195
	2018	78,741	55.13	32,136,473	408.13	7.403	1.133	36,410,625	8.388
	2019	81,709	55.14	35,138,511	430.04	7.799	1.118	39,284,856	8.719
	2020	84,977	54.90	37,435,170	440.53	8.024	1.103	41,290,993	8.851
	<u>2021</u>	<u>84,715</u>	<u>54.73</u>	<u>38,624,005</u>	<u>455.93</u>	<u>8.331</u>	<u>1.084</u>	<u>41,868,421</u>	<u>9.030</u>
	Total	409,641	54.96	174,486,125	425.95	7.750		194,617,355	8.644

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS**

Territory	Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Earned House Years	Trended Average Rating Factor	Total Adjusted Incurred Losses	Hurricane Adjusted Incurred Losses	Non-Hurricane Adjusted Incurred Losses (3) - (4)	Non-Hurricane Wind Adjusted Incurred Losses	Excess Non-Hurricane Wind Provision	Loss Trend Factor	Trended LAE Factor	Trended Non-Hurricane Losses & LAE with Wind Provision [(5)-(6)+(7)]x(8)x(9)	Trended Non-Hurricane Base Class Loss Cost (10)/[(1)x(2)]
110	2017	18,665	2.179	3,980,667	11,212	3,969,455	299,138	1,820,658	1.602	1.119	9,843,330	
	2018	19,425	2.198	9,713,772	1,243,459	8,470,313	1,380,050	2,228,668	1.519	1.119	15,839,955	
	2019	19,403	2.259	22,253,201	14,446,920	7,806,281	987,933	1,936,303	1.439	1.119	14,097,098	
	2020	19,840	2.265	7,774,274	184,354	7,589,920	1,272,393	2,069,398	1.364	1.119	12,801,098	
	<u>2021</u>	<u>19,664</u>	<u>2.256</u>	<u>9,690,993</u>	<u>138,728</u>	<u>9,552,265</u>	<u>829,454</u>	<u>2,556,742</u>	1.293	1.119	<u>16,320,013</u>	
	Total	96,997	2.232	53,412,907	16,024,673	37,388,234	4,768,968	10,611,769			68,901,494	318.26
120	2017	19,348	1.890	6,170,660	59,062	6,111,598	920,126	1,887,280	1.602	1.119	12,689,640	
	2018	19,792	1.910	316,918,064	307,647,149	9,270,915	1,375,554	2,270,775	1.519	1.119	17,280,001	
	2019	21,756	1.899	17,328,913	4,361,119	12,967,794	832,851	2,171,118	1.439	1.119	23,036,206	
	2020	22,559	1.915	21,370,227	10,194,890	11,175,337	1,274,023	2,353,001	1.364	1.119	18,703,957	
	<u>2021</u>	<u>19,920</u>	<u>2.003</u>	<u>6,651,836</u>	<u>148,862</u>	<u>6,502,974</u>	<u>1,043,047</u>	<u>2,590,027</u>	1.293	1.119	<u>11,647,213</u>	
	Total	103,375	1.923	368,439,700	322,411,082	46,028,618	5,445,601	11,272,201			83,357,017	419.32
130	2017	11,517	1.891	4,642,451	17,807	4,624,644	223,284	937,203	1.602	1.119	9,570,111	
	2018	12,122	1.861	18,761,778	14,747,407	4,014,371	820,958	1,166,428	1.519	1.119	7,410,688	
	2019	12,535	1.819	10,744,719	5,810,691	4,934,028	623,184	1,082,823	1.439	1.119	8,685,104	
	2020	12,924	1.788	6,479,685	692,270	5,787,415	1,944,073	1,154,500	1.364	1.119	7,628,286	
	<u>2021</u>	<u>13,294</u>	<u>1.781</u>	<u>6,548,689</u>	<u>53,152</u>	<u>6,495,537</u>	<u>990,432</u>	<u>1,307,084</u>	1.293	1.119	<u>9,856,331</u>	
	Total	62,392	1.826	47,177,322	21,321,327	25,855,995	4,601,931	5,648,038			43,150,520	378.75
140	2017	81,281	1.714	27,757,103	139,803	27,617,300	6,926,702	6,614,290	1.602	1.119	48,947,780	
	2018	83,440	1.735	759,299,611	720,357,378	38,942,233	6,342,846	8,028,932	1.519	1.119	69,058,432	
	2019	84,600	1.752	56,395,985	21,335,627	35,060,358	7,610,382	7,308,084	1.439	1.119	55,968,853	
	2020	89,055	1.758	61,747,646	26,653,457	35,094,189	11,441,451	7,955,275	1.364	1.119	48,243,816	
	<u>2021</u>	<u>95,180</u>	<u>1.756</u>	<u>64,528,568</u>	<u>608,069</u>	<u>63,920,499</u>	<u>24,833,040</u>	<u>9,358,224</u>	1.293	1.119	<u>70,094,460</u>	
	Total	433,556	1.744	969,728,913	769,094,334	200,634,579	57,154,421	39,264,805			292,313,341	386.60
150	2017	45,025	1.618	12,740,971	72,196	12,668,775	1,568,030	3,663,936	1.602	1.119	26,467,728	
	2018	46,204	1.620	125,848,400	105,600,831	20,247,569	2,688,757	4,445,935	1.519	1.119	37,402,811	
	2019	47,561	1.618	26,656,623	9,171,729	17,484,894	3,972,305	4,108,508	1.439	1.119	28,374,213	
	2020	49,043	1.612	24,791,597	6,255,479	18,536,118	7,148,983	4,381,007	1.364	1.119	24,067,167	
	<u>2021</u>	<u>50,078</u>	<u>1.613</u>	<u>27,757,250</u>	<u>612,108</u>	<u>27,145,142</u>	<u>12,307,499</u>	<u>4,923,736</u>	1.293	1.119	<u>28,592,087</u>	
	Total	237,911	1.616	217,794,841	121,712,343	96,082,498	27,685,574	21,523,122			144,904,006	376.90

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS**

Territory	Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Earned House Years	Trended Average Rating Factor	Total Adjusted Incurred Losses	Hurricane Adjusted Incurred Losses	Non-Hurricane Adjusted Incurred Losses (3) - (4)	Non-Hurricane Wind Adjusted Incurred Losses	Excess Non-Hurricane Wind Provision	Loss Trend Factor	Trended LAE Factor	Trended Non-Hurricane Losses & LAE with Wind Provision [(5)-(6)+(7)]x(8)x(9)	Trended Non-Hurricane Base Class Loss Cost (10)/[(1)x(2)]
160	2017	37,137	1.451	12,541,594	18,928	12,522,666	1,876,603	3,022,045	1.602	1.119	24,501,970	
	2018	37,780	1.456	288,193,458	273,996,937	14,196,521	3,362,884	3,635,343	1.519	1.119	24,593,808	
	2019	37,877	1.461	15,481,994	2,864,234	12,617,760	1,199,837	3,271,966	1.439	1.119	23,654,262	
	2020	39,069	1.465	26,137,732	10,487,585	15,650,147	4,803,102	3,490,030	1.364	1.119	21,882,907	
	<u>2021</u>	<u>42,444</u>	<u>1.461</u>	<u>18,255,531</u>	<u>293,897</u>	<u>17,961,634</u>	<u>4,007,671</u>	<u>4,173,151</u>	1.293	1.119	<u>26,227,523</u>	
	Total	194,307	1.459	360,610,309	287,661,581	72,948,728	15,250,097	17,592,535			120,860,470	426.32
	170	2017	4,387	1.646	2,400,885	31,401	2,369,484	431,822	722,546	1.602	1.119	4,768,790
2018		4,343	1.640	2,074,893	96,104	1,978,789	708,252	878,065	1.519	1.119	3,652,110	
2019		4,306	1.628	9,056,623	76,940	8,979,683	7,515,980	776,886	1.439	1.119	3,607,888	
2020		4,261	1.596	3,564,215	1,161,897	2,402,318	1,337,819	804,097	1.364	1.119	2,852,068	
<u>2021</u>		<u>4,377</u>	<u>1.562</u>	<u>1,464,502</u>	<u>25,149</u>	<u>1,439,353</u>	<u>481,549</u>	<u>939,254</u>	1.293	1.119	<u>2,744,791</u>	
Total		21,674	1.614	18,561,118	1,391,491	17,169,627	10,475,422	4,120,848			17,625,647	503.85
180		2017	49,885	1.544	13,779,460	32,078	13,747,382	2,064,764	8,216,145	1.602	1.119	35,671,279
	2018	50,006	1.536	35,809,753	19,786,029	16,023,724	3,116,086	10,110,187	1.519	1.119	39,124,801	
	2019	50,251	1.524	28,519,158	4,059,645	24,459,513	10,785,903	9,066,261	1.439	1.119	36,616,673	
	2020	50,867	1.514	36,588,549	9,093,913	27,494,636	14,634,155	9,599,160	1.364	1.119	34,280,509	
	<u>2021</u>	<u>51,716</u>	<u>1.523</u>	<u>24,227,865</u>	<u>990,905</u>	<u>23,236,960</u>	<u>9,000,816</u>	<u>11,097,665</u>	1.293	1.119	<u>36,654,652</u>	
	Total	252,725	1.528	138,924,785	33,962,570	104,962,215	39,601,724	48,089,418			182,347,914	472.20
	190	2017	13,527	1.493	3,548,384	4,980	3,543,404	808,319	2,227,920	1.602	1.119	8,896,871
2018		13,203	1.459	32,064,346	25,400,297	6,664,049	751,043	2,669,376	1.519	1.119	14,587,998	
2019		12,845	1.426	3,664,339	785,609	2,878,730	600,373	2,317,489	1.439	1.119	7,400,420	
2020		12,737	1.415	7,626,979	1,257,124	6,369,855	2,193,820	2,403,611	1.364	1.119	10,042,619	
<u>2021</u>		<u>12,777</u>	<u>1.421</u>	<u>6,920,616</u>	<u>80,112</u>	<u>6,840,504</u>	<u>1,367,274</u>	<u>2,741,799</u>	1.293	1.119	<u>11,886,054</u>	
Total		65,089	1.443	53,824,664	27,528,122	26,296,542	5,720,829	12,360,195			52,813,962	562.31
200		2017	5,987	1.722	2,976,299	8,258	2,968,041	308,335	986,069	1.602	1.119	6,535,555
	2018	5,897	1.674	22,865,888	19,482,852	3,383,036	323,125	1,192,252	1.519	1.119	7,227,661	
	2019	5,765	1.628	3,376,234	432,749	2,943,485	217,318	1,040,119	1.439	1.119	6,064,628	
	2020	5,687	1.594	2,708,295	308,504	2,399,791	1,013,446	1,073,199	1.364	1.119	3,754,041	
	<u>2021</u>	<u>5,712</u>	<u>1.553</u>	<u>2,156,803</u>	<u>0</u>	<u>2,156,803</u>	<u>598,696</u>	<u>1,225,730</u>	1.293	1.119	<u>4,027,842</u>	
	Total	29,048	1.635	34,083,519	20,232,363	13,851,156	2,460,920	5,517,369			27,609,727	581.34

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS**

Territory	Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Earned House Years	Trended Average Rating Factor	Total Adjusted Incurred Losses	Hurricane Adjusted Incurred Losses	Non-Hurricane Adjusted Incurred Losses (3) - (4)	Non-Hurricane Wind Adjusted Incurred Losses	Excess Non-Hurricane Wind Provision	Loss Trend Factor	Trended LAE Factor	Trended Non-Hurricane Losses & LAE with Wind Provision [(5)-(6)+(7)]x(8)x(9)	Trended Non-Hurricane Base Class Loss Cost (10)/[(1)x(2)]
210	2017	19,615	1.490	7,011,983	4,705	7,007,278	1,294,757	3,230,624	1.602	1.119	16,031,822	
	2018	19,462	1.474	9,636,353	3,056,824	6,579,529	1,197,761	3,934,817	1.519	1.119	15,835,968	
	2019	19,782	1.460	12,602,844	927,152	11,675,692	7,825,274	3,569,059	1.439	1.119	11,947,146	
	2020	20,178	1.447	24,312,111	2,651,067	21,661,044	16,392,174	3,807,809	1.364	1.119	13,853,880	
	<u>2021</u>	<u>20,405</u>	<u>1.463</u>	<u>9,148,400</u>	<u>281,681</u>	<u>8,866,719</u>	<u>4,118,371</u>	<u>4,378,681</u>	1.293	1.119	<u>13,205,597</u>	
	Total	99,442	1.467	62,711,691	6,921,429	55,790,262	30,828,337	18,920,990			70,874,413	485.84
220	2017	52,944	1.511	22,437,641	33,928	22,403,713	5,339,245	8,719,968	1.602	1.119	46,222,160	
	2018	52,797	1.518	103,101,447	77,030,151	26,071,296	5,297,966	10,674,470	1.519	1.119	53,453,744	
	2019	53,945	1.514	23,048,286	1,145,622	21,902,664	3,676,383	9,732,731	1.439	1.119	45,020,747	
	2020	55,999	1.504	39,290,751	2,124,990	37,165,761	12,518,105	10,567,624	1.364	1.119	53,749,645	
	<u>2021</u>	<u>58,532</u>	<u>1.506</u>	<u>32,510,826</u>	<u>752,482</u>	<u>31,758,344</u>	<u>7,486,349</u>	<u>12,560,301</u>	1.293	1.119	<u>53,291,434</u>	
	Total	274,217	1.510	220,388,951	81,087,173	139,301,778	34,318,048	52,255,094			251,737,730	607.96
230	2017	13,944	1.468	5,552,909	3,198	5,549,711	427,351	2,296,601	1.602	1.119	13,299,511	
	2018	13,912	1.460	31,381,842	27,137,128	4,244,714	669,214	2,812,721	1.519	1.119	10,858,449	
	2019	13,853	1.443	7,552,984	224,329	7,328,655	1,765,563	2,499,352	1.439	1.119	12,982,478	
	2020	13,782	1.427	8,290,846	256,466	8,034,380	1,453,873	2,600,814	1.364	1.119	14,013,597	
	<u>2021</u>	<u>13,950</u>	<u>1.438</u>	<u>12,532,548</u>	<u>127,173</u>	<u>12,405,375</u>	<u>7,295,682</u>	<u>2,993,511</u>	1.293	1.119	<u>11,724,258</u>	
	Total	69,441	1.447	65,311,129	27,748,294	37,562,835	11,611,683	13,202,999			62,878,293	625.77
240	2017	75,238	1.598	28,127,265	68,397	28,058,868	10,574,981	12,391,828	1.602	1.119	53,556,342	
	2018	75,635	1.591	54,698,568	20,890,580	33,807,988	11,041,573	15,291,845	1.519	1.119	64,689,946	
	2019	78,308	1.582	107,916,151	2,014,758	105,901,393	84,637,058	14,128,292	1.439	1.119	56,990,659	
	2020	81,830	1.575	68,345,993	6,053,142	62,292,851	37,405,803	15,442,216	1.364	1.119	61,555,201	
	<u>2021</u>	<u>84,717</u>	<u>1.595</u>	<u>66,016,004</u>	<u>1,987,638</u>	<u>64,028,366</u>	<u>30,159,301</u>	<u>18,179,304</u>	1.293	1.119	<u>75,307,068</u>	
	Total	395,728	1.588	325,103,981	31,014,515	294,089,466	173,818,716	75,433,485			312,099,216	496.64
250	2017	31,252	1.569	20,423,724	19,853	20,403,871	9,237,909	5,147,258	1.602	1.119	29,243,698	
	2018	31,135	1.572	54,343,791	39,897,743	14,446,048	4,357,798	6,294,858	1.519	1.119	27,847,368	
	2019	31,939	1.565	18,392,590	783,957	17,608,633	5,329,261	5,762,419	1.439	1.119	29,051,632	
	2020	33,404	1.549	24,365,872	1,354,870	23,011,002	9,677,455	6,303,700	1.364	1.119	29,972,644	
	<u>2021</u>	<u>35,094</u>	<u>1.546</u>	<u>26,410,802</u>	<u>721,119</u>	<u>25,689,683</u>	<u>10,741,298</u>	<u>7,530,773</u>	1.293	1.119	<u>32,524,352</u>	
	Total	162,824	1.560	143,936,779	42,777,542	101,159,237	39,343,721	31,039,008			148,639,694	585.18

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS**

Territory	Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Earned House Years	Trended Average Rating Factor	Total Adjusted Incurred Losses	Hurricane Adjusted Incurred Losses	Adjusted Incurred Losses (3) - (4)	Non-Hurricane Wind Adjusted Incurred Losses	Excess Non-Hurricane Wind Provision	Loss Trend Factor	Trended LAE Factor	Trended Non-Hurricane Losses & LAE with Wind Provision [(5)-(6)+(7)]x(8)x(9)	Trended Non-Hurricane Base Class Loss Cost (10)/[(1)x(2)]
260	2017	25,916	1.970	9,005,760	15,509	8,990,251	1,933,698	4,268,410	1.602	1.119	20,301,559	
	2018	25,986	1.973	17,884,649	4,799,385	13,085,264	2,979,504	5,253,836	1.519	1.119	26,107,642	
	2019	26,423	1.966	14,134,451	26,247	14,108,204	4,336,025	4,767,225	1.439	1.119	23,411,944	
	2020	26,923	1.919	24,636,060	2,088,465	22,547,595	14,402,444	5,080,665	1.364	1.119	20,186,775	
	<u>2021</u>	<u>27,514</u>	<u>1.878</u>	<u>19,290,114</u>	<u>464,048</u>	<u>18,826,066</u>	<u>7,770,323</u>	<u>5,904,191</u>	1.293	1.119	<u>24,538,769</u>	
	Total	132,762	1.940	84,951,034	7,393,654	77,557,380	31,421,994	25,274,327			114,546,689	444.74
	270	2017	269,074	1.937	228,177,172	497,399	227,679,773	138,605,812	44,316,951	1.602	1.119	239,121,618
2018		266,456	1.944	192,388,725	44,270,798	148,117,927	48,191,648	53,871,936	1.519	1.119	261,420,208	
2019		274,101	1.949	275,995,253	2,103,995	273,891,258	184,060,961	49,453,170	1.439	1.119	224,279,949	
2020		284,296	1.949	341,978,472	14,261,955	327,716,517	229,107,293	53,649,766	1.364	1.119	232,395,333	
<u>2021</u>		<u>289,980</u>	<u>1.982</u>	<u>187,175,167</u>	<u>6,676,357</u>	<u>180,498,810</u>	<u>68,014,214</u>	<u>62,226,406</u>	1.293	1.119	<u>252,783,583</u>	
Total		1,383,907	1.953	1,225,714,789	67,810,504	1,157,904,285	667,979,928	263,518,229			1,210,000,691	447.69
280		2017	41,145	2.260	15,686,011	46,673	15,639,338	3,739,557	6,776,652	1.602	1.119	33,480,084
	2018	41,245	2.256	31,904,725	10,845,847	21,058,878	7,171,332	8,338,893	1.519	1.119	37,779,634	
	2019	42,686	2.245	26,652,764	198,921	26,453,843	16,031,356	7,701,388	1.439	1.119	29,183,807	
	2020	44,324	2.237	37,733,967	2,017,138	35,716,829	23,959,156	8,364,424	1.364	1.119	30,712,679	
	<u>2021</u>	<u>45,184</u>	<u>2.274</u>	<u>28,194,654</u>	<u>1,235,760</u>	<u>26,958,894</u>	<u>11,185,002</u>	<u>9,695,972</u>	1.293	1.119	<u>36,851,506</u>	
	Total	214,584	2.255	140,172,121	14,344,339	125,827,782	62,086,403	40,877,329			168,007,710	347.20
	290	2017	31,815	1.874	10,997,743	71,206	10,926,537	3,441,165	5,239,985	1.602	1.119	22,811,959
2018		32,260	1.882	22,435,342	9,996,077	12,439,265	1,993,196	6,522,310	1.519	1.119	28,842,189	
2019		33,271	1.879	10,790,062	171,230	10,618,832	2,223,893	6,002,738	1.439	1.119	23,183,730	
2020		34,694	1.861	15,493,643	378,174	15,115,469	6,028,765	6,547,137	1.364	1.119	23,862,182	
<u>2021</u>		<u>36,128</u>	<u>1.861</u>	<u>25,913,018</u>	<u>239,230</u>	<u>25,673,788</u>	<u>12,950,365</u>	<u>7,752,657</u>	1.293	1.119	<u>29,626,164</u>	
Total		168,168	1.871	85,629,808	10,855,917	74,773,891	26,637,384	32,064,827			128,326,224	407.85
300		2017	13,431	1.563	6,626,655	33,523	6,593,132	1,360,441	2,212,109	1.602	1.119	13,345,831
	2018	13,038	1.555	12,652,209	7,917,677	4,734,532	866,136	2,636,016	1.519	1.119	11,055,946	
	2019	13,178	1.567	5,530,577	9,401	5,521,176	1,164,680	2,377,568	1.439	1.119	10,843,466	
	2020	13,536	1.566	6,510,519	123,257	6,387,262	4,505,718	2,554,391	1.364	1.119	6,770,639	
	<u>2021</u>	<u>13,709</u>	<u>1.594</u>	<u>6,513,108</u>	<u>97,142</u>	<u>6,415,966</u>	<u>1,861,849</u>	<u>2,941,795</u>	1.293	1.119	<u>10,845,588</u>	
	Total	66,892	1.569	37,833,068	8,181,000	29,652,068	9,758,824	12,721,879			52,861,470	503.67



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS**

Territory	Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Earned House Years	Trended Average Rating Factor	Total Adjusted Incurred Losses	Hurricane Adjusted Incurred Losses	Non-Hurricane Adjusted Incurred Losses (3) - (4)	Non-Hurricane Wind Adjusted Incurred Losses	Excess Non-Hurricane Wind Provision	Loss Trend Factor	Trended LAE Factor	Trended Non-Hurricane Losses & LAE with Wind Provision [(5)-(6)+(7)]x(8)x(9)	Trended Non-Hurricane Base Class Loss Cost (10)/[(1)x(2)]
310	2017	255,392	1.690	91,641,374	330,838	91,310,536	32,855,575	42,063,502	1.602	1.119	180,193,216	
	2018	252,569	1.675	175,931,368	52,153,962	123,777,406	43,345,933	51,064,270	1.519	1.119	223,511,336	
	2019	258,446	1.660	133,342,624	347,815	132,994,809	68,061,419	46,628,703	1.439	1.119	179,641,856	
	2020	264,603	1.646	141,374,003	22,291,689	119,082,314	47,374,675	49,933,482	1.364	1.119	185,662,789	
	<u>2021</u>	<u>269,318</u>	<u>1.682</u>	<u>133,471,635</u>	<u>1,243,898</u>	<u>132,227,737</u>	<u>46,770,112</u>	<u>57,792,576</u>	1.293	1.119	<u>207,263,989</u>	
	Total	1,300,328	1.670	675,761,004	76,368,202	599,392,802	238,407,714	247,482,533			976,273,186	449.57
	320	2017	126,507	1.634	63,171,257	66,732	63,104,525	31,994,806	20,835,921	1.602	1.119	93,119,728
2018		125,121	1.618	76,686,974	23,298,722	53,388,252	15,019,410	25,296,899	1.519	1.119	108,216,544	
2019		128,626	1.616	66,795,259	240,330	66,554,929	36,389,870	23,206,641	1.439	1.119	85,941,300	
2020		133,067	1.610	87,744,033	7,348,229	80,395,804	42,883,433	25,111,199	1.364	1.119	95,583,357	
<u>2021</u>		<u>136,352</u>	<u>1.636</u>	<u>92,994,497</u>	<u>703,459</u>	<u>92,291,038</u>	<u>53,089,597</u>	<u>29,259,587</u>	1.293	1.119	<u>99,054,002</u>	
Total		649,673	1.623	387,392,020	31,657,472	355,734,548	179,377,116	123,710,247			481,914,931	457.04
330		2017	7,030	1.873	2,132,718	0	2,132,718	1,078,089	1,157,853	1.602	1.119	3,966,179
	2018	6,772	1.852	3,199,680	330,061	2,869,619	757,668	1,369,159	1.519	1.119	5,917,055	
	2019	7,036	1.815	2,523,914	6,688	2,517,226	974,265	1,269,432	1.439	1.119	4,528,631	
	2020	7,242	1.719	3,894,222	1,133,235	2,760,987	1,124,695	1,366,645	1.364	1.119	4,583,431	
	<u>2021</u>	<u>7,358</u>	<u>1.680</u>	<u>2,353,065</u>	<u>7,002</u>	<u>2,346,063</u>	<u>745,422</u>	<u>1,578,943</u>	1.293	1.119	<u>4,600,435</u>	
	Total	35,438	1.786	14,103,599	1,476,986	12,626,613	4,680,139	6,742,032			23,595,731	372.81
	340	2017	297,066	1.926	174,197,006	365,554	173,831,452	82,082,020	48,927,282	1.602	1.119	252,182,423
2018		289,666	1.934	222,024,339	53,119,011	168,905,328	61,173,677	58,564,522	1.519	1.119	282,663,749	
2019		295,480	1.950	179,526,457	766,322	178,760,135	64,165,112	53,310,359	1.439	1.119	270,368,130	
2020		304,436	1.951	289,365,162	18,820,444	270,544,718	151,834,407	57,450,405	1.364	1.119	268,876,919	
<u>2021</u>		<u>311,223</u>	<u>1.979</u>	<u>204,743,796</u>	<u>3,595,530</u>	<u>201,148,266</u>	<u>55,682,927</u>	<u>66,784,912</u>	1.293	1.119	<u>307,097,884</u>	
Total		1,497,871	1.948	1,069,856,760	76,666,861	993,189,899	414,938,143	285,037,480			1,381,189,105	473.36
350		2017	92,205	1.672	41,234,292	113,900	41,120,392	15,774,650	15,186,322	1.602	1.119	72,659,318
	2018	91,277	1.669	61,524,206	6,938,570	54,585,636	27,005,959	18,454,337	1.519	1.119	78,246,822	
	2019	93,269	1.668	37,362,853	130,932	37,231,921	11,703,619	16,827,548	1.439	1.119	68,203,126	
	2020	95,586	1.646	63,389,175	8,997,185	54,391,990	23,850,707	18,038,124	1.364	1.119	74,147,526	
	<u>2021</u>	<u>97,769</u>	<u>1.661</u>	<u>41,974,998</u>	<u>714,003</u>	<u>41,260,995</u>	<u>9,516,096</u>	<u>20,980,114</u>	1.293	1.119	<u>76,286,081</u>	
	Total	470,106	1.663	245,485,524	16,894,590	228,590,934	87,851,031	89,486,445			369,542,873	472.69

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - OWNERS FORMS**

Territory	Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Earned House Years	Trended Average Rating Factor	Total Adjusted Incurred Losses	Hurricane Adjusted Incurred Losses	Non-Hurricane Adjusted Incurred Losses (3) - (4)	Non-Hurricane Wind Adjusted Incurred Losses	Excess Non-Hurricane Wind Provision	Loss Trend Factor	Trended LAE Factor	Trended Non-Hurricane Losses & LAE with Wind Provision [(5)-(6)+(7)]x(8)x(9)	Trended Non-Hurricane Base Class Loss Cost (10)/[(1)x(2)]
360	2017	193,107	1.898	89,265,239	218,474	89,046,765	39,582,207	31,805,055	1.602	1.119	145,686,997	
	2018	189,719	1.893	85,222,209	5,651,272	79,570,937	20,650,179	38,357,289	1.519	1.119	165,349,430	
	2019	193,697	1.894	76,666,899	187,917	76,478,982	25,020,692	34,946,719	1.439	1.119	139,132,888	
	2020	198,159	1.889	104,734,752	16,995,451	87,739,301	33,355,278	37,394,772	1.364	1.119	140,083,443	
	<u>2021</u>	<u>202,815</u>	<u>1.925</u>	<u>85,902,074</u>	<u>1,265,633</u>	<u>84,636,441</u>	<u>19,919,726</u>	<u>43,521,790</u>	1.293	1.119	<u>156,606,721</u>	
	Total	977,497	1.900	441,791,173	24,318,747	417,472,426	138,528,082	186,025,625			746,859,479	402.13
	370	2017	10,752	2.133	5,100,977	42,727	5,058,250	523,880	1,770,873	1.602	1.119	11,303,018
2018		10,803	2.148	5,227,457	831,251	4,396,206	318,696	2,184,145	1.519	1.119	10,643,317	
2019		10,982	2.156	2,842,288	15,207	2,827,081	563,811	1,981,367	1.439	1.119	6,834,889	
2020		11,242	2.131	3,586,846	83,544	3,503,302	729,677	2,121,488	1.364	1.119	7,471,489	
<u>2021</u>		<u>11,808</u>	<u>2.075</u>	<u>6,810,659</u>	<u>53,350</u>	<u>6,757,309</u>	<u>831,195</u>	<u>2,533,862</u>	1.293	1.119	<u>12,240,460</u>	
Total		55,587	2.128	23,568,227	1,026,079	22,542,148	2,967,259	10,591,735			48,493,173	409.95
380		2017	35,196	2.065	11,593,924	76,381	11,517,543	2,372,634	5,796,842	1.602	1.119	26,785,151
	2018	34,746	2.062	16,393,358	272,909	16,120,449	1,746,671	7,024,928	1.519	1.119	36,372,686	
	2019	35,702	2.054	13,703,759	16,302	13,687,457	6,451,108	6,441,338	1.439	1.119	22,024,372	
	2020	36,556	2.049	18,064,194	1,280,112	16,784,082	5,336,118	6,898,517	1.364	1.119	28,002,527	
	<u>2021</u>	<u>37,513</u>	<u>2.084</u>	<u>10,870,706</u>	<u>161,134</u>	<u>10,709,572</u>	<u>2,954,970</u>	<u>8,049,863</u>	1.293	1.119	<u>22,866,959</u>	
	Total	179,713	2.063	70,625,941	1,806,838	68,819,103	18,861,501	34,211,488			136,051,695	366.97
	390	2017	39,409	2.272	19,566,436	0	19,566,436	5,412,373	6,490,730	1.602	1.119	37,008,640
2018		39,212	2.252	16,785,853	226,586	16,559,267	3,357,191	7,927,862	1.519	1.119	35,915,845	
2019		40,084	2.226	17,239,938	0	17,239,938	1,422,765	7,231,936	1.439	1.119	37,114,620	
2020		41,214	2.202	20,239,507	605,767	19,633,740	4,901,690	7,777,533	1.364	1.119	34,356,737	
<u>2021</u>		<u>42,289</u>	<u>2.202</u>	<u>19,679,078</u>	<u>233,828</u>	<u>19,445,250</u>	<u>2,166,463</u>	<u>9,074,738</u>	1.293	1.119	<u>38,130,046</u>	
Total		202,208	2.230	93,510,812	1,066,181	92,444,631	17,260,482	38,502,799			182,525,888	404.78
Statewide		2017	1,917,797	1.782	942,488,560	2,404,722	940,083,838	403,058,273	298,732,858	1.602	1.119	1,498,212,308
	2018	1,904,023	1.783	2,804,973,058	1,877,022,997	927,950,061	278,011,067	362,501,074	1.519	1.119	1,720,906,143	
	2019	1,947,707	1.785	1,226,097,742	72,662,388	1,153,435,354	560,149,181	330,917,542	1.439	1.119	1,488,190,715	
	2020	2,007,113	1.780	1,522,139,327	175,154,653	1,346,984,674	713,904,731	356,293,989	1.364	1.119	1,510,097,261	
	<u>2021</u>	<u>2,056,820</u>	<u>1.797</u>	<u>1,180,707,802</u>	<u>23,511,449</u>	<u>1,157,196,353</u>	<u>408,718,740</u>	<u>414,653,388</u>	1.293	1.119	<u>1,682,895,862</u>	
	Total	9,833,460	1.785	7,676,406,489	2,150,756,209	5,525,650,280	2,363,841,992	1,763,098,851			7,900,302,289	450.09

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
	Years	Factor	Losses	Losses	Losses			(5) x (6) x (7)	Loss Cost	
<u>Territory</u>	<u>Year</u>	<u>Years</u>	<u>Factor</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(8)/[(1)x(2)]</u>	
110	2017	335	3.561	1,235	0	1,235	1.127	1.140	1,587	
	2018	353	3.264	664	0	664	1.139	1.140	862	
	2019	337	3.167	997	0	997	1.150	1.140	1,307	
	2020	340	3.090	33,251	0	33,251	1.162	1.140	44,047	
	<u>2021</u>	<u>348</u>	<u>3.096</u>	<u>5,532</u>	<u>0</u>	<u>5,532</u>	<u>1.174</u>	<u>1.140</u>	<u>7,404</u>	
	Total	1,713	3.235	41,679	0	41,679			55,207	9.96
120	2017	1,506	3.131	181,150	0	181,150	1.127	1.140	232,738	
	2018	1,708	3.057	557,538	533,506	24,032	1.139	1.140	31,205	
	2019	945	3.020	4,311	0	4,311	1.150	1.140	5,652	
	2020	980	3.043	7,107	5,503	1,604	1.162	1.140	2,125	
	<u>2021</u>	<u>844</u>	<u>3.003</u>	<u>8,197</u>	<u>0</u>	<u>8,197</u>	<u>1.174</u>	<u>1.140</u>	<u>10,971</u>	
	Total	5,983	3.060	758,303	539,009	219,294			282,691	15.44
130	2017	459	4.182	5,674	0	5,674	1.127	1.140	7,290	
	2018	474	3.904	123,955	9,123	114,832	1.139	1.140	149,105	
	2019	479	3.789	30,280	9,851	20,429	1.150	1.140	26,782	
	2020	497	3.713	1,828	0	1,828	1.162	1.140	2,422	
	<u>2021</u>	<u>533</u>	<u>3.821</u>	<u>14,283</u>	<u>0</u>	<u>14,283</u>	<u>1.174</u>	<u>1.140</u>	<u>19,116</u>	
	Total	2,442	3.877	176,020	18,974	157,046			204,715	21.62
140	2017	13,328	3.033	628,987	0	628,987	1.127	1.140	808,110	
	2018	13,679	2.922	4,612,494	3,695,011	917,483	1.139	1.140	1,191,315	
	2019	13,784	2.849	514,701	33,160	481,541	1.150	1.140	631,300	
	2020	13,339	2.887	509,479	91,449	418,030	1.162	1.140	553,756	
	<u>2021</u>	<u>13,815</u>	<u>2.895</u>	<u>273,708</u>	<u>0</u>	<u>273,708</u>	<u>1.174</u>	<u>1.140</u>	<u>366,320</u>	
	Total	67,945	2.917	6,539,369	3,819,620	2,719,749			3,550,801	17.92
150	2017	4,447	3.583	152,546	0	152,546	1.127	1.140	195,988	
	2018	4,682	3.466	919,375	652,370	267,005	1.139	1.140	346,695	
	2019	4,657	3.413	425,517	19,476	406,041	1.150	1.140	532,320	
	2020	4,684	3.353	232,523	20,320	212,203	1.162	1.140	281,101	
	<u>2021</u>	<u>4,974</u>	<u>3.288</u>	<u>186,619</u>	<u>0</u>	<u>186,619</u>	<u>1.174</u>	<u>1.140</u>	<u>249,763</u>	
	Total	23,444	3.418	1,916,580	692,166	1,224,414			1,605,867	20.04

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
	Years	Factor	Losses	Losses	(3) - (4)			(5) x (6) x (7)	Loss Cost	
<u>Territory</u>	<u>Year</u>	<u>Years</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>(8)/[(1)x(2)]</u>	
160	2017	5,596	3.052	283,870	373	283,497	1.127	1.140	364,231	
	2018	6,128	2.950	2,931,475	2,471,817	459,658	1.139	1.140	596,848	
	2019	6,360	2.864	416,653	10,428	406,225	1.150	1.140	532,561	
	2020	6,515	2.828	178,676	26,905	151,771	1.162	1.140	201,048	
	<u>2021</u>	<u>7,344</u>	<u>2.781</u>	<u>368,007</u>	<u>0</u>	<u>368,007</u>	<u>1.174</u>	<u>1.140</u>	<u>492,526</u>	
	Total	31,943	2.887	4,178,681	2,509,523	1,669,158			2,187,214	23.72
170	2017	421	3.753	30,712	0	30,712	1.127	1.140	39,458	
	2018	426	3.619	13,860	0	13,860	1.139	1.140	17,997	
	2019	463	3.522	17,402	558	16,844	1.150	1.140	22,082	
	2020	500	3.522	18,476	8,972	9,504	1.162	1.140	12,590	
	<u>2021</u>	<u>531</u>	<u>3.618</u>	<u>25,718</u>	<u>0</u>	<u>25,718</u>	<u>1.174</u>	<u>1.140</u>	<u>34,420</u>	
	Total	2,341	3.603	106,168	9,530	96,638			126,547	15.00
180	2017	11,186	3.008	443,548	0	443,548	1.127	1.140	569,862	
	2018	11,757	2.950	1,066,110	139,350	926,760	1.139	1.140	1,203,361	
	2019	12,768	2.830	532,607	6,523	526,084	1.150	1.140	689,696	
	2020	14,102	2.768	432,998	8,231	424,767	1.162	1.140	562,680	
	<u>2021</u>	<u>15,052</u>	<u>2.729</u>	<u>662,787</u>	<u>510</u>	<u>662,277</u>	<u>1.174</u>	<u>1.140</u>	<u>886,365</u>	
	Total	64,865	2.846	3,138,050	154,614	2,983,436			3,911,964	21.19
190	2017	1,439	3.562	87,416	0	87,416	1.127	1.140	112,310	
	2018	1,481	3.432	253,379	153,818	99,561	1.139	1.140	129,276	
	2019	1,518	3.390	51,782	1,980	49,802	1.150	1.140	65,290	
	2020	1,607	3.336	122,202	2,580	119,622	1.162	1.140	158,461	
	<u>2021</u>	<u>1,735</u>	<u>3.344</u>	<u>269,547</u>	<u>0</u>	<u>269,547</u>	<u>1.174</u>	<u>1.140</u>	<u>360,751</u>	
	Total	7,780	3.408	784,326	158,378	625,948			826,088	31.16
200	2017	436	3.879	67,130	0	67,130	1.127	1.140	86,247	
	2018	451	3.747	146,466	122,917	23,549	1.139	1.140	30,577	
	2019	468	3.617	50,549	476	50,073	1.150	1.140	65,646	
	2020	476	3.467	13,818	502	13,316	1.162	1.140	17,639	
	<u>2021</u>	<u>502</u>	<u>3.262</u>	<u>9,691</u>	<u>0</u>	<u>9,691</u>	<u>1.174</u>	<u>1.140</u>	<u>12,970</u>	
	Total	2,333	3.584	287,654	123,895	163,759			213,079	25.48

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
	Years	Factor	Losses	Losses	Losses			(5) x (6) x (7)	Loss Cost	
<u>Territory</u>	<u>Year</u>	<u>Years</u>	<u>Factor</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(8)/[(1)x(2)]</u>	
210	2017	3,122	3.220	208,980	0	208,980	1.127	1.140	268,493	
	2018	3,276	3.082	202,877	18,152	184,725	1.139	1.140	239,858	
	2019	3,536	3.017	173,574	498	173,076	1.150	1.140	226,903	
	2020	4,047	2.984	135,629	702	134,927	1.162	1.140	178,735	
	<u>2021</u>	<u>4,488</u>	<u>2.988</u>	<u>312,501</u>	<u>0</u>	<u>312,501</u>	<u>1.174</u>	<u>1.140</u>	<u>418,239</u>	
	Total	18,469	3.049	1,033,561	19,352	1,014,209			1,332,228	23.66
220	2017	10,082	2.856	1,157,894	0	1,157,894	1.127	1.140	1,487,639	
	2018	10,776	2.738	1,985,529	865,241	1,120,288	1.139	1.140	1,454,649	
	2019	11,888	2.666	1,033,303	3,847	1,029,456	1.150	1.140	1,349,617	
	2020	13,381	2.627	780,080	8,093	771,987	1.162	1.140	1,022,636	
	<u>2021</u>	<u>14,274</u>	<u>2.604</u>	<u>1,510,713</u>	<u>4,246</u>	<u>1,506,467</u>	<u>1.174</u>	<u>1.140</u>	<u>2,016,195</u>	
	Total	60,401	2.687	6,467,519	881,427	5,586,092			7,330,736	45.17
230	2017	1,728	3.201	319,563	0	319,563	1.127	1.140	410,568	
	2018	1,954	2.972	560,504	205,628	354,876	1.139	1.140	460,792	
	2019	2,316	2.745	101,326	2,601	98,725	1.150	1.140	129,428	
	2020	2,237	2.817	111,573	362	111,211	1.162	1.140	147,319	
	<u>2021</u>	<u>2,261</u>	<u>2.858</u>	<u>171,699</u>	<u>0</u>	<u>171,699</u>	<u>1.174</u>	<u>1.140</u>	<u>229,795</u>	
	Total	10,496	2.902	1,264,665	208,591	1,056,074			1,377,902	45.24
240	2017	8,277	3.412	871,997	0	871,997	1.127	1.140	1,120,324	
	2018	8,668	3.292	312,028	56,377	255,651	1.139	1.140	331,953	
	2019	9,662	3.161	537,490	10,861	526,629	1.150	1.140	690,411	
	2020	10,692	3.164	708,617	7,835	700,782	1.162	1.140	928,312	
	<u>2021</u>	<u>11,255</u>	<u>3.213</u>	<u>959,285</u>	<u>0</u>	<u>959,285</u>	<u>1.174</u>	<u>1.140</u>	<u>1,283,869</u>	
	Total	48,554	3.240	3,389,417	75,073	3,314,344			4,354,869	27.68
250	2017	3,533	3.341	443,945	0	443,945	1.127	1.140	570,372	
	2018	3,833	3.170	599,476	169,442	430,034	1.139	1.140	558,382	
	2019	4,085	3.077	432,437	374	432,063	1.150	1.140	566,435	
	2020	4,501	3.080	344,683	1,925	342,758	1.162	1.140	454,045	
	<u>2021</u>	<u>4,745</u>	<u>3.065</u>	<u>388,588</u>	<u>0</u>	<u>388,588</u>	<u>1.174</u>	<u>1.140</u>	<u>520,071</u>	
	Total	20,697	3.137	2,209,129	171,741	2,037,388			2,669,305	41.11

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
	Years	Factor	Losses	Losses	(3) - (4)			(5) x (6) x (7)	Loss Cost	
<u>Territory</u>	<u>Year</u>	<u>Years</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>(8)/[(1)x(2)]</u>	
260	2017	2,935	3.466	202,287	0	202,287	1.127	1.140	259,894	
	2018	3,115	3.314	290,476	39,546	250,930	1.139	1.140	325,823	
	2019	3,403	3.212	265,135	0	265,135	1.150	1.140	347,592	
	2020	3,671	3.177	134,367	2,407	131,960	1.162	1.140	174,805	
	<u>2021</u>	<u>3,899</u>	<u>3.108</u>	<u>269,695</u>	<u>1,876</u>	<u>267,819</u>	1.174	1.140	<u>358,438</u>	
	Total	17,023	3.243	1,161,960	43,829	1,118,131			1,466,552	26.57
270	2017	99,728	3.051	5,524,297	10,919	5,513,378	1.127	1.140	7,083,478	
	2018	101,676	3.043	5,700,178	185,703	5,514,475	1.139	1.140	7,160,325	
	2019	104,592	3.036	4,781,554	13,188	4,768,366	1.150	1.140	6,251,328	
	2020	107,308	3.060	5,146,902	42,474	5,104,428	1.162	1.140	6,761,734	
	<u>2021</u>	<u>107,174</u>	<u>3.073</u>	<u>4,973,735</u>	<u>16,684</u>	<u>4,957,051</u>	1.174	1.140	<u>6,634,319</u>	
	Total	520,478	3.053	26,126,666	268,968	25,857,698			33,891,184	21.33
280	2017	11,917	3.413	653,559	0	653,559	1.127	1.140	839,680	
	2018	12,337	3.390	640,946	52,799	588,147	1.139	1.140	763,685	
	2019	12,916	3.379	392,139	0	392,139	1.150	1.140	514,094	
	2020	13,397	3.394	556,750	19,275	537,475	1.162	1.140	711,982	
	<u>2021</u>	<u>13,973</u>	<u>3.406</u>	<u>333,438</u>	<u>0</u>	<u>333,438</u>	1.174	1.140	<u>446,260</u>	
	Total	64,540	3.396	2,576,832	72,074	2,504,758			3,275,701	14.95
290	2017	3,849	3.646	285,586	119	285,467	1.127	1.140	366,762	
	2018	4,145	3.551	589,106	60,533	528,573	1.139	1.140	686,331	
	2019	4,402	3.527	171,511	0	171,511	1.150	1.140	224,851	
	2020	4,671	3.582	477,260	384	476,876	1.162	1.140	631,708	
	<u>2021</u>	<u>5,022</u>	<u>3.560</u>	<u>293,125</u>	<u>0</u>	<u>293,125</u>	1.174	1.140	<u>392,307</u>	
	Total	22,089	3.572	1,816,588	61,036	1,755,552			2,301,959	29.17
300	2017	1,080	3.824	159,958	0	159,958	1.127	1.140	205,511	
	2018	1,115	3.640	56,634	13,233	43,401	1.139	1.140	56,354	
	2019	1,157	3.528	106,950	475	106,475	1.150	1.140	139,589	
	2020	1,200	3.502	52,775	0	52,775	1.162	1.140	69,910	
	<u>2021</u>	<u>1,277</u>	<u>3.418</u>	<u>109,939</u>	<u>0</u>	<u>109,939</u>	1.174	1.140	<u>147,138</u>	
	Total	5,829	3.575	486,256	13,708	472,548			618,502	29.68

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
<u>Territory</u>	<u>Years</u>	<u>Factor</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>Loss Cost</u>	
<u>Year</u>									<u>(8)/[(1)x(2)]</u>	
310	2017	56,584	3.156	2,998,450	252	2,998,198	1.127	1.140	3,852,025	
	2018	58,849	3.089	4,406,292	536,918	3,869,374	1.139	1.140	5,024,227	
	2019	62,194	3.043	3,534,957	670	3,534,287	1.150	1.140	4,633,450	
	2020	67,042	3.019	3,426,013	95,027	3,330,986	1.162	1.140	4,412,491	
	<u>2021</u>	<u>69,791</u>	<u>3.013</u>	<u>4,712,590</u>	<u>3,688</u>	<u>4,708,902</u>	<u>1.174</u>	<u>1.140</u>	<u>6,302,206</u>	
	Total	314,460	3.060	19,078,302	636,555	18,441,747			24,224,399	25.17
320	2017	16,398	3.423	960,160	0	960,160	1.127	1.140	1,233,594	
	2018	17,071	3.365	1,344,606	36,359	1,308,247	1.139	1.140	1,698,706	
	2019	18,196	3.308	1,079,844	0	1,079,844	1.150	1.140	1,415,675	
	2020	19,616	3.281	1,183,041	60,586	1,122,455	1.162	1.140	1,486,894	
	<u>2021</u>	<u>20,661</u>	<u>3.262</u>	<u>967,939</u>	<u>6,138</u>	<u>961,801</u>	<u>1.174</u>	<u>1.140</u>	<u>1,287,236</u>	
	Total	91,942	3.323	5,535,590	103,083	5,432,507			7,122,105	23.31
330	2017	513	3.975	59,304	0	59,304	1.127	1.140	76,193	
	2018	519	3.847	17,281	110	17,171	1.139	1.140	22,296	
	2019	536	3.848	14,993	0	14,993	1.150	1.140	19,656	
	2020	571	3.827	8,035	3,425	4,610	1.162	1.140	6,107	
	<u>2021</u>	<u>608</u>	<u>3.748</u>	<u>6,675</u>	<u>0</u>	<u>6,675</u>	<u>1.174</u>	<u>1.140</u>	<u>8,934</u>	
	Total	2,747	3.845	106,288	3,535	102,753			133,186	12.61
340	2017	92,568	3.092	6,404,351	6,870	6,397,481	1.127	1.140	8,219,356	
	2018	94,248	3.063	7,020,264	309,658	6,710,606	1.139	1.140	8,713,453	
	2019	97,251	3.053	6,578,780	25,652	6,553,128	1.150	1.140	8,591,151	
	2020	102,120	3.044	7,077,807	72,614	7,005,193	1.162	1.140	9,279,639	
	<u>2021</u>	<u>103,988</u>	<u>3.053</u>	<u>6,308,212</u>	<u>28,421</u>	<u>6,279,791</u>	<u>1.174</u>	<u>1.140</u>	<u>8,404,621</u>	
	Total	490,175	3.060	33,389,414	443,215	32,946,199			43,208,220	28.81
350	2017	10,810	3.427	620,553	0	620,553	1.127	1.140	797,274	
	2018	11,078	3.363	686,262	37,264	648,998	1.139	1.140	842,698	
	2019	11,729	3.287	682,393	0	682,393	1.150	1.140	894,617	
	2020	13,178	3.239	667,411	37,463	629,948	1.162	1.140	834,480	
	<u>2021</u>	<u>14,247</u>	<u>3.226</u>	<u>833,378</u>	<u>267</u>	<u>833,111</u>	<u>1.174</u>	<u>1.140</u>	<u>1,115,002</u>	
	Total	61,042	3.301	3,489,997	74,994	3,415,003			4,484,071	22.25

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class
<u>Territory</u>	<u>Year</u>	<u>Years</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>(8)/[(1)x(2)]</u>
360	2017	27,284	3.803	1,463,773	6,107	1,457,666	1.127	1,872,780	
	2018	27,400	3.794	1,605,394	8,005	1,597,389	1.139	2,074,146	
	2019	28,267	3.748	1,318,384	10,628	1,307,756	1.150	1,714,468	
	2020	29,892	3.754	1,064,529	8,755	1,055,774	1.162	1,398,563	
	<u>2021</u>	<u>31,111</u>	<u>3.745</u>	<u>1,154,049</u>	<u>0</u>	<u>1,154,049</u>	<u>1.174</u>	<u>1,544,533</u>	
	Total	143,954	3.768	6,606,129	33,495	6,572,634		8,604,490	15.86
370	2017	512	4.561	22,401	0	22,401	1.127	28,780	
	2018	531	4.403	4,243	2,481	1,762	1.139	2,288	
	2019	531	4.297	21,539	0	21,539	1.150	28,238	
	2020	534	4.287	41,012	0	41,012	1.162	54,328	
	<u>2021</u>	<u>550</u>	<u>4.299</u>	<u>11,096</u>	<u>6,157</u>	<u>4,939</u>	<u>1.174</u>	<u>6,610</u>	
	Total	2,658	4.367	100,291	8,638	91,653		120,244	10.36
380	2017	2,630	4.138	64,503	0	64,503	1.127	82,872	
	2018	2,625	4.114	95,259	0	95,259	1.139	123,690	
	2019	2,681	4.071	78,431	0	78,431	1.150	102,823	
	2020	2,787	4.115	138,261	0	138,261	1.162	183,152	
	<u>2021</u>	<u>2,923</u>	<u>4.196</u>	<u>202,498</u>	<u>0</u>	<u>202,498</u>	<u>1.174</u>	<u>271,015</u>	
	Total	13,646	4.128	578,952	0	578,952		763,552	13.55
390	2017	2,584	3.784	285,905	0	285,905	1.127	367,325	
	2018	2,756	3.618	277,537	0	277,537	1.139	360,371	
	2019	3,165	3.384	144,190	0	144,190	1.150	189,033	
	2020	3,501	3.373	77,434	502	76,932	1.162	101,910	
	<u>2021</u>	<u>3,836</u>	<u>3.415</u>	<u>155,055</u>	<u>17,785</u>	<u>137,270</u>	<u>1.174</u>	<u>183,717</u>	
	Total	15,842	3.495	940,121	18,287	921,834		1,202,356	21.72
Statewide	2017	395,287	3.186	24,589,734	24,640	24,565,094	1.127	31,560,741	
	2018	407,111	3.132	37,020,208	10,375,361	26,644,847	1.139	34,597,268	
	2019	424,286	3.092	23,493,729	151,246	23,342,483	1.150	30,601,995	
	2020	447,386	3.087	23,682,537	526,291	23,156,246	1.162	30,674,619	
	<u>2021</u>	<u>461,761</u>	<u>3.087</u>	<u>25,498,299</u>	<u>85,772</u>	<u>25,412,527</u>	<u>1.174</u>	<u>34,011,111</u>	
	Total	2,135,831	3.115	134,284,507	11,163,310	123,121,197		161,445,734	24.27



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
	Years	Factor	Losses	Losses	Losses			(5) x (6) x (7)	Loss Cost	
<u>Territory</u>	<u>Year</u>	<u>Years</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>(8)/[(1)x(2)]</u>	
110	2017	274	6.837	52,461	0	52,461	1.427	1.130	84,594	
	2018	284	7.285	122,752	4,946	117,806	1.366	1.130	181,843	
	2019	299	7.797	65,900	645	65,255	1.307	1.130	96,376	
	2020	307	8.032	98,502	0	98,502	1.251	1.130	139,245	
	<u>2021</u>	<u>325</u>	<u>8.328</u>	<u>74,196</u>	<u>0</u>	<u>74,196</u>	<u>1.197</u>	<u>1.130</u>	<u>100,358</u>	
	Total	1,489	7.687	413,811	5,591	408,220			602,416	52.63
120	2017	1,951	6.800	289,959	0	289,959	1.427	1.130	467,562	
	2018	1,982	7.115	7,187,889	6,628,354	559,535	1.366	1.130	863,687	
	2019	2,284	7.449	280,975	69,321	211,654	1.307	1.130	312,594	
	2020	2,300	7.534	504,533	299,680	204,853	1.251	1.130	289,586	
	<u>2021</u>	<u>1,982</u>	<u>7.893</u>	<u>635,349</u>	<u>-51</u>	<u>635,400</u>	<u>1.197</u>	<u>1.130</u>	<u>859,448</u>	
	Total	10,499	7.368	8,898,705	6,997,304	1,901,401			2,792,877	36.10
130	2017	212	8.446	26,941	0	26,941	1.427	1.130	43,443	
	2018	219	8.530	137,125	107,196	29,929	1.366	1.130	46,198	
	2019	224	8.850	74,918	207	74,711	1.307	1.130	110,341	
	2020	233	9.255	1,943	0	1,943	1.251	1.130	2,747	
	<u>2021</u>	<u>232</u>	<u>9.420</u>	<u>12,937</u>	<u>0</u>	<u>12,937</u>	<u>1.197</u>	<u>1.130</u>	<u>17,499</u>	
	Total	1,120	8.913	253,864	107,403	146,461			220,228	22.06
140	2017	6,404	6.981	1,057,683	0	1,057,683	1.427	1.130	1,705,524	
	2018	6,607	7.135	6,907,497	5,030,848	1,876,649	1.366	1.130	2,896,758	
	2019	6,415	7.351	1,084,284	74,572	1,009,712	1.307	1.130	1,491,254	
	2020	6,297	7.464	1,464,611	71,568	1,393,043	1.251	1.130	1,969,247	
	<u>2021</u>	<u>6,431</u>	<u>7.702</u>	<u>1,161,374</u>	<u>8,222</u>	<u>1,153,152</u>	<u>1.197</u>	<u>1.130</u>	<u>1,559,765</u>	
	Total	32,154	7.325	11,675,449	5,185,210	6,490,239			9,622,548	40.86
150	2017	605	9.185	93,143	0	93,143	1.427	1.130	150,194	
	2018	613	9.562	304,944	250,246	54,698	1.366	1.130	84,431	
	2019	610	9.799	164,628	14,114	150,514	1.307	1.130	222,296	
	2020	642	9.824	95,961	4,237	91,724	1.251	1.130	129,664	
	<u>2021</u>	<u>671</u>	<u>10.174</u>	<u>1,003</u>	<u>0</u>	<u>1,003</u>	<u>1.197</u>	<u>1.130</u>	<u>1,357</u>	
	Total	3,141	9.720	659,679	268,597	391,082			587,942	19.26

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
<u>Territory</u>	<u>Years</u>	<u>Factor</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>Loss Cost</u>	
<u>Year</u>									<u>(8)/[(1)x(2)]</u>	
160	2017	1,367	7.492	86,538	0	86,538	1.427	1.130	139,543	
	2018	1,460	7.692	1,429,822	1,193,053	236,769	1.366	1.130	365,472	
	2019	1,477	7.921	147,261	370	146,891	1.307	1.130	216,945	
	2020	1,526	8.064	371,132	14,888	356,244	1.251	1.130	503,597	
	<u>2021</u>	<u>1,638</u>	<u>8.234</u>	<u>282,150</u>	<u>0</u>	<u>282,150</u>	<u>1.197</u>	<u>1.130</u>	<u>381,639</u>	
	Total	7,468	7.896	2,316,903	1,208,311	1,108,592			1,607,196	27.26
170	2017	0	1.000	0	0	0	1.427	1.130	0	
	2018	0	1.000	0	0	0	1.366	1.130	0	
	2019	0	1.000	0	0	0	1.307	1.130	0	
	2020	0	1.000	0	0	0	1.251	1.130	0	
	<u>2021</u>	<u>0</u>	<u>1.000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.197</u>	<u>1.130</u>	<u>0</u>	
	Total	0	1.000	0	0	0			0	0.00
180	2017	851	7.150	153,337	0	153,337	1.427	1.130	247,257	
	2018	830	7.323	182,540	9,838	172,702	1.366	1.130	266,579	
	2019	826	7.635	350,564	7,625	342,939	1.307	1.130	506,490	
	2020	855	7.683	148,887	0	148,887	1.251	1.130	210,471	
	<u>2021</u>	<u>848</u>	<u>7.806</u>	<u>290,480</u>	<u>0</u>	<u>290,480</u>	<u>1.197</u>	<u>1.130</u>	<u>392,906</u>	
	Total	4,210	7.520	1,125,808	17,463	1,108,345			1,623,703	51.29
190	2017	15	11.749	1,654	0	1,654	1.427	1.130	2,667	
	2018	15	11.522	20,607	20,607	0	1.366	1.130	0	
	2019	14	10.770	8,643	0	8,643	1.307	1.130	12,765	
	2020	11	11.322	3,986	1,696	2,290	1.251	1.130	3,237	
	<u>2021</u>	<u>11</u>	<u>9.252</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.197</u>	<u>1.130</u>	<u>0</u>	
	Total	66	11.002	34,890	22,303	12,587			18,669	25.71
200	2017	2	3.291	0	0	0	1.427	1.130	0	
	2018	3	2.796	0	0	0	1.366	1.130	0	
	2019	3	2.443	0	0	0	1.307	1.130	0	
	2020	3	4.134	0	0	0	1.251	1.130	0	
	<u>2021</u>	<u>1</u>	<u>4.806</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.197</u>	<u>1.130</u>	<u>0</u>	
	Total	12	3.292	0	0	0			0	0.00

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
	Years	Factor	Losses	Losses	Losses			(5) x (6) x (7)	Loss Cost	
<u>Territory</u>	<u>Year</u>	<u>Years</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>(8)/[(1)x(2)]</u>	
210	2017	60	9.239	2,026	0	2,026	1.427	1.130	3,267	
	2018	57	9.348	1,255	0	1,255	1.366	1.130	1,937	
	2019	58	9.514	643	0	643	1.307	1.130	950	
	2020	60	9.358	29,998	0	29,998	1.251	1.130	42,406	
	<u>2021</u>	<u>59</u>	<u>10.316</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.197</u>	<u>1.130</u>	<u>0</u>	
	Total	294	9.555	33,922	0	33,922			48,560	17.29
220	2017	1,187	8.361	493,414	0	493,414	1.427	1.130	795,635	
	2018	1,154	8.383	741,112	160,362	580,750	1.366	1.130	896,434	
	2019	1,199	8.434	496,717	5,739	490,978	1.307	1.130	725,130	
	2020	1,251	8.404	321,616	633	320,983	1.251	1.130	453,751	
	<u>2021</u>	<u>1,301</u>	<u>8.657</u>	<u>475,471</u>	<u>0</u>	<u>475,471</u>	<u>1.197</u>	<u>1.130</u>	<u>643,127</u>	
	Total	6,092	8.452	2,528,330	166,734	2,361,596			3,514,077	68.25
230	2017	69	5.952	808	0	808	1.427	1.130	1,303	
	2018	67	6.075	128,179	128,179	0	1.366	1.130	0	
	2019	66	6.231	0	0	0	1.307	1.130	0	
	2020	58	5.988	0	0	0	1.251	1.130	0	
	<u>2021</u>	<u>55</u>	<u>6.566</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.197</u>	<u>1.130</u>	<u>0</u>	
	Total	315	6.151	128,987	128,179	808			1,303	0.67
240	2017	249	9.536	59,167	0	59,167	1.427	1.130	95,407	
	2018	255	9.472	16,356	0	16,356	1.366	1.130	25,247	
	2019	265	9.885	95,360	0	95,360	1.307	1.130	140,838	
	2020	277	10.601	77,420	2,911	74,509	1.251	1.130	105,328	
	<u>2021</u>	<u>278</u>	<u>11.312</u>	<u>65,432</u>	<u>0</u>	<u>65,432</u>	<u>1.197</u>	<u>1.130</u>	<u>88,504</u>	
	Total	1,324	10.189	313,735	2,911	310,824			455,324	33.75
250	2017	77	9.783	18,368	0	18,368	1.427	1.130	29,619	
	2018	78	9.751	47,236	0	47,236	1.366	1.130	72,913	
	2019	89	9.830	15,622	0	15,622	1.307	1.130	23,072	
	2020	94	9.688	30,644	297	30,347	1.251	1.130	42,899	
	<u>2021</u>	<u>96</u>	<u>9.724</u>	<u>24,171</u>	<u>0</u>	<u>24,171</u>	<u>1.197</u>	<u>1.130</u>	<u>32,694</u>	
	Total	434	9.753	136,041	297	135,744			201,197	47.53

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
<u>Territory</u>	<u>Years</u>	<u>Factor</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>Loss Cost</u>	
<u>Year</u>									<u>(8)/[(1)x(2)]</u>	
260	2017	18	8.218	2,533	0	2,533	1.427	1.130	4,084	
	2018	16	8.408	33,339	0	33,339	1.366	1.130	51,461	
	2019	18	8.667	0	0	0	1.307	1.130	0	
	2020	17	8.296	0	0	0	1.251	1.130	0	
	<u>2021</u>	<u>17</u>	<u>8.547</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.197</u>	<u>1.130</u>	<u>0</u>	
	Total	86	8.428	35,872	0	35,872			55,545	76.63
270	2017	11,460	8.690	6,141,413	105,606	6,035,807	1.427	1.130	9,732,799	
	2018	11,367	8.857	2,889,689	179,574	2,710,115	1.366	1.130	4,183,279	
	2019	11,907	9.226	3,281,281	4,034	3,277,247	1.307	1.130	4,840,199	
	2020	12,545	9.387	3,565,152	70,016	3,495,136	1.251	1.130	4,940,829	
	<u>2021</u>	<u>12,611</u>	<u>9.523</u>	<u>3,232,222</u>	<u>77,788</u>	<u>3,154,434</u>	<u>1.197</u>	<u>1.130</u>	<u>4,266,719</u>	
	Total	59,890	9.150	19,109,757	437,018	18,672,739			27,963,825	51.03
280	2017	2,480	9.015	430,001	0	430,001	1.427	1.130	693,381	
	2018	2,498	9.253	557,411	17,706	539,705	1.366	1.130	833,078	
	2019	2,609	9.439	374,140	965	373,175	1.307	1.130	551,146	
	2020	2,715	9.569	483,453	4,123	479,330	1.251	1.130	677,595	
	<u>2021</u>	<u>2,699</u>	<u>9.760</u>	<u>426,626</u>	<u>0</u>	<u>426,626</u>	<u>1.197</u>	<u>1.130</u>	<u>577,059</u>	
	Total	13,001	9.416	2,271,631	22,794	2,248,837			3,332,259	27.22
290	2017	1,033	8.443	55,670	0	55,670	1.427	1.130	89,768	
	2018	1,009	8.566	403,697	17,816	385,881	1.366	1.130	595,638	
	2019	1,045	8.732	46,923	0	46,923	1.307	1.130	69,301	
	2020	1,074	8.830	131,916	0	131,916	1.251	1.130	186,480	
	<u>2021</u>	<u>1,062</u>	<u>8.934</u>	<u>113,900</u>	<u>0</u>	<u>113,900</u>	<u>1.197</u>	<u>1.130</u>	<u>154,062</u>	
	Total	5,223	8.704	752,106	17,816	734,290			1,095,249	24.09
300	2017	23	7.876	0	0	0	1.427	1.130	0	
	2018	24	8.109	649	0	649	1.366	1.130	1,002	
	2019	25	7.915	0	0	0	1.307	1.130	0	
	2020	25	8.065	0	0	0	1.251	1.130	0	
	<u>2021</u>	<u>27</u>	<u>8.377</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.197</u>	<u>1.130</u>	<u>0</u>	
	Total	124	8.076	649	0	649			1,002	1.00

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
<u>Territory</u>	<u>Years</u>	<u>Factor</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>Loss Cost</u>	
<u>Year</u>									<u>(8)/[(1)x(2)]</u>	
310	2017	9,175	8.279	1,565,489	8,957	1,556,532	1.427	1.130	2,509,923	
	2018	9,044	8.494	2,411,258	221,214	2,190,044	1.366	1.130	3,380,508	
	2019	9,348	8.796	1,927,652	5,481	1,922,171	1.307	1.130	2,838,874	
	2020	9,580	8.828	2,273,294	88,970	2,184,324	1.251	1.130	3,087,826	
	<u>2021</u>	<u>9,479</u>	<u>8.958</u>	<u>2,476,128</u>	<u>6,487</u>	<u>2,469,641</u>	<u>1.197</u>	<u>1.130</u>	<u>3,340,461</u>	
	Total	46,626	8.675	10,653,821	331,109	10,322,712			15,157,592	37.47
320	2017	1,943	8.045	303,111	0	303,111	1.427	1.130	488,770	
	2018	1,967	8.122	479,783	7,889	471,894	1.366	1.130	728,406	
	2019	2,043	8.329	327,489	2,747	324,742	1.307	1.130	479,615	
	2020	2,093	8.342	517,908	8,236	509,672	1.251	1.130	720,488	
	<u>2021</u>	<u>2,051</u>	<u>8.610</u>	<u>739,980</u>	<u>0</u>	<u>739,980</u>	<u>1.197</u>	<u>1.130</u>	<u>1,000,904</u>	
	Total	10,097	8.294	2,368,271	18,872	2,349,399			3,418,183	40.82
330	2017	26	8.328	0	0	0	1.427	1.130	0	
	2018	22	8.735	0	0	0	1.366	1.130	0	
	2019	24	9.302	0	0	0	1.307	1.130	0	
	2020	26	10.314	0	0	0	1.251	1.130	0	
	<u>2021</u>	<u>27</u>	<u>10.039</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.197</u>	<u>1.130</u>	<u>0</u>	
	Total	125	9.369	0	0	0			0	0.00
340	2017	27,722	8.450	5,947,428	43,625	5,903,803	1.427	1.130	9,519,941	
	2018	27,074	8.676	8,287,722	605,669	7,682,053	1.366	1.130	11,857,863	
	2019	28,375	9.099	8,284,407	20,768	8,263,639	1.307	1.130	12,204,651	
	2020	29,981	9.237	9,904,906	177,642	9,727,264	1.251	1.130	13,750,752	
	<u>2021</u>	<u>29,736</u>	<u>9.374</u>	<u>10,532,717</u>	<u>51,729</u>	<u>10,480,988</u>	<u>1.197</u>	<u>1.130</u>	<u>14,176,689</u>	
	Total	142,888	8.979	42,957,180	899,433	42,057,747			61,509,896	47.94
350	2017	1,549	8.153	97,711	0	97,711	1.427	1.130	157,560	
	2018	1,586	8.402	223,819	10,654	213,165	1.366	1.130	329,037	
	2019	1,668	8.695	301,945	11,489	290,456	1.307	1.130	428,977	
	2020	1,737	8.748	386,914	12,771	374,143	1.251	1.130	528,900	
	<u>2021</u>	<u>1,744</u>	<u>8.812</u>	<u>345,459</u>	<u>0</u>	<u>345,459</u>	<u>1.197</u>	<u>1.130</u>	<u>467,271</u>	
	Total	8,284	8.573	1,355,848	34,914	1,320,934			1,911,745	26.92

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF NON-HURRICANE BASE CLASS LOSS COST - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
		Trended	Total	Hurricane	Non-Hurricane	Loss	Trended	Trended	Trended	
	Earned	Average	Adjusted	Adjusted	Adjusted	Trend	LAE	Non-Hurricane	Non-Hurricane	
	House	Rating	Incurred	Incurred	Incurred	Factor	Factor	Losses & LAE	Base Class	
<u>Territory</u>	<u>Years</u>	<u>Factor</u>	<u>Losses</u>	<u>Losses</u>	<u>(3) - (4)</u>	<u>Factor</u>	<u>Factor</u>	<u>(5) x (6) x (7)</u>	<u>Loss Cost</u>	
<u>Year</u>									<u>(8)/[(1)x(2)]</u>	
360	2017	7,845	9.282	1,191,645	0	1,191,645	1.427	1.130	1,921,539	
	2018	7,645	9.501	964,824	24,425	940,399	1.366	1.130	1,451,581	
	2019	7,888	9.828	978,215	0	978,215	1.307	1.130	1,444,736	
	2020	8,220	9.947	1,089,033	14,067	1,074,966	1.251	1.130	1,519,604	
	<u>2021</u>	<u>8,243</u>	<u>10.089</u>	<u>1,497,543</u>	<u>0</u>	<u>1,497,543</u>	<u>1.197</u>	<u>1.130</u>	<u>2,025,592</u>	
	Total	39,841	9.736	5,721,260	38,492	5,682,768			8,363,052	21.56
370	2017	1,472	7.170	245,364	0	245,364	1.427	1.130	395,652	
	2018	1,483	7.367	210,614	0	210,614	1.366	1.130	325,100	
	2019	1,499	7.507	244,288	0	244,288	1.307	1.130	360,791	
	2020	1,544	7.529	267,207	0	267,207	1.251	1.130	377,732	
	<u>2021</u>	<u>1,561</u>	<u>7.572</u>	<u>367,197</u>	<u>0</u>	<u>367,197</u>	<u>1.197</u>	<u>1.130</u>	<u>496,674</u>	
	Total	7,559	7.432	1,334,670	0	1,334,670			1,955,949	34.82
380	2017	803	8.460	21,847	0	21,847	1.427	1.130	35,229	
	2018	782	8.623	82,893	3,650	79,243	1.366	1.130	122,318	
	2019	808	8.845	247,745	0	247,745	1.307	1.130	365,897	
	2020	845	8.950	497,179	107,359	389,820	1.251	1.130	551,061	
	<u>2021</u>	<u>871</u>	<u>9.196</u>	<u>206,738</u>	<u>0</u>	<u>206,738</u>	<u>1.197</u>	<u>1.130</u>	<u>279,636</u>	
	Total	4,109	8.823	1,056,402	111,009	945,393			1,354,141	37.35
390	2017	627	10.708	203,094	0	203,094	1.427	1.130	327,491	
	2018	600	11.278	95,078	0	95,078	1.366	1.130	146,760	
	2019	623	11.473	283,555	0	283,555	1.307	1.130	418,785	
	2020	661	11.345	191,821	0	191,821	1.251	1.130	271,164	
	<u>2021</u>	<u>659</u>	<u>11.704</u>	<u>130,532</u>	<u>0</u>	<u>130,532</u>	<u>1.197</u>	<u>1.130</u>	<u>176,559</u>	
	Total	3,170	11.306	904,080	0	904,080			1,340,759	37.41
Statewide	2017	79,499	8.195	18,540,805	158,188	18,382,617	1.427	1.130	29,642,152	
	2018	78,741	8.388	33,868,090	14,622,226	19,245,864	1.366	1.130	29,707,530	
	2019	81,709	8.719	19,083,155	218,077	18,865,078	1.307	1.130	27,862,023	
	2020	84,977	8.851	22,458,016	879,094	21,578,922	1.251	1.130	30,504,609	
	<u>2021</u>	<u>84,715</u>	<u>9.030</u>	<u>23,091,605</u>	<u>144,175</u>	<u>22,947,430</u>	<u>1.197</u>	<u>1.130</u>	<u>31,038,923</u>	
	Total	409,641	8.644	117,041,671	16,021,760	101,019,911			148,755,237	42.01

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DERIVATION OF MODELED HURRICANE BASE-CLASS LOSS COST**  
**OWNERS FORMS**

<u>Territory</u>	(1) Modeled Hurricane Losses <sup>(a)</sup>	(2) Latest-Year Earned House Years	(3) Latest-Year Trended Average Rating Factor	(4) Modeled Hurricane Base Class Loss Cost = (1) / [(2)x(3)]
110	52,225,221	19,664	2.256	1,177.25
120	57,714,025	19,920	2.003	1,446.48
130	11,623,886	13,294	1.781	490.94
140	135,835,758	95,180	1.756	812.73
150	24,231,723	50,078	1.613	299.99
160	21,695,534	42,444	1.461	349.87
170	690,742	4,377	1.562	101.03
180	15,734,708	51,716	1.523	199.77
190	4,952,953	12,777	1.421	272.80
200	2,689,451	5,712	1.553	303.18
210	4,339,728	20,405	1.463	145.37
220	12,431,562	58,532	1.506	141.03
230	3,901,566	13,950	1.438	194.49
240	13,350,695	84,717	1.595	98.80
250	5,770,329	35,094	1.546	106.36
260	2,463,909	27,514	1.878	47.68
270	42,632,090	289,980	1.982	74.18
280	5,600,127	45,184	2.274	54.50
290	5,329,535	36,128	1.861	79.27
300	1,338,497	13,709	1.594	61.25
310	15,823,094	269,318	1.682	34.93
320	8,358,898	136,352	1.636	37.47
330	289,951	7,358	1.680	23.46
340	23,861,186	311,223	1.979	38.74
350	4,272,103	97,769	1.661	26.31
360	5,608,219	202,815	1.925	14.36
370	248,198	11,808	2.075	10.13
380	699,139	37,513	2.084	8.94
390	737,044	42,289	2.202	7.91
Statewide	484,449,875	2,056,820	1.797	131.07

<sup>(a)</sup> The modeled hurricane losses include a loading for LAE of 6.0%.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DERIVATION OF MODELED HURRICANE BASE-CLASS LOSS COST**  
**TENANTS**

<u>Territory</u>	(1) <u>Modeled Hurricane Losses</u> <sup>(a)</sup>	(2) <u>Latest-Year Earned House Years</u>	(3) <u>Latest-Year Trended Average Rating Factor</u>	(4) <u>Modeled Hurricane Base Class Loss Cost</u> <u>= (1) / [(2)x(3)]</u>
110	37,819	348	3.096	35.10
120	116,583	844	3.003	46.00
130	31,153	533	3.821	15.30
140	916,281	13,815	2.895	22.91
150	132,229	4,974	3.288	8.09
160	223,470	7,344	2.781	10.94
170	4,719	531	3.618	2.46
180	204,594	15,052	2.729	4.98
190	36,624	1,735	3.344	6.31
200	12,199	502	3.262	7.45
210	46,096	4,488	2.988	3.44
220	114,576	14,274	2.604	3.08
230	29,216	2,261	2.858	4.52
240	89,748	11,255	3.213	2.48
250	39,468	4,745	3.065	2.71
260	15,032	3,899	3.108	1.24
270	548,648	107,174	3.073	1.67
280	60,063	13,973	3.406	1.26
290	31,947	5,022	3.560	1.79
300	6,286	1,277	3.418	1.44
310	179,075	69,791	3.013	0.85
320	61,049	20,661	3.262	0.91
330	1,339	608	3.748	0.59
340	273,400	103,988	3.053	0.86
350	29,678	14,247	3.226	0.65
360	40,400	31,111	3.745	0.35
370	606	550	4.299	0.26
380	2,822	2,923	4.196	0.23
390	2,670	3,836	3.415	0.20
Statewide	3,287,794	461,761	3.087	2.31

<sup>(a)</sup> The modeled hurricane losses include a loading for LAE of 6.0%.



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DERIVATION OF MODELED HURRICANE BASE-CLASS LOSS COST**  
**CONDOMINIUM UNIT OWNERS**

<u>Territory</u>	(1) <u>Modeled Hurricane Losses</u> <sup>(a)</sup>	(2) <u>Latest-Year Earned House Years</u>	(3) <u>Latest-Year Trended Average Rating Factor</u>	(4) <u>Modeled Hurricane Base Class Loss Cost</u> <u>= (1) / [(2)x(3)]</u>
110	47,735	325	8.328	17.64
120	452,828	1,982	7.893	28.95
130	27,156	232	9.420	12.43
140	792,290	6,431	7.702	16.00
150	35,638	671	10.174	5.22
160	112,802	1,638	8.234	8.36
170	0	0	1.000	0.00
180	21,727	848	7.806	3.28
190	414	11	9.252	4.07
200	27	1	4.806	5.62
210	1,447	59	10.316	2.38
220	18,470	1,301	8.657	1.64
230	1,191	55	6.566	3.30
240	6,100	278	11.312	1.94
250	1,394	96	9.724	1.49
260	122	17	8.547	0.84
270	133,118	12,611	9.523	1.11
280	24,761	2,699	9.760	0.94
290	12,757	1,062	8.934	1.34
300	234	27	8.377	1.03
310	51,369	9,479	8.958	0.60
320	10,907	2,051	8.610	0.62
330	135	27	10.039	0.50
340	165,509	29,736	9.374	0.59
350	7,145	1,744	8.812	0.46
360	19,645	8,243	10.089	0.24
370	2,558	1,561	7.572	0.22
380	1,531	871	9.196	0.19
390	1,536	659	11.704	0.20
Statewide	1,950,547	84,715	9.030	2.55

<sup>(a)</sup> The modeled hurricane losses include a loading for LAE of 6.0%.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DERIVATION OF NET COST OF REINSURANCE PER POLICY**  
**OWNERS FORMS**

<u>Territory</u>	(1) Net Cost of Reinsurance	(2) Latest-Year Earned House Years	(3) Latest-Year Trended Average Rating Factor	(4) Expected Loss and Fixed Expense Ratio	(5) Net Cost of Reinsurance per Policy <sup>(a)</sup> = (1) / [(2)x(3)x(4)]
110	69,041,637	19,664	2.256	0.747	2,083.43
120	124,480,366	19,920	2.003	0.747	4,176.48
130	19,031,262	13,294	1.781	0.747	1,076.04
140	295,131,724	95,180	1.756	0.747	2,363.88
150	47,668,083	50,078	1.613	0.747	790.00
160	51,433,945	42,444	1.461	0.747	1,110.36
170	1,292,061	4,377	1.562	0.747	252.99
180	36,080,258	51,716	1.523	0.747	613.23
190	11,770,021	12,777	1.421	0.747	867.83
200	6,415,378	5,712	1.553	0.747	968.15
210	10,549,462	20,405	1.463	0.747	473.07
220	32,685,302	58,532	1.506	0.747	496.38
230	9,671,468	13,950	1.438	0.747	645.41
240	34,540,085	84,717	1.595	0.747	342.19
250	15,401,428	35,094	1.546	0.747	380.01
260	6,653,215	27,514	1.878	0.747	172.37
270	129,729,713	289,980	1.982	0.747	302.17
280	18,253,904	45,184	2.274	0.747	237.83
290	15,079,263	36,128	1.861	0.747	300.24
300	3,605,051	13,709	1.594	0.747	220.85
310	53,471,147	269,318	1.682	0.747	158.02
320	27,282,152	136,352	1.636	0.747	163.72
330	889,178	7,358	1.680	0.747	96.29
340	86,055,296	311,223	1.979	0.747	187.04
350	13,558,237	97,769	1.661	0.747	111.77
360	20,755,871	202,815	1.925	0.747	71.17
370	893,457	11,808	2.075	0.747	48.82
380	2,367,558	37,513	2.084	0.747	40.54
390	2,575,560	42,289	2.202	0.747	37.03
Statewide	1,146,362,083	2,056,820	1.797	0.747	415.20

<sup>(a)</sup> For use on page C-8 Column (7)

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DERIVATION OF NET COST OF REINSURANCE PER POLICY**  
**TENANTS**

<u>Territory</u>	(1) Net Cost of Reinsurance	(2) Latest-Year Earned House Years	(3) Latest-Year Trended Average Rating Factor	(4) Expected Loss and Fixed Expense Ratio	(5) Net Cost of Reinsurance per Policy <sup>(a)</sup> = (1) / [(2)x(3)x(4)]
110	52,684	348	3.096	0.747	65.46
120	268,475	844	3.003	0.747	141.80
130	54,150	533	3.821	0.747	35.59
140	2,148,623	13,815	2.895	0.747	71.92
150	263,058	4,974	3.288	0.747	21.53
160	542,491	7,344	2.781	0.747	35.56
170	7,732	531	3.618	0.747	5.39
180	440,041	15,052	2.729	0.747	14.34
190	82,284	1,735	3.344	0.747	18.99
200	28,339	502	3.262	0.747	23.17
210	103,238	4,488	2.988	0.747	10.31
220	280,886	14,274	2.604	0.747	10.12
230	67,595	2,261	2.858	0.747	14.00
240	209,263	11,255	3.213	0.747	7.75
250	95,158	4,745	3.065	0.747	8.76
260	35,365	3,899	3.108	0.747	3.91
270	1,542,796	107,174	3.073	0.747	6.27
280	181,749	13,973	3.406	0.747	5.11
290	81,590	5,022	3.560	0.747	6.11
300	14,873	1,277	3.418	0.747	4.56
310	573,403	69,791	3.013	0.747	3.65
320	188,788	20,661	3.262	0.747	3.75
330	3,904	608	3.748	0.747	2.29
340	985,432	103,988	3.053	0.747	4.16
350	95,412	14,247	3.226	0.747	2.78
360	166,418	31,111	3.745	0.747	1.91
370	1,936	550	4.299	0.747	1.10
380	11,281	2,923	4.196	0.747	1.23
390	8,282	3,836	3.415	0.747	0.85
Statewide	8,535,245	461,761	3.087	0.747	8.02

<sup>(a)</sup> For use on page C-11 Column (7)

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**DERIVATION OF NET COST OF REINSURANCE PER POLICY**  
**CONDOMINIUM UNIT OWNERS**

<u>Territory</u>	(1) Net Cost of Reinsurance	(2) Latest-Year Earned House Years	(3) Latest-Year Trended Average Rating Factor	(4) Expected Loss and Fixed Expense Ratio	(5) Net Cost of Reinsurance per Policy <sup>(a)</sup> = (1) / [(2)x(3)x(4)]
110	75,477	325	8.328	0.747	37.33
120	1,096,146	1,982	7.893	0.747	93.80
130	50,104	232	9.420	0.747	30.69
140	1,876,114	6,431	7.702	0.747	50.71
150	73,254	671	10.174	0.747	14.36
160	282,777	1,638	8.234	0.747	28.07
170	0	0	1.000	0.747	0.00
180	46,098	848	7.806	0.747	9.32
190	943	11	9.252	0.747	12.41
200	66	1	4.806	0.747	18.30
210	3,382	59	10.316	0.747	7.44
220	47,264	1,301	8.657	0.747	5.62
230	2,776	55	6.566	0.747	10.29
240	14,935	278	11.312	0.747	6.36
250	3,311	96	9.724	0.747	4.75
260	266	17	8.547	0.747	2.45
270	385,920	12,611	9.523	0.747	4.30
280	80,006	2,699	9.760	0.747	4.07
290	32,521	1,062	8.934	0.747	4.59
300	569	27	8.377	0.747	3.37
310	176,565	9,479	8.958	0.747	2.78
320	37,743	2,051	8.610	0.747	2.86
330	384	27	10.039	0.747	1.90
340	668,505	29,736	9.374	0.747	3.21
350	24,700	1,744	8.812	0.747	2.15
360	88,021	8,243	10.089	0.747	1.42
370	11,194	1,561	7.572	0.747	1.27
380	6,445	871	9.196	0.747	1.08
390	7,877	659	11.704	0.747	1.37
Statewide	5,093,362	84,715	9.030	0.747	8.91

<sup>(a)</sup> For use on page C-14 Column (7)

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**SUPPLEMENTAL MATERIAL**

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North Carolina G.S. 58-36-15(h) specifies that the following information must be included in all policy form, rule and rate filings filed under Article 36. 11 NCAC 10.1105 specifies that additional detail be provided under each of these items. These materials are contained on the pages indicated.

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**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**SUPPLEMENTAL MATERIAL**

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## NORTH CAROLINA

## HOMEOWNERS INSURANCE

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**EARNED PREMIUMS AT ACTUAL AND CURRENT RATE LEVEL**

## I. Earned Premium at Collected Level

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	Condominium Unit <u>Owners Form</u>
2017	2,148,116,848	64,259,180	32,419,552
2018	2,187,719,008	65,174,884	33,637,306
2019	2,322,563,166	67,862,248	37,062,528
2020	2,480,774,509	71,685,401	40,493,021
2021	2,659,218,848	74,939,915	42,988,562

## II. Earned Premium at Current Level

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	Condominium Unit <u>Owners Form</u>
2017	2,301,886,753	77,139,660	31,151,966
2018	2,348,341,343	76,208,419	32,136,473
2019	2,480,328,919	76,160,183	35,138,511
2020	2,626,504,697	78,322,631	37,435,170
2021	2,800,629,255	80,339,123	38,624,005

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE**

## I. Paid Losses

The Rate Bureau is advised by ISO that paid loss and loss adjustment expenses are not available for the experience period of this filing.

II. Incurred Losses <sup>(a)(b)</sup>

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2017	940,083,838	24,565,094	18,382,617
2018	927,950,061	26,644,847	19,245,864
2019	1,153,435,354	23,342,483	18,865,078
2020	1,346,984,674	23,156,246	21,578,922
2021	1,157,196,353	25,412,527	22,947,430

(a) Incurred losses are developed, include actual wind losses and do not include loss adjustment expenses. These expenses are reflected via a factor. For the Owners, Tenant and Condominium-Unit Owners forms these factors are 11.9%, 14.0% and 13.0%, respectively. These losses are adjusted to the \$1,000 base deductible for Owners and \$500 base deductible for Tenants and Condominium Unit Owners.

(b) Hurricane Losses have been removed.



## NORTH CAROLINA

## HOMEOWNERS INSURANCE

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS**

Loss and LAE ratios that were anticipated at the time the rates were promulgated for the experience period:

<u>Rate Filing</u>	<u>Effective Date</u>	<u>Years in Experience Period Affected</u>	<u>Anticipated Loss and LAE Ratios</u>
2014	6/1/2015	2017 – 2019	0.359
2017	10/1/2018	2018 – 2021	0.381
2018	5/1/2020	2020 – 2021	0.381

**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105****EXCLUDED COMPANIES**

The market shares shown are based on 2021 Statutory Page 14 Homeowners premium for licensed companies and residual market Homeowners premium reported to ISO.

The historical experience used to develop the statewide rate-level indications, territory rate-level indications, premium trend factors, loss trend factors and wind exclusion credits is based on the experience of companies and residual market entities reporting to the Insurance Services Office (full statistical plan), the Independent Statistical Service, and the National Insurance Statistical Service. The historical premium and loss experience utilized in this filing, after accounting for the premium and loss experience of reporting companies whose data were not included (as described below) accounts for 89.20% of the total North Carolina Homeowners market. The experience reported to the American Association of Insurance Services and to Insurance Services Office under the Statistical Agent Plan is excluded because it is not available in sufficient detail. This experience accounts for approximately 1.63% of the total North Carolina Homeowners market.

Premium/loss and trend experience for the following insurers is not included in the filed experience:

<u>Insurer</u>	<u>2021 Market Share</u>
American Strategic Insurance Company	1.44%
The Cincinnati Insurance Company	1.05%
Lighthouse Property Insurance Corporation	0.83%
Heritage Property & Casualty Insurance Company	0.77%
Milbank Insurance Company	0.63%
Universal North America Insurance Company	0.62%
Bankers Standard Insurance Company	0.53%
Lititz Mutual Insurance Company	0.51%
The Members Insurance Company	0.38%
Praetorian Insurance Company	0.29%
All Others	2.12%
Total	9.17%

The experience for these companies was not included pending resolution of data anomalies.

No companies were excluded from the expense data utilized in this filing.

**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105****EXCLUDED COMPANIES**

The loss development factors used in the calculation of the rate level indications are based on ISO North Carolina experience and on the North Carolina experience of three major company-groups reporting to the ISS. Based on 2021 written premium, this combined experience represents 83.72% of the total North Carolina Homeowners market.

See also the prefiled testimony of P. Anderson and P. Ericksen.

House-years by year are as follows:

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2017	1,917,797	395,287	79,499
2018	1,904,023	407,111	78,741
2019	1,947,707	424,286	81,709
2020	2,007,113	447,386	84,977
2021	2,056,820	461,761	84,715

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**ADJUSTMENTS TO PREMIUMS, LOSSES, LOSS ADJUSTMENT EXPENSES,  
EXPENSES AND EXPOSURES**

Adjustments made to premiums, losses, loss adjustment expenses, and expenses are set forth below and in the prefiled testimony of P. Anderson, M. Mao and P. Ericksen.

Losses reported to ISO, ISS, and NISS are adjusted to the \$1,000 base deductible level for Owners Forms and \$500 base deductible level for Tenants and Condominium Unit Owners Forms by application of loss elimination ratios. These factors are applied on a record-by-record basis and vary by cause of loss and policy form.

Losses were developed to an ultimate basis through the application of loss development factors. The derivation and application of loss development factors is described in the response to 11 NCAC 10.1105(3).

Non-hurricane wind losses for the owners forms have been smoothed using an "excess wind" procedure.

Additionally, due to the volatile nature and the catastrophic potential of hurricane losses, they have been removed from the actual data and replaced with a hurricane loss provision based on modeled hurricane losses developed by Aon.

**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105****EARNED PREMIUM AT PRESENT RATES CALCULATION**

The earned premium at present rates for data reported to ISO, ISS, and NISS is calculated in the following manner for each premium record in the database:

Premium = [(Territory Base Rate × Form Factor × Amount of Insurance Factor × Protection-Construction Factor × Age Of Dwelling Factor) + Additional Coverage C charge] × Earned Exposure

The results are then summed over all territories to generate the statewide earned premium at present rates used to calculate the average rating factors shown on pages C-2-4.

A sample calculation for a single premium record is shown below. This sample record is for Territory 150, Form HO-5, \$200,000 Coverage A, protection class 8, masonry construction, Age of Construction = 4 years, Additional Coverage C = \$12,000:

(1)	Base rate	\$1,465
(2)	Form factor	1.30
(3)	Coverage A factor	1.000
(4)	Protection-construction factor	1.10
(5)	Age Of Construction Factor	0.847
(6)	Additional Coverage C charge	\$36
(7)	Earned Exposure	0.55
(8)	Earned Premium at present rates $(((1) \times (2) \times (3) \times (4) \times (5)) + (6)) \times (7)$	\$995.73

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

## TOP TEN HOMEOWNERS INSURANCE WRITERS

<u>Company Name</u>	<u>2022 Written Premium<sup>(a)</sup></u>	<u>2022 Written Premium Market Share</u>	<u>2022 Earned Premium<sup>(a)</sup></u>	<u>2022 Earned Premium Market Share</u>
State Farm Fire and Casualty Company	600,717,038	15.14%	577,341,382	15.54%
North Carolina Farm Bureau Mutual Insurance Company	457,966,035	11.54%	431,430,049	11.61%
North Carolina Insurance Underwriting Association (Beach Plan)	324,092,699	8.17%	297,452,374	8.00%
United Services Automobile Association	159,970,152	4.03%	148,985,062	4.01%
Erie Insurance Company	143,827,595	3.62%	130,901,530	3.52%
Nationwide General Insurance Company	116,267,127	2.93%	108,125,373	2.91%
USAA Casualty Insurance Company	113,196,857	2.85%	104,627,490	2.82%
Allstate Indemnity Company	104,495,107	2.63%	107,537,956	2.89%
Liberty Mutual Fire Insurance Company	94,570,310	2.38%	86,964,672	2.34%
Allstate Vehicle and Property Insurance Company	88,764,169	2.24%	70,766,113	1.90%
Total	2,203,867,089	55.54%	2,064,132,001	55.54%
Grand Total <sup>(b)</sup>	3,967,772,734		3,716,366,017	

<sup>(a)</sup> The premium amounts for the Beach Plan are taken from their December 2022 statutory financial statement. For all other writers, the premium amounts are based on 2022 Annual Statement Statutory Page 14, Line 4.0 (Homeowners).

<sup>(b)</sup> The grand totals include the premiums of the Beach Plan as well as all member companies of the NCRB.

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2021 AGGREGATE ANNUAL STATEMENT DATA  
2021 TOP 50 HOMEOWNERS INSURERS**

**2021 UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS EARNED**

Line of Business		Net Premiums Written	Unearned Premiums Prior Year	Unearned Premiums Current Year	Net Earned Premiums
1	Fire	1,344,678,000	657,756,000	723,260,000	1,279,171,000
2	Allied Lines	1,723,864,000	818,699,000	906,390,000	1,636,178,000
3	Farmowners multiple peril	975,281,000	447,115,000	480,708,000	941,688,000
4	Homeowners multiple peril	47,780,498,000	23,887,215,000	25,634,376,000	46,033,342,000
5	Commercial multiple peril	8,697,822,000	3,929,045,000	4,236,651,000	8,390,214,000
6	Mortgage guaranty	0	0	0	0
8	Ocean Marine	171,125,000	68,036,000	85,806,000	153,355,000
9	Inland Marine	3,271,892,000	1,476,644,000	1,659,823,000	3,088,713,000
10	Financial guaranty	4,625,000	4,499,000	7,700,000	1,426,000
11.1	Medical professional liability - occurrence	41,938,000	20,667,000	20,971,000	41,633,000
11.2	Medical professional liability - claims-made	40,926,000	18,335,000	21,533,000	37,728,000
12	Earthquake	606,528,000	311,876,000	358,960,000	559,441,000
14	Credit accident and health (group and individual)	14,654,000	36,000	35,000	14,655,000
13	Group accident and health	922,530,000	6,132,000	18,778,000	909,886,000
15	Other accident and health	173,647,000	6,327,000	6,140,000	173,836,000
16	Workers' compensation	2,186,761,000	864,475,000	881,689,000	2,169,549,000
17.1	Other liability - occurrence	5,611,130,000	2,713,636,000	3,015,013,000	5,309,755,000
17.2	Other liability - claims-made	1,679,693,000	700,517,000	889,406,000	1,490,802,000
17.3	Excess Workers' Compensation	13,336,000	5,828,000	6,141,000	13,023,000
18.1	Products liability - occurrence	236,710,000	108,667,000	113,282,000	232,092,000
18.2	Products liability - claims-made	14,054,000	5,274,000	7,571,000	11,758,000
19.1, 19.2	Private passenger auto liability	31,129,287,000	9,551,668,000	9,285,409,000	31,395,545,000
19.3, 19.4	Commercial auto liability	4,574,547,000	1,879,804,000	2,043,007,000	4,411,347,000
21	Auto physical damage	26,732,635,000	8,252,567,000	8,313,728,000	26,671,474,000
22	Aircraft (all perils)	17,985,000	4,430,000	10,825,000	11,589,000
23	Fidelity	31,809,000	16,646,000	18,007,000	30,445,000
24	Surety	354,256,000	195,930,000	217,173,000	333,011,000
26	Burglary and theft	25,867,000	7,950,000	9,752,000	24,063,000
27	Boiler and machinery	78,635,000	29,166,000	33,585,000	74,215,000
28	Credit	127,888,000	44,181,000	57,282,000	114,788,000
29	International	1,000	0	0	1,000
30	Warranty	219,875,000	179,652,000	197,450,000	202,078,000
31	Reinsurance - Nonproportional Assumed Property	374,741,000	61,019,000	64,026,000	371,736,000
32	Reinsurance - Nonproportional Assumed Liability	100,489,000	47,106,000	60,161,000	87,436,000
33	Reinsurance - Nonproportional Assumed Financial Lines	5,138,000	17,641,000	16,342,000	6,437,000
34	Aggregate write-ins for other lines of business	15,331,000	5,257,000	6,360,000	14,227,000
35	<b>TOTALS</b>	<b>139,300,173,000</b>	<b>56,343,798,000</b>	<b>59,407,321,000</b>	<b>136,236,640,000</b>

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2022 AGGREGATE ANNUAL STATEMENT DATA  
2022 TOP 50 HOMEOWNERS INSURERS**

**2022 UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS EARNED**

Line of Business		Net Premiums Written	Unearned Premiums Prior Year	Unearned Premiums Current Year	Net Earned Premiums
1	Fire	1,428,849,000	677,713,000	762,323,000	1,344,235,000
2.1	Allied lines	1,587,060,000	774,096,000	840,768,000	1,520,389,000
2.2	Multiple peril crop	66,805,000	13,109,000	9,097,000	70,816,000
2.3	Federal flood	(953,000)	1,050,000	489,000	(392,000)
2.4	Private crop	2,305,000	8,000	1,000	2,311,000
2.5	Private flood	37,506,000	20,095,000	21,034,000	36,568,000
3	Farmowners multiple peril	961,045,000	480,830,000	483,287,000	958,591,000
4	Homeowners multiple peril	52,775,774,000	25,456,197,000	28,181,360,000	50,050,610,000
5.1	Commercial multiple peril (non-liability portion)	6,349,202,000	2,894,255,000	3,249,429,000	5,994,030,000
5.2	Commercial multiple peril (liability portion)	3,298,213,000	1,353,915,000	1,463,925,000	3,188,201,000
6	Mortgage guaranty	0	0	0	0
8	Ocean marine	161,017,000	75,286,000	68,985,000	167,320,000
9	Inland marine	3,452,371,000	1,572,448,000	1,729,378,000	3,295,442,000
10	Financial guaranty	2,166,000	7,700,000	8,031,000	1,834,000
11.1	Medical professional liability - occurrence	43,621,000	20,971,000	21,761,000	42,830,000
11.2	Medical professional liability - claims-made	43,414,000	21,533,000	21,137,000	43,809,000
12	Earthquake	457,981,000	229,196,000	246,827,000	440,347,000
13.1	Comprehensive (hospital and medical) individual	0	0	0	0
13.2	Comprehensive (hospital and medical) group	105,567,000	9,065,000	8,972,000	105,660,000
14	Credit accident and health (group and individual)	15,307,000	35,000	35,000	15,307,000
15.1	Vision only	1,000	0	0	1,000
15.2	Dental only	67,455,000	742,000	994,000	67,203,000
15.3	Disability income	375,000	5,000	3,000	376,000
15.4	Medicare supplement	43,135,000	1,109,000	2,690,000	41,554,000
15.5	Medicaid Title XIX	0	0	0	0
15.6	Medicare Title XVIII	0	0	0	0
15.7	Long-term care	0	0	0	0
15.8	Federal employees health benefits plan	0	0	0	0
15.9	Other health	889,042,000	13,995,000	14,350,000	888,688,000
16	Workers' compensation	2,401,379,000	877,400,000	901,529,000	2,377,243,000
17.1	Other liability - occurrence	6,164,334,000	3,010,326,000	3,322,033,000	5,852,623,000
17.2	Other liability - claims-made	1,772,831,000	880,544,000	932,113,000	1,721,260,000
17.3	Excess workers' compensation	16,652,000	6,141,000	7,367,000	15,429,000
18.1	Products liability - occurrence	261,658,000	113,630,000	120,433,000	254,857,000
18.2	Products liability - claims-made	17,699,000	7,571,000	8,193,000	17,077,000
19.1	Private passenger auto no-fault (personal injury protection)	2,602,859,000	788,274,000	865,129,000	2,526,002,000
19.2	Other private passenger auto liability	30,659,262,000	8,480,833,000	9,333,777,000	29,806,317,000
19.3	Commercial auto no-fault (personal injury protection)	109,291,000	57,674,000	59,321,000	107,643,000
19.4	Other commercial auto liability	4,723,675,000	2,005,820,000	2,082,942,000	4,646,552,000
21.1	Private passenger auto physical damage	26,812,683,000	7,578,889,000	8,284,373,000	26,107,196,000
21.2	Commercial auto physical damage	1,671,514,000	693,023,000	758,830,000	1,605,704,000
22	Aircraft (all perils)	25,675,000	12,500,000	14,627,000	23,548,000
23	Fidelity	32,738,000	18,030,000	17,781,000	32,993,000
24	Surety	435,374,000	217,536,000	264,674,000	388,235,000
26	Burglary and theft	28,351,000	9,807,000	11,421,000	26,740,000
27	Boiler and machinery	93,007,000	33,661,000	40,042,000	86,628,000
28	Credit	132,133,000	57,282,000	56,311,000	133,105,000
29	International	(4,000)	56,000	0	53,000
30	Warranty	234,563,000	197,450,000	209,968,000	222,047,000
31	Reinsurance - Nonproportional Assumed Property	442,483,000	63,883,000	72,231,000	434,136,000
32	Reinsurance - Nonproportional Assumed Liability	136,529,000	59,962,000	68,281,000	128,211,000
33	Reinsurance - Nonproportional Assumed Financial Lines	12,376,000	16,342,000	20,866,000	7,851,000
34	Aggregate write-ins for other lines of business	14,443,000	6,360,000	6,306,000	14,498,000
35	<b>TOTALS</b>	<b>150,588,766,000</b>	<b>58,816,340,000</b>	<b>64,593,438,000</b>	<b>144,811,676,000</b>



**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2021 AGGREGATE ANNUAL STATEMENT DATA  
2021 TOP 50 HOMEOWNERS INSURERS**

**2021 UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid	Net Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Assumed from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported	Direct	Reinsurance Assumed	Reinsurance Ceded		
1 Fire	305,515,000	221,204,000	260,164,000	266,554,000	194,818,000	160,547,000	203,487,000	418,430,000	61,795,000
2 Allied Lines	304,553,000	373,780,000	373,887,000	304,448,000	385,151,000	231,096,000	385,505,000	535,186,000	76,309,000
3 Farmowners multiple peril	70,876,000	214,854,000	55,039,000	230,686,000	55,380,000	54,344,000	48,901,000	291,510,000	57,272,000
4 Homeowners multiple peril	6,909,961,000	2,731,449,000	3,570,496,000	6,070,911,000	9,940,516,000	2,771,516,000	5,486,330,000	13,296,617,000	2,859,881,000
5 Commercial multiple peril	2,382,518,000	2,551,373,000	1,338,188,000	3,595,701,000	2,027,807,000	1,805,027,000	1,156,092,000	6,272,446,000	2,250,868,000
6 Mortgage guaranty	0	0	0	0	0	0	0	0	0
8 Ocean Marine	21,256,000	53,805,000	33,670,000	41,392,000	20,545,000	116,817,000	57,829,000	120,924,000	14,930,000
9 Inland Marine	132,345,000	74,363,000	59,315,000	147,390,000	141,973,000	243,520,000	157,986,000	374,903,000	84,290,000
10 Financial guaranty	0	0	0	0	0	(1,378,000)	(2,045,000)	667,000	(16,000)
11.1 Medical professional liability - occurrence	36,840,000	11,116,000	158,000	47,798,000	31,173,000	28,738,000	(55,000)	107,766,000	40,446,000
11.2 Medical professional liability - claims-made	6,288,000	35,060,000	763,000	40,585,000	582,000	54,671,000	801,000	95,036,000	8,643,000
12 Earthquake	253,000	649,000	246,000	659,000	4,603,000	7,832,000	6,092,000	7,002,000	1,306,000
14 Credit accident and health (group and individual)	671,000	0	562,000	110,000	12,117,000	0	10,985,000	1,242,000	344,000
13 Group accident and health	0	27,611,000	0	27,611,000	5,133,000	151,434,000	3,336,000	180,842,000	8,632,000
15 Other accident and health	7,693,000	11,921,000	7,577,000	12,036,000	186,000	22,783,000	147,000	34,860,000	963,000
16 Workers' compensation	3,523,046,000	2,955,062,000	2,902,129,000	3,575,976,000	4,185,685,000	2,815,634,000	3,520,631,000	7,056,662,000	1,161,607,000
17.1 Other liability - occurrence	2,436,506,000	2,533,730,000	1,687,214,000	3,283,024,000	4,466,124,000	4,734,721,000	3,330,000,000	9,153,873,000	1,678,103,000
17.2 Other liability - claims-made	92,768,000	442,226,000	101,794,000	433,200,000	45,277,000	1,923,169,000	615,457,000	1,786,190,000	574,969,000
17.3 Excess Workers' Compensation	76,544,000	59,206,000	75,096,000	60,654,000	103,434,000	100,698,000	105,998,000	158,789,000	22,746,000
18.1 Products liability - occurrence	480,235,000	424,365,000	276,134,000	628,465,000	571,321,000	1,145,099,000	561,112,000	1,783,775,000	1,121,470,000
18.2 Products liability - claims-made	181,000	2,429,000	186,000	2,424,000	2,082,000	11,496,000	2,159,000	13,844,000	6,634,000
19.1, 19.2 Private passenger auto liability	12,067,806,000	14,157,242,000	9,253,758,000	16,971,290,000	9,568,862,000	8,104,729,000	7,923,212,000	26,721,672,000	4,543,139,000
19.3, 19.4 Commercial auto liability	2,515,923,000	2,162,922,000	1,383,589,000	3,295,257,000	2,072,152,000	2,097,773,000	1,465,453,000	5,999,728,000	975,133,000
21 Auto physical damage	642,995,000	1,239,816,000	444,196,000	1,438,615,000	(77,294,000)	(559,496,000)	38,409,000	763,418,000	531,624,000
22 Aircraft (all perils)	751,000	11,592,000	2,028,000	10,314,000	985,000	15,413,000	1,945,000	24,763,000	4,435,000
23 Fidelity	1,427,000	5,049,000	153,000	6,322,000	3,398,000	20,821,000	966,000	29,574,000	6,337,000
24 Surety	6,807,000	6,904,000	(5,507,000)	19,222,000	68,964,000	90,581,000	50,297,000	128,471,000	27,073,000
26 Burglary and theft	818,000	420,000	54,000	1,185,000	899,000	2,312,000	925,000	3,472,000	886,000
27 Boiler and machinery	19,154,000	12,397,000	12,107,000	19,444,000	(3,774,000)	6,939,000	(7,671,000)	30,281,000	2,404,000
28 Credit	2,093,000	1,528,000	1,400,000	2,221,000	16,567,000	51,792,000	27,932,000	42,652,000	1,815,000
29 International	0	1,379,000	437,000	941,000	0	3,609,000	1,280,000	3,270,000	57,000
30 Warranty	263,000	3,526,000	9,000	3,781,000	9,080,000	6,175,000	5,171,000	13,864,000	236,000
31 Reinsurance - Nonproportional Assumed Property	0	162,006,000	6,233,000	155,774,000	0	312,839,000	40,754,000	427,857,000	5,667,000
32 Reinsurance - Nonproportional Assumed Liability	0	110,960,000	29,631,000	81,330,000	0	209,452,000	52,470,000	238,310,000	13,066,000
33 Reinsurance - Nonproportional Assumed Financial Lines	0	2,085,000	0	2,085,000	0	5,034,000	0	7,118,000	211,000
34 Aggregate write-ins for other lines of business	23,000	2,277,000	507,000	1,793,000	144,000	1,323,000	50,000	3,210,000	312,000
35 TOTALS	32,046,109,000	30,604,304,000	21,871,210,000	40,779,202,000	33,853,888,000	26,747,061,000	25,251,931,000	76,128,227,000	16,143,572,000

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PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid	Net Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Assumed from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported	Direct	Reinsurance Assumed	Reinsurance Ceded		
1 Fire	329,224,000	249,401,000	303,870,000	274,752,000	325,263,000	167,126,000	330,131,000	437,008,000	58,525,000
2.1 Allied lines	208,587,000	326,623,000	276,544,000	258,665,000	312,816,000	359,516,000	348,759,000	582,239,000	73,193,000
2.2 Multiple peril crop	0	18,286,000	0	18,286,000	0	3,766,000	30,000	22,023,000	524,000
2.3 Federal flood	441,079,000	(608,000)	440,937,000	(466,000)	407,184,000	(38,000)	407,150,000	(469,000)	21,853,000
2.4 Private crop	0	291,000	0	291,000	0	3,000	0	294,000	22,000
2.5 Private flood	14,640,000	7,093,000	16,119,000	5,615,000	12,286,000	40,145,000	49,314,000	8,731,000	68,000
3 Farmowners multiple peril	64,022,000	183,052,000	49,723,000	197,350,000	64,869,000	50,025,000	53,284,000	258,958,000	50,174,000
4 Homeowners multiple peril	8,306,556,000	3,087,286,000	4,339,335,000	7,054,506,000	11,497,248,000	3,923,214,000	7,212,508,000	15,262,457,000	3,117,761,000
5.1 Commercial multiple peril (non-liability portion)	1,109,117,000	1,020,252,000	766,781,000	1,362,585,000	1,217,126,000	776,205,000	923,280,000	2,432,639,000	385,386,000
5.2 Commercial multiple peril (liability portion)	1,569,922,000	1,937,709,000	1,017,699,000	2,489,926,000	1,411,988,000	1,739,262,000	1,036,365,000	4,604,814,000	1,944,300,000
6 Mortgage guaranty	0	0	0	0	0	535,000	535,000	0	0
8 Ocean marine	40,306,000	51,342,000	48,116,000	43,531,000	26,900,000	100,145,000	58,697,000	111,881,000	18,699,000
9 Inland marine	162,308,000	97,909,000	76,431,000	183,783,000	181,063,000	258,192,000	180,314,000	442,720,000	56,503,000
10 Financial guaranty	0	0	0	0	0	94,000	(2,044,000)	2,138,000	30,902,000
11.1 Medical professional liability - occurrence	34,648,000	15,243,000	(1,373,000)	51,263,000	25,646,000	41,544,000	10,745,000	107,709,000	37,982,000
11.2 Medical professional liability - claims-made	6,093,000	35,807,000	1,504,000	40,397,000	3,343,000	58,018,000	3,677,000	98,081,000	8,715,000
12 Earthquake	299,000	1,017,000	461,000	855,000	4,874,000	6,466,000	5,286,000	6,907,000	1,650,000
13.1 Comprehensive (hospital and medical) individual	0	0	0	0	0	0	0	0	0
13.2 Comprehensive (hospital and medical) group	0	7,597,000	0	7,597,000	12,510,000	15,403,000	7,536,000	27,973,000	2,119,000
14 Credit accident and health (group and individual)	604,000	0	526,000	78,000	9,675,000	0	8,727,000	1,026,000	278,000
15.1 Vision only	0	0	0	0	0	0	0	0	0
15.2 Dental only	0	3,046,000	0	3,046,000	0	1,676,000	0	4,722,000	65,000
15.3 Disability income	0	181,000	(18,000)	200,000	0	18,000	0	218,000	(3,000)
15.4 Medicare supplement	(45,000)	384,000	(13,000)	352,000	0	4,091,000	0	4,443,000	162,000
15.5 Medicaid Title XIX	0	0	0	0	0	0	0	0	0
15.6 Medicare Title XVIII	0	0	0	0	0	0	0	0	0
15.7 Long-term care	0	0	0	0	0	0	0	0	0
15.8 Federal employees health benefits plan	0	0	0	0	0	0	0	0	0
15.9 Other health	4,390,000	35,998,000	4,262,000	36,126,000	207,000	169,105,000	147,000	205,291,000	8,522,000
16 Workers' compensation	3,469,638,000	2,901,603,000	2,854,339,000	3,516,898,000	4,131,468,000	2,876,628,000	3,572,913,000	6,952,088,000	1,164,968,000
17.1 Other liability - occurrence	2,778,753,000	2,779,091,000	1,862,279,000	3,695,565,000	5,234,410,000	5,047,323,000	3,836,415,000	10,140,883,000	1,701,543,000
17.2 Other liability - claims-made	111,192,000	455,205,000	124,587,000	441,811,000	77,135,000	2,273,532,000	811,247,000	1,981,232,000	681,352,000
17.3 Excess workers' compensation	77,448,000	57,854,000	76,442,000	58,859,000	122,694,000	107,455,000	126,177,000	162,831,000	24,562,000
18.1 Products liability - occurrence	491,642,000	400,979,000	274,974,000	617,646,000	559,009,000	1,084,864,000	551,006,000	1,710,513,000	978,821,000
18.2 Products liability - claims-made	171,000	13,698,000	5,913,000	7,956,000	1,672,000	12,376,000	1,672,000	20,331,000	7,314,000
19.1 Private passenger auto no-fault (personal injury protection)	3,119,646,000	2,254,880,000	3,548,983,000	1,825,544,000	2,284,112,000	1,909,274,000	2,762,109,000	3,256,820,000	1,008,116,000
19.2 Other private passenger auto liability	9,506,029,000	14,030,230,000	6,465,055,000	17,071,204,000	9,464,381,000	7,940,546,000	6,868,910,000	27,607,226,000	3,712,116,000
19.3 Commercial auto no-fault (personal injury protection)	167,287,000	51,071,000	137,986,000	80,376,000	111,334,000	63,939,000	77,700,000	177,948,000	70,796,000
19.4 Other commercial auto liability	2,881,976,000	2,357,674,000	1,675,298,000	3,564,351,000	2,773,388,000	2,179,748,000	1,953,163,000	6,564,325,000	982,741,000
21.1 Private passenger auto physical damage	799,336,000	1,737,274,000	557,281,000	1,979,328,000	126,603,000	(420,746,000)	178,143,000	1,507,042,000	540,478,000
21.2 Commercial auto physical damage	98,474,000	76,065,000	38,635,000	135,902,000	45,659,000	46,699,000	44,600,000	183,662,000	43,828,000
22 Aircraft (all perils)	729,000	12,914,000	2,633,000	11,012,000	1,244,000	43,532,000	2,792,000	52,994,000	4,881,000
23 Fidelity	2,025,000	3,360,000	1,028,000	4,357,000	3,134,000	18,229,000	1,207,000	24,512,000	6,114,000
24 Surety	8,478,000	10,843,000	(425,000)	19,745,000	84,576,000	19,183,000	62,458,000	139,045,000	33,514,000
26 Burglary and theft	2,212,000	144,000	88,000	2,266,000	2,841,000	2,319,000	3,075,000	4,352,000	1,046,000
27 Boiler and machinery	14,694,000	10,546,000	7,523,000	17,719,000	(2,948,000)	8,338,000	(7,482,000)	30,591,000	2,826,000
28 Credit	1,614,000	1,271,000	1,127,000	1,758,000	12,150,000	42,603,000	10,412,000	46,099,000	1,482,000
29 International	0	1,517,000	296,000	1,221,000	0	2,807,000	850,000	3,177,000	178,000
30 Warranty	375,000	4,847,000	93,000	5,129,000	8,475,000	33,891,000	31,551,000	15,945,000	220,000
31 Reinsurance - Nonproportional Assumed Property	XXX	232,734,000	15,459,000	217,275,000	XXX	401,768,000	67,884,000	551,158,000	5,740,000
32 Reinsurance - Nonproportional Assumed Liability	XXX	112,672,000	29,458,000	83,216,000	XXX	257,492,000	47,478,000	293,226,000	14,561,000
33 Reinsurance - Nonproportional Assumed Financial Lines	XXX	1,397,000	4,000	1,393,000	XXX	6,154,000	0	7,549,000	207,000
34 Aggregate write-ins for other lines of business	1,000	2,308,000	826,000	1,483,000	339,000	422,000	186,000	2,059,000	145,000
35 TOTALS	35,823,454,000	34,588,090,000	25,020,779,000	45,390,766,000	40,554,672,000	31,750,882,000	31,638,905,000	86,057,421,000	16,804,952,000

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
AGGREGATE ANNUAL STATEMENT DATA  
TOP 50 HOMEOWNERS INSURERS**

**STATUTORY PAGE 14**

	2021	2022
Written Premium	3,081,463,000	3,495,647,000
Earned Premium	2,953,506,000	3,259,715,000
Dividends	14,365,000	14,445,000
Unearned Prem Reserves	1,609,666,000	1,835,049,000
Losses Paid	1,520,362,000	1,881,094,000
Losses Incurred	1,504,268,000	2,225,842,000
Losses Unpaid	520,112,000	852,118,000
Defense & Cost Containment Paid	23,735,000	24,927,000
Defense & Cost Containment Incurred	25,982,000	35,008,000
Defense & Cost Containment Unpaid	38,588,000	48,403,000
Commission	367,427,000	417,469,000
Taxes	85,881,000	96,244,000

## **HOMEOWNERS**

1. **ACE American Insurance Company**
  - New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
  - Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
  - Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
  - Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
  - Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
  - Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
  - Eff. 9-1-92
  
2. **ACE Fire Underwriters Insurance Company**
  - New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
  - Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
  - Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
  - Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
  - Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
  - Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
  - Eff. 5-1-92
  
3. **AIG Property Casualty Company**
  - Base Premium by Territory Form HO 00 03.
  - Key Factor Deviation.
  - Protective Devices.
  - Eff 1-8-16 APCG-130345258 [SERFF Filing Access - North Carolina](#)
  
4. **AIU Insurance Company**
  - All Forms: 10%.
  - Eff. 2-1-86
  
5. **AMCO Insurance Company**
  - Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
  - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
  - Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
  - Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
  - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
  - Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
  - Flex Check Payment Option-Installment Payment Plan.
  - Personal Status Deviation.
  - Associate Discount Deviation.
  - Increased Special Limits of Liability.
  - Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
  - Multi-Line Deviation.
  - Census Block Deviation.
  - Eff 10-5-17 NWPC-131127261 [SERFF Filing Access - North Carolina](#)
  
6. **AMEX Assurance Company**
  - Various downward deviation based on amount of insurance Form 3.
  - Various downward deviation based on amount of insurance Form 4.
  - Various downward deviation based on amount of insurance Form 6.
  - Protective Device Credits: Credit varies 2% - 15%.

- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887 [NCDOI](#)

**7. Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217 [NCDOI](#)

**8. AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

**9. Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137 [SERFF Filing Access - North Carolina](#)

**10. Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461 [NCDOI](#)

**11. Allstate Indemnity Company**

- Claim Rating Deviation.

- Claims Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount Deviation.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Eff 9-26-2017 ALSE-131038986 [SERFF Filing Access - North Carolina](#)

12. **Allstate Insurance Company**

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwellings.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.

**Deluxe Plus**

- Deductibles.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 10-24-16 ALSE-130681404 [SERFF Filing Access - North Carolina](#)

13. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. **American Automobile Insurance Company**

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOI](#)

15. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.

- Eff. 1-1-15 ASPX-G130195038 [SERFF Filing Access - North Carolina](#)

16. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. **American Family Home Insurance Company**

- Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Eff. 9-1-08 AMMH-125737994 [SERFF Filing Access - North Carolina](#)

19. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [SERFF Filing Access - North Carolina](#)

20. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.

- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [NCDOI](#)

**22. American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

**23. American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.



- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

**24. American States Insurance Company**

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-91

**25. American States Preferred Insurance Company**

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

**26. American Strategic Insurance Corporation**

- Territory Zone Deviation
- Protection Class Construction Factors HO 00 03, HO 00 04 and HO 00 05.

- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – All Forms.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in full discount form HO 00 04.
- Bundled coverage Credit form HO 00 04.
- Secured community Discount form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Form Factors-Form HO 00 05.
- Eff 8-15-15 AMSI-129893853 [SERFF Filing Access - North Carolina](#)

**27. AMICA Mutual Insurance Company**

- Waive the Additional Premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 Rate Deviation by Policy Amount.
- Additional Amounts of Insurance-1.00 All Territories with Exceptions.
- Personal Property-Increased Limit, \$1.60 for All Forms.
- Premium Payment Option.
- Multi-Line Discount.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 7-1-17 AMMA-130841442 [SERFF Filing Access - North Carolina](#)

**28. Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

**29. Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10-1-94

**30. Armed Forces Insurance Exchange**

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- Minimum Policy Premium Waived.
- Protective Devices-Maximum Credit.
- Eff 1-9-17 ARMD-130691188 [SERFF Filing Access - North Carolina](#)

31. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340 [NCDOJ](#)

32. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

33. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

35. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.

- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833231 [SERFF Filing Access - North Carolina](#)

36. **Auto-Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II Liability Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Eff. 10-2-17 AOIC-131062080 [SERFF Filing Access - North Carolina](#)

37. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963 [SERFF Filing Access - North Carolina](#)

38. **Bankers Standard Insurance Company**

- Deviation forms HO 00 02, HO 00 03, HO 00 04, HO 00 06, HO 00 05 and HE-7.
- Key Factors Coverage A over \$750,000.
- Protective Devices maximum credit allowed is deleted.
- Optional Higher Deductibles forms HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible.
- Additional Amounts of Insurance.
- Gated Community Credit.

- Valuable Articles Credit-Multi Policy.
- Mass Merchandising Discount.
- Installment Payments.
- Electric Backup System.
- Eff. 10-1-15 ACEH-130109778 [SERFF Filing Access - North Carolina](#)

39. **Camden Fire Insurance Association, The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137 [NCDOI](#)

40. **Central Mutual Insurance Company**

**Owners Program**

- Deviation by Territory and Protection Class.
- Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Optional Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Personal Property Replacement Cost.
- Accompanying Schedule or Boat Deviation.
- Age of Dwelling.
- Home Buyer Deviation.
- Gated Community Deviation.
- Non-Packaged Risk Deviation.
- Deviation of Wood Roofs.
- Superior Protection Credits.
- Swimming Pool.
- Solid Fuel Heating Device.
- Deviation for Trampolines.
- Deviation for Underwriter Accommodations.
- Residence Held in Trusts.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

**Condo Program**

- Deviation by Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Form HO 00 06 Coverage A.

- Residence Held in Trust – All Forms except HO 00 04.
  - Package Deviation.
  - Installment Payment Plan.
  - Deviation for Waiver of Premium.
  - **Tenants Program**
  - Base Class Territory and Protection Class.
  - Amount of Insurance Deviation.
  - Insurance Score Deviation.
  - Customer Loyalty Deviation.
  - Deductibles B. Optional Higher Deductibles.
  - Payment Timeliness Deviation.
  - Loss History Deviation.
  - Accompanying Schedule or Boat Deviation.
  - Superior Protection Credits.
  - Package Deviation.
  - Installment Payment Plan with Electronic Transfer.
  - Deviation for Waiver of Premium.
  - Eff 8-1-17 CEMC-131011197 [SERFF Filing Access - North Carolina](#)
41. **Century National Insurance Company**
- Installment Charge.
  - Eff 8-1-15 CENT-130132700 [SERFF Filing Access - North Carolina](#)
42. **The Charter Oak Fire Insurance Company**
- Base Rate Deviation.
  - Coverage A Relativity.
  - Coverage C Relativity.
  - Account Credit.
  - Loss Free Customer Credit.
  - Loss History.
  - Insurance Score.
  - New Home Credits.
  - Home Buyer Credit.
  - Installment Payment Plan.
  - Eff 5-25-17 TRVA-130833204 [SERFF Filing Access - North Carolina](#)
43. **Cincinnati Indemnity Company**
- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
  - Installment Payment Plan: Delete the \$3 charge for each installment.
  - Homeowners Enhancement Deviation.
  - Eff 4-1-04 PC065697 [NCDOI](#)
44. **The Cincinnati Insurance Company**
- Dwellings Age of Dwelling Credits.
  - Base Rate Deviation by Territory.
  - Installment Payment Plan.
  - Homeowners Enhancement Deviation.
  - Watercraft Liability Deviation.
  - Preferred Risk Credit.
  - Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
  - Insurance Score Factor – All Forms.
  - Package Credit-Multi Policy Credit – All Forms.
  - Automatic Water Shut-Off System Credit.
  - Mature Homeowners Discount – All Forms.
  - Secured Community Credit.
  - Wood Burning or Solid Fuel Heating Appliances.
  - Earthquake Coverage.

- Wood Roof.
- Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protective Devices.
- Book Roll Transition Factor.
- Eff 12-1-17 CNNB-131124039 [SERFF Filing Access - North Carolina](#)

45. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [NCDOI](#)

46. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4



- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [NCDOI](#)

47. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [SERFF Filing Access - North Carolina](#)

48. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 9-27-17 ELEC-131120276 [SERFF Filing Access - North Carolina](#)

49. **EMCASCO Insurance Company**

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount



- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670 [NCDOI](#)

50. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669 [NCDOI](#)

51. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324 [SERFF Filing Access - North Carolina](#)

52. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.

- Eff 10-1-15 ERPP-130101422 [SERFF Filing Access - North Carolina](#)

53. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 10-1-15 ERPP-130101416 [SERFF Filing Access - North Carolina](#)

54. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903 [SERFF Filing Access - North Carolina](#)

55. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.

- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [NCDOI](#)

57. **Federal Insurance Company**

- Installment Payment Plan-recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.
- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 6-1-15 CHUB-129916441 [SERFF Filing Access - North Carolina](#)

58. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

59. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [NCDOI](#)

60. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.

- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [NCDOL](#)

61. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

62. **Firemen's Insurance Company of Washington D.C.**

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

63. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Eff 12-4-17 BKIC-131215588 [SERFF Filing Access - North Carolina](#)

64. **First Protective Insurance Company**

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Deductible for all forms except HO 00 04 and HO 00 06.
- Eff 10-28-17 PARE-131175964 [SERFF Filing Access - North Carolina](#)

**WIND ONLY Policy**

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.

- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406 [SERFF Filing Access - North Carolina](#)

65. **Garrison Property and Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130978964 [SERFF Filing Access - North Carolina](#)

66. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [NCDOI](#)

67. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.

- Eff. 3-1-95

68. **Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [SERFF Filing Access - North Carolina](#)

69. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

70. **Graphic Arts Mutual Insurance Company**

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Various for HO 00 02, HO 00 03, HO 00 05, and HO 00 08.
- Various for HO 00 04 and HO 00 06.
- Eff. 8-28-17 UTCX-G13099470 [SERFF Filing Access - North Carolina](#)

71. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.
- Cap on total credits/discounts.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 6-1-15 HNVX-G129953461 [SERFF Filing Access - North Carolina](#)

72. **Hanover Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6.



- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan.
- Group Modification Plan Discount (Mass Merchandising Plan)
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts
- Relativity curve deviation HO 00 03.
- Relativity Curve deviation forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879210 [SERFF Filing Access - North Carolina](#)

**73. Harbor Specialty Insurance Company**

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

**74. Harford Mutual Insurance Company**

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

**75. Harleysville Preferred Insurance Company**

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.

- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715 [SERFF Filing Access - North Carolina](#)

76. **Hartford Accident and Indemnity Company**

- Age of Home Credit.
- Account Credit.
- Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154611 [SERFF Filing Access - North Carolina](#)

77. **Hartford Casualty Insurance Company**

- Age of Dwelling Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-21-17 HART-131154619 [SERFF Filing Access - North Carolina](#)

78. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [SERFF Filing Access - North Carolina](#)

79. **Hartford Insurance Company of Midwest**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154729 [SERFF Filing Access - North Carolina](#)



80. **Hartford Underwriters Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 7-22-17 HART-131034435 [SERFF Filing Access - North Carolina](#)

81. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Eff 6-1-17 HPCI-131012373 [SERFF Filing Access - North Carolina](#)

82. **Homesite Insurance Company**

- Partner Discount.
- Book Transfer Rule.
- Eff 4-27-17 HMSS-13958667 [SERFF Filing Access - North Carolina](#)

83. **Horace Mann Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 10-1-15 HRMN-130060883 [SERFF Filing Access - North Carolina](#)

84. **Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan – Waive initial \$3.00 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff 11-15-16 HRMN-130973920 [SERFF Filing Access - North Carolina](#)

85. **IDS Property Casualty Insurance Company**

- Protective Device Credits

- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 6-1-15 PRCA-129896497 [SERFF Filing Access - North Carolina](#)

**86. Indemnity Insurance Company of North America**

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

**87. Indiana Lumbermens Mutual Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

**88. Insurance Company of North America**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

**89. Insurance Company of the State of Pennsylvania**

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

**90. Integon General Insurance Corporation**

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

**91. Integon Indemnity Corporation**

- Delete surcharge for \$100 deductible.

- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

92. **Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [SERFF Filing Access - North Carolina](#)

93. **Liberty Insurance Corporation**

- Liberty Mutual Advantage.
- Multi Policy Discount.
- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916 [SERFF Filing Access - North Carolina](#)
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94. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [SERFF Filing Access - North Carolina](#)

95. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

96. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 Deviation.
- Age of Dwelling Deviation.
- Book Transfer Discount Deviation.
- Claim Free Discount Deviation.
- Companion Policy Discount Deviation.
- Golden Age Discount Deviation.
- New Purchase Discount Deviation.
- Secured Communities Discount Deviation.
- E-Policy Discount Deviation.
- Maximum Discount Deviation.
- Seasonal/Secondary Home Deviation.
- Wood Burning Stove Deviation.
- Experience Rating Deviation.
- Affinity Discount.
- Partial Hip Roof Discount.

- Eff 5-1-16 MERL-130484445 [SERFF Filing Access - North Carolina](#)

97. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592 [SERFF Filing Access - North Carolina](#)

98. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [NCDOI](#)

99. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939 [NCDOI](#)

100. **Markel American Insurance Company**

- Key Factors
- Eff. 1-21-17 MRKA-130756063 [SERFF Filing Access - North Carolina](#)

101. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.

- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

102. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 00 06
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).
- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 6-1-15 HNVX-G129953474 [SERFF Filing Access - North Carolina](#)

103. **Max America Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit.
- Forms 1, 2, 3 & 3 w/15: New Home Credit.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03-5-02

104. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

105. **The Members Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.

- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 12-1-17 CMCG-131039815 [SERFF Filing Access - North Carolina](#)

106. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [SERFF Filing Access - North Carolina](#)

107. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [SERFF Filing Access - North Carolina](#)

108. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571 [SERFF Filing Access - North Carolina](#)

109. **Metropolitan Property & Casualty Insurance Company**  
**Standard Program**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Small Employer Group Program.
- Claim Free Discount.

- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

**Conversion Program**

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692 [SERFF Filing Access - North Carolina](#)

110. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [NCDOI](#)

111. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.



- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [NCDOI](#)

112. **NGM Insurance Company**

- Age of Home Discount.
- Multi-Line Discount.
- Deductible Credits/Charges and Theft Deductible.
- Protective Device Credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage A Relativities.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Eff. 4-1-16 NGMC-130274383 [SERFF Filing Access - North Carolina](#)

113. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

114. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.



- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

115. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [NCDOL](#)

116. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427

117. **Nationwide General Insurance Company**

- Territory Deviation.
- Amount of Insurance.
- Deductible Deviations - Forms HO 02, HO 03, and HO 05.
- Age of Construction - Forms HO 02, HO 03, HO 05, and HO 06.
- Home Renovation Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Gated Community Deviation - Forms HO 02, HO 03, and HO 05.
- Supplemental Heating Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Safe Home Rating Plan Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Protection Class Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Roof Rating Deviation - Forms HO 02, HO 03, and HO 05.
- Household Composition Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Associate Discount Deviation.
- Maximum Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan Deviation.
- Miles to Coast Deviation.
- Census Block Deviation.
- Eff 6-20-17 NWPC-130829487 [SERFF Filing Access - North Carolina](#)

118. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.

- Home & Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff. 6-20-17 NWPC-130879566 [SERFF Filing Access - North Carolina](#)

119. **Nationwide Mutual Insurance Company**

**Nationwide Mutual Insurance Company**

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms Ho 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, and HO 05.
- Installment Payment Plans.
- Census Block Deviation.

**Nationwide Mutual Insurance Company (Harleysville Operations)**

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 06-20-17 NWCP – 130879545 [SERFF Filing Access - North Carolina](#)

120. **Netherlands Insurance Company**

**Preferred Homeowners**

- Personal Property Increased Limits;. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.

- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

**Standard Homeowners**

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [NCDOL](#)

121. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

122. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

123. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property (Coverage C) Replacement Cost.
- Deductible Credits.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Outboard Motors and Water Craft.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Value-Plus Deviation.
- Carolina Partner Plus Discount.
- Company Deviations.
- Deviation Forms HO 00 02 and HO 00 03.
- Deviations by territories 07, 08, 48, 49, 52.
- Deviations Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 6-1-15 NCFB-129893882 [SERFF Filing Access - North Carolina](#)

124. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased

Coverage C.

- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

125. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955 [NCDOI](#)

126. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

127. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [NCDOI](#)

128. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

129. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.

- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952

130. **Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Section II, Liability Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- All Forms Except HO00 04 and HO 00 06 Coverage A Deviation.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Backup Generator Discount.
- Eff 10-2-17 AOIC-133066467 [SERFF Filing Access - North Carolina](#)

131. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.

- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

132. **Pacific Indemnity Company**

- Base Premium Computation - Forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base Premium Computation by territory and forms.
- Protective Devices – Maximum Credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductible.
- Additional Amount of Insurance deviation. Forms HO 00 02, HO 00 03 & HO 00 05.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Eff 6-1-15 CHUB-129916708 [SERFF Filing Access - North Carolina](#)

133. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [SERFF Filing Access - North Carolina](#)

134. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

135. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

136. **Pennsylvania National Mutual Casualty Insurance Company**

- Year of Construction – Newly Constructed Dwellings.
- Deductibles – Optional Higher Deductibles.
- Personal Property Increased Limit.
- Preferred Program Protection Class and Territory.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Devices Credit.
- Additional Safety Device by Territory Credit.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.



- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- Age of Home.
- Eff 11-15-17 PNPR-131110184 [SERFF Filing Access - North Carolina](#)

137. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [SERFF Filing Access - North Carolina](#)

138. **Phoenix Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833159 [SERFF Filing Access - North Carolina](#)

139. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.

- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

140. **Praetorian Insurance Company**

- HO 03 Base Rate Deviation.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Additional Amounts of Insurance.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 5-1-17 QBEC-130888091 [SERFF Filing Access - North Carolina](#)
- **Tenant Homeowners**
- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311 [SERFF Filing Access - North Carolina](#)

141. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Renewal Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Eff 9-6-17 PRIV-130982475 [SERFF Filing Access - North Carolina](#)

142. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.



- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [SERFF Filing Access - North Carolina](#)

143. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

144. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Specified Additional Amount of Insurance Coverage A.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 5-1-17 QBEC-130888729 [SERFF Filing Access - North Carolina](#)

145. **Republic-Franklin Insurance Company**

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO4 and HO6).
- Program Tiered Rating.
- Account Credit.
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all forms except HO4 and HO6)
- New Home Buyer Credit.
- ACV Loss Settlement – Roof Surfacing.
- Distance To Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO 2 HO 3 HO 5 and HO 6 forms).
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.
- Eff 10-1-17 UTCX-G131004121 [SERFF Filing Access - North Carolina](#)

146. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

147. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Eff 6-1-15 RLSC-130005225 [SERFF Filing Access - North Carolina](#)

148. **Safeco Insurance Company of America**

- Deductible Debit/Credits.
- Account Credit: all forms certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities.
- Employee Discount Plan.
- New Buyer discount.
- Age of Roof Discount.
- Umbrella Discount
- Eff. 06-01-15 LBPM-130014262 [SERFF Filing Access - North Carolina](#)

149. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

150. **Seaton Insurance Company**

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

151. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

152. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.

- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

153. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

154. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

155. **Service Insurance Company**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

**HS 03 Deviations**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 12-4-17 OCCD-131295121 [NCDOI](#)

156. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [SERFF Filing Access - North Carolina](#)

157. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

158. **Southern Insurance Company of Virginia**

**PREFERRED**

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

**STANDARD**

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.

- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

159. **Southern Pilot Insurance Company**

- Territory/Protection Class/Construction Forms HO 00 03, HO 00 05, HE-7.
- Territory/Protection Class/Construction Forms HO 00 04.
- Territory/Protection Class/Construction Forms HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- New Home Credits
- Optional Deductible Credits.
- Personal Property (Coverage C) Replacement Cost Coverage.
- Personal Property Increased Limits.
- Outboard Motors and Watercraft Liability.
- Personal Injury Coverage.
- Protective Devices Credit.
- Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 6-1-15 QBEC-130076168 [SERFF Filing Access - North Carolina](#)

160. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6;: 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;: \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;: \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [NCDOJ](#)

161. **Spinnaker Insurance Company**

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.

- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106 [SERFF Filing Access - North Carolina](#)

162. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

163. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

164. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.

- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

165. **Standard Fire Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff. 5-25-17 TRVA-130833207 [SERFF Filing Access - North Carolina](#)

166. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

167. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Credits for Protective Devices
- Age of Home.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums by Territory.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan.
- Employee Group discount Plan.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff 12-12-16 STAT-130670626 [SERFF Filing Access - North Carolina](#)

168. **State Auto Property & Casualty Insurance Company**

- Credits for Protective Devices
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.



- Watercraft Membership Credit.
- Payment Plan.
- Employee Group Discount Plan.
- Base Premiums by NCRB territory codes from HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Eff. 12-12-16 STAT-130670678 [SERFF Filing Access - North Carolina](#)

169. **State Farm Fire & Casualty**

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installment Payment Plan.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount.
- Deductibles-Named Storm Percentage deductibles HO 00 03, HO 00 04 and HO 00 06.
- All peril deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection class.
- Eff. 6-1-15 SFMA-129875894 [SERFF Filing Access - North Carolina](#)

170. **Stillwater Property & Casualty Insurance Company**

- Base Rate Deviation by Territory HO 00 03, HO 00 04 and HO 00 06.
- HO 00 03, HO 00 04 and HO 00 06 Amount of Insurance Factors by Territory.
- HO 00 04 Amount of Insurance by Territory.
- HO 00 03 Townhouse/Rowhouse.
- HO 00 03 Optional Deductible Credits, Hurricane Deductibles and Windstorm or Hail Deductibles.
- HO 00 04 and HO 00 06 Optional Deductible Credits.
- Rules 601, 602 and 604 Number of Families.
- Coverage C Increased Limits.
- HO 00 04 and HO 00 06 Replacement Cost on Contents.
- Homeowners Renewal Discount.
- Protective Devices – Automatic Sprinkler Discount.
- Ordinance of Law Coverage.
- Affinity Discount.
- Home-Auto Discount.
- Newly Acquired Home.
- HO 00 06 Coverage A Increased Limits.
- HO 00 03 Coverage D Increased Limits.
- Insurance Bureau Score.
- Eff 2-15-08 PC106949

171. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.



- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

172. **Teachers Insurance Company**

- Installment Pay Plan – Waive \$3.00 Installment Fee on Installment Payment Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 11-15-17 HRMN-130973924horace [SERFF Filing Access - North Carolina](#)

173. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833223 [SERFF Filing Access - North Carolina](#)

174. **Travelers Indemnity Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833225 [SERFF Filing Access - North Carolina](#)

175. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Eff 5-25-17 TRVA-130833143 [SERFF Filing Access - North Carolina](#)

176. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

177. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 5-25-17 TRVA-130833110 [SERFF Filing Access - North Carolina](#)

178. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

179. **Twin City Fire Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-21-17 HART-131154815 [SERFF Filing Access - North Carolina](#)

180. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979001 [SERFF Filing Access - North Carolina](#)

181. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979049 [SERFF Filing Access - North Carolina](#)

182. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

183. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

184. **United Property & Casualty**

- Base Rate Deviation.
- Book Transfer Discount.
- Companion Policy Discount.
- Prior Insurance Discount.
- Claim Free Discount.
- Claim Rating Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Age of Home Discount.
- Hip Roof Discount.
- Secured Community Discount.
- Water Loss Prevention Credit.
- Maximum Discount Rule.
- Eff 6-1-16 UPCI-130516496 [SERFF Filing Access - North Carolina](#)

185. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-17 USAA-130979007 [SERFF Filing Access - North Carolina](#)

186. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.

- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952
- 

187. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

188. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 12-1-17 KEMP-131209961 [SERFF Filing Access - North Carolina](#)

189. **Unitrin Safeguard Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record Deviation.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Eff 12-1-17 KEMP-131209878 [SERFF Filing Access - North Carolina](#)

190. **Universal Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Gated/Limited Access Community.
- Water Protection Device.
- Underwriting Company Factor.
- Market Tier.
- Eff 7-5-17 CMCG-131039953 [SERFF Filing Access - North Carolina](#)

191. **Universal North American Insurance Company**

**Homeowners Choice Program**

- Age of Dwelling.
- Personal Property Replacement Cost No Minimum Charge.
- Loss of Use.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

**Homeowners Advantage**

- Year of Construction Factors.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.

Eff 5-1-17 AGIA-130882806 [SERFF Filing Access - North Carolina](#)

192. **Utica Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- (W.I.S.E.)/Affinity Group Program.
- Personal Lines Account Credit.
- Extension Package.
- Protection Class deviation Suburban Rating.
- Eff. 4-1-15 UTCX-G129843575 [SERFF Filing Access - North Carolina](#)

193. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.

- Protective Device Credit.
- Eff 7-1-98

194. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

195. **Vigilant Insurance Company.**

- Base premium computation forms HO 00 04.
- Installment Payment Plan-recurring payments.
- Base premium computation by form and territory.
- Protective Devices maximum credit.
- Deductibles - Optional Higher Deductibles.
- Deductibles – Named Storm Percentage deductible.
- Additional Amounts of Insurance discount.
- Replacement Cost Loss Settlement.
- Supplemental Loss Assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community credit.
- Multi-Policy Credit - Valuable Articles Credit.
- Eff. 6-1-15 CHUB-129916736 [SERFF Filing Access - North Carolina](#)

196. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

197. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95



## **HOMEOWNERS**

1. **ACE American Insurance Company**
  - New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
  - Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
  - Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
  - Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
  - Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
  - Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
  - Eff. 9-1-92
  
2. **ACE Fire Underwriters Insurance Company**
  - New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
  - Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
  - Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
  - Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
  - Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
  - Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
  - Eff. 5-1-92
  
3. **AIG Property Casualty Company**
  - Base Premium by Territory Form HO 00 03.
  - Key Factor Deviation.
  - Protective Devices.
  - Eff 1-8-16 APCG-130345258 [SERFF Filing Access - North Carolina](#)
  
4. **AIU Insurance Company**
  - All Forms: 10%.
  - Eff. 2-1-86
  
5. **AMCO Insurance Company**
  - Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
  - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
  - Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
  - Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
  - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
  - Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
  - Flex Check Payment Option-Installment Payment Plan.
  - Personal Status Deviation.
  - Associate Discount Deviation.
  - Increased Special Limits of Liability.
  - Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
  - Multi-Line Deviation.
  - Census Block Deviation.
  - Eff 6-20-19 NWPC-131788303 [SERFF Filing Access - North Carolina](#)
  
6. **AMEX Assurance Company**
  - Various downward deviation based on amount of insurance Form 3.
  - Various downward deviation based on amount of insurance Form 4.
  - Various downward deviation based on amount of insurance Form 6.
  - Protective Device Credits: Credit varies 2% - 15%.



- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887 [NCDOI](#)

7. **Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217 [NCDOI](#)

8. **AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

9. **Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137 [SERFF Filing Access - North Carolina](#)

10. **Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461 [NCDOI](#)

11. **Allstate Indemnity Company**

- Claim Rating Deviation.

- Claim Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Home Buyer Discount.
- Early Signing Discount.
- Rule 404 Protective Device Discount Deviation.
- Allstate eSmart Discount.
- Eff 7-16-18 ALSE-131442096 [SERFF Filing Access - North Carolina](#)

12. **Allstate Insurance Company**

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwelling.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.
- **Deluxe Plus**
- Rule 406 Deductibles.
- Rule 404 Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 7-16-18 ALSE-131442235 [SERFF Filing Access - North Carolina](#)

13. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

14. **American Automobile Insurance Company**

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOI](#)

15. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.

- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 3-1-18 ASPX-G131106166 [SERFF Filing Access - North Carolina](#)

16. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

17. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

18. **American Family Home Insurance Company**

- EFT Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Key Factors.
- Eff. 4-1-18 AMMH-131341926 [SERFF Filing Access - North Carolina](#)

19. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [SERFF Filing Access - North Carolina](#)

20. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

21. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [NCDOI](#)

22. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

23. **American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.

- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

**24. American States Insurance Company**

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-91

**25. American States Preferred Insurance Company**

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.

- Eff. 10-30-97

26. **American Strategic Insurance Corporation**

- Zone Deviation.
- Protection Class Construction Factors HO 00 03 and HO 00 05.
- Protection Class Construction Factors HO 00 04.
- Key Factors – Forms HO 00 03 and HO 00 05.
- Key Factors – Forms HO 00 04.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – Forms HO 00 03 and HO 00 05.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in Full Discount Form HO 00 04.
- Bundled Coverage Credit Form HO 00 04.
- Secured Community Discount Form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- HO 00 05 Deviated Form Factor Deviation.
- Windstorm or Hail Exclusion Credits.
- Eff 12-10-18 AMSI-131564119 [SERFF Filing Access - North Carolina](#)

27. **AMICA Mutual Insurance Company**

- Personal Property, Additional Premium for 75% of Coverage A waived.
- Key Factor, Form HO 00 04, Coverage C Deviation by Policy Amount.
- Additional Amounts of Insurance-25% at 1.00w/Territorial Exceptions.
- Personal Property-Increased Limit.
- Installment Payment Plan.
- Multi-Line Discount.
- Preferred Risk Deviation.
- AutoPay Installment Discount.
- Eff. 4-1-18 AMMA-131249838 [SERFF Filing Access - North Carolina](#)

28. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

29. **Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.



- Eff. 10-1-94

30. **Armed Forces Insurance Exchange**

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- HO3 Key Factor Table.
- Minimum Premium Waived.
- Protective Devices-Maximum Credit.
- Eff 4-1-18 ARMD-131191395 [SERFF Filing Access - North Carolina](#)

31. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%: Form 6- 20%.
- Eff. 5-15-04 PC069340 [NCDO](#)

32. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

33. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

34. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

35. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 5-23-19 TRVD-131752289 [SERFF Filing Access - North Carolina](#)

36. **Auto-Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Form 4 Wind and Hail Coverage.
- Construction Type Relativities.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- All Forms Except HO 00 04 and HO 00 06 Coverage A Deviation.
- Eff. 4-1-18 AOIC-131251967 [SERFF Filing Access - North Carolina](#)

37. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.



- Eff. 5-1-09 BALB-126027963 [SERFF Filing Access - North Carolina](#)

38. **Bankers Standard Insurance Company**

- Windstorm or Hail Exclusions.
- Windstorm Mitigation Program.
- Base Premium Computation HO 00 04 & HO 00 06; HO2, HO3, HO5 & HE7 Territory Exceptions.
- Key Factors Coverage A over \$1,000,000.
- Protection Construction Factors, HO2, HO3, HO5, HE7.
- Protection Construction Factors, HO4 & HO6.
- Protective Devices Maximum Credit.
- Deductibles – Optional Higher Deductibles.
- Deductibles – Names Storm Percentage Deductibles.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit – Multi Policy
- Mass Merchandising Discount.
- Payment Option: Bank Account Debit Installment Payments.
- Electric Backup System.
- Special Coverage – Coverage A HO6 Only.
- Eff. 4-1-18 ACEH-131192901 [SERFF Filing Access - North Carolina](#)

39. **Camden Fire Insurance Association, The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137 [NCDOI](#)

40. **Central Mutual Insurance Company**

**Owners Program**

- Deviation by Territory and Protection Class.
- Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Optional Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Personal Property Replacement Cost.
- Accompanying Schedule or Boat Deviation.
- Age of Dwelling.
- Home Buyer Deviation.
- Gated Community Deviation.
- Non-Packaged Risk Deviation.
- Deviation of Wood Roofs.
- Superior Protection Credits.
- Swimming Pool.
- Solid Fuel Heating Device.
- Deviation for Trampolines.

- Deviation for Underwriter Accommodations.
- Residence Held in Trusts.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

**Tenants Program**

- Base Class Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for Waiver of Premium.

**Condo Program**

- Base Class Territory and Protection Class.
- Amount of Insurance.
- Insurance Score Deviation.
- Customer Loyalty Deviation.
- Deductible. Optional Higher Deductibles.
- Payment Timeliness Deviation.
- Loss History Deviation.
- Accompanying Schedule or Boat Deviation.
- Superior Protection Credits.
- Form HO 00 06 Coverage A.
- Residence Held in Trust – all forms except HO 00 04.
- Package Deviation.
- Installment Payment Plan.
- Deviation for Waiver of Premium.
- Eff 4-1-18 CEMC-131278612 [SERFF Filing Access - North Carolina](#)

41. **The Charter Oak Fire Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 5-23-19 TRVD-131752360 [SERFF Filing Access - North Carolina](#)

42. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697 [NCDOI](#)

43. **The Cincinnati Insurance Company**

- Year of Construction & Age of Home.
- Base Rate Deviation by Territory.

- Installment Payment Plan Y Payment Option for EFT.
- Homeowners Enhancement.
- Watercraft Liability.
- Preferred Risk Credit, All Forms.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit – All Forms.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity Credit.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protective Devices.
- Book Roll Transition Factor.
- Protection Class Factor.
- Base Premium Computation.
- Deductibles – All Perils.
- Deductibles – Theft.
- Deductibles – Windstorm or Hail Percentage.
- Deductibles – Windstorm or Hail Flat.
- Deductibles – Named Storm Percentage.
- Windstorm or Hail Exclusion Credits.
- Eff 12-1-18 CNNB-131383262 [SERFF Filing Access - North Carolina](#)

44. **City National Insurance Company**

- Modified Base Rate.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Mature Homeowners Discount.
- New Purchase Discount.
- Secured Communities Discount.
- Maximum Discount Rule.
- Supplemental Heat Factor.
- Experience Rating Factor.

- 10-1-18 STNA-131486088 [SERFF Filing Access - North Carolina](#)

45. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [NCDOI](#)

46. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [NCDOI](#)

47. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.

- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [SERFF Filing Access - North Carolina](#)

48. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 9-27-17 ELEC-131120276 [SERFF Filing Access - North Carolina](#)

49. **EMCASCOS Insurance Company**

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount
- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670 [NCDOI](#)

50. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669 [NCDOI](#)

51. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.

- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324 [SERFF Filing Access - North Carolina](#)

52. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit Deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting Tier Deviation.
- Claims Tier Deviation.
- Occupancy Deviation.
- Home Age/Policy Age Deviation.
- Townhouse and Row House Deviation.
- Business Pursuits.
- Waterbed Liability Deviation.
- Refrigerated Personal Property Coverage.
- Rented Personal Property Deviation.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage Deviation.
- Windstorm Mitigation Credits.
- Eff 4-1-18 ERPP-131291754 [SERFF Filing Access - North Carolina](#)

53. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors Deviation.
- Protective Device Credits.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7).
- Personal Property Replacement Cost.
- Townhouse or Row House Charge Eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04.
- Seasonal Dwelling Factors.
- Rented Personal Property (HO 32 21).
- Business Pursuits.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage (HO 0498).
- Personal Property Increased Limits; HE 7.
- Premium Payment Plan Service Charge – Installment Payments.

- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 4-1-18 ERPP-131293863 [SERFF Filing Access - North Carolina](#)

54. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903 [SERFF Filing Access - North Carolina](#)

55. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

56. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [NCDOI](#)

57. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

58. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.



- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [NCDOI](#)

59. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [NCDOI](#)

60. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

61. **Firemen's Insurance Company of Washington D.C.**

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

62. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.



- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Water Leak Detection Discount.
- Eff 10-1-18 BKIC-131596653 [SERFF Filing Access - North Carolina](#)

**63. First Protective Insurance Company**

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Deductible for all forms except HO 00 04 and HO 00 06.
- Eff 10-28-17 PARE-131175964 [SERFF Filing Access - North Carolina](#)

**WIND ONLY Policy**

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406 [SERFF Filing Access - North Carolina](#)

**64. Garrison Property and Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496762 [SERFF Filing Access - North Carolina](#)

**65. General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.

- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-00 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [NCDOJ](#)

**66. Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

**67. Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [SERFF Filing Access - North Carolina](#)

**68. Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

**69. Graphic Arts Mutual Insurance Company**

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 4-1-18 UTCX-G131185770 [SERFF Filing Access - North Carolina](#)

**70. Hanover American Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Deductible Credits.
- Account Credit.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.

- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Cap on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost.
- Eff. 12-1-18 HNVR-131708562 [SERFF Filing Access - North Carolina](#)

71. **Hanover Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C.
- Personal Property Replacement Cost on Coverage C.
- Account Credit.
- Personal Property Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts of 35%
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Eff. 12-1-18 HNVR-131708563 [SERFF Filing Access - North Carolina](#)

72. **Harbor Specialty Insurance Company**

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

73. **Harford Mutual Insurance Company**

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.

- Eff. 5-1-92

74. **Harleysville Preferred Insurance Company**

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715 [SERFF Filing Access - North Carolina](#)

75. **Hartford Accident and Indemnity Company**

- Age of Home Credit.
- Account Credit.
- Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154611 [SERFF Filing Access - North Carolina](#)

76. **Hartford Casualty Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131583914 [SERFF Filing Access - North Carolina](#)

77. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [SERFF Filing Access - North Carolina](#)

78. **Hartford Insurance Company of Midwest**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-20-18 HART-131583924 [SERFF Filing Access - North Carolina](#)

79. **Hartford Underwriters Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 4-13-19 HART-131802885 [SERFF Filing Access - North Carolina](#)

80. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Eff 6-1-17 HPCI-131012373 [SERFF Filing Access - North Carolina](#)

81. **Homesite Insurance Company**

- Partner Discount.
- Book Transfer Rule.
- Eff 4-27-17 HMSS-13958667 [SERFF Filing Access - North Carolina](#)

82. **Horace Mann Insurance Company**

- Installment Payment Plan Waive initial \$3 installment fee.
- Installment Payments - EFT.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation Form 3.
- Eff. 4-1-18 HRMN-130864887 [SERFF Filing Access - North Carolina](#)

**83. Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan – Waive initial \$3.00 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation.
- Eff 4-1-18 HRMN-131224364 [SERFF Filing Access - North Carolina](#)

**84. IDS Property Casualty Insurance Company**

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 1-1-18 PRCA-131110328 [SERFF Filing Access - North Carolina](#)

**85. Indemnity Insurance Company of North America**

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

**86. Indiana Lumbermens Mutual Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

**87. Insurance Company of North America**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

**88. Insurance Company of the State of Pennsylvania**

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.

- Eff. 6-15-88

89. **Integon General Insurance Corporation**

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41 - \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

90. **Integon Indemnity Corporation**

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

91. **Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [SERFF Filing Access - North Carolina](#)

92. **Kemper Independence Insurance Company**

- Additional Coverage – Jewelry and Furs Deviation.
- Unit Owners Coverage A Special HO 00 06 Deviation.
- Electronic Funds Transfer Deviation.
- Territory Deviation.
- Distance to Coast Deviation.
- Protection Construction Deviation.
- Age of Home Deviation.
- Age of Roof Deviation.
- Age of Primary Named Insured Deviation.
- Billing Fee Deviation.
- Coverage Limit Deviation.
- Deductible Deviation.
- Coverage A Per Square Footage Deviation.
- Foundation Deviation.
- Loss History Deviation (1-3 years).
- Loss History Deviation (4-5 years).
- Number of Baths Deviation.
- Number of Stories Deviation.
- Occupancy Type Deviation.
- Pool Deviation.
- Punctual Payment Deviation.
- Roof Type Deviation.
- Square Footage Deviation.
- Theft Protection Deviation.
- Tier Deviation.
- Trampoline Deviation.
- Wood Burning Stove Deviation.
- Advanced Quote Deviation.
- Affinity Group Deviation.
- Home Buyer Deviation.



- Home Safety Deviation.
- Multipolicy Deviation.
- Paperless Deviation.
- Eff 12-1-18 KEMP-131504897 [SERFF Filing Access - North Carolina](#)

93. **Liberty Insurance Corporation**

- Liberty Mutual Advantage.
- Multi Policy Discount.
- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916 [SERFF Filing Access - North Carolina](#)

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94. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [SERFF Filing Access - North Carolina](#)

95. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

96. **Lighthouse Property Insurance Corporation**

- Base Premium Computation – HO 00 03 Deviation.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Golden Age Discount.
- New Purchase Discount.
- Secured Communities Discount.
- E-Policy Discount.
- Maximum Discount.
- Seasonal/Secondary Home.
- Wood Burning Stove.
- Experience Rating.
- Affinity Discount.
- Windstorm Mitigation Program.
- Partial Hip Credit.
- Eff 3-15-19 MERL-131795562 [SERFF Filing Access - North Carolina](#)

97. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.



- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592 [SERFF Filing Access - North Carolina](#)

98. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [NCDOI](#)

99. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939 [NCDOI](#)

100. **Markel American Insurance Company**

- Key Factors
- Eff. 4-1-18 MRKA-131338370 [SERFF Filing Access - North Carolina](#)

101. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.

- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

102. **Massachusetts Bay Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Account Credit.
- Personal Property – Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Caps on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property (Coverage C) Replacement Cost.
- Personal Property (Coverage C) Replacement Cost.
- Eff 12-1-15 HNVR-131708530 [SERFF Filing Access - North Carolina](#)

103. **Max America Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit.
- Forms 1, 2, 3 & 3 w/15: New Home Credit.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03-5-02

104. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

105. **The Members Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- Underwriting Company Factor.
- Gated/Limited Access Community.
- Eff 4-1-19 CMCG-131794135 [SERFF Filing Access - North Carolina](#)

106. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [SERFF Filing Access - North Carolina](#)

107. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [SERFF Filing Access - North Carolina](#)

108. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571 [SERFF Filing Access - North Carolina](#)

109. **Metropolitan Property & Casualty Insurance Company**  
**Standard Program**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.

- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

**Conversion Program**

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692 [SERFF Filing Access - North Carolina](#)

110. **Milbank Insurance Company**

- Base Class Premium Computation.
- Form Factors.
- Protection Construction Factors.
- Key Factor Table.
- Year of Construction – Newly Constructed Dwellings.
- Townhouse or Row House Factor.
- Protective Devices.
- Deductibles – All Perils.
- Deductibles – Windstorm or Hail Deductible.
- ACV Roof Loss Settlement. .
- Age of Home.
- Distance to Coast.
- Insurance Score.
- Coverage A per Square Footage.
- Stories and Square Footage.
- Number of Bathrooms.
- Tier Factor.
- Loss Experience.
- Home Purchase Discount.
- Advance Quote Discount.
- Prior Carrier Discount.
- Maximum New Business Discount.
- Age of Roof.
- Age of Roof Tenure.
- Roof Shape.
- Multi Policy Discount.
- Smart Home Protective Device Factor.
- Dwelling Use.
- Employee Discount.
- Eff. 3-23-19 STAT-131808639 [SERFF Filing Access - North Carolina](#)

111. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [NCDOI](#)

112. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [NCDOI](#)

113. **NGM Insurance Company**

- Year of Construction.
- Age of Home Discount.
- Multi-Line Discount.
- Protective Device Credits (All Forms).
- Replacement Cost on Contents HO-2, HO3, HO4, HO5 and HO6.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Increased Limits of Coverage D.
- Installment Payment Plan.
- Ordinance or Law – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Policy Form Relativities.
- Windstorm or Hail Exclusion Credits.

- Deductible Credits/Charges.
- Eff. 10-28-18 NGMC-131635863 [SERFF Filing Access - North Carolina](#)

114. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

115. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

116. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [NCDOL](#)

117. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.

- Eff. 10-13-00 PC037427

118. **Nationwide General Insurance Company**

- Territory Deviation.
- Amount of Insurance.
- Deductible Deviations - Forms HO 02, HO 03, and HO 05.
- Age of Construction - Forms HO 02, HO 03, HO 05, and HO 06.
- Home Renovation Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Gated Community Deviation - Forms HO 02, HO 03, and HO 05.
- Supplemental Heating Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Safe Home Rating Plan Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Protection Class - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Roof Rating Deviation - Forms HO 02, HO 03, and HO 05.
- Household Composition Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Associate Discount Deviation.
- Maximum Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan Deviation.
- Miles to Coast Deviation.
- Census Block Deviation.
- Eff 5-26-18 NWPC-131345714 [SERFF Filing Access - North Carolina](#)

119. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home and Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff 6-20-19 NWPC-131778080 [SERFF Filing Access - North Carolina](#)

120. **Nationwide Mutual Insurance Company**

**Nationwide Mutual Insurance Company**

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms HO 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06.
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.



- Installment Payment Plans.
- Census Block Deviation.
- **Nationwide Mutual Insurance Company (Harleysville Operations)**
- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 6-20-19 NWCP-131778018 [SERFF Filing Access - North Carolina](#)

121. **Netherlands Insurance Company**

**Preferred Homeowners**

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

**Standard Homeowners**

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [NCDOI](#)

122. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

123. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.



- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

124. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property Replacement Cost.
- Deductibles.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Watercraft – Outboard Motors.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Company Deviations.
- Deviations - Forms HO 00 02 and HO 00 03.
- Deviations by Territories 110,120,130,140,150,160.
- Deviations on Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Value-Plus Deviation.
- Carolina Partner Plus Discount – Form HO 00 03.
- Eff. 4-1-18 NCFB-131245241 [SERFF Filing Access - North Carolina](#)

125. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

126. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955 [NCDOI](#)

127. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

128. **Occidental Fire & Casualty Company of North Carolina**

- Territory Deviation.

- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

Form HS 03 Deviations

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 03-22-19 OCCD-131858487

129. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [NCDOI](#)

130. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.
- Eff 4-15-96

131. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952 [SERFF Filing Access - North Carolina](#)

132. **Owners Insurance Company**

- Form 6 Coverage C Deviation.
- Deductibles.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Company Deviation.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Backup Generator Discount.
- Company Deviation.
- All Forms Except HO 00 04 and HO 00 06 Coverage A Deviation.
- Eff 4-1-18 AOIC-131252140 [SERFF Filing Access - North Carolina](#)

133. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.

- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

134. **Pacific Indemnity Company**

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- House Key Factors.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Base Rate Territory Discount.
- Eff 4-1-18 CHUB-131193183 [SERFF Filing Access - North Carolina](#)

135. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [SERFF Filing Access - North Carolina](#)

136. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

137. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

138. **Pennsylvania National Mutual Casualty Insurance Company**

- Year of Construction – Newly Constructed Dwellings.
- Windstorm or Hail Exclusion Credit.
- Personal Property Increased Limit.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Device Credit.
- Additional Protective Device Credits.
- Ordinance or Law Coverage All Forms Except HO 00 08.

- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.
- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- New Home Discount.
- Eff 10-1-18 P NPR-131667785 [SERFF Filing Access - North Carolina](#)

139. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [SERFF Filing Access - North Carolina](#)

140. **Phoenix Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Eff 5-23-19 TRVD-131752350 [SERFF Filing Access - North Carolina](#)

141. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.

- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

142. **Praetorian Insurance Company**

- HO 03 Base Rate Deviation.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Additional Amounts of Insurance.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 5-1-17 QBEC-130888091 [SERFF Filing Access - North Carolina](#)
- **Tenant Homeowners**
- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311 [SERFF Filing Access - North Carolina](#)

143. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Mortgage Free Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Cost Per Square Foot Factor.
- Eff 4-1-18 PRIV-131270755 [SERFF Filing Access - North Carolina](#)

144. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.

- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [SERFF Filing Access - North Carolina](#)

145. **Progressive Southeastern Insurance Company**

- Zone Deviation.
- Protection Class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote Discount.
- Loss History.
- Paid in Full Discount.
- Bundled Coverage Credit.
- Secured Community Discount.
- Household Structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Windstorm or Hail Exclusion Credits.
- Eff 12-10-18 ASIT-131365142 [SERFF Filing Access - North Carolina](#)

146. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

147. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Specified Additional Amount of Insurance Coverage A.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 5-1-17 QBEC-130888729 [SERFF Filing Access - North Carolina](#)

148. **Republic-Franklin Insurance Company**

*Personal Edge Homeowners*

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).



- Deductible for All Forms Except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (All Policy Forms).
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (All policy forms except HO4 and HO6)
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO 3, HO5 and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.  
*Personal Edge Homeowners Essential*
- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms Except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit.
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all policy forms except HO4 or HO6).
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO3, HO5, and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Eff 4-1-19 UTCX-131756722 [SERFF Filing Access - North Carolina](#)

149. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

150. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Age of Dwelling.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Windstorm or Hail Exclusion.
- Eff 10-1-18 RLSC-131596324 [SERFF Filing Access - North Carolina](#)

151. **Safeco Insurance Company of America**

- Deductible Factors.
- Account Credit.
- Credit Card, Fund Transfer Card, Forgery.
- Medical Payments-Other Exposures-Higher Limits.
- Other Insured Locations.
- Special Personal Property Coverage – HO 4 and HO 6.
- Tier Relativities – Credit Scoring.



- Employee Discount Plan.
- Territory Relativities.
- Renewal Credit.
- Age of Roof Discount.
- Umbrella Account Credit.
- Roof Type.
- Protection Class Relativity.
- Coverage A Per Square Footage.
- Advance Quote Discount.
- Coverage C Amount.
- Eff. 3-11-19 LBPM-131775256 [SERFF Filing Access - North Carolina](#)

152. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

153. **Seaton Insurance Company**

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

154. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

155. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

156. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.

- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

157. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

158. **Service Insurance Company**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

**HS 03 Deviations**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 10-1-18 OCCD-131605605 [NCDOJ](#)

159. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [SERFF Filing Access - North Carolina](#)

160. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.

- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

161. **Southern Insurance Company of Virginia**

**PREFERRED**

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

**STANDARD**

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.

- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

162. **Southern Pilot Insurance Company**

- Base Class Premium Forms HO 00 03, HO 00 05, HE-7.
- Base Class Premium Form HO 00 04.
- Base Class Premium Form HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- Year of Construction Credits Primary and Secondary.
- Optional Deductible Credits.
- Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Outboard Motor and Watercraft Liability.
- Multi-Policy Credit.
- Enhancement Factor Deviation.
- Age of Home.
- Protective Device Credit.
- Eff. 12-1-18 QBEC-131654641 [SERFF Filing Access - North Carolina](#)

163. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6;; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3:- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [NCDOI](#)

164. **Spinnaker Insurance Company**

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.
- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106 [SERFF Filing Access - North Carolina](#)

165. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

166. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

167. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

168. **Standard Fire Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff. 5-23-19 TRVD-131752346 [SERFF Filing Access - North Carolina](#)

169. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

170. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Protective Devices – Maximum Credit.
- Year of Construction.
- Age of Home Credit.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Installment Payment Plan, E-Pay.
- Employee Group Discount Plan.
- Home Purchase Discount.
- Advance Quote Discount.
- Key Factors – Policy Size Relativity.
- Eff 4-16-18 STAT-131387601 [SERFF Filing Access - North Carolina](#)

171. **State Auto Property & Casualty Insurance Company**

- Protective Devices Credits.
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan Options.
- Employee Group Discount Plan.
- Base Premiums - Form HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Base Premium Key Factor Relativity.
- Eff. 4-16-18 STAT-131387603 [SERFF Filing Access - North Carolina](#)

172. **State Farm Fire & Casualty**

- Deviation by Territory HO 00 03.
- Deviation by Territory HO 00 04.
- Deviation by Territory HO 00 06.
- Protective Devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installments Payment Plan.
- Refrigerated Personal Property.
- Home and Auto Discount.
- Deductibles-Named Storm Percentage Deductibles HO 00 03, HO 00 04 and HO 00 06.
- All Perils Deductibles.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection class – HO 00 03.
- Location Rating Factors.
- Construction and Protection Class.
- Construction and Protection Class – Form 3
- Construction and Protection Class Forms 4 and 6.
- Rule 301 Amount Form 3.
- Eff. 4-1-18 SFMA-131277631 [SERFF Filing Access - North Carolina](#)

173. **Stillwater Property & Casualty Insurance Company**

- Base Rate Deviation by Territory HO 00 03, HO 00 04 and HO 00 06.
- HO 00 03, HO 00 04 and HO 00 06 Amount of Insurance Factors by Territory.
- HO 00 04 Amount of Insurance by Territory.
- HO 00 03 Townhouse/Rowhouse.
- HO 00 03 Optional Deductible Credits, Hurricane Deductibles and Windstorm or Hail Deductibles.
- HO 00 04 and HO 00 06 Optional Deductible Credits.
- Rules 601, 602 and 604 Number of Families.
- Coverage C Increased Limits.
- HO 00 04 and HO 00 06 Replacement Cost on Contents.
- Homeowners Renewal Discount.
- Protective Devices – Automatic Sprinkler Discount.
- Ordinance of Law Coverage.
- Affinity Discount.
- Home-Auto Discount.
- Newly Acquired Home.
- HO 00 06 Coverage A Increased Limits.
- HO 00 03 Coverage D Increased Limits.
- Insurance Bureau Score.
- Eff 2-15-08 PC106949

174. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

175. **Teachers Insurance Company**

- Installment Pay Plan – Waive \$3.00 Installment Fee on Installment Payment Plan for Initial Payment.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation Form 3.
- Territorial Deviation Form 3.
- Eff. 4-1-18 HRMN-131224488 [SERFF Filing Access - North Carolina](#)

176. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 5-23-19 TRVD-131752357 [SERFF Filing Access - North Carolina](#)

177. **Travelers Indemnity Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 5-23-19 TRVD-131752361 [SERFF Filing Access - North Carolina](#)

178. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Final Premium Adjustment Factor.
- Eff 5-23-19 TRVD-131752406 [SERFF Filing Access - North Carolina](#)

179. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit



factors.

- Form 3: 12% optional coverage credit.
- Forms 3 & 3w15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

180. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 5-23-19 TRVD-131752359 [SERFF Filing Access - North Carolina](#)

181. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

182. **Twin City Fire Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131584002 [SERFF Filing Access - North Carolina](#)

183. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496766 [SERFF Filing Access - North Carolina](#)

184. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131214663 [SERFF Filing Access - North Carolina](#)

185. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

186. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.

- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

187. **United Property & Casualty Insurance Company**

**Tier 2 UPC 1.0**

- Program Tier.
- Base Premium Computation.
- Protective Devices.
- Secured Community.
- Inflation Guard.
- Payment Plan.
- Windstorm or Hail Exclusion.
- Maximum Discount.
- Year of Construction.
- Age of Home.
- Age of Insured.
- Companion Policy.
- Windstorm Mitigation.
- Construction Permit.
- Age of Roof.
- Echelon Development & Rating.
- Distance to Coast.
- Coastal Adjustments by Territory.
- Coastal Adjustment by Territory and Mitigation Feature.

**Tier 1 UPC Legacy Deviations**

- Program Tier.
- Base Premium Computation.
- Secured Community.
- Maximum Discount.
- Age of Home.
- Companion Policy.
- Claim Free Discount.
- Claims Rating Discount.
- Book Transfer.
- Prior Insurance.
- Mature Homeowner.
- New Purchase.
- Water Loss Prevention.
- Hip Roof Discount.
- Eff 01-01-2019 UPCI-131573771 [SERFF Filing Access - North Carolina](#)

188. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.

- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-1-18 USAA-131496781 [SERFF Filing Access - North Carolina](#)

189. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952

190. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

191. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property (C) Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 10-1-18 KEMP-131506749 [SERFF Filing Access - North Carolina](#)

192. **Unitrin Safeguard Insurance Company**

- Base Premium Computation.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Year of Construction.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Deviation.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Deductible.
- Occupancy.
- Multi-Policy Discount.
- Electric Funds Transfer.
- Unit Owners Coverage A.
- Additional Coverage – Jewelry and Furs
- Eff 8-1-19 KEMP-131667677 [SERFF Filing Access - North Carolina](#)

193. **Universal Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- Underwriting Company Factor.
- Gated/Limited Access Community.
- Eff 4-1-19 CMCG-131794172 [SERFF Filing Access - North Carolina](#)

194. **Universal North American Insurance Company**  
**Homeowners Choice Program**

- Age of Home.
- Personal Property Replacement Cost No Minimum Charge.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.

- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

**Homeowners Advantage**

- Age of Home.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 12-1-18 AGIA-131556912 [SERFF Filing Access - North Carolina](#)

195. **Utica Mutual Insurance Company**

- Personal Lines Account Credit.
- W.I.S.E./Affinity Group Program.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 4-1-18 UTCX-G131185768 [SERFF Filing Access - North Carolina](#)

196. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

197. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

198. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.

- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

199. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

## **HOMEOWNERS**

1. **ACE American Insurance Company**
  - New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
  - Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
  - Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
  - Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
  - Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
  - Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
  - Eff. 9-1-92
  
2. **ACE Fire Underwriters Insurance Company**
  - New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
  - Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
  - Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
  - Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
  - Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
  - Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
  - Eff. 5-1-92
  
3. **AIG Property Casualty Company**
  - Base Premium by Territory Form HO 00 03.
  - Key Factor Deviation.
  - Protective Devices.
  - Eff 1-8-16 APCG-130345258 [SERFF Filing Access - North Carolina](#)
  
4. **AIU Insurance Company**
  - All Forms: 10%.
  - Eff. 2-1-86
  
5. **AMCO Insurance Company**
  - Territory Deviation Excludes Wind or Hail, or Does Not Exclude Wind or Hail.
  - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
  - Deductible Deviations, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Age of Oldest Insured Deviation, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
  - Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
  - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
  - Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
  - Flex Check Payment Option-Installment Payment Plan.
  - Personal Status Deviation.
  - Associate Discount Deviation.
  - Increased Special Limits of Liability.
  - Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
  - Multi-Line Deviation.
  - Census Block Deviation.
  - Eff 6-20-19 NWPC-131788303 [SERFF Filing Access - North Carolina](#)
  
6. **AMEX Assurance Company**
  - Various downward deviation based on amount of insurance Form 3.
  - Various downward deviation based on amount of insurance Form 4.
  - Various downward deviation based on amount of insurance Form 6.
  - Protective Device Credits: Credit varies 2% - 15%.



- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or row house.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory.
- Eff. 8-1-05 PC083887 [NCDOI](#)

**7. Affirmative Insurance Company**

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage.
- Eff 02-15-02 PC046217 [NCDOI](#)

**8. AGRI General Insurance Company**

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Eff. 1-1-97

**9. Alfa Alliance Insurance Corporation (Virginia Mutual Insurance Company)**

- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
- Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
- Row and Townhouses - discount.
- Account Discount.
- Insurance Score Discount.
- Newly Constructed Residences (not applicable to Forms 4 and 6).
- Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
- Installment Payment Plan-Electronic Funds Transfer.
- Effective 5-1-11 AFAL-127042137 [SERFF Filing Access - North Carolina](#)

**10. Alliance Mutual Insurance Company**

- Flat Deductibles.
- Higher Windstorm or Hail Deductibles – Flat deductible.
- Protective Devices.
- Eff 7-1-06 PC094461 [NCDOI](#)

**11. Allstate Indemnity Company**

- Claim Rating Deviation.

- Claim Free Discount.
- New/Renovated Home Discount.
- Home and Auto Discount.
- The Good Hands People Discount (Affinity).
- Zone Deviation.
- Residence Rental Coverage.
- Amount of Insurance.
- Installment Payment Plan.
- Home Buyer Discount.
- Early Signing Discount.
- Rule 404 Protective Device Discount Deviation.
- Allstate eSmart Discount.
- Eff 7-16-18 ALSE-131442096 [SERFF Filing Access - North Carolina](#)

12. **Allstate Insurance Company**

- Deductibles.
- Personal Property Replacement Cost.
- Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwelling.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.
- **Deluxe Plus**
- Rule 406 Deductibles.
- Rule 404 Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Rental to Others.
- Installment Payments Plan.
- Eff 7-16-18 ALSE-131442235 [SERFF Filing Access - North Carolina](#)

13. **Allstate Vehicle and Property Insurance Program**

- Base Premium Computation.
- Payment Options – EFT and Payroll Deduction.
- Amount of Insurance.
- House Attributes Tier Deviation.
- Policy Class Tier Deviation.
- Atlas Class Tier Deviation.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Claim Rating Deviation.
- Claim Free Discount.
- Responsible Payment Discount.
- Multiple Policy Discount.
- Home Buyer Discount.
- Protective Device Discount.
- Storm Shutter Discount.
- Hail Resistant Roof Discount.
- Early Signing Discount.
- Easy Payment Plan Discount.

- The Good Hands People Discount.
- Loyalty Discount.
- Welcome Discount.
- Blended Table Rating.

Eff 1-30-20 ALSE-132029786 [SERFF Filing Access - North Carolina](#)

14. **AmComp Assurance Corporation**

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
- Eff. 12-1-91

15. **American Automobile Insurance Company**

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOI](#)

16. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 3-1-18 ASPX-G131106166 [SERFF Filing Access - North Carolina](#)

17. **American Centennial Insurance Company**

- Forms 1, 2, 3, 3 w/15 & 6: 25%.
- Eff. 9-1-85

18. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

19. **American Family Home Insurance Company**

- EFT Installment Charge-Recurring Credit Card.

- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Key Factors.
- Eff. 4-1-18 AMMH-131341926 [SERFF Filing Access - North Carolina](#)

20. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [SERFF Filing Access - North Carolina](#)

21. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

22. **American Manufacturers Mutual Insurance Company**

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [NCDOI](#)

**23. American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

**24. American Motorists Insurance Company**

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938

**25. American States Insurance Company**

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-91

**26. American States Preferred Insurance Company**

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

**27. American Strategic Insurance Corporation**

- Zone Deviation.
- Protection Class Construction Factors HO 00 03 and HO 00 05.
- Protection Class Construction Factors HO 00 04.
- Key Factors – Forms HO 00 03 and HO 00 05.
- Key Factors – Forms HO 00 04.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Non Smoker – Forms HO 00 03 and HO 00 05.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced quote discount form HO 00 04.
- Loss History form HO 00 04.
- Paid in Full Discount Form HO 00 04.
- Bundled Coverage Credit Form HO 00 04.
- Secured Community Discount Form HO 00 04.
- Household Structure.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- HO 00 05 Deviated Form Factor Deviation.
- Windstorm or Hail Exclusion Credits.
- Eff 12-10-18 AMSI-131564119 [SERFF Filing Access - North Carolina](#)

**28. AMICA Mutual Insurance Company**

- Personal Property, Additional Premium for 75% of Coverage A waived.
- Key Factor, Form HO 00 04, Coverage C Deviation by Policy Amount.

- Additional Amounts of Insurance-25% at 1.00w/Territorial Exceptions.
- Personal Property-Increased Limit.
- Installment Payment Plan.
- All Electronic Delivery
- Preferred Risk Deviation.
- AutoPay Installment Discount.
- Eff. 10-1-19 AMMA-131911815 [SERFF Filing Access - North Carolina](#)

29. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

30. **Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10-1-94

31. **Armed Forces Insurance Exchange**

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- HO3 Key Factor Table.
- Minimum Premium Waived.
- Protective Devices-Maximum Credit.
- Eff 4-1-18 ARMD-131191395 [SERFF Filing Access - North Carolina](#)

32. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340 [NCDOI](#)

33. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.



- Eff. 6-1-93

34. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: RC Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Cov A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1-1-96

35. **Assurance Company of America**

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived.
- Eff. 7-1-98

36. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 1-2-20 TRVD-132010160 [SERFF Filing Access - North Carolina](#)

37. **Auto-Owners Insurance Company**

- Key Factors Deviation.
- Protective Device Credit.
- Protective Device Credit – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- Protection Construction Factors.
- Year of Construction Discount.



- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations/Minimum Premium.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Unique Building.
- Eff. 10-2-19 AOIC-132009501 [SERFF Filing Access - North Carolina](#)

38. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963 [SERFF Filing Access - North Carolina](#)

39. **Bankers Standard Insurance Company**

- Windstorm or Hail Exclusions.
- Windstorm Mitigation Program.
- Base Premium Computation HO 00 04 & HO 00 06; HO2, HO3, HO5 & HE7 Territory Exceptions.
- Key Factors Coverage A over \$1,000,000.
- Protection Construction Factors, HO2, HO3, HO5, HE7.
- Protection Construction Factors, HO4 & HO6.
- Protective Devices Maximum Credit.
- Deductibles – Optional Higher Deductibles.
- Deductibles – Names Storm Percentage Deductibles.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit – Multi Policy
- Mass Merchandising Discount.
- Payment Option: Bank Account Debit Installment Payments.
- Electric Backup System.
- Special Coverage – Coverage A HO6 Only.
- Eff. 4-1-18 ACEH-131192901 [SERFF Filing Access - North Carolina](#)

40. **Camden Fire Insurance Association, The**

- All Forms, except 4 & 6: New Home Credit.
- All Forms, except 4: Account credit applies to homeowner premium when personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waive charge to increase Coverage C limit 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association.
- Eff.8-15-02 PC054137 [NCDOI](#)

41. **Central Mutual Insurance Company**

- Base Premium Computation by Territory.
- Base Premium Computation by County.
- Roof Type.
- Number of Stories.
- Year of Construction.
- Age of Dwelling.
- Protection Class.
- Amount of Insurance (Owners Forms).
- Amount of Insurance (Tenant and Condo).
- Deductibles (Owners).
- Deductibles (Tenant and Condo).
- Insurance Score Deviation.
- Age of Oldest Named Insured.
- Number of Mortgages.
- Usage.
- Payment Timeliness Deviation.
- Swimming Pool.
- Solid Fuel Heating Device.
- Loss History Deviation.
- Gated Community.
- Coverages Purchased – Accompanying Schedule.
- Customer Loyalty.
- Package Deviation.
- Affinity Group.
- Paid in Full.
- Underwriter Accommodations.
- Form HO 00 06 Coverage A Dwelling Basic and Increased Limits.
- Payment Options – Electronic Funds Transfer.
- Waiver of Premium.
- Eff 11-1-19 CEMC-132022676 [SERFF Filing Access - North Carolina](#)

42. **The Charter Oak Fire Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 1-20-20 TRVD-132016831 [SERFF Filing Access - North Carolina](#)

43. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697 [NCDOI](#)

44. **The Cincinnati Insurance Company**

- Year of Construction & Age of Home.
- Base Rate Deviation by Territory.
- Installment Payment Plan Y Payment Option for EFT.
- Homeowners Enhancement.

- Watercraft Liability.
- Preferred Risk Credit, All Forms.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit – All Forms.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity Credit.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protective Devices.
- Book Roll Transition Factor.
- Protection Class Factor.
- Base Premium Computation.
- Deductibles – All Perils.
- Deductibles – Theft.
- Deductibles – Windstorm or Hail Percentage.
- Deductibles – Windstorm or Hail Flat.
- Deductibles – Named Storm Percentage.
- Windstorm or Hail Exclusion Credits.
- Eff 12-1-18 CNNB-131383262 [SERFF Filing Access - North Carolina](#)

**45. City National Insurance Company**

- Modified Base Rate.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Mature Homeowners Discount.
- New Purchase Discount.
- Secured Communities Discount.
- Maximum Discount Rule.
- Supplemental Heat Factor.
- Experience Rating Factor.
- 10-1-18 STNA-131486088 [SERFF Filing Access - North Carolina](#)

46. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [NCDOI](#)

47. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [NCDOI](#)

48. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.

- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.
- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [SERFF Filing Access - North Carolina](#)

49. **Electric Insurance Company**

- Protective Device Credits.
- Deductibles.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware, and Pewterware.
- Firearms.
- Mass Marketing Discount.
- Payroll Deduction Discount.
- Eff. 9-27-17 ELEC-131120276 [SERFF Filing Access - North Carolina](#)

50. **EMCASC0 Insurance Company**

- Personal Property (Coverage C) Replacement Coverage
- Deductible Credits
- Additional Amounts of Insurance
- Base Rate Deviation on Forms HO 00 02 and HO 00 03
- Combination Policy Discount
- Renovated Dwelling Components
- 15% Deviation applicable to Optional Section I and II rates
- Electronic Funds Transfer
- Insurance Scoring
- Eff. 3-15-07 PC097670 [NCDOI](#)

51. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms,
- Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
- Insurance Scoring.
- Eff. 3-15-07 PC097669 [NCDOI](#)

52. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.

- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 6-1-15 ALSE-129929324 [SERFF Filing Access - North Carolina](#)

53. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.
- Windstorm or Hail Exclusion Credit Deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting Tier Deviation.
- Claims Tier Deviation.
- Occupancy Deviation.
- Home Age/Policy Age Deviation.
- Townhouse and Row House Deviation.
- Business Pursuits.
- Waterbed Liability Deviation.
- Refrigerated Personal Property Coverage.
- Rented Personal Property Deviation.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage Deviation.
- Windstorm Mitigation Credits.
- Eff 4-1-18 ERPP-131291754 [SERFF Filing Access - North Carolina](#)

54. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors Deviation.
- Protective Device Credits.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7).
- Personal Property Replacement Cost.
- Townhouse or Row House Charge Eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04.
- Seasonal Dwelling Factors.
- Rented Personal Property (HO 32 21).
- Business Pursuits.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage (HO 0498).
- Personal Property Increased Limits; HE 7.
- Premium Payment Plan Service Charge – Installment Payments.
- Tiered Rating
- Other Members of a Named Insured's Household.

- Advance Quote Discount.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 4-1-18 ERPP-131293863 [SERFF Filing Access - North Carolina](#)

55. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903 [SERFF Filing Access - North Carolina](#)

56. **Fairmont Premier Insurance Company**

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%.
- Eff. 5-1-92

57. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [NCDOI](#)

58. **Federal Insurance Company**

- Protection Construction Factors.
- Protective Devices.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Mass Merchandising Discount.
- Payment Options – Bank Account Debit Installment Payment Plan.
- Electric Backup Discount.
- Eff 5-1-20 ACEH - 132184989 [SERFF Filing Access - North Carolina](#)

59. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.



- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

60. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [NCDOI](#)

61. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [NCDOI](#)

62. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

63. **Firemen's Insurance Company of Washington D.C.**

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97



64. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Water Leak Detection Discount.
- Eff 10-1-18 BKIC-131596653 [SERFF Filing Access - North Carolina](#)

65. **First Protective Insurance Company**

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Deductible for all forms except HO 00 04 and HO 00 06.
- Eff 10-28-17 PARE-131175964 [SERFF Filing Access - North Carolina](#)

**WIND ONLY Policy**

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 6-20-15 PARE-130123406 [SERFF Filing Access - North Carolina](#)

66. **Garrison Property and Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Eff 7-1-19 USAA-131872822 [SERFF Filing Access - North Carolina](#)

**67. General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [NCDOJ](#)

**68. Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

**69. Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [SERFF Filing Access - North Carolina](#)

**70. Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

**71. Graphic Arts Mutual Insurance Company**

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.

- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 10-1-19 UTCX-131983518 [SERFF Filing Access - North Carolina](#)

**72. Hanover American Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Deductible Credits.
- Account Credit.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Cap on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost.
- Eff. 12-1-18 HNVR-131708562 [SERFF Filing Access - North Carolina](#)

**73. Hanover Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C.
- Personal Property Replacement Cost on Coverage C.
- Account Credit.
- Personal Property Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts of 35%
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Eff. 12-1-18 HNVR-131708563 [SERFF Filing Access - North Carolina](#)

**74. Harbor Specialty Insurance Company**

Preferred:

- Homes 25 yrs. of age or less insured for \$50,000 or more.
- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard:

- Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.
- Form HO 3 Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.

- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
- Eff. 3-1-94

75. **Harco National Insurance Company**

- Base Premium Computation.
- Amount of Insurance.
- Protection Construction.
- Masonry Construction.
- Deductible.
- Companion Auto.
- Year of Construction.
- Age of Home.
- Roof Age.
- Mature Homeowner.
- Tier.
- Wind Mitigation.
- Number of Stories.
- Wind Exclusion Credit.
- Easy Pay Installment Plan.
- Maximum Discount.
- Eff. 12-1-19 OCCD – 132150860 [SERFF Filing Access - North Carolina](#)

76. **Harford Mutual Insurance Company**

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

77. **Harleysville Preferred Insurance Company**

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715 [SERFF Filing Access - North Carolina](#)

78. **Hartford Accident and Indemnity Company**

- Age of Home Credit.
- Account Credit.
- Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community Credit.
- Key Factors.
- Insurance Score.

- Prior Losses.
- Territory Deviation Factor.
- Effective 10-21-17 HART-131154611 [SERFF Filing Access - North Carolina](#)

79. **Hartford Casualty Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131583914 [SERFF Filing Access - North Carolina](#)

80. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [SERFF Filing Access - North Carolina](#)

81. **Hartford Insurance Company of Midwest**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 10-20-18 HART-131583924 [SERFF Filing Access - North Carolina](#)

82. **Hartford Underwriters Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 4-13-19 HART-131802885 [SERFF Filing Access - North Carolina](#)

83. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Eff 6-1-17 HPCI-131012373 [SERFF Filing Access - North Carolina](#)

84. **Homesite Insurance Company**

- Partner Discount.
- Book Transfer Rule.
- Eff 4-27-17 HMSS-13958667 [SERFF Filing Access - North Carolina](#)

85. **Horace Mann Insurance Company**

- Installment Payment Plan Waive Initial \$3 Installment Fee.
- Installment Payments - EFT.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation.
- Home Buyer Discount Deviation.
- Eff. 7-1-19 HRMN-131837699 [SERFF Filing Access - North Carolina](#)

86. **Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan – Waive Initial \$3.00 Installment Fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation.
- Home Buyer Discount Deviation.
- Eff 7-1-19 HRMN-131837733 [SERFF Filing Access - North Carolina](#)

87. **IDS Property Casualty Insurance Company**

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.

- Eff 1-1-18 PRCA-131110328 [SERFF Filing Access - North Carolina](#)

**88. Indemnity Insurance Company of North America**

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

**89. Indiana Lumbermens Mutual Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

**90. Insurance Company of North America**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

**91. Insurance Company of the State of Pennsylvania**

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

**92. Integon General Insurance Corporation**

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

**93. Integon Indemnity Corporation**

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

**94. Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [SERFF Filing Access - North Carolina](#)



95. **Kemper Independence Insurance Company**

- Additional Coverage – Jewelry and Furs Deviation.
- Unit Owners Coverage A Special HO 00 06 Deviation.
- Electronic Funds Transfer Deviation.
- Territory Deviation.
- Distance to Coast Deviation.
- Protection Construction Deviation.
- Year of Construction (All Forms Except HO-4 and HO-6).
- Age of Home (All Forms Except HO-4 and HO-6 6 Years+).
- Age of Home (Form HO-6).
- Age of Roof Deviation.
- Age of Primary Named Insured Deviation.
- Billing Fee Deviation.
- Coverage Limit Deviation.
- Deductible Deviation.
- Coverage A Per Square Footage Deviation.
- Foundation Deviation.
- Loss History Deviation (1-3 years).
- Loss History Deviation (4-5 years).
- Number of Baths Deviation.
- Number of Stories Deviation.
- Occupancy Type Deviation.
- Pool Deviation.
- Punctual Payment Deviation.
- Roof Type Deviation.
- Square Footage Deviation.
- Theft Protection Deviation.
- Tier Deviation.
- Trampoline Deviation.
- Wood Burning Stove Deviation.
- Advanced Quote Deviation.
- Affinity Group Deviation.
- Home Buyer Deviation.
- Home Safety Deviation.
- Multipolicy Deviation.
- Paperless Deviation.
- Eff 10-31-19 KEMP-132029893 [SERFF Filing Access - North Carolina](#)

96. **Lemonade Insurance Company**

- Base Premium Computation.
- Personal Property Replacement Cost Loss Settlement.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Tier Rating Factors.
- Loyalty Credits.
- Renovation Credits.
- Swimming Pool Factors.
- Gated Community Credit Factors.
- Wind Protection Device Credit Factors
- Management Company Credit Factors.
- EFF. 07-15-2019 PERR-131941574

97. **Liberty Insurance Corporation**

- Liberty Mutual Advantage.
- Multi Policy Discount.



- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916 [SERFF Filing Access - North Carolina](#)

98. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [SERFF Filing Access - North Carolina](#)

99. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

100. **Lighthouse Property Insurance Corporation**

- Base Premium Computation – HO 00 03 Deviation.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Golden Age Discount.
- New Purchase Discount.
- Secured Communities Discount.
- E-Policy Discount.
- Maximum Discount.
- Seasonal/Secondary Home.
- Wood Burning Stove.
- Experience Rating.
- Affinity Discount.
- Windstorm Mitigation Program.
- Partial Hip Credit.
- Eff 3-15-19 MERL-131795562 [SERFF Filing Access - North Carolina](#)

101. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592 [SERFF Filing Access - North Carolina](#)

102. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.

- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [NCDOJ](#)

103. **Lumbermens Mutual Casualty Company**

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047939 [NCDOJ](#)

104. **Markel American Insurance Company**

- Windstorm or Hail.
- Year of Construction Credit-Newly Constructed Dwelling.
- Mature Retiree Credit.
- Age of Dwelling.
- New Roof Credit.
- Loss Free Renewal Credit.
- Eff. 7-1-19 MRKA-131971997 [SERFF Filing Access - North Carolina](#)

105. **Maryland Casualty Company**

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when

criteria is met.

- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Eff. 7-1-98

106. **Massachusetts Bay Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Account Credit.
- Personal Property – Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Caps on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property (Coverage C) Replacement Cost.
- Personal Property (Coverage C) Replacement Cost.
- Eff 12-1-15 HNVR-131708530 [SERFF Filing Access - North Carolina](#)

107. **Max America Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit.
- Forms 1, 2, 3 & 3 w/15: New Home Credit.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03-5-02

108. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

109. **The Members Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- Underwriting Company Factor.
- Gated/Limited Access Community.
- Eff 4-1-19 CMCG-131794135 [SERFF Filing Access - North Carolina](#)

110. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.

- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [SERFF Filing Access - North Carolina](#)

111. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [SERFF Filing Access - North Carolina](#)

112. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571 [SERFF Filing Access - North Carolina](#)

113. **Metropolitan Property & Casualty Insurance Company**

**Standard Program**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

**Conversion Program**

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692 [SERFF Filing Access - North Carolina](#)

114. **Milbank Insurance Company**

- Base Class Premium Computation.
- Form Factors.
- Protection Construction Factors.
- Key Factor Table.
- Year of Construction – Newly Constructed Dwellings.
- Townhouse or Row House Factor.
- Protective Devices.
- Deductibles – All Perils.
- Deductibles – Windstorm or Hail Deductible.
- ACV Roof Loss Settlement. .
- Age of Home.
- Distance to Coast.
- Insurance Score.
- Coverage A per Square Footage.
- Stories and Square Footage.
- Number of Bathrooms.
- Tier Factor.
- Loss Experience.
- Home Purchase Discount.
- Advance Quote Discount.
- Prior Carrier Discount.
- Maximum New Business Discount.
- Age of Roof.
- Age of Roof Tenure.
- Roof Shape.
- Multi Policy Discount.
- Smart Home Protective Device Factor.
- Dwelling Use.
- Employee Discount.
- Eff. 3-23-19 STAT-131808639 [SERFF Filing Access - North Carolina](#)

115. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.

- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [NCDOI](#)

116. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [NCDOI](#)

117. **NGM Insurance Company**

- Year of Construction.
- Age of Home Discount.
- Multi-Line Discount.
- Protective Device Credits (All Forms).
- Replacement Cost on Contents HO-2, HO3, HO4, HO5 and HO6.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Increased Limits of Coverage D.
- Installment Payment Plan.
- Ordinance or Law – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Policy Form Relativities.
- Windstorm or Hail Exclusion Credits.
- Deductible Credits/Charges.
- Eff. 10-28-18 NGMC-131635863 [SERFF Filing Access - North Carolina](#)

118. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

119. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

120. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [NCDOL](#)

121. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427



122. **Nationwide General Insurance Company**

- Territory Deviation with and without Wind or Hail, Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Amount of Insurance, Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Deductibles - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Age of Home - Forms HO 00 002, HO 00 03, HO 00 05, and HO 00 06.
- Home Renovation - Forms HO 00 02, HO 00 03, and HO 00 05.
- Home Purchase - Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Age of Oldest Insured- Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Gated Community - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Supplemental Heating - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Prior Insurance - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Safe Home Rating Plan - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Protection Class - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Roof Age and Type - Forms HO 00 02, HO 00 03, and HO 00 05.
- Associate Discount - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Intra-Agency – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Personal Status – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Intra-Agency – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Home and car – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Multi-Line – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Occupant Count – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Miles to Coast Deviation - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Census Block Deviation - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Distribution Deviation – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Eff 1-5-20 NWPP-132121320 [SERFF Filing Access - North Carolina](#)

123. **Nationwide Mutual Fire Insurance Company**

- Nationwide Territory Definition/Territory Deviation Forms HO 02, HO 03 & HO 05.
- Home and Car Deviation.
- Amount of Insurance Deviation.
- Personal Property Replacement Cost Deviation.
- Deductible Deviation.
- Protective Device Deviation.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Census Block Deviation.
- Eff 6-20-19 NWPC-131778080 [SERFF Filing Access - North Carolina](#)

124. **Nationwide Mutual Insurance Company**

**Nationwide Mutual Insurance Company**

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms HO 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06.
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.



- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Installment Payment Plans.
- Census Block Deviation.

**Nationwide Mutual Insurance Company (Harleysville Operations)**

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 1-30-20 NWCP-131904077 [SERFF Filing Access - North Carolina](#)

125. **Netherlands Insurance Company**

**Preferred Homeowners**

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

**Standard Homeowners**

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [NCDOI](#)

126. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

127. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.

- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

128. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property Replacement Cost.
- Deductibles.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Watercraft – Outboard Motors.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Company Deviations.
- Deviations - Forms HO 00 02 and HO 00 03.
- Deviations by Territories 110,120,130,140,150,160.
- Deviations on Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Value-Plus Deviation.
- Carolina Partner Plus Discount – Form HO 00 03.
- Eff. 4-1-18 NCFB-131245241 [SERFF Filing Access - North Carolina](#)

129. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

130. **Northern Assurance Company of America**

- New Home Credit.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053955 [NCDOI](#)

131. **Northern Insurance Company of New York**

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500.
- Forms 4 & 6: Replacement Cost on Contents.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2-15-92

132. **Occidental Fire & Casualty Company of North Carolina**

- Territory Relativities.
- Coverage A Amount of Insurance.
- Protection Construction Class.
- Masonry Construction.
- Deductible.
- Companion Auto Discount.
- Year of Construction.
- Age of Home.
- Roof Age.
- Mature Homeowner.
- Tier.
- Wind Mitigation.
- Number of Stories..
- Wind Exclusion.
- Easy Plan Installment Plan.
- Maximum.

Form HS 03 Deviations

- Territory.
- Coverage A Amount of Insurance.
- Protection Construction Class.
- Deductible.
- Year of Construction.
- Age of Home.
- Roof Age.
- Tier.
- Wind Mitigation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 1-16-20 OCCD-132146612 [SERFF Filing Access - North Carolina](#)

133. **OneBeacon America Insurance Company**

- New Home Discount.
- Personal Property Replacement Charge Reduced to \$1 per \$1,000.
- Additional Limits of Liability for Coverage A.
- Protective Devices Credits.
- No charge for Inflation Guard Endorsement.
- Fixed dollar amount deductibles.
- Deviation on HO 00 06 Coverage A Increased Limits.
- Deviation to Form HO 00 06 rates.
- 5% discount for insured age 49 or older.
- Deviation to form HE-7.
- Deviation by Amount of Insurance for Coverage A between \$250,000 and \$500,000.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [NCDOI](#)

134. **OneBeacon Insurance Company**

- Replacement on contents endorsement.
- Protective Devices Credit.
- Personal Property Increased Limits.
- Account Credit when the named insured insures personal auto in any of the General Accident Companies.
- Fixed Dollar Amount Deductible.
- New Home Credits.

- Eff 4-15-96

135. **OneBeacon Midwest Insurance Company**

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles
- Eff. 8-15-02 PC053952 [SERFF Filing Access - North Carolina](#)

136. **Owners Insurance Company**

- Key Factors Deviation.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Unique Building.
- Company Deviation.
- Eff 10-2-19 AOIC-132009745 [SERFF Filing Access - North Carolina](#)

137. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.

- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

138. **Pacific Indemnity Company**

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- House Key Factors.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Base Rate Territory Discount.
- Eff 4-1-18 CHUB-131193183 [SERFF Filing Access - North Carolina](#)

139. **Palomar Specialty Insurance Company**

- Base Premium Computation.
- Underwriting Tier.
- Mature Homeowner Discount.
- Year of Construction.
- Age of Home.
- Personal Property (Coverage C) Replacement Cost.
- Secured Community.
- New Purchase Discount.
- Companion Policy Discount.
- Partial Hip Roof Discount.
- Distance to Coast.
- Age of Roof.
- Maximum Discount.
- Eff 4-5-19 CCGI-131856284 [SERFF Filing Access - North Carolina](#)

140. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [SERFF Filing Access - North Carolina](#)

141. **Pennsylvania General Insurance Company**

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.

- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

142. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

143. **Pennsylvania National Mutual Casualty Insurance Company**

- Year of Construction – Newly Constructed Dwellings.
- Windstorm or Hail Exclusion Credit.
- Personal Property Increased Limit.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Device Credit.
- Additional Protective Device Credits.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.
- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- New Home Discount.
- Eff 10-1-18 PNPR-131667785 [SERFF Filing Access - North Carolina](#)

144. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [SERFF Filing Access - North Carolina](#)

145. **Phoenix Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Eff 5-23-19 TRVD-131752350 [SERFF Filing Access - North Carolina](#)

146. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

147. **Praetorian Insurance Company**

- HO 03 Base Rate Deviation.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Additional Amounts of Insurance.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 5-1-17 QBEC-130888091 [SERFF Filing Access - North Carolina](#)
- **Tenant Homeowners**
- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311 [SERFF Filing Access - North Carolina](#)

148. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.



- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Mortgage Free Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Cost Per Square Foot Factor.
- Renewal Discount Deviation.
- Eff 10-1-19 PRIV-131903299 [SERFF Filing Access - North Carolina](#)

149. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled coverageCredit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [SERFF Filing Access - North Carolina](#)

150. **Progressive Southeastern Insurance Company**

- Zone Deviation.
- Protection Class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote Discount.
- Loss History.
- Paid in Full Discount.
- Bundled Coverage Credit.
- Secured Community Discount.
- Household Structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Windstorm or Hail Exclusion Credits.
- Eff 12-10-18 ASIT-131365142 [SERFF Filing Access - North Carolina](#)

151. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008



152. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Specified Additional Amount of Insurance Coverage A.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 5-1-17 QBEC-130888729 [SERFF Filing Access - North Carolina](#)

153. **Republic-Franklin Insurance Company**

*Personal Edge Homeowners*

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (All Policy Forms).
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (All policy forms except HO4 and HO6)
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO 3, HO5 and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.

*Essential Homeowners*

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms Except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (all policy forms).
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all policy forms except HO4 or HO6).
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO3, HO5, and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Eff 8-24-19 UTCX-132021698 [SERFF Filing Access - North Carolina](#)

154. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.

- Eff. 1-15-95

155. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Age of Dwelling.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Windstorm or Hail Exclusion.
- Eff 10-1-18 RLSC-131596324 [SERFF Filing Access - North Carolina](#)

156. **Safeco Insurance Company of America**

- Deductible Factors.
- Account Credit.
- Credit Card, Fund Transfer Card, Forgery.
- Other Insured Locations.
- Special Personal Property Coverage – HO 4 and HO 6.
- Tier Relativities – Credit Scoring.
- Employee Discount Plan.
- Territory Relativities.
- Renewal Credit.
- Age of Roof Discount.
- Umbrella Account Credit.
- Roof Type.
- Protection Class Relativity.
- Coverage A Per Square Footage.
- Advance Quote Discount.
- Coverage C Amount.
- Year of Construction.
- Newer Home Credit.
- Eff. 08-01-19 LBPM-131943495 [SERFF Filing Access - North Carolina](#)

157. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

158. **Seaton Insurance Company**

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Eff. 6-13-94

159. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

160. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

161. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

162. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

163. **Service Insurance Company**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- **HS 03 Deviations**
- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.

- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 4-15-19 OCCD-131858538 [NCDOJ](#)

164. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [SERFF Filing Access - North Carolina](#)

165. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

166. **Southern Insurance Company of Virginia**

**PREFERRED**

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage

- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

**STANDARD**

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

167. **Southern Pilot Insurance Company**

- Base Class Premium Forms HO 00 03, HO 00 05, HE-7.
- Base Class Premium Form HO 00 04.
- Base Class Premium Form HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- Year of Construction Credits Primary and Secondary.
- Optional Deductible Credits.
- Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Outboard Motor and Watercraft Liability.
- Multi-Policy Credit.
- Enhancement Factor Deviation.
- Age of Home.
- Protective Device Credit.
- Eff. 12-1-18 QBEC-131654641 [SERFF Filing Access - North Carolina](#)

168. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6:; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3:; - \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6:; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.

- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [NCDOJ](#)

169. **Spinnaker Insurance Company**

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.
- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106 [SERFF Filing Access - North Carolina](#)

170. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

171. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

172. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

173. **Standard Fire Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff. 1-20-20 TRVD-132016830 [SERFF Filing Access - North Carolina](#)

174. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

175. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Protective Devices – Maximum Credit.
- Year of Construction.
- Age of Home Credit.
- Increased Coverage C.
- Protection Class 9 Rates.
- Prime of Life Discount.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Base Premiums.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Installment Payment Plan, E-Pay.
- Employee Group Discount Plan.



- Home Purchase Discount.
- Advance Quote Discount.
- Key Factors – Policy Size Relativity.
- Eff 4-16-18 STAT-131387601 [SERFF Filing Access - North Carolina](#)

176. **State Auto Property & Casualty Insurance Company**

- Protective Devices Credits.
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwellings.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan Options.
- Employee Group Discount Plan.
- Base Premiums - Form HO 00 03.
- Home Purchase Discount.
- Advance Quote Discount.
- Base Premium Key Factor Relativity.
- Eff. 4-16-18 STAT-131387603 [SERFF Filing Access - North Carolina](#)

177. **State Farm Fire & Casualty**

- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 04.
- Base Premium Computation HO 00 06.
- Protective Devices.
- Coverage A Increased limits & Special Coverage Form HO 00 06.
- Claims Free Discount.
- Claim Record Rating Plan Deviation.
- Installment Plan Payment Plan.
- Refrigerated Personal Property.
- Home and Auto Discount.
- Named Storm Percentage Deductible HO 00 03.
- Named Storm Percentage Deductible HO 00 04.
- Named Storm Percentage Deductible HO 00 06.
- All Perils Deductibles HO 00 03.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection Class – HO 00 03.
- Wind Exclusion Credits by Protection Class – HO 00 06.
- Location Rating Factors.
- Protection Class – Form 3
- Protection Class Forms 4 and 6.
- Amount of Insurance - Form 3.
- Eff. 12-1-19 SFMA-132060312 [SERFF Filing Access - North Carolina](#)

178. **Stillwater Property & Casualty Insurance Company**

- Base Rate Deviation by Territory HO 00 03, HO 00 04 and HO 00 06.
- HO 00 03, HO 00 04 and HO 00 06 Amount of Insurance Factors by Territory.
- HO 00 04 Amount of Insurance by Territory.
- HO 00 03 Townhouse/Rowhouse.
- HO 00 03 Optional Deductible Credits, Hurricane Deductibles and Windstorm or Hail Deductibles.
- HO 00 04 and HO 00 06 Optional Deductible Credits.
- Rules 601, 602 and 604 Number of Families.
- Coverage C Increased Limits.
- HO 00 04 and HO 00 06 Replacement Cost on Contents.



- Homeowners Renewal Discount.
- Protective Devices – Automatic Sprinkler Discount.
- Ordinance of Law Coverage.
- Affinity Discount.
- Home-Auto Discount.
- Newly Acquired Home.
- HO 00 06 Coverage A Increased Limits.
- HO 00 03 Coverage D Increased Limits.
- Insurance Bureau Score.
- Eff 2-15-08 PC106949

179. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

180. **Teachers Insurance Company**

- Installment Pay Plan – Waive Initial \$3.00 Installment Fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation Forms 3, 4 and 6.
- Home Buyer Discount Deviation.
- Eff. 7-1-19 HRMN-131837705 [SERFF Filing Access - North Carolina](#)

181. **Travelers Casualty & Surety Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 2-02-20 TRVD-132016814 [SERFF Filing Access - North Carolina](#)

182. **Travelers Indemnity Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.

- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 1-02-20 TRVD-132016815 [SERFF Filing Access - North Carolina](#)

183. **Travelers Indemnity Company of America**

- Base Rate Deviation.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Final Premium Adjustment Factor.
- Eff 1-02-20 TRVD-132016854 [SERFF Filing Access - North Carolina](#)

184. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

185. **Travelers Personal Security Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 1-02-20 TRVD-132016829 [SERFF Filing Access - North Carolina](#)

186. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.

- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

187. **Twin City Fire Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-20-18 HART-131584002 [SERFF Filing Access - North Carolina](#)

188. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Eff 07-1-19 USAA-131872937 [SERFF Filing Access - North Carolina](#)

189. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.

- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount-Form 3.
- Marital Status Discount-Form 6.
- Number of Bathrooms Discount.
- Number of Stores Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount
- Eff 12-30-19 USAA-131989678 [SERFF Filing Access - North Carolina](#)

190. **Unigard Indemnity Company & Unigard Insurance Company**

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory.
- Eff. 10-3-94

191. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
  - 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

192. **United Property & Casualty Insurance Company**

**Tier 2 UPC 1.0**

- Program Tier.
- Base Premium Computation.
- Occupancy.
- Protective Devices.
- Secured Community.
- Inflation Guard.
- Payment Plan.
- Windstorm or Hail Exclusion.
- Maximum Discount.
- Year of Construction.

- Age of Home.
- Age of Insured.
- Companion Policy.
- Windstorm Mitigation.
- Construction Permit.
- Age of Roof.
- Echelon Development & Rating.
- Distance to Coast.
- Coastal Adjustments by Territory.
- Coastal Adjustment by Territory and Mitigation Feature.

**Tier 1 UPC Legacy Deviations**

- Program Tier.
- Base Premium Computation.
- Secured Community.
- Maximum Discount.
- Age of Home.
- Companion Policy.
- Claim Free Discount.
- Claims Rating Discount.
- Book Transfer.
- Prior Insurance.
- Mature Homeowner.
- New Purchase.
- Water Loss Prevention.
- Hip Roof Discount.
- Eff 5-15-19 UPCI-131885656 [SERFF Filing Access - North Carolina](#)

193. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount – Form 3.
- Marital Status Discount – Form 6.
- Number of Bathrooms Discount.
- Number of Stores Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Eff 12-30-19 USAA-131989672 [SERFF Filing Access - North Carolina](#)

194. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.

- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952

195. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

196. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property (C) Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 10-1-18 KEMP-131506749 [SERFF Filing Access - North Carolina](#)

197. **Unitrin Safeguard Insurance Company**

- Base Premium Computation.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Year of Construction.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Deviation.

- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Deductible.
- Occupancy.
- Multi-Policy Discount.
- Electric Funds Transfer.
- Unit Owners Coverage A.
- Additional Coverage – Jewelry and Furs
- Eff 8-1-19 KEMP-131667677 [SERFF Filing Access - North Carolina](#)

198. **Universal Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- Underwriting Company Factor.
- Gated/Limited Access Community.
- Eff 4-1-19 CMCG-131794172 [SERFF Filing Access - North Carolina](#)

199. **Universal North American Insurance Company**

**Homeowners Choice Program**

- Age of Home.
- Personal Property Replacement Cost No Minimum Charge.
- GEICO Credit.
- Costco Credit.
- Prior Claims Rating.
- Insurance Score.
- Territory Deviation.
- Other than Primary Residence.

**Homeowners Advantage**

- Age of Home.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 12-1-18 AGIA-131556912 [SERFF Filing Access - North Carolina](#)

200. **Utica Mutual Insurance Company**

- Personal Lines Account Credit.
- W.I.S.E./Affinity Group Program.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 10-1-19 UTCX-131983542 [SERFF Filing Access - North Carolina](#)

201. **Valiant Insurance Company**

- Personal Property Replacement Cost
- Deductible Credits.
- Personal Property Increased Limits.
- Age of dwelling discount.
- Account Credit.
- Deviation by territory.
- Base Premium discount.
- Protective Device Credit.
- Eff 7-1-98

202. **Vesta Insurance Corporation**

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%.
- Eff. 6-1-99

203. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

204. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95



## **HOMEOWNERS**

1. **ACE American Insurance Company**
  - New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
  - Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
  - Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
  - Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
  - Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
  - Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
  - Eff. 9-1-92
  
2. **ACE Fire Underwriters Insurance Company**
  - New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
  - Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
  - Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
  - Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
  - Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
  - Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
  - Eff. 5-1-92
  
3. **AIG Property Casualty Company**
  - Base Premium by Territory Form HO 00 03.
  - Protective Devices.
  - Type of Residence Credits.
  - Rate Change Capping.
  - Cancellation Notices.
  - Claim Record Adjustment.
  - Insurance Score.
  - Additional Protective Devices.
  - Affinity Mass Merchandising Credits.
  - Number of Mortgages.
  - Eff 5-1-20 APCG-132194267 [SERFF Filing Access - North Carolina](#)
  
4. **AIU Insurance Company**
  - All Forms: 10%.
  - Eff. 2-1-86
  
5. **AMCO Insurance Company**
  - Territory Relativities – With or Without Wind or Hail.
  - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
  - Deductibles, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Safe Home Rating Plan Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Age of Oldest Insured, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
  - Age of Home Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Year of Construction-Age of Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
  - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Roof Rating, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Purchase, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
  - Gated Community, Forms HO 00 02, HO 00 03, and HO 00 05.
  - EFT Check Payment Option-Installment Payment Plan.
  - Personal Status.
  - Associate Discount.
  - Prior Insurance.
  - Intra-Agency, Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.

- Multi-Line Discount.
  - Census Block Deviation.
  - Eff 5-1-20 NWPC-132247075 [SERFF Filing Access - North Carolina](#)
6. **AMEX Assurance Company**
- Various downward deviation based on amount of insurance Form 3.
  - Various downward deviation based on amount of insurance Form 4.
  - Various downward deviation based on amount of insurance Form 6.
  - Protective Device Credits: Credit varies 2% - 15%.
  - Home & Auto Credit: Credit varies by form 2% or 5%.
  - Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
  - Coverage A Increased Limits downward deviation form HO 06..
  - Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
  - Form 3: Downward deviation Coverage C Increased Limits.
  - Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
  - No additional charge for Refrigerated Personal Property.
  - No charge for townhouse or row house.
  - Costco Discount: 2% applies to policies for member insureds of Costco.
  - HO 3, 4 & 6 base rates vary by territory.
  - Eff. 8-1-05 PC083887 [NCDOI](#)
7. **AGRI General Insurance Company**
- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
  - New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
  - All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
  - Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
  - Eff. 1-1-97
8. **Alfa Alliance Insurance Corporation**
- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
  - Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
  - Row and Townhouses - discount.
  - Account Discount.
  - Insurance Score Discount.
  - Newly Constructed Residences (not applicable to Forms 4 and 6).
  - Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
  - Installment Payment Plan-Electronic Funds Transfer.
  - Effective 5-1-11 AFAL-127042137 [SERFF Filing Access - North Carolina](#)
9. **Alliance Mutual Insurance Company**
- Flat Deductibles.
  - Higher Windstorm or Hail Deductibles – Flat deductible.
  - Protective Devices.
  - Eff 7-1-06 PC094461 [NCDOI](#)
10. **Allstate Indemnity Company**
- Claim Rating Deviation.
  - Claim Free Discount.
  - New/Renovated Home Discount.
  - Home and Auto Discount.
  - The Good Hands People Discount (Affinity).
  - Zone Deviation.
  - Amount of Insurance.
  - Installment Payment Plan.
  - Home Buyer Discount.

- Early Signing Discount.
- Rule 404 Protective Device Discount Deviation.
- Allstate eSmart Discount.
- Eff 5-1-20 ALSE-132230875 [SERFF Filing Access - North Carolina](#)

11. **Allstate Insurance Company**

**Homeowners**

- Deductibles.
- Personal Property Replacement Cost.
- NCRB Protective Devices.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwelling.
- Zone Deviation.
- Rental to Others- Extended Theft Coverage.

**Deluxe Plus**

- Deductibles.
- Protective Devices.
- Safety and Theft Deterrent Systems.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Installment Payments Plan.
- Rental to Others Extended Theft Coverage.
- Eff 5-1-20 ALSE-132230759 [SERFF Filing Access - North Carolina](#)

12. **Allstate Vehicle and Property Insurance Program**

- Base Premium Computation.
- Payment Options – EFT and Payroll Deduction.
- Amount of Insurance.
- House Attributes Tier Deviation.
- Policy Class Tier Deviation.
- Atlas Class Tier Deviation.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Claim Rating Deviation.
- Claim Free Discount.
- Responsible Payment Discount.
- Multiple Policy Discount.
- Home Buyer Discount.
- Protective Device Discount.
- Storm Shutter Discount.
- Hail Resistant Roof Discount.
- Early Signing Discount.
- Easy Payment Plan Discount.
- The Good Hands People Discount.
- Loyalty Discount.
- Welcome Discount.
- Blended Table Rating.

Eff 5-1-20 ALSE-132237646 [SERFF Filing Access - North Carolina](#)

13. **American Automobile Insurance Company**

- Protective Devices Discount.
- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOL](#)

14. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 10/1/20 ASPX-132217605 [SERFF Filing Access - North Carolina](#)

15. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

16. **American Family Connect Property and Casualty Insurance Company**

- Protective Device Credits.
- Deductible Credits.
- Home and Auto Discount.
- Replacement Cost on Contents Discount – Forms HO 00 03, HO 00 04 and HO 00 06.
- Form HO 00 06 0 Coverage A Increased Limits.
- Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property.
- Townhouse/Rowhouse.
- Costco Discount.
- Deadbolt Discount.
- Eff. 5-1-20 PRCA-132179602 [SERFF Filing Access - North Carolina](#)

17. **American Family Home Insurance Company**

- EFT Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.

- Roof credit replaced within the past 5 years.
- Key Factors.
- Eff. 4-1-18 AMMH-131341926 [SERFF Filing Access - North Carolina](#)

18. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [SERFF Filing Access - North Carolina](#)

19. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

20. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

21. **American Modern Property and Casualty Insurance Company**

- Age of Insured.
- Association Discount.
- Auto/Home Discount.
- Claims Free Discount.
- Base Premium Computation – Protection Construction.
- Installment Payment Plan Options.
- Insurance Score.
- Minimum Premium.
- Multi-Policy Discount.
- Paid in Full – Direct Billed Discount.
- Paperless Discount.
- Base Premium Computation.
- Year of Construction.
- Eff. 6-23-20 AMMH – 132289482 [SERFF Filing Access - North Carolina](#)

22. **American States Insurance Company**

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.

- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-91

**23. American States Preferred Insurance Company**

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

**24. American Strategic Insurance Corporation**

- Zone Deviation.
- Protection Class Construction Factors HO 00 03, HO 00 05, HE 7 and HO 00 04.
- Protection Class Construction Factors HO 00 04.
- Key Factors – Forms HO 00 03, HO 00 05, HE 7 and HO 00 04.
- Age of Home.
- Tier Forms HO 00 03/HE 7 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03 and HE 7.
- Senior Retiree – HO 00 05 Only.
- Non-Smoker – Forms HO 00 03, HO 00 05 and HE 7.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced Quote Discount Form HO 00 03, HO 00 04 and HE7.
- Loss History Form HO 00 03, HO 00 05, HE7 and HO 00 04.
- Claims Free – Form HO 00 03.
- Paid in Full Discount Form HO 00 03, HE7 and HO 00 04.
- Secured Community Discount-Form HO 00 03, HO 00 05, HE7 and HO 00 04.
- Bundled Coverage Credit – Form HO 00 04.
- Household Structure.
- Number of Residents.
- Roof Age and Type – Form HO 00 03.

- Home Renovation – Form HO 00 03.
- Coverage A by Square Feet – Form HO 00 03.
- Number of Stories – Form HO 00 03.
- Distance to Coast – Form HO 00 03.
- Secondary/Seasonal – Form HO 00 03.
- Personal Property Replacement Cost – All Forms.
- Protective Devices – All Forms.
- Deductibles.
- Additional Amount of Insurance – Form HO 00 03.
- ACV Loss Settlement Windstorm or Hail Losses to Roof – Form HO 00 03.
- Ordinance or Law – Form HO 00 03.
- Special Computer Coverage – Form HO 00 03.
- Wind Mitigation – Non Coastal.
- Wind Mitigation Forms HO 00 03, HO 00 05 and HE7.
- Form Factor HO 00 05/HE 7.
- Windstorm or Hail Exclusion Credits.
- Year of Construction, Form HO 00 06.
- Wood Burning Stove – Forms 3 and 6.
- Eff 10-28-20 AMSI-132273962 [SERFF Filing Access - North Carolina](#)

25. **AMICA Mutual Insurance Company**

- Personal Property, Additional Premium for 75% of Coverage A Waived.
- Key Factor, Form HO 00 04, Coverage C Deviation by Policy Amount.
- Additional Amounts of Insurance-25% at 1.00 w/Territorial Exceptions.
- Personal Property-Increased Limit.
- Installment Payment Plan.
- All Electronic Delivery
- Preferred Risk Deviation.
- AutoPay Installment Discount.
- Eff. 10-1-20 AMMA-132319872 [SERFF Filing Access - North Carolina](#)

26. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

27. **Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10-1-94

28. **Armed Forces Insurance Exchange**

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- HO3 Key Factor Table.
- Minimum Premium Waived.
- Protective Devices-Maximum Credit.



- Eff 4-1-18 ARMD-131191395 [SERFF Filing Access - North Carolina](#)

29. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340 [NCDOI](#)

30. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

31. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 10-18-20 TRVD-132557575 [SERFF Filing Access - North Carolina](#)

32. **Auto-Owners Insurance Company**

- Key Factors Deviation.
- Protective Device Credit.
- Protective Device – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.
- Protection Construction Factors.



- Year of Construction Discount.
- Base Class Premium
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations/Minimum Premium.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Age of Home.
- Water Shut-Off System Discount.
- Limited Water Back-up and Sump Discharge or Overflow.
- Automatic Backup Generator Discount.
- Refrigerated Personal Property
- Unique Building.
- Eff. 11-1-20 AOIC-132477486 [SERFF Filing Access - North Carolina](#)

33. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963 [SERFF Filing Access - North Carolina](#)

34. **Bankers Standard Insurance Company**

- Windstorm or Hail Exclusions.
- Windstorm Mitigation Program.
- Base Premium Computation HO 00 04 & HO 00 06; HO2, HO3, HO5 & HE7 Territory Exceptions.
- Key Factors Coverage A over \$1,000,000.
- Protection Construction Factors, HO2, HO3, HO5, HE7.
- Protection Construction Factors, HO4 & HO6.
- Protective Devices Maximum Credit.
- Deductibles – Optional Higher Deductibles.
- Deductibles – Names Storm Percentage Deductibles.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit – Multi Policy
- Mass Merchandising Discount.
- Payment Option: Bank Account Debit Installment Payments.
- Electric Backup System.
- Special Coverage – Coverage A HO6 Only.
- Eff. 4-1-18 ACEH-131192901 [SERFF Filing Access - North Carolina](#)

35. **Central Mutual Insurance Company**

- Base Premium Computation by Territory.
- Base Premium Computation by County.
- Roof Type.
- Number of Stories.
- Year of Construction.
- Age of Dwelling.
- Protection Class.
- Amount of Insurance (Owners Forms).
- Amount of Insurance (Tenant and Condo).
- Deductibles (Owners).
- Deductibles (Tenant and Condo).

- Insurance Score Deviation.
- Age of Oldest Named Insured.
- Number of Mortgages.
- Usage.
- Payment Timeliness Deviation.
- Swimming Pool.
- Trampolines.
- Solid Fuel Heating Device.
- Loss History Deviation.
- Gated Community.
- Coverages Purchased – Accompanying Schedule.
- Customer Loyalty.
- Package Deviation.
- Affinity Group.
- Paid in Full.
- Underwriter Accommodations.
- Form HO 00 06 Coverage A Dwelling Basic and Increased Limits.
- Payment Options – Electronic Funds Transfer.
- Waiver of Premium.
- Eff 5-1-20 CEMC-132224043 [SERFF Filing Access - North Carolina](#)

36. **The Charter Oak Fire Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 8-20-20 TRVD-132287997 [SERFF Filing Access - North Carolina](#)

37. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697 [NCDOI](#)

38. **The Cincinnati Insurance Company**

- Year of Construction.
- Age of Home.
- Base Rate Deviation by Territory.
- Installment Payment Plan Y Payment Option for EFT.
- Homeowners Enhancement.
- Watercraft Liability.
- Preferred Risk Credit, All Forms.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 Only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit – All Forms.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.

- New Business Advance Quote Discount.
- Home New Purchase Discount.
- Renovation or Construction Factor.
- Seasonal/Secondary Factor.
- Vacancy Factor.
- Rented to Others Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity Credit.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protection Devices.
- Book Roll Transition Factor.
- Protection Class Factor.
- Base Premium Computation.
- Deductibles – All Perils.
- Deductibles – Theft.
- Deductibles – Windstorm or Hail Percentage.
- Deductibles – Windstorm or Hail Flat.
- Deductibles – Named Storm Percentage.
- Windstorm or Hail Exclusion Credits.
- Prior Claims Factor.
- Eff 12-1-20 CNNB-132298994 [SERFF Filing Access - North Carolina](#)

**39. City National Insurance Company**

- Modified Base Rate.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Mature Homeowners Discount.
- New Purchase Discount.
- Secured Communities Discount.
- Maximum Discount Rule.
- Supplemental Heat Factor.
- Experience Rating Factor.
- 10-1-18 STNA-131486088 [SERFF Filing Access - North Carolina](#)

**40. Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no

charge to increase Coverage C when certain criteria is met.

- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [NCDOI](#)

#### 41. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [NCDOI](#)

#### 42. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.

- Earthquake Coverage-Ordinance or Law Coverage.
  - Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
  - Other Exposures-Medical Payments to Others Increased Limits.
  - Other Structures – On Premises Structures Specific Structures – Increase Limits.
  - Other Structures-On Premises Structures Specific Structures-Rented to Others.
  - Eff. 7-1-13 METX-G129007172 [SERFF Filing Access - North Carolina](#)
43. **Electric Insurance Company**
- Personal Property at 75% of Coverage C.
  - Mass Marketing Discount.
  - Payroll Deduction Discount.
  - Eff. 9-1-20 ELEC-132235182 [SERFF Filing Access - North Carolina](#)
44. **EMCASC0 Insurance Company**
- Personal Property (Coverage C) Replacement Coverage
  - Deductible Credits
  - Additional Amounts of Insurance
  - Base Rate Deviation on Forms HO 00 02 and HO 00 03
  - Combination Policy Discount
  - Renovated Dwelling Components
  - 15% Deviation applicable to Optional Section I and II rates
  - Electronic Funds Transfer
  - Insurance Scoring
  - Eff. 3-15-07 PC097670 [NCD0I](#)
45. **Employers Mutual Casualty Company**
- Optional Higher Flat deductible credits all forms,
  - Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
  - Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
  - Renovated Dwelling Components: Variable credits when criteria is met.
  - Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
  - Insurance Scoring.
  - Eff. 3-15-07 PC097669 [NCD0I](#)
46. **Encompass Indemnity Company**
- Forms 2, 3, and 8 Base Rate Deviations by Territory.
  - Form 4 Base Rate Deviation by Territory.
  - Form 6 Base Rate Deviation by Territory.
  - Gated Community Discount.
  - New Home Discount.
  - Deductible Credits Discount.
  - Additional Limits Deviation, Coverage F
  - Business Pursuits Rate Deviation.
  - Incidental Farming Personal Liability Deviation.
  - Superior Construction Discount.
  - Special Personal Property Coverage HO 6 only.
  - Companion Policy Discount.
  - Preferred Rate Deviation.
  - Windstorm or Hail deviation.
  - Policy Group Determination.
  - Effective 6-1-15 ALSE-129929324 [SERFF Filing Access - North Carolina](#)
47. **Erie Insurance Company**
- Base Rate.
  - Form Factor.
  - Protection Construction Factor.
  - Windstorm or Hail Exclusion Credit.

- Amount of Insurance.
- Deductible Factor.
- Personal Property Replacement Cost.
- Multi Policy Discount.
- Underwriting Tier.
- Claims Tier.
- Occupancy.
- Home Age/Policy Age.
- Townhouse and Row House.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Personal Property.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.
- Age of Dwelling Credits.
- Distance to Coast.
- Eff 5-1-20 ERPP-132216976 [SERFF Filing Access - North Carolina](#)

48. **Erie Insurance Exchange**

- Base Rate Computation.
- Amount of Insurance.
- Multi-Policy Discount.
- Year of Construction.
- Deductible Factors.
- Protective Device Credits.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7).
- Personal Property Replacement Cost.
- Townhouse or Row House.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04.
- Seasonal Dwelling Factors.
- Rented Personal Property (HO 32 21).
- Business Pursuits.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage (HO 0498) – All Forms.
- Personal Property Increased Limit HE-7.
- Premium Payment Plan Service Charge – Installment Payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- New Home Discount.
- Protection/Construction Factors.
- Form Factors.
- Eff. 5-1-20 ERPP-132216199 [SERFF Filing Access - North Carolina](#)

49. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903 [SERFF Filing Access - North Carolina](#)

50. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [NCDOI](#)

51. **Federal Insurance Company**

- Protection Construction Factors.
- Protective Devices.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Mass Merchandising Discount.
- Payment Options – Bank Account Debit Installment Payment Plan.
- Electric Backup Discount.
- Eff 5-1-20 ACEH - 132184989 [SERFF Filing Access - North Carolina](#)

52. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

53. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.



- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [NCDOJ](#)

54. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [NCDOJ](#)

55. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

56. **Firemen's Insurance Company of Washington D.C.**

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded. - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

57. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.



- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Water Leak Detection Discount.
- Eff 10-1-18 BKIC-131596653 [SERFF Filing Access - North Carolina](#)

58. **First Protective Insurance Company**

- Base Rates for all forms except HO 00 04 and HO 00 06.
- Wind Exclusion Credit.
- Claim Free Discount
- New Purchase Discount
- Senior Discount.
- Secured Community Discount.
- Tankless Water Heater Discount.
- Eff 12-31-20 MISF-132488825 [SERFF Filing Access - North Carolina](#)

**WIND ONLY Policy**

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 12-31-20 MISF-132488825 [SERFF Filing Access - North Carolina](#)

59. **Garrison Property and Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 06.
- Deductible Credits.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount-Form 3.
- Marital Status Discount-Form 6.
- Number of Bathrooms Discount.
- Number of Stores Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Multi-Product Discount.
- Loyalty Discount.

- Eff 12-10-20 USAA-132639101 [SERFF Filing Access - North Carolina](#)

60. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [NCDO](#)

61. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

62. **Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [SERFF Filing Access - North Carolina](#)

63. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87

64. **Graphic Arts Mutual Insurance Company**

- Base Rate Deviation.
- Personal Lines Account Credit.

- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 5-1-20 UTCX-132233710 [SERFF Filing Access - North Carolina](#)

65. **Hanover American Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Deductible Credits.
- Account Credit.
- Personal Property - Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Cap on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost.
- Eff. 5-1-20 HNVR-132218102 [SERFF Filing Access - North Carolina](#)

66. **Hanover Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Deductible Credits.
- Account Credit.
- Personal Property – Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan
- Direct Bill Policies Installment Payment Plan.
- Cap on Credits/Discounts of 35%
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Eff. 5-1-20 HNVR-132218103 [SERFF Filing Access - North Carolina](#)

67. **Harco National Insurance Company**

Policy Forms HO 02, HO 03 , HO 05

- Base Premium Computation.
- Amount of Insurance.
- Protection Construction.
- Masonry Construction.
- Deductible.
- Companion Auto.
- Year of Construction.
- Age of Home.
- Roof Age.
- Mature Homeowner.
- Tier.
- Wind Mitigation.
- Number of Stories.
- Wind Exclusion Credit.
- Easy Pay Installment Plan.
- Maximum Discount.

Policy Forms HS 03

- Base Premium Computation.

- Amount of Insurance.
- Protection Construction.
- Deductible.
- Year of Construction.
- Age of Home.
- Roof Age.
- Tier.
- Wind Mitigation.
- Number of Stories.
- Easy Pay Installment Plan.
- Maximum Deviation.
- Eff. 5-1-20 OCCD – 132315180 [SERFF Filing Access - North Carolina](#)

68. **Harford Mutual Insurance Company**

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

69. **Harleysville Preferred Insurance Company**

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715 [SERFF Filing Access - North Carolina](#)

70. **Hartford Accident and Indemnity Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 09/18/2020 HART-132528948 [SERFF Filing Access - North Carolina](#)

71. **Hartford Casualty Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.

- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 9-18-20 HART-132528841 [SERFF Filing Access - North Carolina](#)

72. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [SERFF Filing Access - North Carolina](#)

73. **Hartford Insurance Company of Midwest**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 9-18-20 HART-132528832 [SERFF Filing Access - North Carolina](#)

74. **Hartford Underwriters Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 9-18-20 HART-132528935 [SERFF Filing Access - North Carolina](#)

75. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.
- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.

- Tier Criteria Table.
- Clear Space Discount.
- Accredited Builder Discount.
- Age of Roof Credit.
- Hardiplank Siding Discount.
- Eff 2/1/20 HPCI-132101574 [SERFF Filing Access - North Carolina](#)

76. **Homeowners of America Insurance Company**

- Companion Policy Discount.
- Rating Tiers.
- Claim Free Renewal Discount.
- New Purchase Discount.
- Secured Community Discount.
- Maximum Discount Rule.
- Accredited Builder.
- Territory Deviations.
- Claims History.
- Eff 5-1-20 HAIC-132146559 [SERFF Filing Access - North Carolina](#)

77. **Homesite Insurance Company**

- Partner Discount.
- Book Transfer Rule.
- Eff 6-14-20 HMSS-132288433 [SERFF Filing Access - North Carolina](#)

78. **Horace Mann Insurance Company**

- Installment Payment Plan Waive Initial \$3 Installment Fee.
- Installment Payments - EFT.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation.
- Home Buyer Discount Deviation.
- Eff. 7-1-19 HRMN-131837699 [SERFF Filing Access - North Carolina](#)

79. **Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan – Waive Initial \$3.00 Installment Fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - EFT.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation.
- Home Buyer Discount Deviation.
- Eff 7-1-19 HRMN-131837733 [SERFF Filing Access - North Carolina](#)

80. **IDS Property Casualty Insurance Company**

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.

- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 1-1-18 PRCA-131110328 [SERFF Filing Access - North Carolina](#)

**81. Indemnity Insurance Company of North America**

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

**82. Indiana Lumbermens Mutual Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

**83. Insurance Company of North America**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

**84. Insurance Company of the State of Pennsylvania**

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

**85. Integon General Insurance Corporation**

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

**86. Integon Indemnity Corporation**

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

87. **Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [SERFF Filing Access - North Carolina](#)

88. **Kemper Independence Insurance Company**

- Additional Coverage – Jewelry and Furs Deviation.
- Unit Owners Coverage A Special HO 00 06.
- Electronic Funds Transfer.
- Territory.
- Distance to Coast.
- Protection Construction.
- Year of Construction (All Forms Except HO-4 and HO-6).
- Age of Home (All Forms Except HO-4 and HO-6 6 Years+).
- Age of Home (Form HO-6).
- Age of Roof Deviation.
- Age of Primary Named Insured.
- Billing Fee.
- Coverage Limit.
- Deductible.
- Coverage A Per Square Footage.
- Foundation.
- Loss History (1-3 years).
- Loss History (4-5 years).
- Number of Baths.
- Number of Stories.
- Occupancy Type.
- Swimming Pool.
- Punctual Payment.
- Roof Type.
- Square Footage.
- Theft Protection.
- Advanced Quote.
- Affinity Group.
- Home Buyer.
- Home Safety.
- Multi-Policy Discount.
- Paperless Discount.
- Eff 5-1-20 KEMP-132253299 [SERFF Filing Access - North Carolina](#)

89. **Lemonade Insurance Company**

- Base Premium Computation.
- Personal Property Replacement Cost Loss Settlement.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Tier Rating Factors.
- Loyalty Credits.
- Renovation Credits.
- Swimming Pool Factors.
- Gated Community Credit Factors.
- Wind Protection Device Credit Factors
- Management Company Credit Factors.
- EFF. 07-15-2019 PERR-131941574



90. **Liberty Insurance Corporation**

- Liberty Mutual Advantage.
- Multi Policy Discount.
- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916 [SERFF Filing Access - North Carolina](#)

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91. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [SERFF Filing Access - North Carolina](#)

92. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

93. **Lighthouse Property Insurance Corporation**

- Base Premium Computation – HO 00 03 Deviation.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Golden Age Discount.
- New Purchase Discount.
- Secured Communities Discount.
- E-Policy Discount.
- Maximum Discount.
- Wood Burning Stove.
- Experience Rating.
- Affinity Discount.
- Partial Hip Roof (Windstorm Mitigation Program).
- Eff 9-1-20 MERL-132460775 [SERFF Filing Access - North Carolina](#)

94. **Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592 [SERFF Filing Access - North Carolina](#)

95. **LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.

- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [NCDOI](#)

96. **Markel American Insurance Company**

- Windstorm or Hail Exclusion Credit – Form 3.
- Year of Construction Credit-Newly Constructed Dwelling.
- Mature Retiree Credit.
- Age of Dwelling.
- New Roof Credit.
- Loss Free Renewal Credit.
- Eff. 5-1-20 MRKA-132302960 [SERFF Filing Access - North Carolina](#)

97. **Massachusetts Bay Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Account Credit.
- Personal Property – Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Caps on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property (Coverage C) Replacement Cost.
- Personal Property (Coverage C) Replacement Cost.
- Eff 5-1-20 HNVR-132218112 [SERFF Filing Access - North Carolina](#)

98. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

99. **The Members Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.

- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- County Factor.
- EFT or Recurring Credit Card Payment Plan Option.
- Eff 1-1-21 CMCG-132574362 [SERFF Filing Access - North Carolina](#)

100. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [SERFF Filing Access - North Carolina](#)

101. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [SERFF Filing Access - North Carolina](#)

102. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571 [SERFF Filing Access - North Carolina](#)

103. **Metropolitan Property & Casualty Insurance Company**  
**Standard Program**

- Territory Deviation.
- Deductibles.

- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

**Conversion Program**

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692 [SERFF Filing Access - North Carolina](#)

104. **Milbank Insurance Company**

- Base Class Premium Computation.
- Form Factors.
- Protection Construction Factors.
- Key Factor Table.
- Year of Construction – Newly Constructed Dwellings.
- Townhouse or Row House Factor.
- Protective Devices.
- Deductibles.
- ACV Roof Loss Settlement.
- Age of Home.
- Distance to Coast.
- Insurance Score.
- Coverage A per Square Footage.
- Stories and Square Footage.
- Number of Bathrooms.
- Tier Factor.
- Loss Experience.
- Home Purchase Discount.
- Advance Quote Discount.
- Prior Carrier Discount.
- Maximum New Business Discount.

- Age of Roof.
- Age of Roof Tenure.
- Roof Shape.
- Multi Policy Discount.
- Smart Home Protective Device Factor.
- Dwelling Use.
- Employee Discount.
- Eff. 5-1-20 STAT-132251492 [SERFF Filing Access - North Carolina](#)

105. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [NCDOI](#)

106. **NGM Insurance Company**

- Year of Construction.
- Age of Home Discount.
- Multi-Line Discount.
- Protective Device Credits (All Forms).
- Replacement Cost on Contents HO-2, HO3, HO4, HO5 and HO6.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Increased Limits of Coverage D.
- Installment Payment Plan.
- Ordinance or Law – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Policy Form Relativities.
- Windstorm or Hail Exclusion Credits.
- Deductible Credits/Charges.
- Eff. 10-28-18 NGMC-131635863 [SERFF Filing Access - North Carolina](#)

107. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.

- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

108. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

109. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [NCDOL](#)

110. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427

111. **Nationwide General Insurance Company**

- Base Premium Computation with and without Wind or Hail, Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Amount of Insurance, Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Deductibles - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Age of Home - Forms HO 00 002, HO 00 03, HO 00 05, and HO 00 06.

- Home Renovation - Forms HO 00 02, HO 00 03, and HO 00 05.
- Home Purchase - Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Age of Oldest Insured- Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Gated Community - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Supplemental Heating - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Prior Insurance - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Safe Home Rating Plan - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Protection Class - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Roof Age and Type - Forms HO 00 02, HO 00 03, and HO 00 05.
- Associate Discount - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Intra-Agency – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Personal Status – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
- Home and Car – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Multi-Line – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Occupant Count – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Miles to Coast Deviation - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Census Block Deviation - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
- Distribution Deviation – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06
- Eff 5-1-20 NWPP-132247168 [SERFF Filing Access - North Carolina](#)

112. **Nationwide Mutual Fire Insurance Company**

- Base Premium Computation Forms HO 02, HO 03 & HO 05.
- Home and Car Discount.
- Amount of Insurance.
- Deductibles.
- Protective Device.
- Safe Home Rating Plan.
- Age of Home Component.
- Age of Construction.
- Nationwide Associate.
- Multi-Line Deviation.
- Installment Payment Plan.
- Prior Insurance.
- Census Block Deviation.
- Personal Property Replacement Cost.
- Eff 5-1-20 NWPC-132247163 [SERFF Filing Access - North Carolina](#)

113. **Nationwide Mutual Insurance Company**

**Nationwide Mutual Insurance Company**

- Nationwide Territory Deviations Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles Deviation – Forms HO 02, HO 03, and HO 05.
- Protective Device Deviation – Forms HO 04 and HO 06.
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction Deviation - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation - Forms HO 02, HO 03, and HO 05.
- Home Purchase Deviation - Forms HO 02, HO 03, HO 05, and HO 06.
- Nationwide Associate Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Installment Payment Plans.
- Census Block Deviation.



**Nationwide Mutual Insurance Company (Harleysville Operations)**

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount.
- Companion Credit.
- Newly Purchased Home Credit.
- Mature Homeowners Discount.
- Life Insurance Policy Discount (Homeowner and Life Policy).
- Coverage A Key Factors.
- Form HO 00 04 or HO 00 06, Rule 301.
- Personal Property, Rule 515.A.1.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff. 1-30-20 NWCP-131904077 [SERFF Filing Access - North Carolina](#)

114. **Netherlands Insurance Company**

**Preferred Homeowners**

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

**Standard Homeowners**

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [NCDOI](#)

115. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

116. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.



- Eff. 5-1-92

117. **North Carolina Farm Bureau Mutual Insurance Company**

- Personal Property Replacement Cost.
- Deductibles.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Watercraft – Outboard Motors.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Company Deviations.
- Deviations - Forms HO 00 02 and HO 00 03.
- Deviations by Territories 110,120,130,140,150,160.
- Deviations on Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 5-1-20 NCFM-132179837 [SERFF Filing Access - North Carolina](#)

118. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.
- Eff. 3-1-90

119. **Occidental Fire & Casualty Company of North Carolina**

- Territory Relativities.
- Coverage A Amount of Insurance.
- Protection Construction Class.
- Masonry Construction.
- Deductible.
- Companion Auto Discount.
- Year of Construction.
- Age of Home.
- Roof Age.
- Mature Homeowner.
- Tier.
- Wind Mitigation.
- Number of Stories.
- Wind Exclusion.
- Easy Plan Installment Plan.
- Maximum Deviation.

Form HS 03 Deviations

- Territory.
- Coverage A Amount of Insurance.
- Protection Construction Class.
- Deductible.
- Year of Construction.
- Age of Home.
- Roof Age.
- Tier.

- Wind Mitigation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 5-1-20 OCCD-132315029 [SERFF Filing Access - North Carolina](#)

120. **Owners Insurance Company**

- Key Factors Deviation.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Limited Water Back-Up and Sump Pump Discharge or Overflow.
- Refrigerated Personal Property.
- Unique Building.
- Company Deviation.
- Eff 5-1-20 AOIC-132183778 [SERFF Filing Access - North Carolina](#)

121. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

122. **Pacific Indemnity Company**

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- House Key Factors.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Base Rate Territory Discount.
- Eff 4-1-18 CHUB-131193183 [SERFF Filing Access - North Carolina](#)

123. **Palomar Specialty Insurance Company**

- Base Premium Computation.
- Underwriting Tier.
- Mature Homeowner Discount.
- Year of Construction.
- Age of Home.
- Personal Property (Coverage C) Replacement Cost.
- Secured Community.
- New Purchase Discount.
- Companion Policy Discount.
- Partial Hip Roof Discount.
- Distance to Coast.
- Age of Roof.
- Maximum Discount.
- Eff 8-1-20 CCGI-132380340 [SERFF Filing Access - North Carolina](#)

124. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [SERFF Filing Access - North Carolina](#)

125. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

126. **Pennsylvania National Mutual Casualty Insurance Company**

- Year of Construction – Newly Constructed Dwellings.
- Windstorm or Hail Exclusion Credit.
- Personal Property Increased Limit.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Device Credit.
- Additional Protective Device Credits.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.

- Personal Property – Increased Special Limits of Liability.
- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- New Home Discount.
- Eff 10-1-18 PNPR-131667785 [SERFF Filing Access - North Carolina](#)

127. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [SERFF Filing Access - North Carolina](#)

128. **Phoenix Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Eff 10-18-20 TRVD-132557578 [SERFF Filing Access - North Carolina](#)

129. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.

- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

130. **Praetorian Insurance Company**

- HO 03 Base Rate Deviation.
- Year of Construction Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 9-15-20 QBEC-132452728 [SERFF Filing Access - North Carolina](#)
- **Tenant Homeowners**
- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311 [SERFF Filing Access - North Carolina](#)

131. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.
- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- Mortgage Free Credit.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Cost Per Square Foot Factor.
- Renewal Discount Deviation.
- Eff 5-1-20 PRIV-132117488 [SERFF Filing Access - North Carolina](#)

132. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled Coverage Credit.

- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [SERFF Filing Access - North Carolina](#)

133. **Progressive Southeastern Insurance Company**

- Zone Deviations.
- Protection Class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote Discount.
- Loss History.
- Paid in Full Discount.
- Bundled Coverage Credit.
- Secured Community Discount.
- Household Structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Windstorm or Hail Exclusion Credits.
- Eff 5-1-20 ASIT-132274149 [SERFF Filing Access - North Carolina](#)

134. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

135. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 11-5-20 QBEC-132504763 [SERFF Filing Access - North Carolina](#)

136. **Republic-Franklin Insurance Company**

*Personal Edge Homeowners*

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (All Policy Forms).
- Year of Construction – Newly Constructed Dwelling.

- Age of Home (All policy forms except HO4 and HO6)
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Age of Roof.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO 3, HO5 and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.  
*Essential Homeowners*
- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms Except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (all policy forms).
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all policy forms except HO4 or HO6).
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Age of Roof.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO3, HO5, and HO6)
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Eff 5-1-20 UTCX-132232839 [SERFF Filing Access - North Carolina](#)

137. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

138. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Age of Dwelling.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Windstorm or Hail Exclusion.
- Eff 10-1-18 RLSC-131596324 [SERFF Filing Access - North Carolina](#)

139. **Safeco Insurance Company of America**

- Deductibles.
- Account Credit.
- Credit Card, Fund Transfer Card, Forgery.
- Other Insured Locations.
- Special Personal Property Coverage – HO 4 and HO 6.
- Tier Relativities – Credit Scoring.
- Employee Discount Plan.
- Territory.
- Renewal Credit.

- Age of Roof Discount.
- Umbrella Account Credit.
- Roof Type.
- Protection Class.
- Coverage A Per Square Footage.
- Advance Quote Discount.
- Coverage C Amount.
- Year of Construction.
- Newer Home Credit.
- Eff. 5-1-20 LBPM-132305013 [SERFF Filing Access - North Carolina](#)

140. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

141. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

142. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

143. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

144. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

145. **Service Insurance Company**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.



- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

**HS 03 Deviations**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 5-1-20 OCCD-132315141 [NCDOI](#)

146. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [SERFF Filing Access - North Carolina](#)

147. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

148. **Southern Insurance Company of Virginia**

**PREFERRED**

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.

- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

**STANDARD**

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

149. **Southern Pilot Insurance Company**

- Base Class Premium Forms HO 00 03, HO 00 05, HE-7.
- Base Class Premium Form HO 00 04.
- Base Class Premium Form HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- Year of Construction Credits Primary and Secondary.
- Optional Deductible Credits.

- Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Outboard Motor and Watercraft Liability.
- Multi-Policy Credit.
- Enhancement Factor Deviation.
- Age of Home.
- Protective Device Credit.
- Eff. 12-1-18 QBEC-131654641 [SERFF Filing Access - North Carolina](#)

150. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6:; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3:; \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6:; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [NCDOI](#)

151. **Spinnaker Insurance Company**

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.
- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106 [SERFF Filing Access - North Carolina](#)

152. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

153. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.

- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

154. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

155. **Standard Fire Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff. 10-18-20 TRVD-132557719 [SERFF Filing Access - North Carolina](#)

156. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

157. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Protective Devices – Maximum Credit.
- Protection Class 9 Rates.
- Townhouse/Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Installment Payment Plan.
- Employee Group Discount Plan.
- Advance Quote Discount.
- Key Factors – Policy Size Relativity.
- Wind Hail Exclusion Credits for Masonry Construction.
- Wind Mitigation Credits for Masonry Construction.
- Eff 5-1-20 STAT-132228112 [SERFF Filing Access - North Carolina](#)

158. **State Auto Property & Casualty Insurance Company**

- Protective Devices Credits.
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan Options.
- Employee Group Discount Plan.
- Advance Quote Discount.
- Base Premium Key Factor Relativity.
- Wind Hail Exclusion Credits for Masonry Construction.
- Wind Mitigation Credits for Masonry Construction.
- Eff. 5-1-20 STAT-132228113 [SERFF Filing Access - North Carolina](#)

159. **State Farm Fire & Casualty**

- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 04.
- Base Premium Computation HO 00 06.
- Protective Devices.
- Coverage A Increased limits & Special Coverage Form 6.
- Claims Free Discount.
- Loyal Customer Discount.
- Claim Record Rating Plan Deviation.
- Installment Plan Payment Plan.
- Refrigerated Personal Property.
- Home and Auto Discount.
- Named Storm Percentage Deductible HO 00 03.
- Named Storm Percentage Deductible HO 00 04.
- Named Storm Percentage Deductible HO 00 06.
- All Perils Deductibles HO 00 03.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection Class – HO 00 03.
- Wind Exclusion Credits by Protection Class – HO 00 06.
- Location Rating Factors.

- Protection Class – Form 3
- Protection Class Forms 4 & 6.
- Amount of Insurance - Form 3.
- Windstorm Mitigation.
- Eff. 11-15-20 SFMA-132499352 [SERFF Filing Access - North Carolina](#)

160. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

161. **Teachers Insurance Company**

- Installment Pay Plan – Waive Initial \$3.00 Installment Fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation Forms 3, 4 and 6.
- Home Buyer Discount Deviation.
- Eff. 7-1-19 HRMN-131837705 [SERFF Filing Access - North Carolina](#)

162. **Travelers Casualty & Surety Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 8-20-20 TRVD-132287939 [SERFF Filing Access - North Carolina](#)

163. **Travelers Indemnity Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 8-02-20 TRVD-132287964 [SERFF Filing Access - North Carolina](#)

164. **Travelers Indemnity Company of America**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Final Premium Adjustment Factor.
- Eff 10-18-20 TRVD-132287967 [SERFF Filing Access - North Carolina](#)

165. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

166. **Travelers Personal Security Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Smart Protective Devices.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-line and Financial Institution Employee's Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Final Premium Adjustment Factor.
- Eff 10-18-20 TRVD-132557576 [SERFF Filing Access - North Carolina](#)

167. **Travelers Personal Insurance Company**

- Base Rate Deviation.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.

- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payment Plan.
- Final Premium Adjustment Factor.
- Eff 8-20-20 TRVD-132287941 [SERFF Filing Access - North Carolina](#)

168. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Eff. 5-21-00 PC032643

169. **Twin City Fire Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 9-18-20 HART-132528842 [SERFF Filing Access - North Carolina](#)

170. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 06.
- Deductible Credits.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices Credits.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount-Form 3
- Marital Status Discount-Form 6.
- Number of Bathrooms Discount.
- Number of Stories Discount.



- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Multi-Product Discounts.
- Loyalty Discount.
- Eff 12-10-20 USAA-132639092 [SERFF Filing Access - North Carolina](#)

171. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 06.
- Deductible Credits.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices Credits.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount-Form 3.
- Marital Status Discount-Form 6.
- Number of Bathrooms Discount.
- Number of Stories Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Multi-Product Discounts.
- Loyalty Discount.
- Eff 12-10-20 USAA-132639093 [SERFF Filing Access - North Carolina](#)

172. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

173. **United Property & Casualty Insurance Company**

**Tier 1 UPC Legacy Deviations**

- Program Tier.
- Base Premium Computation.
- Secure Community.

- Maximum Discount.
- Age of Home.
- Companion Policy.
- Claims Free Discount.
- Claims Rating Discount.
- Book Transfer.
- Prior Insurance.
- Mature Homeowner.
- New Purchase.
- Water Loss Prevention.
- Hip Roof Discount.
- All Perils Deductibles.
- Windstorm or Hail.
- Windstorm Mitigation.
- Inflation Guard.

**Tier 2 UPC 1.0**

- Program Tier.
- Base Premium Computation.
- Occupancy.
- Protective Devices.
- Secured Community.
- Inflation Guard.
- Payment Plan.
- Windstorm or Hail Exclusion.
- Maximum Discount.
- Year of Construction.
- Age of Home.
- Age of Insured.
- Companion Policy.
- Windstorm Mitigation.
- Construction Permit.
- Age of Roof.
- Echelon Development & Rating.
- Distance to Coast.
- Coastal Adjustments by Territory and Mitigation Feature.
- All Peril Deductibles.
- Eff 7-1-20 UPCI-132342638 [SERFF Filing Access - North Carolina](#)

174. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 06.
- Deductible Credits.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices Credits.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.

- Marital Status Discount – Form 3.
- Marital Status Discount – Form 6.
- Number of Bathrooms Discount.
- Number of Stores Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Multi-Products Discount.
- Loyalty Discount.
- Eff 12-10-20 USAA-132639088 [SERFF Filing Access - North Carolina](#)

175. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952

176. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

177. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property (C) Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 10-1-18 KEMP-131506749 [SERFF Filing Access - North Carolina](#)

178. **Unitrin Safeguard Insurance Company**

- Base Premium Computation.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Year of Construction.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Deviation.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Deductible.
- Occupancy.
- Multi-Policy Discount.
- Electric Funds Transfer.
- Unit Owners Coverage A.
- Additional Coverage – Jewelry and Furs
- Eff 8-1-19 KEMP-131667677 [SERFF Filing Access - North Carolina](#)

179. **Universal Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- County Factor.
- EFT or Recurring Credit Card Payment Plan Option.
- Underwriting Company Factor.
- Eff 1-1-21 CMCG-132575065 [SERFF Filing Access - North Carolina](#)

180. **Universal North American Insurance Company**  
**Homeowners Choice Program**

- Age of Home.
- Personal Property Replacement Cost No Minimum Charge.
- GEICO Affinity Credit.
- Costco Affinity Credit.

- Claims History.
- Insurance Score.
- Territory Factors.

**Homeowners Advantage**

- Age of Home.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.
- Eff 5-1-20 UNAC-132295980 [SERFF Filing Access - North Carolina](#)

181. **Utica Mutual Insurance Company**

- Personal Lines Account Credit.
- W.I.S.E./Affinity Group Program.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 10-1-19 UTCX-131983542 [SERFF Filing Access - North Carolina](#)

182. **Vigilant Insurance Company**

- Base Rate Territory – All Forms Except HO 00 04 7 HO 00 06.
- Base Rate Territory – Forms HO 00 04 and HO 00 06.
- Key Factors.
- Protection Construction Factors.
- Protective Devices.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Multi-Policy Discount.
- Mass Merchandising Discount.
- Payment Options – Bank Account Debit Installment Payment Plan.
- Electric Back Up Discount.
- Blanket Special Coverage A Buy Up HO 00 06.
- Eff. 5-1-20 ACEH - 132184945 [SERFF Filing Access - North Carolina](#)

183. **Westchester Fire Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

184. **XL Insurance America, Inc.**

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

## **HOMEOWNERS**

1. **ACE American Insurance Company**
  - New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
  - Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
  - Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
  - Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
  - Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
  - Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
  - Eff. 9-1-92
  
2. **ACE Fire Underwriters Insurance Company**
  - New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
  - Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
  - Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
  - Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
  - Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
  - Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
  - Eff. 5-1-92
  
3. **AIG Property Casualty Company**
  - Base Premium by Territory Form HO 00 03.
  - Protective Devices.
  - Type of Residence Credits.
  - Rate Change Capping.
  - Cancellation Notices.
  - Claim Record Adjustment.
  - Insurance Score.
  - Additional Protective Devices.
  - Affinity Mass Merchandising Credits.
  - Number of Mortgages.
  - Eff 5-1-20 APCG-132194267 [SERFF Filing Access - North Carolina](#)
  
4. **AIU Insurance Company**
  - All Forms: 10%.
  - Eff. 2-1-86
  
5. **AMCO Insurance Company**
  - Territory Relativities – With or Without Wind or Hail.
  - Multiple Policy Deviation, Forms HO 00 02, HO 00 03 and HO 00 05, HO 00 04, HO 00 06.
  - Deductibles, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Safe Home Rating Plan, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Age of Oldest Insured, Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06.
  - Age of Home Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Renovation Forms HO 00 02, HO 00 03 and HO 00 05.
  - Roof Rating, Forms HO 00 02, HO 00 03 and HO 00 05.
  - Home Purchase, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
  - Gated Community, Forms HO 00 02, HO 00 03, and HO 00 05.
  - EFT Check Payment Option-Installment Payment Plan.
  - Personal Status.
  - Associate Discount.
  - Prior Insurance.
  - Intra-Agency, Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04 and HO 00 06.
  - Multi-Line Discount.

- Census Block Deviation.
  - Eff 8-4-21 NWPP-132841099 [SERFF Filing Access - North Carolina](#)
6. **AMEX Assurance Company**
- Various downward deviation based on amount of insurance Form 3.
  - Various downward deviation based on amount of insurance Form 4.
  - Various downward deviation based on amount of insurance Form 6.
  - Protective Device Credits: Credit varies 2% - 15%.
  - Home & Auto Credit: Credit varies by form 2% or 5%.
  - Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
  - Coverage A Increased Limits downward deviation form HO 06..
  - Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
  - Form 3: Downward deviation Coverage C Increased Limits.
  - Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
  - No additional charge for Refrigerated Personal Property.
  - No charge for townhouse or row house.
  - Costco Discount: 2% applies to policies for member insureds of Costco.
  - HO 3, 4 & 6 base rates vary by territory.
  - Eff. 8-1-05 PC083887 [NCDOI](#)
7. **AGRI General Insurance Company**
- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
  - New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
  - All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
  - Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
  - Eff. 1-1-97
8. **Alfa Alliance Insurance Corporation**
- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
  - Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
  - Row and Townhouses - discount.
  - Account Discount.
  - Insurance Score Discount.
  - Newly Constructed Residences (not applicable to Forms 4 and 6).
  - Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
  - Installment Payment Plan-Electronic Funds Transfer.
  - Effective 5-1-11 AFAL-127042137 [SERFF Filing Access - North Carolina](#)
9. **Alliance Mutual Insurance Company**
- Flat Deductibles.
  - Higher Windstorm or Hail Deductibles – Flat deductible.
  - Protective Devices.
  - Eff 7-1-06 PC094461 [NCDOI](#)
10. **Allstate Indemnity Company**
- Claim Rating Deviation.
  - Claim Free Discount.
  - New/Renovated Home Discount.
  - Home and Auto Discount.
  - The Good Hands People Discount (Affinity).
  - Zone Deviation.
  - Amount of Insurance.
  - Installment Payment Plan.
  - Home Buyer Discount.
  - Early Signing Discount.

- Rule 404 Protective Device Discount Deviation.
- Allstate eSmart Discount.
- Eff 5-3-21 ALSE-132727580 [SERFF Filing Access - North Carolina](#)

11. **Allstate Insurance Company**

**Homeowners**

- Deductibles.
- Personal Property Replacement Cost.
- NCRB Protective Devices.
- Safety and Theft Deterrent Systems.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Waterbed Liability.
- Installment Payments Plan.
- Three or Four Family Dwelling.
- Zone Deviation.

**Deluxe Plus**

- Deductibles.
- Protective Devices.
- Safety and Theft Deterrent Systems.
- New/Renovated Home Discount.
- 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People Discount.
- Zone Deviation.
- Installment Payments Plan.
- Eff 5-3-21 ALSE-132727619 [SERFF Filing Access - North Carolina](#)

12. **Allstate Vehicle and Property Insurance Program**

- Base Premium Computation.
- Payment Options – EFT and Payroll Deduction.
- Amount of Insurance.
- House Attributes Tier Deviation.
- Policy Class Tier Deviation.
- Atlas Class Tier Deviation.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Claim Rating Deviation.
- Claim Free Discount.
- Responsible Payment Discount.
- Multiple Policy Discount.
- Home Buyer Discount.
- Protective Device Discount.
- Storm Shutter Discount.
- Hail Resistant Roof Discount.
- Early Signing Discount.
- Easy Payment Plan Discount.
- The Good Hands People Discount.
- Loyalty Discount.
- Welcome Discount.
- Blended Table Rating.
- Eff 6-17-21 ALSE-132727013 [SERFF Filing Access - North Carolina](#)

13. **American Automobile Insurance Company**

- Protective Devices Discount.



- Portfolio Credit.
- Eff. 12-1-06 PC095049 [NCDOJ](#)

14. **American Bankers Insurance Company of Florida**

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive Form Base Rate.
- Choice Tier Comprehensive Form Base Rate.
- Elite Tier Comprehensive Form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 10/1/20 ASPX-132217605 [SERFF Filing Access - North Carolina](#)

15. **American Economy Insurance Company**

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35.
- Eff. 11-17-97

16. **American Family Connect Property and Casualty Insurance Company**

- Protective Device Credits.
- Deductible Credits.
- Home and Auto Discount.
- Replacement Cost on Contents Discount – Forms HO 00 03, HO 00 04 and HO 00 06.
- Form HO 00 06 0 Coverage A Increased Limits.
- Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property.
- Townhouse/Rowhouse.
- Costco Discount.
- Deadbolt Discount.
- Eff. 5-1-20 PRCA-132179602 [SERFF Filing Access - North Carolina](#)

17. **American Family Home Insurance Company**

- EFT Installment Charge-Recurring Credit Card.
- Loss (Claim) Free Renewal.
- Mature Retire Credit - 55 years of age or older, not employed on a full-time basis, and resides in the home on a primary basis.
- Roof credit replaced within the past 5 years.
- Key Factors.

- Eff. 4-1-18 AMMH-131341926 [SERFF Filing Access - North Carolina](#)

18. **American Home Assurance Company**

- Base Premium by Territory Form HO 00 03.
- Key factor Deviation.
- Protective Devices.
- Eff. 6-1-10 APCG-126564265 [SERFF Filing Access - North Carolina](#)

19. **American Insurance Company**

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Eff. 6-1-93

20. **American Modern Home Insurance Company**

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium
- Eff. 6-1-99

21. **American Modern Property and Casualty Insurance Company**

- Age of Insured.
- Association Discount.
- Auto/Home Discount.
- Claims Free Discount.
- Base Premium Computation – Protection Construction.
- Installment Payment Plan Options.
- Insurance Score.
- Minimum Premium.
- Multi-Policy Discount.
- Paid in Full – Direct Billed Discount.
- Paperless Discount.
- Base Premium Computation.
- Year of Construction.
- Eff. 6-23-20 AMMH – 132289482 [SERFF Filing Access - North Carolina](#)

22. **American States Insurance Company**

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria.
- Form 2 & 3: Replacement cost Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.

- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Eff. 12-1-91

**23. American States Preferred Insurance Company**

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs.--10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

**24. American Strategic Insurance Corporation**

- Zone Deviation.
- Protection Class Construction Factors HO 00 03, HO 00 05, HE 7 and HO 00 04.
- Key Factors – Forms HO 00 03, HO 00 05, HE 7 and HO 00 04.
- Age of Home.
- Tier Placement - Forms HO 00 03/HE 7 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03 and HE 7.
- Non-Smoker – Forms HO 00 03, HO 00 05 and HE 7.
- Senior Retiree – HO 00 05 Only.
- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Advanced Quote Discount Form HO 00 03, HO 00 04 and HE7.
- Loss History Form HO 00 03, HO 00 05, HE7 and HO 00 04.
- Claims Free – Form HO 00 03.
- Paid in Full Discount Form HO 00 03, HE7 and HO 00 04.
- Secured Community Discount-Form HO 00 03, HO 00 05, HE7 and HO 00 04.
- Bundled Coverage Credit – Form HO 00 04.
- Household Structure.
- Number of Residents.
- Roof Age and Type – Form HO 00 03.
- Home Renovation – Form HO 00 03.
- Coverage A by Square Feet – Form HO 00 03.
- Number of Stories – Form HO 00 03.

- Distance to Coast – Form HO 00 03.
- Secondary/Seasonal – Form HO 00 03.
- Personal Property Replacement Cost – All Forms.
- Protective Devices – All Forms.
- Deductibles.
- Additional Amount of Insurance – Form HO 00 03.
- ACV Loss Settlement Windstorm or Hail Losses to Roof – Form HO 00 03.
- Ordinance or Law – Form HO 00 03.
- Special Computer Coverage – Form HO 00 03.
- Wind Mitigation – Non Coastal.
- Wind Mitigation Forms HO 00 03, HO 00 05 and HE7.
- Form Factor HO 00 05/HE 7.
- Windstorm or Hail Exclusion Credits.
- Year of Construction, Form HO 00 06.
- Wood Burning Stove – Forms 3 and 6.
- Floors Above Unit – Form 6.
- Umbrella Discount – Form 6.
- Special Personal Property – Form 6.
- Eff 7-15-21 AMSI-132822477 [SERFF Filing Access - North Carolina](#)

25. **AMICA Mutual Insurance Company**

- Personal Property, Additional Premium for 75% of Coverage A Waived.
- Key Factor, Form HO 00 04, Coverage C Deviation by Policy Amount.
- Additional Amounts of Insurance-25% at 1.00 w/Territorial Exceptions.
- Personal Property-Increased Limit.
- Installment Payment Plan.
- Electronic Delivery and Billing.
- Preferred Risk Deviation.
- AutoPay Installment Discount.
- Employee Discount.
- Eff. 11-1-21 AMMA-132811080 [SERFF Filing Access - North Carolina](#)

26. **Amerisure Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs.-.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85.
- Eff. 10-1-94

27. **Amerisure Mutual Insurance Company**

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to homeowners rates when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10-1-94

28. **Armed Forces Insurance Exchange**

- Optional Deductibles.
- Year of Construction - Newer Home Discount.
- Base Premium Computation.
- HO3 Key Factor Table.
- Minimum Premium Waived.

- Protective Devices-Maximum Credit.
- Eff 4-1-18 ARMD-131191395 [SERFF Filing Access - North Carolina](#)

29. **Arrowwood Indemnity Company**

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Eff. 5-15-04 PC069340 [NCDOI](#)

30. **Associated Indemnity Corporation**

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Ded credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to base premium.
- Eff. 6-1-93

31. **Automobile Insurance Company of Hartford, Connecticut**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 8-26-21 TRVD-132813118 [SERFF Filing Access - North Carolina](#)

32. **Auto-Owners Insurance Company**

- Key Factors Deviation.
- Protective Device Credit.
- Protective Device – Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased Limits.

- Protection Construction Factors.
- Year of Construction Discount.
- Base Class Premium
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations/Minimum Premium.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Age of Home.
- Water Shut-Off System Discount.
- Limited Water Back-up and Sump Discharge or Overflow.
- Automatic Backup Generator Discount.
- Refrigerated Personal Property
- Unique Building.
- Eff. 11-1-20 AOIC-132477486 [SERFF Filing Access - North Carolina](#)

33. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies.
- Brick or Masonry Construction.
- Eff. 5-1-09 BALB-126027963 [SERFF Filing Access - North Carolina](#)

34. **Bankers Standard Insurance Company**

- Base Rate Territory Discounts, for all forms except HO 00 04 & HO 00 06.
- Base Rate Territory Discounts for HO 00 04 & HO00 06.
- Key Factors Coverage A over \$1,000,000.
- Protection Construction Factors, HO2, HO3, HO5, HE7.
- Protective Devices Maximum Credit.
- Deductibles – Optional Higher Deductibles.
- Deductibles – Named Storm Percentage Deductibles.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit – Multi Policy
- Mass Merchandising Discount.
- Payment Option: Bank Account Debit Installment Payments.
- Electric Backup System.
- Special Coverage – Coverage A HO6 Only.
- Deductibles.
- Water Leak Detection System Discount.
- Eff. 10-21-21 ACEH-132816664 [SERFF Filing Access - North Carolina](#)

35. **Central Mutual Insurance Company**

- Base Premium Computation by Territory.
- Base Premium Computation by County.
- Roof Type.
- Number of Stories.
- Year of Construction.
- Age of Dwelling.
- Protection Class.
- Amount of Insurance (Owners Forms).
- Amount of Insurance (Tenant and Condo).
- Deductibles (Owners).

- Deductibles (Tenant and Condo).
- Insurance Score Deviation.
- Age of Oldest Named Insured.
- Number of Mortgages.
- Usage.
- Payment Timeliness Deviation.
- Swimming Pool.
- Trampolines.
- Solid Fuel Heating Device.
- Loss History Deviation.
- Gated Community.
- Coverages Purchased – Accompanying Schedule.
- Customer Loyalty.
- Package Deviation.
- Affinity Group.
- Paid in Full.
- Underwriter Accommodations.
- Form HO 00 06 Coverage A Dwelling Basic and Increased Limits.
- Payment Options – Electronic Funds Transfer.
- Waiver of Premium.
- Eff 5-1-20 CEMC-132224043 [SERFF Filing Access - North Carolina](#)

36. **The Charter Oak Fire Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credits.
- Home Buyer Credit.
- Installment Payments.
- Eff 8-26-21TRVD-132813121 [SERFF Filing Access - North Carolina](#)

37. **Cincinnati Indemnity Company**

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697 [NCDOI](#)

38. **The Cincinnati Insurance Company**

- Year of Construction.
- Age of Home.
- Base Rate Deviation by Territory.
- Installment Payment Plan Y Payment Option for EFT.
- Homeowners Enhancement.
- Watercraft Liability.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy Credit – All Forms.
- Automatic Water Shut-Off System Credit – All Forms.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- New Business Advance Quote Discount.



- Home New Purchase Discount.
- Seasonal/Secondary Factor.
- Caretaker Credit.
- Security Protection Credit.
- Temperature Monitoring System Credit.
- Back-up Generator Credit.
- Explosive Gas Leak Detector Credit.
- Automatic Seismic Shut-off Gas Line Valve Credit.
- Lightning Protection System Credit.
- Twenty-Four Hour Signal Continuity Credit.
- Sprinkler System Alarm Credit.
- Perimeter Gate Credit.
- Building Protection Credit.
- Elevators Manned or Locked and Coded.
- Lobby with Functioning Surveillance.
- Protection Devices.
- Book Roll Transition Factor.
- Protection Class Factor.
- Base Premium Computation.
- Deductibles – All Perils.
- Deductibles – Theft.
- Deductibles – Windstorm or Hail Percentage.
- Deductibles – Windstorm or Hail Flat.
- Deductibles – Named Storm Percentage.
- Windstorm or Hail Exclusion Credits.
- Prior Claims Factor.
- Eff 12-1-21 CNNB-132736748 [SERFF Filing Access - North Carolina](#)

**39. City National Insurance Company**

- Modified Base Rate.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Mature Homeowners Discount.
- New Purchase Discount.
- Secured Communities Discount.
- Maximum Discount Rule.
- Supplemental Heat Factor.
- Experience Rating Factor.
- 10-1-18 STNA-131486088 [SERFF Filing Access - North Carolina](#)

**40. Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.



- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [NCDOI](#)

41. **Continental Insurance Company**

- Amount of Insurance Deviation forms HO-2, HO-3, and HO-8.
- Amount of Insurance Deviation forms HO-4
- Amount of Insurance Deviation forms HO-6
- Earthquake Rate Deviations.
- Companion Policy Discount: applies when named insured has an auto policy with any Encompass Ins Co.
- Gated Community Discount. 10% credit when criteria are met.
- New Home Discount: 1 year -18%, 1-5 yrs. -15%; 6-10 yrs. -10%.
- Deductible Credits Deviation – based on Coverage A Limit.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%
- Eff. 8-15-02 PC052786 [NCDOI](#)

42. **Economy Premier Assurance Company**

- PAK II Program – HE 00 07 Base Rates and Policy Amount.
- PAK II Program – HO 00 06 Base Rates by Territory.
- PAK II Program – HO 00 04 Base Rates by Territory.
- PAK II Program – HO 00 04 and HO 00 06 Policy Amount Relativities by Territory.
- Homeowners Enhancement Program HE 00 07 with HE 32 20.
- Homeowners Enhancement Program HE 00 07 with HE 32 21.
- PAK II Package Credit Multi Policy.
- Renewal Credit.
- Year of Construction.
- Personal Injury Protection Liability Deviation.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Outboard motors and watercraft.
- Home day care.
- Personal Property Increased Limits.
- Earthquake Coverage-Ordinance or Law Coverage.
- Residence Premises Basic and Increased Limits Coverage F- Medical Payments.
- Other Exposures-Medical Payments to Others Increased Limits.
- Other Structures – On Premises Structures Specific Structures – Increase Limits.

- Other Structures-On Premises Structures Specific Structures-Rented to Others.
  - Eff. 7-1-13 METX-G129007172 [SERFF Filing Access - North Carolina](#)
43. **Electric Insurance Company**
- Personal Property at 75% of Coverage C.
  - Mass Marketing Discount.
  - Payroll Deduction Discount.
  - Eff. 9-1-20 ELEC-132235182 [SERFF Filing Access - North Carolina](#)
44. **EMCASC0 Insurance Company**
- Personal Property (Coverage C) Replacement Coverage
  - Deductible Credits
  - Additional Amounts of Insurance
  - Base Rate Deviation on Forms HO 00 02 and HO 00 03
  - Combination Policy Discount
  - Renovated Dwelling Components
  - 15% Deviation applicable to Optional Section I and II rates
  - Electronic Funds Transfer
  - Insurance Scoring
  - Eff. 3-15-07 PC097670 [NCD0I](#)
45. **Employers Mutual Casualty Company**
- Optional Higher Flat deductible credits all forms,
  - Additional Amounts of Insurance forms HO 00 02 and HO 00 03.
  - Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
  - Renovated Dwelling Components: Variable credits when criteria is met.
  - Electronic Fund Transfer transaction fee is waived when the electronic funds transfer options is selected.
  - Insurance Scoring.
  - Eff. 3-15-07 PC097669 [NCD0I](#)
46. **Encompass Indemnity Company**
- Forms 2, 3, and 8 Base Rate Deviations by Territory.
  - Form 4 Base Rate Deviation by Territory.
  - Form 6 Base Rate Deviation by Territory.
  - Gated Community Discount.
  - New Home Discount.
  - Deductible Credits Discount.
  - Additional Limits Deviation, Coverage F
  - Business Pursuits Rate Deviation.
  - Incidental Farming Personal Liability Deviation.
  - Superior Construction Discount.
  - Special Personal Property Coverage HO 6 only.
  - Companion Policy Discount.
  - Preferred Rate Deviation.
  - Windstorm or Hail deviation.
  - Policy Group Determination.
  - Effective 6-1-15 ALSE-129929324 [SERFF Filing Access - North Carolina](#)
47. **Erie Insurance Company**
- Base Rate.
  - Form Factor.
  - Protection Construction Factor.
  - Windstorm or Hail Exclusion Credit.
  - Amount of Insurance.
  - Deductible Factor.
  - Personal Property Replacement Cost.
  - Multi Policy Discount.

- Underwriting Tier.
- Claims Tier.
- Occupancy.
- Home Age/Policy Age.
- Townhouse and Row House.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Personal Property.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Windstorm Mitigation Credits.
- Age of Dwelling Credits.
- Distance to Coast.
- Eff 5-1-20 ERPP-132216976 [SERFF Filing Access - North Carolina](#)

48. **Erie Insurance Exchange**

- Base Rate Computation.
- Amount of Insurance.
- Multi-Policy Discount.
- Year of Construction.
- Deductible Factors.
- Protective Device Credits.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7).
- Personal Property Replacement Cost.
- Townhouse or Row House.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04.
- Occupancy Factors.
- Rented Personal Property (HO 32 21).
- Business Pursuits.
- Waterbed Liability (HO 04 00 HO 00 06) (HO 32 40).
- Refrigerated Property Coverage (HO 04 98) – All Forms.
- Personal Property Increased Limit HE-7.
- Premium Payment Plan Service Charge – Installment Payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- New Home Discount.
- Protection/Construction Factors.
- Form Factors.
- Eff. 5-1-21 ERPP-132581004 [SERFF Filing Access - North Carolina](#)

49. **Esurance Insurance Company**

- Tier Deviation.
- Eff 6-22-16 ESUR-130150903 [SERFF Filing Access - North Carolina](#)

50. **Farmers Insurance Exchange Farmers Underwriters Association**

- Form Factor Deviations: Forms 3w/15 & 4.
- Territory Relativity Factor deviation.
- Amount of Insurance Deviations: Forms, HO 00 04 and HO 00 06.
- Rule 403. Personal Property –Coverage C Replacement Cost Coverage.
- Rule 404 Protective Devices.
- Deductible Rule 406 credits.
- Loss Assessment Coverage Deviation.
- Rule 515 personal property.
- Other Insured Location Occupied by Insured.
- Additional Residence Rented to Others.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Optional Rating Characteristics Age 50 Plus Discount.
- Optional Rating Characteristics Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Ordinance or Law-Increased Amount of coverage.
- Eff 5-16-08 PC112928 [NCDOI](#)

51. **Federal Insurance Company**

- Protection Construction Factors.
- Protective Devices.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Mass Merchandising Discount.
- Payment Options – Bank Account Debit Installment Payment Plan.
- Electric Backup Discount.
- Deductibles.
- Water Leak Detection Discount.
- Eff 10-21-21 ACEH-132816705 [SERFF Filing Access - North Carolina](#)

52. **Federated Mutual Insurance Company**

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500 -15%; \$1000 -30%; \$2500 -40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies.
- Eff. 11-15-94

53. **Fidelity & Guaranty Insurance Company**

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.

- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr.
- Eff. 4-15-00 PC030961 [NCDO](#)

54. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: H0 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [NCDO](#)

55. **Firemans Fund Insurance Company**

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all HO policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121

56. **Firemen's Insurance Company of Washington D.C.**

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors apply when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded. - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83.
- Eff. 10-1-97

57. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.

- Renovation Discount.
- Secured Community Discount.
- Key Factor Table HO 00 03 HO 00 04 HO 00 06 Discount.
- Superior Construction-All Forms.
- Optional Deductibles.
- Distance to Coast.
- Advance Quote Discount.
- Installment Payment Plan.
- Water Leak Detection Discount.
- Eff 10-1-18 BKIC-131596653 [SERFF Filing Access - North Carolina](#)

58. **First Protective Insurance Company**

- Base Rates for all forms except HO 00 04.
- Maximum Discount Rule.
- Multi Policy Discount.
- Paperless Discount.
- Claim Free Discount HO3 and HO6.
- New Purchase Discount, HO3 and HO6.
- Senior Discount, HO3 and HO6.
- Secured Community Discount, HO3 and HO6.
- Tankless Water Heater Discount, HO3 and HO6.
- Smart Home Water Protection, HO3 and HO6.
- Occupancy Discount HO-6 only.
- Eff 08-15-21 MISF-132614453 [SERFF Filing Access - North Carolina](#)

**WIND ONLY Policy**

- Base rates for all forms except HS 00 04 and HS 00 06.
- Deductible for all forms except HS 00 04 and HS 00 06.
- Other Structures on Premises.
- Eff 08-15-21 MISF-132614453 [SERFF Filing Access - North Carolina](#)

59. **Garrison Property and Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 06.
- Deductible Credits.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices Credits.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount-Form 3.
- Marital Status Discount-Form 6.
- Number of Bathrooms Discount.
- Number of Stories Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.

- Multi-Product Discount.
- Loyalty Discount.
- Square Footage Discount.
- Roof Discount.
- Eff 10-30-21 USAA-132957488 [SERFF Filing Access - North Carolina](#)

60. **General Insurance Company of America**

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment.
- Eff. 8-15-02 PC052887 [NCDO](#)

61. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

62. **Grain Dealers Mutual Insurance Company**

- Continuous policyholder discount.
- Account Credit.
- New Home Discount.
- Personal Property, over 70% of Coverage A.
- Insurance Score.
- Eff. 7-1-13 NGMC-128962658 [SERFF Filing Access - North Carolina](#)

63. **Granite State Insurance Company**

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%.
- Eff. 7-1-87



64. **Graphic Arts Mutual Insurance Company**

- Base Rate Deviation.
- Personal Lines Account Credit.
- W.I.S.E./Affinity Program Discount.
- Mass Merchandising Plan.
- Suburban Rating Protection Class.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Personal Property Replacement Cost.
- Eff. 5-1-20 UTCX-132233710 [SERFF Filing Access - North Carolina](#)

65. **Hanover American Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Deductible Credits.
- Account Credit.
- Personal Property - Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.
- Direct Bill Policies Installment Payment Plan.
- Cap on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost.
- Eff. 5-1-20 HNVR-132218102 [SERFF Filing Access - North Carolina](#)

66. **Hanover Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Deductible Credits.
- Account Credit.
- Personal Property – Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan
- Direct Bill Policies Installment Payment Plan.
- Cap on Credits/Discounts of 35%
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Eff. 5-1-20 HNVR-132218103 [SERFF Filing Access - North Carolina](#)

67. **Harco National Insurance Company**

Policy Forms HO 02, HO 03 , HO 05

- Base Premium Computation.
- Amount of Insurance.
- Protection Construction.
- Masonry Construction.
- Deductible.
- Companion Auto.
- Year of Construction.
- Age of Home.
- Roof Age.
- Mature Homeowner.
- Tier.
- Wind Mitigation.
- Number of Stories.
- Wind Exclusion Credit.



- Easy Pay Installment Plan.
- Maximum Discount.

Policy Forms HS 03

- Base Premium Computation.
- Amount of Insurance.
- Protection Construction.
- Deductible.
- Year of Construction.
- Age of Home.
- Roof Age.
- Tier.
- Wind Mitigation.
- Number of Stories.
- Easy Pay Installment Plan.
- Maximum Deviation.
- Eff. 12-1-21 OCCD-133005818 [SERFF Filing Access - North Carolina](#)

68. **Harford Mutual Insurance Company**

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.
- Eff. 5-1-92

69. **Harleysville Preferred Insurance Company**

- Group/Mass Marketing Discount.
- Preferred Customer Discount.
- Star Pak Program Discount
- Companion Credit.
- Newly Purchased Home Credit Forms HO 00 02, HO 00 03, HO 00 05, and HE 00 07.
- Mature Homeowner Discount 55 Years of Age or Older.
- Life Insurance Policy Discount (homeowner and life policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Rule 301.
- Personal Property.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 12-2-16 HRLV-130691715 [SERFF Filing Access - North Carolina](#)

70. **Hartford Accident and Indemnity Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 09/18/2020 HART-132528948 [SERFF Filing Access - North Carolina](#)

71. **Hartford Casualty Insurance Company**

- Age of Home Credit.
- Account Credit.

- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 9-18-20 HART-132528841 [SERFF Filing Access - North Carolina](#)

72. **Hartford Fire Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- Account Credit deviation for all territories.
- Retirees Credit, named insured is age 50 and older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor (Merit, Elite, CCRL, Premier), - Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 10-9-10 HART-126607350 [SERFF Filing Access - North Carolina](#)

73. **Hartford Insurance Company of Midwest**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Retirement Community/Limited Access Community Credit.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 9-18-20 HART-132528832 [SERFF Filing Access - North Carolina](#)

74. **Hartford Underwriters Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 9-18-20 HART-132528935 [SERFF Filing Access - North Carolina](#)

75. **Heritage Property & Casualty Insurance Company**

- Territory Deviation.
- Age of Home.
- Maximum Discount.
- Companion Policy Discount.
- Book of Transfer Discount.
- Longevity Discount.
- Mature Homeowner Discount.

- New Purchase Discount.
- Secured Community Discount.
- Windstorm Mitigation-Hip Roof Discount.
- Tier Criteria Table.
- Clear Space Discount.
- Accredited Builder Discount.
- Age of Roof Credit.
- Hardiplank Siding Discount.
- Eff 6-1-21 HPCI-132675874 [SERFF Filing Access - North Carolina](#)

76. **Homeowners of America Insurance Company**

- Companion Policy Discount.
- Rating Tiers.
- Claim Free Renewal Discount.
- New Purchase Discount.
- Secured Community Discount.
- Maximum Discount Rule.
- Accredited Builder.
- Territory Deviations.
- Claims History.
- Eff 8-1-21 HAIC-132829959 [SERFF Filing Access - North Carolina](#)

77. **Homesite Insurance Company of the Midwest**

- Partner Discount.
- Protection Construction.
- Base Class Premium.
- County.
- Key Factors – Coverage A.
- Year of Construction.
- Age of Home.
- Age of Roof.
- Insurance Risk Score.
- Loss History – NAOG Claims.
- Wood Stove.
- Personal Property (Coverage C) Replacement Cost.
- Deductibles – All Perils.
- Deductibles – Windstorm or Hail.
- ACV Roof Surfacing.
- Book Transfer Rule.
- Eff 5-16-21 HMSS-132640252 [SERFF Filing Access - North Carolina](#)

78. **Horace Mann Insurance Company**

- Installment Payment Plan Waive Initial \$3 Installment Fee.
- Installment Payments – EFT.
- Multi-Line Discount.
- Credit Tier Deviations/Insurance Score.
- Claims Deviation.
- Territorial Deviation.
- Home Buyer Discount Deviation.
- Eff. 2-22-21 HRMN-131837699 [SERFF Filing Access - North Carolina](#)

79. **Horace Mann Property & Casualty Insurance Company**

- Installment Payment Plan – Waive Initial \$3.00 Installment Fee.
- Multi-Line Discount.

- Credit Rating Tier/Insurance Score.
- Installment Payments – EFT.
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation Form 3.
- Home Buyer Discount Deviation.
- Eff 2-22-19 HRMN-131491507 [SERFF Filing Access - North Carolina](#)

**80. IDS Property Casualty Insurance Company**

- Protective Device Credits
- Deductible Credits Forms HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Territories Base Rates (Form HO 00 04).
- Installment Electronic Funds Transfer.
- Eff 1-1-18 PRCA-131110328 [SERFF Filing Access - North Carolina](#)

**81. Indemnity Insurance Company of North America**

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%.
- Eff. 9-1-99

**82. Indiana Lumbermens Mutual Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over.
- Eff. 9-1-85

**83. Insurance Company of North America**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%.
- Eff. 5-1-92

**84. Insurance Company of the State of Pennsylvania**

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents.
- Eff. 6-15-88

**85. Integon General Insurance Corporation**

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co.- 5%; 10 yrs. or longer with company -10%.
- Eff. 5-1-92

**86. Integon Indemnity Corporation**

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

**87. Integon National Insurance Company**

- Companion policy discount Form HO 00 04 with auto or recreation vehicle.
- Deviation of 6% Form HO 00 04.
- Eff 5-15-12 GMMX-128088782 [SERFF Filing Access - North Carolina](#)

**88. Kemper Independence Insurance Company**

- Additional Coverage – Jewelry and Furs Deviation.
- Unit Owners Coverage A Special HO 00 06.
- Electronic Funds Transfer.
- Territory.
- Distance to Coast.
- Protection Construction.
- Year of Construction (All Forms Except HO-4 and HO-6).
- Age of Home (All Forms Except HO-4 and HO-6 6 Years+).
- Age of Home (Form HO-6).
- Age of Roof Deviation.
- Age of Primary Named Insured.
- Billing Fee.
- Base Premium Computation – Key Factor Table.
- Deductible.
- Coverage A Per Square Footage.
- Foundation.
- Loss History (1-3 years).
- Loss History (4-5 years).
- Number of Baths.
- Number of Stories.
- Occupancy Type.
- Swimming Pool.
- Punctual Payment.
- Roof Type.
- Square Footage.
- Theft Protection.
- Tier Deviation.
- Trampoline Deviation.
- Wood Burning Stove.
- Advanced Quote.
- Affinity Group.
- Home Buyer.

- Home Safety.
- Multi-Policy Discount.
- Paperless Discount.
- Eff 11-18-21 KEMP-132998094 [SERFF Filing Access - North Carolina](#)

89. **Lemonade Insurance Company**

- Base Premium Computation.
- Personal Property Replacement Cost Loss Settlement.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Tier Rating Factors.
- Loyalty Credits.
- Renovation Credits.
- Swimming Pool Factors.
- Gated Community Credit Factors.
- Wind Protection Device Credit Factors
- Management Company Credit Factors.
- EFF. 07-15-2019 PERR-131941574

90. **Liberty Insurance Corporation**

- Liberty Mutual Advantage.
- Multi Policy Discount.
- Paid in Full Discount.
- Mortgagee Billing Discount.
- Payroll Deduction Discount.
- Electronic Funds Transfer (EFT) Discount.
- Paperless Policy Discount.
- Military Discount.
- Early Shopper Discount.
- Installment Payments.
- Liberty Tier Program.
- Eff. 2-20-17 LBPM-130532916 [SERFF Filing Access - North Carolina](#)
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91. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Installment Payment Plan all forms.
- Coverage A Dwelling Limit for form HO 00 06.
- Watercraft Deviation by limits of liability.
- Multi-Policy Discounts.
- Property Tiering Program.
- Condominium and Renters Tiering Program.
- Eff. 8-23-10 LBPM-126601313 [SERFF Filing Access - North Carolina](#)

92. **Liberty Mutual Mid-Atlantic Insurance Company**

- Forms 2,3,4, & 6 35% deviation.
- Forms 2 & 3 Dwellings 0-10 years – 10%.
- Eff 11-1-86

93. **Lighthouse Property Insurance Corporation**

- Base Premium Computation – HO 00 03 Deviation.
- Year of Construction.
- Age of Home.
- Book Transfer Discount.
- Claim Free Discount.
- Companion Policy Discount.
- Golden Age Discount.

- New Purchase Discount.
- Secured Communities Discount.
- E-Policy Discount.
- Maximum Discount.
- Wood Burning Stove.
- Experience Rating.
- Affinity Discount.
- Partial Hip Roof.
- Distance to Coast.
- Eff 5-1-2021 SPIS-132789713 [SERFF Filing Access - North Carolina](#)

**94. Lititz Mutual Insurance Company**

- New Home Credit.
- Combination of Forms.
- Optional Higher Deductibles Deviation.
- Eff 6-1-15 LTTZ-129887592 [SERFF Filing Access - North Carolina](#)

**95. LM Property and Casualty Insurance Company**

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%: Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03 PC058007 [NCDO](#)

**96. Markel American Insurance Company**

- Windstorm or Hail Exclusion Credit – Form 3.
- Year of Construction Credit-Newly Constructed Dwelling.
- Mature Retiree Credit.
- Age of Dwelling.
- New Roof Credit.
- Loss Free Renewal Credit.
- Eff. 5-1-20 MRKA-132302960 [SERFF Filing Access - North Carolina](#)

**97. Massachusetts Bay Insurance Company**

- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Account Credit.
- Personal Property – Increased Limits.
- Electronic Funds Transfer Installment Payment Plan.
- Mass Merchandising Plan.

- Direct Bill Policies Installment Payment Plan.
- Caps on Credits/Discounts of 35%.
- Wind/Hail Exclusion HO-3.
- Wind/Hail Exclusion HO-4 & HO-6.
- Personal Property (Coverage C) Replacement Cost.
- Personal Property (Coverage C) Replacement Cost.
- Eff 5-1-20 HNVR-132218112 [SERFF Filing Access - North Carolina](#)

98. **Medmarc Casualty Insurance Company**

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%.
- Eff. 7-15-90

99. **The Members Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- County Factor.
- EFT or Recurring Credit Card Payment Plan Option.
- Eff 1-1-21 CMCG-132574362 [SERFF Filing Access - North Carolina](#)

100. **Merastar Insurance Company**

- New Home Credit.
- Safe and Sound Discount.
- Auto-Home Discount.
- Waiver of installment charge.
- Increased Special Limits of Liability.
- Merastar Maximum Credit.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits.
- Boat Liability Rate Deviation.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount.
- Eff. 6-1-11 UNTR-126984235 [SERFF Filing Access - North Carolina](#)

101. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [SERFF Filing Access - North Carolina](#)



102. **Metropolitan Direct Property & Casualty Insurance Company**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Tier Program.
- Eff. 6-15-17 METX-131065571 [SERFF Filing Access - North Carolina](#)

103. **Metropolitan Property & Casualty Insurance Company**

**Standard Program**

- Territory Deviation.
- Deductibles.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation.
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

**Conversion Program**

- Territory Deviation.
- Deductibles.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package.
- Waterbed Liability – Forms HO 00 04 and HO 00 06.
- Coverage A Dwelling Basic and Increased Limits HO 00 06.
- Tier Program.
- Eff 6-15-17 METX-131064692 [SERFF Filing Access - North Carolina](#)

104. **Milbank Insurance Company**

- Base Class Premium Computation.
- Form Factors.
- Protection Construction Factors.
- Key Factor Table.
- Year of Construction – Newly Constructed Dwellings.
- Townhouse or Row House Factor.
- Protective Devices.
- Deductibles.
- ACV Roof Loss Settlement.
- Age of Home.
- Distance to Coast.
- Insurance Score.
- Coverage A per Square Footage.
- Stories and Square Footage.
- Number of Bathrooms.
- Tier Factor.
- Loss Experience.
- Home Purchase Discount.
- Advance Quote Discount.
- Prior Carrier Discount.
- Maximum New Business Discount.
- Age of Roof.
- Age of Roof Tenure.
- Roof Shape.
- Multi Policy Discount.
- Smart Home Protective Device Factor.
- Dwelling Use.
- Employee Discount.
- Eff. 5-1-20 STAT-132251492 [SERFF Filing Access - North Carolina](#)

105. **Montgomery Mutual Insurance Company**

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Pers Prop Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%.
- Eff. 8-15-02 PC052789 [NCDOI](#)

106. **NGM Insurance Company**

- Year of Construction.
- Age of Home Discount.
- Multi-Line Discount.
- Protective Device Credits (All Forms).
- Replacement Cost on Contents HO-2, HO3, HO4, HO5 and HO6.
- Personal Property Replacement Cost.
- Personal Injury.
- Limited Water Back-up of Sewers or Drains.

- Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.
- Special Computer Coverage.
- Increased Special Limits of Liability.
- Increased Limits of Coverage D.
- Installment Payment Plan.
- Ordinance or Law – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Rating Rule.
- Territorial Base Rate Deviation.
- Coverage C Relativities.
- New Business Discount.
- Loss Free Discount.
- Policy Form Relativities.
- Windstorm or Hail Exclusion Credits.
- Deductible Credits/Charges.
- Eff. 10-28-18 NGMC-131635863 [SERFF Filing Access - North Carolina](#)

107. **National General Insurance Company**

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment.
- Eff. 6-1-99

108. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

109. **National Surety Corporation**

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Eff 12-01-03 PC065123 [NCDOL](#)

110. **National Union Fire Insurance Company of Pittsburgh**

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit.
- Increased Coverage C Limit Deviation.
- Renovated House Credit.
- Gated Community Credit.
- Loss Free/ Persistency Credit.
- Eff. 10-13-00 PC037427

111. **Nationwide General Insurance Company**

- Base Premium Computation with and without Wind or Hail, Forms HO 00 02, HO 00 03, HO 00 05, HE-7, HO 00 04 and HO 00 06.
- Amount of Insurance, Forms HO 00 02, HO 00 03, HO 00 05, HE-7, HO 00 04 and HO 00 06.
- Deductibles - Forms HO 00 02, HO 00 03, HO 00 05, HE-7, HO 00 04 and HO 00 06.
- Year of Construction - Forms HO 00 02, HO 00 03, HO 00 05, HE-7, and HO 00 06
- Age of Home - Forms HO 00 002, HO 00 03, HO 00 05, HE-7 and HO 00 06.
- Home Renovation - Forms HO 00 02, HO 00 03, and HO 00 05.
- Home Purchase - Forms HO 00 02, HO 00 03, HO 00 05, HE-7, and HO 00 06.
- Age of Oldest Insured- Forms HO 00 02, HO 00 03, HO 00 05, HE-7, HO 00 04 and HO 00 06.
- Gated Community - Forms HO 00 02, HO 00 03, HO 00 05, HE-7, HO 00 04 and HO 00 06.
- Supplemental Heating - Forms HO 00 02, HO 00 03, HO 00 05, HE-7, HO 00 04 and HO 00 06.
- Prior Insurance - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HE-7, and HO 00 06.
- Safe Home Rating Plan - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, and HO 00 06.
- Protection Class - Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HE-7, and HO 00 06.
- Roof Age and Type - Forms HO 00 02, HO 00 03, and HO 00 05 and HE-7.
- Associate Discount - Forms HO 00 02, HO 00 03, HO 00 05, HE-7, HO 00 04 and HO 00 06.
- Number of Units Forms HO 00 04 and HO 00 06.
- Installment Payment Plan - Forms HO 00 02, HO 00 03, HO 00 05, HE-7, HO 00 04 and HO 00 06.
- Intra-Agency – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HE-7, and HO 00 06.
- Personal Status – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HE-7 and HO 00 06.
- Home and Car – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HE-7 and HO 00 06
- Multi-Line – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HE-7 and HO 00 06
- Occupant Count – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HE-7, and HO 00 06
- Miles to Coast Deviation - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04, HE-7 and HO 00 06.
- Census Block Deviation - Forms HO 00 02, HO 00 03, HO 00 05, HO 00 04, HE-7 and HO 00 06.
- Distribution Deviation – Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HE-7 and HO 00 06
- Base Premium Computation - Homeowners Enhancement Program - Forms HE-7.
- Eff 08/04/2021 NWPP-132841105 [SERFF Filing Access - North Carolina](#)

112. **Nationwide Mutual Fire Insurance Company**

- Base Premium Computation Forms HO 02, HO 03 & HO 05.
- Home and Car Discount.
- Amount of Insurance.
- Deductibles.
- Protective Device.
- Safe Home Rating Plan.
- Age of Home Component.
- Age of Construction.
- Nationwide Associate.

- Multi-Line Deviation.
- Installment Payment Plan.
- Prior Insurance.
- Census Block Deviation.
- Personal Property Replacement Cost.
- Eff 5-1-20 NWPC-132247163 [SERFF Filing Access - North Carolina](#)

113. **Nationwide Mutual Insurance Company**

- Base Premium Computation, Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Deductibles – Forms HO 02, HO 03, and HO 05.
- Protective Device – Forms HO 04 and HO 06.
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Oldest Insured - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Personal Status - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Construction - Forms HO 02, HO 03, and HO 05.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home - Forms HO 02, HO 03, and HO 05.
- Home Purchase - Forms HO 02, HO 03, HO 05, and HO 06.
- Nationwide Associate - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance Deviation Forms HO 02, HO 03 and HO 05.
- Multi-Line - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Installment Payment Plans.
- Census Blocks.
- Eff. 8-4-21 NWCP-132247099 [SERFF Filing Access - North Carolina](#)

114. **Nationwide Property and Casualty Insurance Company**

- Territory Relativities - Forms HO 02, HO 03, and HO 05.
- Home and Car Deviation Forms HO 02, HO 03, HO 05, and HO 06.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Deductibles – Forms HO 02, HO 03, and HO 05.
- Protective Device – Forms HO 02, HO 03, and HO 05.
- Safe Home Rating Program – Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Age of Home Component - Forms HO 02, HO 03, and HO 05.
- Year of Construction - Forms HO 02, HO 03, and HO 05.
- Age of Home - Forms HO 02, HO 03, and HO 05.
- Nationwide Associate - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Multi-Line Deviation - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Installment Payment Plan - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Prior Insurance - Forms HO 02, HO 03, HO 04, HO 05, and HO 06.
- Census Block - Forms HO 02, HO 03, and HO 05.
- Eff. 8-4-21 NWCP-132841046 [SERFF Filing Access - North Carolina](#)

115. **Netherlands Insurance Company**

**Preferred Homeowners**

- Personal Property Increased Limits. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.

- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.  
**Standard Homeowners**
- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02 PC053999 [NCDOI](#)

116. **New Hampshire Insurance Company**

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy.
- Eff. 7/1/87

117. **New South Insurance Company**

- Deviation by Amount of Insurance: Coverage A amount: \$50,000 - \$250,000 & above based on territory.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5-1-92

118. **NC Farm Bureau Mutual Insurance Company**

- Personal Property Replacement Cost.
- Deductibles.
- Deductibles – Windstorm or Hail Deductibles.
- Personal Property.
- Additional Residence Rented to Others.
- Other Structures Rented to Others - Residence Premises.
- Watercraft – Outboard Motors.
- New Home Deviation, Forms HO 00 02 and HO 00 03.
- Enhancement Deviation.
- Company Deviations.
- Deviations - Forms HO 00 02 and HO 00 03.
- Deviations by Territories 110,120,130,140,150,160.
- Deviations on Forms HO 00 04 and HO 00 06.
- Windstorm or Hail Exclusion Credits.
- Eff. 6-1-21 NCFM-132721143 [SERFF Filing Access - North Carolina](#)

119. **North River Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%.



- Eff. 3-1-90

120. **Occidental Fire & Casualty Company of North Carolina**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Class Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

Form HS 03 Deviations

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Class Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 12-01-21 OCCD-133006174 [SERFF Filing Access - North Carolina](#)

121. **Owners Insurance Company**

- Key Factors Deviation.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House Deviation.
- Credit Card, Fund Transfer Card, Forgery.
- Form HO 00 06 Coverage A Dwelling Increased Limits.
- Personal Injury.
- Special Personal Property Coverage.
- Multi-Policy Discount.
- Outboard Motors and Watercraft.
- Life/Homeowners Multi Policy Discount.
- Home/Umbrella Multi-Policy Discount.
- Paid in Full Discount.
- Personal Property Increased limits.
- Protection Construction Factors.
- Year of Construction Discount.
- Coverages Purchased.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.

- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Loses to Roof Surfacing.
- Roof Age and Type.
- Advance Quote.
- Superior Construction.
- Age of Home.
- Water Shut-Off System Discount.
- Automatic Backup Generator Discount.
- Limited Water Back-Up and Sump Pump Discharge or Overflow.
- Refrigerated Personal Property.
- Unique Building.
- Company Deviation.
- Eff 5-1-20 AOIC-132183778 [SERFF Filing Access - North Carolina](#)

122. **Pacific Employers Insurance Company**

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%.
- Eff. 2-24-98

123. **Pacific Indemnity Company**

- Windstorm or Hail Exclusion Credit.
- Windstorm Loss Mitigation Credit.
- Protection Construction Factors.
- Protective Devices – Maximum Credit.
- Optional Higher Deductibles HO 00 04 and HO 00 06.
- Named Storm Deductible Percentage 5%.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Payment Options – Bank Account Debit Installment Payment Plan.
- House Key Factors.
- Replacement Cost Loss Settlement – Certain Non-Building Structures.
- Supplemental Loss Assessment Coverage.
- Water Back Up and Sump Discharge or Overflow.
- Base Rate Territory Discount.
- Eff 4-1-18 CHUB-131193183 [SERFF Filing Access - North Carolina](#)

124. **Palomar Specialty Insurance Company**

- Base Premium Computation.
- Underwriting Tier.
- Mature Homeowner Discount.
- Year of Construction.
- Age of Home.
- Personal Property (Coverage C) Replacement Cost.
- Secured Community.
- New Purchase Discount.
- Companion Policy Discount.
- Partial Hip Roof Discount.
- Distance to Coast.
- Age of Roof.



- Maximum Discount.
- Eff 5-1-21 CCGI-132741567 [SERFF Filing Access - North Carolina](#)

125. **Peerless Insurance Company**

- Protective devices.
- Base Premium Computation (HO 00 06).
- Installment Payment plan – no charge for each installment for Electronic Fund Transfer.
- Eff. 9-1-12 LBRM-128206895 [SERFF Filing Access - North Carolina](#)

126. **Pennsylvania Lumbermens Mutual Insurance Company**

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%.
- Eff. 10-1-85

127. **Pennsylvania National Mutual Casualty Insurance Company**

- Year of Construction – Newly Constructed Dwellings.
- Windstorm or Hail Exclusion Credit.
- Personal Property Increased Limit.
- Account Credit (Multi-Policy).
- Watercraft Deviation.
- Protective Device Credit.
- Additional Protective Device Credits.
- Ordinance or Law Coverage All Forms Except HO 00 08.
- Preferred Advantage Program.
- Form HO 06 Coverage A Dwelling Basic and Increase Limits and Special Coverage.
- Credit Card Fund Transfer Card, Forgery and Counterfeit Money.
- Supplemental Loss Assessment Coverage.
- Personal Property – Increased Special Limits of Liability.
- Refrigerated Personal Property.
- Limited Water Back Up and Sump Discharge or Overflow.
- Personal Injury Increased Special Limits of Liability.
- Installment Charges-Recurring Payments Automatically Deducted.
- Affinity Group Discount.
- Agency Transfer Transaction Factor.
- Underwriting Scorecard.
- New Home Discount.
- Eff 10-1-18 PNPR-131667785 [SERFF Filing Access - North Carolina](#)

128. **Pharmacists Mutual Insurance Company**

- -25% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 5-1-07 PC102682 [SERFF Filing Access - North Carolina](#)

129. **Phoenix Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.

- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Eff 8-26-21 TRVD-132813123 [SERFF Filing Access - North Carolina](#)

130. **Platte River Insurance Company**

- Age of Dwelling
- Account Credit Program: 15% discount when insured has coverage for both auto & HO policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, pPC, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Pers Prop Replacement Cost: Form 3: 5% of base prem with min prem waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected.
- Eff.10-1-99

131. **Praetorian Insurance Company**

- HO 03 Base Rate Deviation.
- Year of Construction Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Builder Credit.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage C.
- Protective Devices.
- Maximum Credit.
- Age of Home – Newly Constructed Dwelling Discount.
- Eff 9-15-20 QBEC-132452728 [SERFF Filing Access - North Carolina](#)

• **Tenant Homeowners**

- Claim factor form HO 00 04
- Eff 12-31-15 QBEC-130292311 [SERFF Filing Access - North Carolina](#)

132. **Privilege Underwriters Reciprocal Exchange**

- Years Renovated – Major Systems Completely Replaced.
- Territory Deviation.
- Coverage A Deviation.

- Superior Construction Credits.
- Permanently Installed Generator Credit.
- Financial Responsibility Factor.
- Seasonal/Secondary Home.
- Occupancy Deviation.
- Multi Policy-Auto Companion Credit.
- Multi Policy – Personal Excess Liability Credit.
- Multi Policy- Jewelry and Art Credit.
- Protective Devices- Maximum Credit Waived.
- Loss Free Credits-No Claims within Last 3 Years.
- AOP Deductible Discount-Deductibles Greater than \$2,500.
- Mortgage Free Credit.
- Cost Per Square Foot Factor.
- Renewal Discount Deviation.
- Eff 8-11-21 PRIV-132749376 [SERFF Filing Access - North Carolina](#)

133. **Progressive Northern Insurance Company**

- Zone deviations.
- Protection class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote discount.
- Loss History.
- Paid in full discount.
- Bundled Coverage Credit.
- Secured community discount.
- Household structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Eff 7-15-15 ASIT-130101836 [SERFF Filing Access - North Carolina](#)

134. **Progressive Southeastern Insurance Company**

- Zone Deviations.
- Protection Class Construction Factors.
- Key Factors.
- Underwriting Tier.
- Companion Policy.
- E Policy.
- Advance Quote Discount.
- Loss History.
- Paid in Full Discount.
- Bundled Coverage Credit.
- Secured Community Discount.
- Household Structure.
- Personal Property Replacement Cost.
- Protective Devices.
- Windstorm or Hail Exclusion Credits.
- Eff 7-15-21 ASIT-132844814 [SERFF Filing Access - North Carolina](#)

135. **Providence Washington Insurance Company**

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.

- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable.
- Eff. 4-18-00 PC033008

136. **QBE Insurance Corporation**

- Territorial Deviations-Form HO 00 03.
- Year of Construction – Newly Constructed Dwellings Discount.
- New Purchase Discount.
- Renovated Home Discount.
- Mature Citizen Discount.
- Loss Free Renewal Credit.
- Multi-Policy Credit.
- Replacement Cost Coverage Contents.
- Protective Devices.
- Maximum Policy Credit.
- Age of Home – Newly Constructed Discount.
- Eff 11-5-20 QBEC-132504763 [SERFF Filing Access - North Carolina](#)

137. **Republic-Franklin Insurance Company**

*Personal Edge Homeowners*

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (All Policy Forms).
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (All policy forms except HO4 and HO6)
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Age of Roof.
- Roof Type.
- Square Footage.
- Flexible Hose Credit.
- High Efficiency Gas Furnace Credit (HO2, HO 3, HO5 and HO6)
- Monitored Thermostat Credit.
- Water Leak Alarm Credit.
- HO 00 02, HO 00 03, HO 00 05 Package Summary.
- Suburban Rating Protection Class.
- Mass Merchandising Plan.
- W.I.S.E./Affinity Group Program.

*Essential Homeowners*

- Base Rate Deviations.
- Coverage A Key Factor Curve (all forms except HO 4 and HO 6).
- Deductible for All Forms Except HO 4 and HO 6.
- Program Tiered Rating.
- Account Credit (all policy forms).
- Year of Construction – Newly Constructed Dwelling.
- Age of Home (all policy forms except HO4 or HO6).
- New Home Buyer Credit.
- AVC Loss Settlement – Roof Surfacing.
- Distance to Coast.
- Age of Roof.
- Roof Type.
- Square Footage.
- Flexible Hose Credit.

- High Efficiency Gas Furnace Credit (HO2, HO3, HO5, and HO6).
- Monitored Thermostat Credit.
- Water Leak Alarm Credit.
- Package Summary HO 00 02, HO 00 03, HO 00 05.
- Suburban Rating Protection Class.
- Eff 11-1-21 UTCX-132922973 [SERFF Filing Access - North Carolina](#)

138. **Response Worldwide Insurance Company**

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies.
- Eff. 1-15-95

139. **RLI Insurance Company**

- Year of Construction-Newly Constructed Dwellings.
- Age of Dwelling.
- Loss Free Renewal Credit.
- New Roof Credit.
- Mature Retiree Credit.
- Windstorm or Hail Exclusion.
- Eff 10-1-18 RLSC-131596324 [SERFF Filing Access - North Carolina](#)

140. **Safe Harbor Insurance Company**

- Base Premium Computation.
- Underwriting Tier.
- Mature Homeowner Discount.
- Year of Construction.
- Age of Home.
- Personal Property Replacement Cost.
- Secured Community.
- New Purchase.
- Companion Policy Discount.
- Partial Hip Roof Discount.
- Distance to Coast.
- Roof Age/Material.
- Maximum Discount Rule.
- Eff 2-15-21 RLSC-132680590 [SERFF Filing Access - North Carolina](#)
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141. **Safeco Insurance Company of America**

- Deductibles.
- Account Credit.
- Credit Card, Fund Transfer Card, Forgery.
- Other Insured Locations.
- Special Personal Property Coverage – HO 4 and HO 6.
- Tier Relativities – Credit Scoring.
- Employee Discount Plan.
- Territory.
- Renewal Credit.
- Age of Roof Discount.
- Umbrella Account Credit.
- Roof Type.
- Protection Class.
- Coverage A Per Square Footage.

- Advance Quote Discount.
- Coverage C Amount.
- Year of Construction.
- Newer Home Credit.
- Eff. 5-1-20 LBPM-132305013 [SERFF Filing Access - North Carolina](#)

142. **Safeco Insurance Company of Indiana**

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr
- Eff. 2-15-95

143. **SafePort Insurance Company**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Deviation.
- Maximum Deviation.
- Form HS 03 Deviations
- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 12-1-21 OCCD-133006403 [SERFF Filing Access - North Carolina](#)

144. **Select Insurance Company**

- Forms 1, 2, 3 & 3 w/15: 15%.
- Eff. 2/8/86

145. **Selective Insurance Company of South Carolina**

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: RC Personal Property; shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors.

- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr.
- Eff. 5/1/92

146. **Selective Insurance Company of the Southeast**

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amt ded factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-2

147. **Sentry Insurance A Mutual Company**

- All Forms, except 4 & 6: Fixed dollar amt ded; Factors for Cov A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62.
- Eff. 11-1-96

148. **Service Insurance Company**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Masonry Construction Deviation.
- Deductible Deviation.
- Companion Auto Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Mature Homeowner Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Wind Exclusion Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.

**HS 03 Deviations**

- Territory Deviation.
- Coverage A Amount of Insurance Deviation.
- Protection Construction Deviation.
- Deductible Deviation.
- Year of Construction Deviation.
- Age of Home Deviation.
- Roof Age Deviation.
- Tier Deviation.
- Wind Mitigation Deviation.
- Number of Stories Deviation.
- Easy Plan Installment Plan Deviation.
- Maximum Deviation.
- Eff. 5-1-20 OCCD-132315141 [NCDOI](#)

149. **Sirius American Insurance Company**

- Base Premium Computation deviation Form HO 00 04.
- Protection Construction deviation factors.
- Personal Property Coverage C Replacement Cost Loss Settlement.
- Limited Water Back-up and Sump Discharge or Overflow Coverage.
- Personal Injury Coverage.
- Eff 916-15 DEAH-130186953 [SERFF Filing Access - North Carolina](#)

150. **Southern Guaranty Insurance Company**

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company.
- Eff. 1-1-01 PC038720

151. **Southern Insurance Company of Virginia**

**PREFERRED**

- Territory Deviation; for form HO 00 02, HO 00 03, and HO 00 05 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.
- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Southern Homeowners Account Credit Plan.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage
- Multi-Protector-Water Backup
- Multi-Protector Plus-Refrigerated Property
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability
- Multi-Protector Deluxe-Business Property
- Multi-Protector Deluxe Personal Injury Coverage
- Multi-Protector Deluxe Water Backup
- Multi-Protector Deluxe Refrigerated Property
- Multi-Protector Deluxe Loss Assessment Coverage
- Multi-Protector Elite Coverage C Increased Special Limits of Liability
- Multi-Protector Elite Business Property
- Multi-Protector Elite-Personal Property Replacement Cost Coverage
- Multi-Protector Elite Personal Injury Coverage
- Multi-Protector Elite Water Backup
- Multi-Protector Elite Refrigerated Property
- Multi-Protector Elite Loss Assessment Coverage
- Multi-Protector Elite Increased Ordinance or Law Coverage
- Multi-Protector Elite Increased Section II Limits of Liability

**STANDARD**

- Territory Deviation for HO 00 02, HO 00 03, and HO 00 05.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 03 and HO 05.



- Personal Property Replacement Cost HO 00 02, HO 00 03 and HO 00 05.
- Personal Property Replacement Cost Coverage HO 00 04 and HO 00 06.
- Credits for newer homes.
- Outboard Motors and Watercraft reduced rates.
- HE-00 07 Program – 10% credit for policies written with HE 00 07, HE 00 07 with HE 32 20 or HE 00 07 with HE 32 21.
- Southern Homeowners Account Credit Plan.
- Automatic Payment Plan.
- Multi-Protector Plus-Coverage C Increase Special Limits of Liability.
- Multi-Protector Plus – Business Property.
- Multi-Protector Plus-Personal Injury Coverage.
- Multi-Protector-Water Backup.
- Multi-Protector Plus-Refrigerated Property.
- Multi-Protector Deluxe-Coverage C Increase Special Limits of Liability.
- Multi-Protector Deluxe-Business Property.
- Multi-Protector Deluxe Personal Injury Coverage.
- Multi-Protector Deluxe Water Backup.
- Multi-Protector Deluxe Refrigerated Property.
- Multi-Protector Deluxe Loss Assessment Coverage.
- Eff 1-1-09 DNGL-125861191

152. **Southern Pilot Insurance Company**

- Base Class Premium Forms HO 00 03, HO 00 05, HE-7.
- Base Class Premium Form HO 00 04.
- Base Class Premium Form HO 00 06.
- Amount of Insurance Deviation (HO-3, HO-5 and HE-7).
- Year of Construction Credits Primary and Secondary.
- Optional Deductible Credits.
- Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Outboard Motor and Watercraft Liability.
- Multi-Policy Credit.
- Enhancement Factor Deviation.
- Age of Home.
- Protective Device Credit.
- Eff. 12-1-18 QBEC-131654641 [SERFF Filing Access - North Carolina](#)

153. **SPARTA Insurance Holdings**

- New Home Credit All Forms, except 4 & 6;; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3:- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6;; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible
- Eff. 8/15/02 PC053953 [NCDOJ](#)

154. **Spinnaker Insurance Company**

- Territory Deviation.
- Year of Construction.
- Underwriting Tier.

- Mature Homeowner Discount.
- Age of Home.
- Residence Premises.
- Personal Property Replacement Cost.
- Secured Community Discount.
- New Purchase Discount.
- Companion Policy Discount.
- Full Hip and Partial Hip Roof Discount.
- Eff. 1-1-17 CCGI-130840106 [SERFF Filing Access - North Carolina](#)

155. **St. Paul Fire & Marine Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Cov C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy.
- Eff. 9-23-92

156. **St. Paul Guardian Insurance Company**

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Pers prop replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for terr 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: credit when insured maintains consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals.
- Eff. 3-1-00

157. **St. Paul Mercury Insurance Company**

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.

- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment.
- Eff. 3-1-95

158. **Standard Fire Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff. 8-26-21 TRVD-132813120 [SERFF Filing Access - North Carolina](#)

159. **Starr Indemnity & Casualty Company**

- All Forms: Personal Prop Replacement Cost; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits.
- Eff. 4-1-95

160. **State Automobile Mutual Insurance Company**

- Auto-Home Discount.
- Protective Devices – Maximum Credit.
- Protection Class 9 Rates.
- Townhouse/Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Installment Payment Plan.
- Employee Group Discount Plan.
- Advance Quote Discount.
- Key Factors – Policy Size Relativity.
- Wind Hail Exclusion Credits for Masonry Construction.
- Wind Mitigation Credits for Masonry Construction.
- Eff 5-1-20 STAT-132228112 [SERFF Filing Access - North Carolina](#)

161. **State Auto Property & Casualty Insurance Company**

- Protective Devices Credits.
- Protection Class 9 Rates.
- Townhouse /Row House.
- Three or Four Family Dwelling.
- Residence Held in Trust.
- Ordinance or Law Coverage.
- Boating Course Credit.
- Watercraft Membership Credit.
- Payment Plan Options.

- Employee Group Discount Plan.
- Advance Quote Discount.
- Base Premium Key Factor Relativity.
- Wind Hail Exclusion Credits for Masonry Construction.
- Wind Mitigation Credits for Masonry Construction.
- Eff. 5-1-20 STAT-132228113 [SERFF Filing Access - North Carolina](#)

162. **State Farm Fire & Casualty**

- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 04.
- Base Premium Computation HO 00 06.
- Protective Devices.
- Coverage A Increased limits & Special Coverage Form 6.
- Claim Record Rating Plan Deviation.
- Loyal Customer Discount.
- Claim Record Rating Plan Deviation.
- Installment Plan Payment Plan.
- Refrigerated Personal Property.
- Home and Auto Discount.
- Named Storm Percentage Deductible HO 00 03.
- Named Storm Percentage Deductible HO 00 04.
- Named Storm Percentage Deductible HO 00 06.
- All Perils Deductibles HO 00 03.
- Customer Rating Index.
- Utilities Rating Index.
- Wind Exclusion Credits by Protection Class – HO 00 03.
- Wind Exclusion Credits by Protection Class – HO 00 06.
- Location Rating Factors.
- Protection Class – Form 3
- Protection Class Forms 4 & 6.
- Amount of Insurance - Form 3.
- Windstorm Mitigation.
- Eff. 11-15-21 SFMA-132952630 [SERFF Filing Access - North Carolina](#)

163. **Stonington Insurance Company**

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowner's coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

164. **Teachers Insurance Company**

- Installment Pay Plan – Waive Initial \$3.00 Installment Fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments (EFT).
- Educator Deviation.
- Claims Deviation.
- Territorial Deviation Forms 3, 4 and 6.
- Home Buyer Discount Deviation.
- Eff. 02-10-19 HRMN-131491617 [SERFF Filing Access - North Carolina](#)

165. **Travelers Casualty and Surety Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 8-26-21 TRVD-132813106 [SERFF Filing Access - North Carolina](#)

166. **Travelers Indemnity Company**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Installment Payments.
- Eff 8-26-21 TRVD-132813122 [SERFF Filing Access - North Carolina](#)

167. **Travelers Indemnity Company of America**

- Base Rate.
- Coverage A Relativity.
- Coverage C Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-Line Insurance & Financial Institution Employees Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Final Premium Adjustment Factor.
- Eff 8-26-21 TRVD-132813124 [SERFF Filing Access - North Carolina](#)

168. **Travelers Indemnity Company of Connecticut**

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.

- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit.
- Eff. 11-1-96

169. **Travelers Personal Security Insurance Company**

- Base Rate.
- Coverage A Relativity.
- Account Credit.
- Loss Free Customer Credit.
- Loss History.
- Insurance Score.
- Year of Construction.
- New Home Credit.
- Home Buyer Credit.
- Multi-line and Financial Institution Employee's Credit.
- Royal SunAlliance Employee Program Credit.
- Installment Payments.
- Final Premium Adjustment Factor.
- Eff 8-26-21 TRVD-132813107 [SERFF Filing Access - North Carolina](#)

170. **Travelers Personal Insurance Company**

- Base Premium Territory Factors.
- Protection Construction Class Factors.
- Key Factors.
- Coverage C Limit Key Factor.
- Smart Protective Devices.
- Year of Construction.
- Age of Home.
- Age of Insured.
- Age of Roof and Roof Covering.
- Number of Bathrooms.
- Number of Garage Stalls.
- Number of Stories.
- Presence of Swimming Pool.
- Square Footage.
- Loss History.
- Affinity Discount.
- Early Quote Discount.
- Good Payer Discount.
- Multi-Policy Discount.
- Loss Free Discount.
- Tier.
- Installment Payment – EFT and RCC Payment Plan Options.
- Eff 5-22-21 TRVD-132769821 [SERFF Filing Access - North Carolina](#)

171. **Travelers Property Casualty Company of America**

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived.

- Eff. 5-21-00 PC032643

172. **Twin City Fire Insurance Company**

- Age of Home Credit.
- Account Credit.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Eff. 9-18-20 HART-132528842 [SERFF Filing Access - North Carolina](#)

173. **USAA Casualty Insurance Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 06.
- Deductible Credits.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices Credits.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount-Form 3
- Marital Status Discount-Form 6.
- Number of Bathrooms Discount.
- Number of Stories Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Multi-Product Discounts.
- Loyalty Discount.
- Square Footage Discount.
- Roof Discount.
- Eff 10-30-21 USAA-132957485 [SERFF Filing Access - North Carolina](#)

174. **USAA General Indemnity Company**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 06.
- Deductible Credits.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.



- Protective Devices Credits.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount-Form 3.
- Marital Status Discount-Form 6.
- Number of Bathrooms Discount.
- Number of Stories Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Multi-Product Discounts.
- Loyalty Discount.
- Square Footage Discount.
- Roof Discount.
- Eff 10-30-21 USAA-132957486 [SERFF Filing Access - North Carolina](#)

175. **Union Insurance Company**

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory.
- Eff. 7-1-01

176. **United Property & Casualty Insurance Company**

**Tier 1 UPC Legacy Deviations**

- Program Tier.
- Base Premium Computation.
- Secure Community.
- Maximum Discount.
- Age of Home.
- Companion Policy.
- Claims Free Discount.
- Claims Rating Discount.
- Book Transfer.
- Prior Insurance.
- Mature Homeowner.
- New Purchase.
- Water Loss Prevention.
- Hip Roof Discount.
- All Perils Deductibles.
- Windstorm or Hail.
- Windstorm Mitigation.
- Inflation Guard.
- Year of Construction – Newly Constructed Dwelling.



**Tier 2 UPC 1.0**

- Program Tier.
- Base Premium Computation.
- Occupancy.
- Protective Devices.
- Secured Community.
- Inflation Guard.
- Payment Plan.
- Windstorm or Hail Exclusion.
- Maximum Discount.
- Year of Construction.
- Age of Home.
- Age of Insured.
- Companion Policy.
- Windstorm Mitigation.
- Construction Permit.
- Age of Roof.
- Echelon Development & Rating.
- Distance to Coast.
- Coastal Adjustments by Territory.
- Coastal Adjustment by Territory and Mitigation Feature.
- All Peril Deductibles.
- Eff 10-1-21 UPCI-132898953 [SERFF Filing Access - North Carolina](#)

177. **United Services Automobile Association**

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium Computation HO 00 03.
- Base Premium Computation HO 00 06.
- Deductible Credits.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices Credits.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Early Quote Discount.
- Three and Four Family Dwelling Coverage B Limit.
- Marital Status Discount – Form 3.
- Marital Status Discount – Form 6.
- Number of Bathrooms Discount.
- Number of Stories Discount.
- Foundation Type Discount.
- Garage Type Discount.
- Number of Fireplaces Discount.
- Insurance to Value Discount.
- Multi-Products Discount.
- Loyalty Discount.
- Square Footage Discount.
- Roof Discount.
- Eff 10-30-21 USAA-132957482 [SERFF Filing Access - North Carolina](#)

178. **United States Fidelity & Guaranty Company**

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary.
- Eff. 4-15-00 PC030952

179. **United States Fire Insurance Company**

- Forms 2, 3, & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
- Eff. 3/1/90

180. **Unitrin Auto and Home Insurance Company**

- Base Rate by Territory.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- Optional All Other Perils Deductible.
- Windstorm/Hail Deductible.
- Seasonal/Secondary Deviation.
- Pool Surcharge.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property (C) Replacement Cost.
- Outboard Motor and Water Craft.
- Ordinance or Law.
- Installment Plan.
- Eff 10-1-18 KEMP-131506749 [SERFF Filing Access - North Carolina](#)

181. **Unitrin Safeguard Insurance Company**

- Base Premium Computation.
- Protection Class.
- Amount of Insurance.
- Tier Deviation.
- Loss Record.
- Year of Construction.
- Age of Home.
- Roof Type.
- Mature Homeowner Credit.
- All Other Perils Deductibles.
- Windstorm/Hail Deductible.

- Seasonal/Secondary Deviation.
- Pool Deviation.
- Protective Devices.
- Residence Safety.
- Home Buyer Discount.
- Personal Property Replacement Cost.
- Outboard Motors and Watercraft.
- Ordinance or Law Coverage.
- Payment Options-Installed Payment Plan.
- Deductible.
- Occupancy.
- Multi-Policy Discount.
- Electric Funds Transfer.
- Unit Owners Coverage A.
- Additional Coverage – Jewelry and Furs
- Eff 8-1-19 KEMP-131667677 [SERFF Filing Access - North Carolina](#)

182. **Universal Insurance Company**

- Account Factor.
- Loss History Factors.
- Coverage A Amount.
- Affinity Factors.
- Financial Responsibility Factors.
- Home Buyer Factors.
- Territory Factors.
- Tenure Factors.
- Age of Home Factors.
- Age of Roof Factors.
- Woodstove Factors.
- Water Protection Device.
- Market Tier.
- Deductible Factors.
- Advance Quote.
- Maximum Deviation.
- County Factor.
- EFT or Recurring Credit Card Payment Plan Option.
- Underwriting Company Factor.
- Eff 1-1-21 CMCG-132575065 [SERFF Filing Access - North Carolina](#)

183. **Universal North American Insurance Company**

**Homeowners Choice Program**

- Age of Home.
- Personal Property Replacement Cost No Minimum Charge.
- GEICO Affinity Credit.
- Costco Affinity Credit.
- Claims History.
- Insurance Score.
- Territory Factors.

**Homeowners Advantage**

- Age of Home.
- Maximum Discount.
- Loss Settlement Options.
- Territory Factors.
- Affinity Discount.
- Claim Free.
- Claim Rating.
- Financial Responsibility Score.

- Eff 5-1-20 UNAC-132295980 [SERFF Filing Access - North Carolina](#)
184. **Utica Mutual Insurance Company**
- Personal Lines Account Credit.
  - W.I.S.E./Affinity Group Program.
  - Mass Merchandising Plan.
  - Suburban Rating Protection Class.
  - HO 00 02, HO 00 03, HO 00 05 Package Summary.
  - Personal Property Replacement Cost.
  - Eff. 10-1-19 UTCX-131983542 [SERFF Filing Access - North Carolina](#)

185. **Vault Reciprocal Exchange**
- Years Renovated.
  - Base Premium Computation.
  - Coverage A Deviation.
  - Superior Construction Credits.
  - Generator Credit.
  - Financial Responsibility Factor.
  - Seasonal/Secondary Home.
  - Dwelling – Owner Occupied.
  - Auto Companion Credit.
  - Personal Excess Liability Companion Credit.
  - Protective Devices – Maximum Credit Waived.
  - Loss Free Credit.
  - Mortgage Free Credits.
  - AOP Deductible Credit.
  - Cost Per Square Foot Factor.
  - Eff. 7-1-21 UTCX-132808016 [SERFF Filing Access - North Carolina](#)

186. **Vigilant Insurance Company**
- Base Rate Territory – All Forms Except HO 00 04 & HO 00 06.
  - Base Rate Territory – Forms HO 00 04 & HO 00 06.
  - Key Factors.
  - Protection Construction Factors.
  - Protective Devices.
  - Optional Higher Deductibles HO 00 04 and HO 00 06.
  - Named Storm Percentage Deductible Percentage 5%.
  - Additional Amounts of Insurance.
  - Gated Community Credit.
  - Multi-Policy Discount.
  - Mass Merchandising Discount.
  - Payment Options – Bank Account Debit Installment Payment Plan.
  - Electric Back Up Discount.
  - Blanket Special Coverage A Buy Up HO 00 06 Only.
  - All Other Perils 1% Deductible.
  - Water Leak Detection Discount.
  - Eff. 12-1-21 ACEH – 132816688 [SERFF Filing Access - North Carolina](#)

187. **Westchester Fire Insurance Company**
- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
  - Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
  - Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
  - Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
  - All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium.
  - Eff. 3/1/90

188. **XL Insurance America, Inc.**
- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
  - All Forms: Protective Devices: Maximum credit allowed is deleted.
  - Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to

70% of Coverage A. Additional premium for this coverage will not apply.

- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Eff. 4-1-95

**NORTH CAROLINA  
STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

EXHIBIT (1) (g) (ii-vi)

<u>Year</u>	<u>Deviations<sup>(a)</sup></u>				
	(1) Written Premium at Manual Level for Standard Business <sup>(b)</sup>	(2) Standard Written Premium at Manual Level to Total Statewide Written Premium at Manual Level <sup>(c)</sup>	(3) Amount Of Deviations <sup>(d)</sup>	(4) Average Percentage Deviation on Standard Business Col (3) / Col (1)	(5) Deviations in Col (3) to Total (Standard and Non-Standard) Written Premium at Manual Level
2018	1,636,585,428	66.8%	225,870,032	13.8%	9.2%
2019	1,739,613,351	65.8%	259,360,203	14.9%	9.8%
2020	1,888,736,946	66.9%	269,774,634	14.3%	9.6%
2021	2,038,319,295	67.1%	313,603,427	15.4%	10.3%
2022	2,350,877,266	69.0%	372,223,945	15.8%	10.9%

Notes:

<sup>(a)</sup> The Beach and FAIR plans do not report the NCRB Special Call for Homeowners and are therefore are not included in this exhibit. Standard business is all business written at or below manual rate level. Non-standard business is all business written above manual rate level (also referred to as consent-to-rate business).

<sup>(b)</sup> Estimated premium written at deviated rates is not available. This column reflects the premium at manual rate level for all business written at manual or deviated rates.

<sup>(c)</sup> The estimated percentage of statewide premium written at deviated rates is not available. This column reflects Column (1) as a percentage of the total reported statewide written premium at manual rate level.

<sup>(d)</sup> This column reflects the dollar amount of deviations on standard business.

Note: Additional information regarding deviations and consent-to-rate amounts is shown on page D-31 of Exhibit RB-1.

**Companies Paying Homeowners Insurance Dividends**

**2018**

Affiliated FM Insurance Company  
Metropolitan Property & Casualty Insurance Company  
United Services Automobile Association

**2019**

Affiliated FM Insurance Company  
Metropolitan Property & Casualty Insurance Company  
United Services Automobile Association

**2020**

Affiliated FM Insurance Company  
Amica Mutual Insurance Company  
United Services Automobile Association

**2021**

Affiliated FM Insurance Company  
United Services Automobile Association

**2022**

Affiliated FM Insurance Company  
United Services Automobile Association

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**DIVIDENDS**

<u>Year</u>	<u>Written Premium Of Companies W/Dividends</u>	<u>Percentage Of Written Premiums Of Companies W/Dividends To Total Written Premiums<sup>(a)</sup></u>	<u>Dividends</u>	<u>Percentage Dividends of Companies w/Dividends</u>	<u>Overall Percentage of Dividends</u>
2018	149,075,370	5.60%	11,677,883	7.83%	0.44%
2019	161,561,656	5.71%	17,986,477	11.13%	0.64%
2020	176,635,544	5.80%	15,534,397	8.79%	0.51%
2021	139,821,887	4.29%	14,368,232	10.28%	0.44%
2022	159,980,770	4.39%	14,447,837	9.03%	0.40%

Source: Annual Statements, Statutory Page 14

<sup>(a)</sup> The total reported statewide written premium excludes the Beach and Fair plans.



## NORTH CAROLINA

## HOMEOWNERS INSURANCE

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

The data required by 11 NCAC 10.1105(1)(i)(ii) were not being collected or reported in the experience period. The response to 11 NCAC 10.1105(1), page E-4, provides incurred loss and loss adjustment expense information for property and liability losses. The response to 11 NCAC 10.1105(1)(I) provides non-hurricane incurred loss data by cause-of-loss. Additional information concerning loss development is provided in the response to 11 NCAC 10.1105(3). Additional information concerning loss adjustment expenses is provided in the response to 11 NCAC 10.1105(7). Additional information concerning loss trend is provided in Section D and in the pre-filed testimony of P. Anderson and P. Ericksen.

(iii) to (vi)

Applied Loss Development Factor			
Year	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
2017	1.000	1.000	1.000
2018	0.999	1.000	1.001
2019	0.998	1.006	1.001
2020	1.004	1.014	1.000
2021	1.046	1.030	1.014

Loss Adjustment Expense Factor			
	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
Non-Hurricane	1.119	1.140	1.130
Hurricane	1.060	1.060	1.060

Applied Loss Trend Factor			
Year	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
2017	1.602	1.127	1.427
2018	1.519	1.139	1.366
2019	1.439	1.150	1.307
2020	1.364	1.162	1.251
2021	1.293	1.174	1.197

Trended Incurred Losses and LAE			
Year	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
2017	\$1,905,585,245	\$34,822,061	\$31,451,079
2018	2,138,189,951	37,857,892	31,534,444
2019	1,934,899,033	33,906,531	29,793,349
2020	1,988,797,688	34,075,338	32,540,351
2021	2,196,412,730	37,496,171	33,106,503

(vii) This information is given in the response to 11 NCAC 10.1105(1), page E-5.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

See prefiled testimony of P. Anderson, P. Ericksen and M. Mao.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**CAUSE OF LOSS DATA**

Non-hurricane loss experience by cause of loss is provided on the attached Exhibit (1)(1).

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	110	Fire, Lightning and Removal	2017	936,212	39	24,005	0.21	50.16
			2018	1,681,024	29	57,966	0.15	86.54
			2019	3,356,979	57	58,894	0.29	173.01
			2020	3,426,948	40	85,674	0.20	172.73
			2021	5,782,073	44	131,411	0.22	294.04
		Wind and Hail	2017	299,138	44	6,799	0.24	16.03
			2018	1,380,050	138	10,000	0.71	71.05
			2019	987,933	106	9,320	0.55	50.92
			2020	1,272,393	136	9,356	0.69	64.13
			2021	829,454	87	9,534	0.44	42.18
		Water Damage and Freezing	2017	2,127,836	155	13,728	0.83	114.00
			2018	4,715,441	224	21,051	1.15	242.75
			2019	2,547,685	137	18,596	0.71	131.30
			2020	2,091,359	146	14,324	0.74	105.41
			2021	2,588,301	140	18,488	0.71	131.63
		Theft	2017	41,947	11	3,813	0.06	2.25
			2018	50,087	8	6,261	0.04	2.58
			2019	14,972	6	2,495	0.03	0.77
			2020	6,490	1	6,490	0.01	0.33
			2021	0	0	0	0.00	0.00
		Other Physical Damage	2017	337,952	32	10,561	0.17	18.11
			2018	252,767	33	7,660	0.17	13.01
			2019	153,768	26	5,914	0.13	7.92
			2020	471,513	34	13,868	0.17	23.77
			2021	117,312	23	5,101	0.12	5.97
		Liability	2017	224,492	11	20,408	0.06	12.03
			2018	382,042	9	42,449	0.05	19.67
			2019	727,942	12	60,662	0.06	37.52
			2020	318,389	7	45,484	0.04	16.05
			2021	225,499	6	37,583	0.03	11.47
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	1,878	2	939	0.01	0.10
			2018	8,902	6	1,484	0.03	0.46
			2019	17,002	7	2,429	0.04	0.88
			2020	2,828	3	943	0.02	0.14
			2021	9,626	4	2,407	0.02	0.49
		Total	2017	3,969,455	294	13,502	1.58	212.67
			2018	8,470,313	447	18,949	2.30	436.05
			2019	7,806,281	351	22,240	1.81	402.32
			2020	7,589,920	367	20,681	1.85	382.56
			2021	9,552,265	304	31,422	1.55	485.77

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	120	Fire, Lightning and Removal	2017	1,990,260	35	56,865	0.18	102.87
			2018	3,158,618	30	105,287	0.15	159.59
			2019	8,873,285	57	155,672	0.26	407.85
			2020	5,091,319	40	127,283	0.18	225.69
			2021	2,812,257	39	72,109	0.20	141.18
		Wind and Hail	2017	920,126	115	8,001	0.59	47.56
			2018	1,375,554	122	11,275	0.62	69.50
			2019	832,851	59	14,116	0.27	38.28
			2020	1,274,023	114	11,176	0.51	56.48
			2021	1,043,047	74	14,095	0.37	52.36
		Water Damage and Freezing	2017	2,753,125	187	14,723	0.97	142.30
			2018	4,400,574	221	19,912	1.12	222.34
			2019	2,731,522	127	21,508	0.58	125.55
			2020	4,053,952	126	32,174	0.56	179.70
			2021	2,354,573	104	22,640	0.52	118.20
		Theft	2017	77,885	16	4,868	0.08	4.03
			2018	19,299	4	4,825	0.02	0.98
			2019	4,211	3	1,404	0.01	0.19
			2020	55,937	10	5,594	0.04	2.48
			2021	18,190	2	9,095	0.01	0.91
		Other Physical Damage	2017	261,012	21	12,429	0.11	13.49
			2018	272,313	50	5,446	0.25	13.76
			2019	486,618	36	13,517	0.17	22.37
			2020	538,845	34	15,848	0.15	23.89
			2021	186,958	23	8,129	0.12	9.39
		Liability	2017	103,149	13	7,935	0.07	5.33
			2018	34,602	8	4,325	0.04	1.75
			2019	38,703	2	19,352	0.01	1.78
			2020	154,662	5	30,932	0.02	6.86
			2021	75,656	4	18,914	0.02	3.80
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	6,041	3	2,014	0.02	0.31
			2018	9,955	4	2,489	0.02	0.50
			2019	604	1	604	0.00	0.03
			2020	6,599	2	3,300	0.01	0.29
			2021	12,293	4	3,073	0.02	0.62
		Total	2017	6,111,598	390	15,671	2.02	315.88
			2018	9,270,915	439	21,118	2.22	468.42
			2019	12,967,794	285	45,501	1.31	596.06
			2020	11,175,337	331	33,762	1.47	495.38
			2021	6,502,974	250	26,012	1.26	326.45

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	130	Fire, Lightning and Removal	2017	2,944,627	43	68,480	0.37	255.68
			2018	1,000,597	39	25,656	0.32	82.54
			2019	2,791,457	56	49,847	0.45	222.69
			2020	2,368,985	39	60,743	0.30	183.30
			2021	3,682,753	45	81,839	0.34	277.02
		Wind and Hail	2017	223,284	38	5,876	0.33	19.39
			2018	820,958	127	6,464	1.05	67.72
			2019	623,184	93	6,701	0.74	49.72
			2020	1,944,073	238	8,168	1.84	150.42
			2021	990,432	86	11,517	0.65	74.50
		Water Damage and Freezing	2017	1,112,660	101	11,016	0.88	96.61
			2018	1,723,903	149	11,570	1.23	142.21
			2019	1,274,903	103	12,378	0.82	101.71
			2020	1,031,904	102	10,117	0.79	79.84
			2021	1,415,917	119	11,898	0.90	106.51
		Theft	2017	69,285	12	5,774	0.10	6.02
			2018	54,831	13	4,218	0.11	4.52
			2019	17,781	8	2,223	0.06	1.42
			2020	85,000	7	12,143	0.05	6.58
			2021	2,194	2	1,097	0.02	0.17
		Other Physical Damage	2017	183,755	27	6,806	0.23	15.96
			2018	222,437	46	4,836	0.38	18.35
			2019	154,368	41	3,765	0.33	12.31
			2020	344,579	36	9,572	0.28	26.66
			2021	175,036	24	7,293	0.18	13.17
		Liability	2017	88,216	8	11,027	0.07	7.66
			2018	189,248	18	10,514	0.15	15.61
			2019	63,436	7	9,062	0.06	5.06
			2020	11,931	8	1,491	0.06	0.92
			2021	223,312	7	31,902	0.05	16.80
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	2,817	3	939	0.03	0.24
			2018	2,397	2	1,199	0.02	0.20
			2019	8,899	4	2,225	0.03	0.71
			2020	943	1	943	0.01	0.07
			2021	5,893	2	2,947	0.02	0.44
		Total	2017	4,624,644	232	19,934	2.01	401.55
			2018	4,014,371	394	10,189	3.25	331.16
			2019	4,934,028	312	15,814	2.49	393.62
			2020	5,787,415	431	13,428	3.33	447.80
			2021	6,495,537	285	22,791	2.14	488.61

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	140	Fire, Lightning and Removal	2017	9,373,565	244	38,416	0.30	115.32
			2018	18,164,076	322	56,410	0.39	217.69
			2019	10,545,455	237	44,496	0.28	124.65
			2020	9,163,985	212	43,226	0.24	102.90
			2021	22,899,102	225	101,774	0.24	240.59
		Wind and Hail	2017	6,926,702	790	8,768	0.97	85.22
			2018	6,342,846	729	8,701	0.87	76.02
			2019	7,610,382	595	12,791	0.70	89.96
			2020	11,441,451	904	12,656	1.02	128.48
			2021	24,833,040	889	27,934	0.93	260.91
		Water Damage and Freezing	2017	8,835,261	764	11,564	0.94	108.70
			2018	10,938,542	964	11,347	1.16	131.09
			2019	14,063,042	802	17,535	0.95	166.23
			2020	11,350,026	800	14,188	0.90	127.45
			2021	12,788,757	844	15,153	0.89	134.36
		Theft	2017	341,499	102	3,348	0.13	4.20
			2018	432,830	110	3,935	0.13	5.19
			2019	540,563	65	8,316	0.08	6.39
			2020	135,021	38	3,553	0.04	1.52
			2021	265,048	44	6,024	0.05	2.78
		Other Physical Damage	2017	1,042,521	177	5,890	0.22	12.83
			2018	2,382,391	418	5,700	0.50	28.55
			2019	1,734,272	205	8,460	0.24	20.50
			2020	2,146,187	273	7,861	0.31	24.10
			2021	2,341,854	206	11,368	0.22	24.60
		Liability	2017	1,059,327	53	19,987	0.07	13.03
			2018	621,434	69	9,006	0.08	7.45
			2019	536,164	28	19,149	0.03	6.34
			2020	805,205	38	21,190	0.04	9.04
			2021	777,195	26	29,892	0.03	8.17
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	38,425	22	1,747	0.03	0.47
			2018	60,114	28	2,147	0.03	0.72
			2019	30,480	20	1,524	0.02	0.36
			2020	52,314	30	1,744	0.03	0.59
			2021	15,503	15	1,034	0.02	0.16
		Total	2017	27,617,300	2,152	12,833	2.65	339.78
			2018	38,942,233	2,640	14,751	3.16	466.71
			2019	35,060,358	1,952	17,961	2.31	414.43
			2020	35,094,189	2,295	15,292	2.58	394.07
			2021	63,920,499	2,249	28,422	2.36	671.57

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Owners	150	Fire, Lightning and Removal	2017	5,456,526	163	33,476	0.36	121.19
			2018	9,203,338	175	52,591	0.38	199.19
			2019	7,645,013	156	49,006	0.33	160.74
			2020	5,774,900	153	37,744	0.31	117.75
			2021	8,333,894	140	59,528	0.28	166.42
		Wind and Hail	2017	1,568,030	306	5,124	0.68	34.83
			2018	2,688,757	581	4,628	1.26	58.19
			2019	3,972,305	531	7,481	1.12	83.52
			2020	7,148,983	1,007	7,099	2.05	145.77
			2021	12,307,499	716	17,189	1.43	245.77
		Water Damage and Freezing	2017	4,607,986	422	10,919	0.94	102.34
			2018	5,897,065	564	10,456	1.22	127.63
			2019	4,080,975	418	9,763	0.88	85.81
			2020	4,683,250	452	10,361	0.92	95.49
			2021	5,046,484	446	11,315	0.89	100.77
		Theft	2017	140,487	51	2,755	0.11	3.12
			2018	164,904	55	2,998	0.12	3.57
			2019	179,463	51	3,519	0.11	3.77
			2020	126,204	28	4,507	0.06	2.57
			2021	174,776	30	5,826	0.06	3.49
		Other Physical Damage	2017	590,712	132	4,475	0.29	13.12
			2018	1,345,533	184	7,313	0.40	29.12
			2019	933,262	155	6,021	0.33	19.62
			2020	365,880	131	2,793	0.27	7.46
			2021	956,538	149	6,420	0.30	19.10
		Liability	2017	293,654	28	10,488	0.06	6.52
			2018	932,353	78	11,953	0.17	20.18
			2019	655,134	28	23,398	0.06	13.77
			2020	421,441	23	18,324	0.05	8.59
			2021	304,187	18	16,899	0.04	6.07
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	11,380	12	948	0.03	0.25
			2018	15,619	8	1,952	0.02	0.34
			2019	18,742	11	1,704	0.02	0.39
			2020	15,460	13	1,189	0.03	0.32
			2021	21,764	11	1,979	0.02	0.43
		Total	2017	12,668,775	1,114	11,372	2.47	281.37
			2018	20,247,569	1,645	12,309	3.56	438.22
			2019	17,484,894	1,350	12,952	2.84	367.63
			2020	18,536,118	1,807	10,258	3.68	377.96
			2021	27,145,142	1,510	17,977	3.02	542.06



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Owners	160	Fire, Lightning and Removal	2017	4,778,241	120	39,819	0.32	128.67
			2018	4,686,626	147	31,882	0.39	124.05
			2019	6,668,629	111	60,078	0.29	176.06
			2020	4,614,079	109	42,331	0.28	118.10
			2021	5,813,510	95	61,195	0.22	136.97
		Wind and Hail	2017	1,876,603	301	6,235	0.81	50.53
			2018	3,362,884	481	6,991	1.27	89.01
			2019	1,199,837	154	7,791	0.41	31.68
			2020	4,803,102	539	8,911	1.38	122.94
			2021	4,007,671	327	12,256	0.77	94.42
		Water Damage and Freezing	2017	4,019,284	326	12,329	0.88	108.23
			2018	4,212,380	449	9,382	1.19	111.50
			2019	3,193,961	335	9,534	0.88	84.32
			2020	4,814,310	412	11,685	1.05	123.23
			2021	6,931,867	500	13,864	1.18	163.32
		Theft	2017	281,179	68	4,135	0.18	7.57
			2018	345,178	49	7,044	0.13	9.14
			2019	198,054	44	4,501	0.12	5.23
			2020	150,603	37	4,070	0.09	3.85
			2021	86,577	23	3,764	0.05	2.04
		Other Physical Damage	2017	744,127	105	7,087	0.28	20.04
			2018	611,978	226	2,708	0.60	16.20
			2019	892,409	127	7,027	0.34	23.56
			2020	882,447	136	6,489	0.35	22.59
			2021	901,035	162	5,562	0.38	21.23
		Liability	2017	798,385	33	24,193	0.09	21.50
			2018	962,815	39	24,688	0.10	25.48
			2019	449,888	15	29,993	0.04	11.88
			2020	367,192	21	17,485	0.05	9.40
			2021	210,484	16	13,155	0.04	4.96
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
2020	0		0	0	0.00	0.00		
2021	0		0	0	0.00	0.00		
Medical Payments	2017	24,847	17	1,462	0.05	0.67		
	2018	14,660	12	1,222	0.03	0.39		
	2019	14,982	9	1,665	0.02	0.40		
	2020	18,414	11	1,674	0.03	0.47		
	2021	10,490	6	1,748	0.01	0.25		
Total	2017	12,522,666	970	12,910	2.61	337.20		
	2018	14,196,521	1,403	10,119	3.71	375.77		
	2019	12,617,760	795	15,871	2.10	333.12		
	2020	15,650,147	1,265	12,372	3.24	400.58		
	2021	17,961,634	1,129	15,909	2.66	423.18		

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Owners	170	Fire, Lightning and Removal	2017	1,640,541	34	48,251	0.78	373.96
			2018	654,139	19	34,428	0.44	150.62
			2019	1,007,467	33	30,529	0.77	233.97
			2020	519,807	18	28,878	0.42	121.99
			2021	402,826	13	30,987	0.30	92.03
		Wind and Hail	2017	431,822	62	6,965	1.41	98.43
			2018	708,252	133	5,325	3.06	163.08
			2019	7,515,980	629	11,949	14.61	1,745.47
			2020	1,337,819	210	6,371	4.93	313.97
			2021	481,549	48	10,032	1.10	110.02
		Water Damage and Freezing	2017	189,598	33	5,745	0.75	43.22
			2018	551,725	60	9,195	1.38	127.04
			2019	306,577	43	7,130	1.00	71.20
			2020	250,920	25	10,037	0.59	58.89
			2021	486,459	43	11,313	0.98	111.14
		Theft	2017	71,950	14	5,139	0.32	16.40
			2018	13,005	5	2,601	0.12	2.99
			2019	41,891	7	5,984	0.16	9.73
			2020	56,899	5	11,380	0.12	13.35
			2021	6,903	2	3,452	0.05	1.58
		Other Physical Damage	2017	24,048	15	1,603	0.34	5.48
			2018	43,272	17	2,545	0.39	9.96
			2019	96,297	15	6,420	0.35	22.36
			2020	122,535	25	4,901	0.59	28.76
			2021	59,652	18	3,314	0.41	13.63
		Liability	2017	11,525	6	1,921	0.14	2.63
			2018	8,396	4	2,099	0.09	1.93
			2019	8,660	2	4,330	0.05	2.01
			2020	110,566	4	27,642	0.09	25.95
			2021	0	0	0	0.00	0.00
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	2,811	2	1,406	0.05	0.65
			2020	3,772	3	1,257	0.07	0.89
			2021	1,964	2	982	0.05	0.45
		Total	2017	2,369,484	164	14,448	3.74	540.11
			2018	1,978,789	238	8,314	5.48	455.63
			2019	8,979,683	731	12,284	16.98	2,085.39
			2020	2,402,318	290	8,284	6.81	563.79
			2021	1,439,353	126	11,423	2.88	328.84

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Owners	180	Fire, Lightning and Removal	2017	6,142,105	172	35,710	0.34	123.13
			2018	5,334,976	166	32,138	0.33	106.69
			2019	7,590,033	159	47,736	0.32	151.04
			2020	6,055,724	122	49,637	0.24	119.05
			2021	6,804,569	159	42,796	0.31	131.58
		Wind and Hail	2017	2,064,764	376	5,491	0.75	41.39
			2018	3,116,086	570	5,467	1.14	62.31
			2019	10,785,903	918	11,749	1.83	214.64
			2020	14,634,155	1,627	8,995	3.20	287.69
			2021	9,000,816	875	10,287	1.69	174.04
		Water Damage and Freezing	2017	4,453,739	542	8,217	1.09	89.28
			2018	6,124,657	710	8,626	1.42	122.48
			2019	3,790,382	519	7,303	1.03	75.43
			2020	5,198,236	572	9,088	1.12	102.19
			2021	6,096,124	528	11,546	1.02	117.88
		Theft	2017	276,883	97	2,854	0.19	5.55
			2018	238,904	85	2,811	0.17	4.78
			2019	332,184	61	5,446	0.12	6.61
			2020	266,630	51	5,228	0.10	5.24
			2021	212,413	50	4,248	0.10	4.11
		Other Physical Damage	2017	671,978	130	5,169	0.26	13.47
			2018	825,495	164	5,034	0.33	16.51
			2019	764,730	138	5,542	0.27	15.22
			2020	937,803	164	5,718	0.32	18.44
			2021	653,674	167	3,914	0.32	12.64
		Liability	2017	122,983	26	4,730	0.05	2.47
			2018	361,830	30	12,061	0.06	7.24
			2019	1,171,916	25	46,877	0.05	23.32
			2020	383,326	23	16,666	0.05	7.54
			2021	453,123	27	16,782	0.05	8.76
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	14,930	10	1,493	0.02	0.30
			2018	21,776	16	1,361	0.03	0.44
			2019	24,365	14	1,740	0.03	0.48
			2020	18,762	10	1,876	0.02	0.37
			2021	16,241	14	1,160	0.03	0.31
		Total	2017	13,747,382	1,353	10,161	2.71	275.58
			2018	16,023,724	1,741	9,204	3.48	320.44
2019	24,459,513		1,834	13,337	3.65	486.75		
2020	27,494,636		2,569	10,702	5.05	540.52		
2021	23,236,960		1,820	12,768	3.52	449.32		

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Owners	190	Fire, Lightning and Removal	2017	1,687,083	53	31,832	0.39	124.72
			2018	3,215,199	47	68,408	0.36	243.52
			2019	742,196	33	22,491	0.26	57.78
			2020	2,460,189	53	46,419	0.42	193.15
			2021	3,528,307	56	63,005	0.44	276.15
		Wind and Hail	2017	808,319	153	5,283	1.13	59.76
			2018	751,043	163	4,608	1.23	56.88
			2019	600,373	83	7,233	0.65	46.74
			2020	2,193,820	309	7,100	2.43	172.24
			2021	1,367,274	160	8,545	1.25	107.01
		Water Damage and Freezing	2017	834,361	148	5,638	1.09	61.68
			2018	2,264,594	224	10,110	1.70	171.52
			2019	912,964	125	7,304	0.97	71.08
			2020	1,112,713	133	8,366	1.04	87.36
			2021	1,193,375	141	8,464	1.10	93.40
		Theft	2017	52,810	17	3,106	0.13	3.90
			2018	127,283	22	5,786	0.17	9.64
			2019	60,100	19	3,163	0.15	4.68
			2020	83,037	19	4,370	0.15	6.52
			2021	63,191	14	4,514	0.11	4.95
		Other Physical Damage	2017	146,998	32	4,594	0.24	10.87
			2018	272,273	53	5,137	0.40	20.62
			2019	395,299	39	10,136	0.30	30.77
			2020	267,556	41	6,526	0.32	21.01
			2021	326,500	34	9,603	0.27	25.55
		Liability	2017	10,078	6	1,680	0.04	0.75
			2018	26,749	7	3,821	0.05	2.03
			2019	165,924	10	16,592	0.08	12.92
			2020	245,941	6	40,990	0.05	19.31
			2021	355,305	9	39,478	0.07	27.81
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	3,755	4	939	0.03	0.28
			2018	6,908	5	1,382	0.04	0.52
			2019	1,874	2	937	0.02	0.15
			2020	6,599	4	1,650	0.03	0.52
			2021	6,552	4	1,638	0.03	0.51
		Total	2017	3,543,404	413	8,580	3.05	261.95
			2018	6,664,049	521	12,791	3.95	504.74
			2019	2,878,730	311	9,256	2.42	224.11
			2020	6,369,855	565	11,274	4.44	500.11
			2021	6,840,504	418	16,365	3.27	535.38

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Owners	200	Fire, Lightning and Removal	2017	2,140,071	49	43,675	0.82	357.45
			2018	2,221,125	39	56,952	0.66	376.65
			2019	1,846,010	27	68,371	0.47	320.21
			2020	828,249	33	25,098	0.58	145.64
			2021	898,999	32	28,094	0.56	157.39
		Wind and Hail	2017	308,335	48	6,424	0.80	51.50
			2018	323,125	58	5,571	0.98	54.79
			2019	217,318	29	7,494	0.50	37.70
			2020	1,013,446	97	10,448	1.71	178.20
			2021	598,696	53	11,296	0.93	104.81
		Water Damage and Freezing	2017	398,323	35	11,381	0.58	66.53
			2018	636,913	69	9,231	1.17	108.01
			2019	449,864	33	13,632	0.57	78.03
			2020	430,685	36	11,963	0.63	75.73
			2021	555,943	59	9,423	1.03	97.33
		Theft	2017	100,023	18	5,557	0.30	16.71
			2018	40,051	12	3,338	0.20	6.79
			2019	36,820	11	3,347	0.19	6.39
			2020	57,823	11	5,257	0.19	10.17
			2021	25,007	6	4,168	0.11	4.38
		Other Physical Damage	2017	19,312	14	1,379	0.23	3.23
			2018	139,716	25	5,589	0.42	23.69
			2019	48,025	15	3,202	0.26	8.33
			2020	62,839	15	4,189	0.26	11.05
			2021	55,449	12	4,621	0.21	9.71
		Liability	2017	1,038	4	260	0.07	0.17
			2018	16,478	5	3,296	0.08	2.79
			2019	341,700	4	85,425	0.07	59.27
			2020	6,690	1	6,690	0.02	1.18
			2021	17,557	2	8,779	0.04	3.07
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	939	1	939	0.02	0.16
			2018	5,628	2	2,814	0.03	0.95
			2019	3,748	3	1,249	0.05	0.65
			2020	59	1	59	0.02	0.01
			2021	5,152	2	2,576	0.04	0.90
		Total	2017	2,968,041	169	17,562	2.82	495.75
			2018	3,383,036	210	16,110	3.56	573.69
			2019	2,943,485	122	24,127	2.12	510.58
			2020	2,399,791	194	12,370	3.41	421.98
			2021	2,156,803	166	12,993	2.91	377.59

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Owners	210	Fire, Lightning and Removal	2017	3,415,224	77	44,354	0.39	174.11
			2018	3,165,521	89	35,568	0.46	162.65
			2019	1,993,668	79	25,236	0.40	100.78
			2020	3,344,542	81	41,291	0.40	165.75
			2021	2,449,544	75	32,661	0.37	120.05
		Wind and Hail	2017	1,294,757	248	5,221	1.26	66.01
			2018	1,197,761	223	5,371	1.15	61.54
			2019	7,825,274	728	10,749	3.68	395.58
			2020	16,392,174	1,563	10,488	7.75	812.38
			2021	4,118,371	414	9,948	2.03	201.83
		Water Damage and Freezing	2017	1,599,093	215	7,438	1.10	81.52
			2018	1,599,081	218	7,335	1.12	82.16
			2019	1,017,372	173	5,881	0.87	51.43
			2020	1,466,420	248	5,913	1.23	72.67
			2021	1,554,591	198	7,851	0.97	76.19
		Theft	2017	140,216	50	2,804	0.25	7.15
			2018	239,029	48	4,980	0.25	12.28
			2019	118,488	35	3,385	0.18	5.99
			2020	110,717	34	3,256	0.17	5.49
			2021	130,649	26	5,025	0.13	6.40
		Other Physical Damage	2017	520,091	58	8,967	0.30	26.51
			2018	279,363	70	3,991	0.36	14.35
			2019	200,232	60	3,337	0.30	10.12
			2020	306,938	93	3,300	0.46	15.21
			2021	435,631	74	5,887	0.36	21.35
		Liability	2017	28,008	13	2,154	0.07	1.43
			2018	95,960	10	9,596	0.05	4.93
			2019	506,037	15	33,736	0.08	25.58
			2020	38,357	13	2,951	0.06	1.90
			2021	169,165	14	12,083	0.07	8.29
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	9,889	6	1,648	0.03	0.50
			2018	2,814	3	938	0.02	0.14
			2019	14,621	11	1,329	0.06	0.74
			2020	1,896	2	948	0.01	0.09
			2021	8,768	6	1,461	0.03	0.43
		Total	2017	7,007,278	667	10,506	3.40	357.24
			2018	6,579,529	661	9,954	3.40	338.07
			2019	11,675,692	1,101	10,605	5.57	590.22
			2020	21,661,044	2,034	10,649	10.08	1,073.50
			2021	8,866,719	807	10,987	3.95	434.54

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Owners	220	Fire, Lightning and Removal	2017	7,671,332	240	31,964	0.45	144.90
			2018	10,109,598	193	52,381	0.37	191.48
			2019	9,381,666	140	67,012	0.26	173.91
			2020	11,436,920	211	54,203	0.38	204.23
			2021	13,239,901	177	74,802	0.30	226.20
		Wind and Hail	2017	5,339,245	738	7,235	1.39	100.85
			2018	5,297,966	820	6,461	1.55	100.35
			2019	3,676,383	497	7,397	0.92	68.15
			2020	12,518,105	1,545	8,102	2.76	223.54
			2021	7,486,349	797	9,393	1.36	127.90
		Water Damage and Freezing	2017	6,974,411	770	9,058	1.45	131.73
			2018	8,184,736	840	9,744	1.59	155.02
			2019	7,062,733	680	10,386	1.26	130.92
			2020	10,553,077	933	11,311	1.67	188.45
			2021	8,438,297	788	10,708	1.35	144.17
		Theft	2017	903,289	251	3,599	0.47	17.06
			2018	557,193	156	3,572	0.30	10.55
			2019	560,571	154	3,640	0.29	10.39
			2020	405,555	106	3,826	0.19	7.24
			2021	388,173	93	4,174	0.16	6.63
		Other Physical Damage	2017	910,954	244	3,733	0.46	17.21
			2018	1,143,840	331	3,456	0.63	21.66
			2019	896,401	256	3,502	0.47	16.62
			2020	1,941,533	307	6,324	0.55	34.67
			2021	1,594,629	306	5,211	0.52	27.24
		Liability	2017	586,151	32	18,317	0.06	11.07
			2018	763,022	87	8,770	0.16	14.45
			2019	309,069	17	18,181	0.03	5.73
			2020	283,647	31	9,150	0.06	5.07
			2021	601,991	26	23,154	0.04	10.28
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	16,254	1	16,254	0.00	0.29
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	18,331	19	965	0.04	0.35
			2018	14,941	12	1,245	0.02	0.28
			2019	15,841	12	1,320	0.02	0.29
			2020	10,670	8	1,334	0.01	0.19
			2021	9,004	9	1,000	0.02	0.15
		Total	2017	22,403,713	2,294	9,766	4.33	423.16
			2018	26,071,296	2,439	10,689	4.62	493.80
			2019	21,902,664	1,756	12,473	3.26	406.02
			2020	37,165,761	3,142	11,829	5.61	663.69
			2021	31,758,344	2,196	14,462	3.75	542.58

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Owners	230	Fire, Lightning and Removal	2017	3,550,408	78	45,518	0.56	254.62
			2018	2,268,673	56	40,512	0.40	163.07
			2019	3,670,874	57	64,401	0.41	264.99
			2020	5,220,162	59	88,477	0.43	378.77
			2021	4,105,187	67	61,271	0.48	294.28
		Wind and Hail	2017	427,351	87	4,912	0.62	30.65
			2018	669,214	128	5,228	0.92	48.10
			2019	1,765,563	129	13,687	0.93	127.45
			2020	1,453,873	213	6,826	1.55	105.49
			2021	7,295,682	521	14,003	3.73	522.99
		Water Damage and Freezing	2017	802,755	85	9,444	0.61	57.57
			2018	741,479	99	7,490	0.71	53.30
			2019	617,255	65	9,496	0.47	44.56
			2020	1,040,798	104	10,008	0.75	75.52
			2021	614,908	76	8,091	0.54	44.08
		Theft	2017	266,077	94	2,831	0.67	19.08
			2018	244,483	66	3,704	0.47	17.57
			2019	246,542	56	4,403	0.40	17.80
			2020	101,140	41	2,467	0.30	7.34
			2021	131,913	33	3,997	0.24	9.46
		Other Physical Damage	2017	414,546	38	10,909	0.27	29.73
			2018	214,634	53	4,050	0.38	15.43
			2019	236,337	41	5,764	0.30	17.06
			2020	133,194	41	3,249	0.30	9.66
			2021	241,271	47	5,133	0.34	17.30
		Liability	2017	80,692	6	13,449	0.04	5.79
			2018	97,601	15	6,507	0.11	7.02
			2019	785,051	11	71,368	0.08	56.67
			2020	72,015	7	10,288	0.05	5.23
			2021	14,450	3	4,817	0.02	1.04
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	7,882	9	876	0.06	0.57
			2018	8,630	6	1,438	0.04	0.62
			2019	7,033	6	1,172	0.04	0.51
			2020	13,198	8	1,650	0.06	0.96
			2021	1,964	2	982	0.01	0.14
		Total	2017	5,549,711	397	13,979	2.85	398.00
			2018	4,244,714	423	10,035	3.04	305.11
			2019	7,328,655	365	20,079	2.63	529.03
			2020	8,034,380	473	16,986	3.43	582.96
			2021	12,405,375	749	16,563	5.37	889.27



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Owners	240	Fire, Lightning and Removal	2017	7,626,575	274	27,834	0.36	101.37
			2018	11,653,152	298	39,105	0.39	154.07
			2019	10,881,294	270	40,301	0.34	138.96
			2020	11,766,011	263	44,738	0.32	143.79
			2021	21,108,008	286	73,804	0.34	249.16
		Wind and Hail	2017	10,574,981	1,306	8,097	1.74	140.55
			2018	11,041,573	1,357	8,137	1.79	145.98
			2019	84,637,058	6,338	13,354	8.09	1,080.82
			2020	37,405,803	3,606	10,373	4.41	457.12
			2021	30,159,301	2,302	13,101	2.72	356.00
		Water Damage and Freezing	2017	7,530,399	727	10,358	0.97	100.09
			2018	8,544,475	840	10,172	1.11	112.97
			2019	7,326,367	757	9,678	0.97	93.56
			2020	9,959,592	887	11,228	1.08	121.71
			2021	9,934,393	816	12,175	0.96	117.27
		Theft	2017	597,454	160	3,734	0.21	7.94
			2018	431,803	126	3,427	0.17	5.71
			2019	515,833	132	3,908	0.17	6.59
			2020	315,705	73	4,325	0.09	3.86
			2021	411,239	82	5,015	0.10	4.85
		Other Physical Damage	2017	1,214,476	206	5,896	0.27	16.14
			2018	1,609,494	259	6,214	0.34	21.28
			2019	1,714,869	273	6,282	0.35	21.90
			2020	2,041,616	346	5,901	0.42	24.95
			2021	1,822,436	296	6,157	0.35	21.51
		Liability	2017	497,539	46	10,816	0.06	6.61
			2018	492,220	44	11,187	0.06	6.51
			2019	810,547	40	20,264	0.05	10.35
			2020	773,435	57	13,569	0.07	9.45
			2021	574,060	38	15,107	0.04	6.78
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	17,444	18	969	0.02	0.23
			2018	35,271	28	1,260	0.04	0.47
			2019	15,425	17	907	0.02	0.20
			2020	30,689	20	1,534	0.02	0.38
			2021	18,929	11	1,721	0.01	0.22
		Total	2017	28,058,868	2,737	10,252	3.64	372.93
			2018	33,807,988	2,952	11,453	3.90	446.99
2019	105,901,393		7,827	13,530	10.00	1,352.37		
2020	62,292,851		5,252	11,861	6.42	761.25		
2021	64,028,366		3,831	16,713	4.52	755.79		

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Owners	250	Fire, Lightning and Removal	2017	5,244,163	135	38,846	0.43	167.80
			2018	4,110,700	133	30,908	0.43	132.03
			2019	7,009,669	132	53,104	0.41	219.47
			2020	5,764,386	131	44,003	0.39	172.57
			2021	8,478,736	156	54,351	0.44	241.60
		Wind and Hail	2017	9,237,909	965	9,573	3.09	295.59
			2018	4,357,798	604	7,215	1.94	139.96
			2019	5,329,261	511	10,429	1.60	166.86
			2020	9,677,455	1,039	9,314	3.11	289.71
			2021	10,741,298	942	11,403	2.68	306.07
		Water Damage and Freezing	2017	4,291,489	401	10,702	1.28	137.32
			2018	4,813,491	467	10,307	1.50	154.60
			2019	4,206,255	403	10,437	1.26	131.70
			2020	5,884,108	507	11,606	1.52	176.15
			2021	5,342,126	437	12,225	1.25	152.22
		Theft	2017	415,328	92	4,514	0.29	13.29
			2018	303,389	79	3,840	0.25	9.74
			2019	309,785	74	4,186	0.23	9.70
			2020	293,037	64	4,579	0.19	8.77
			2021	171,458	50	3,429	0.14	4.89
		Other Physical Damage	2017	899,438	137	6,565	0.44	28.78
			2018	527,877	184	2,869	0.59	16.95
			2019	624,308	143	4,366	0.45	19.55
			2020	778,696	201	3,874	0.60	23.31
			2021	810,319	201	4,031	0.57	23.09
		Liability	2017	301,435	35	8,612	0.11	9.65
			2018	324,806	33	9,843	0.11	10.43
			2019	123,589	10	12,359	0.03	3.87
			2020	606,721	19	31,933	0.06	18.16
			2021	115,831	14	8,274	0.04	3.30
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	17,221	1	17,221	0.00	0.49
		Medical Payments	2017	14,109	11	1,283	0.04	0.45
			2018	7,987	9	887	0.03	0.26
			2019	5,766	7	824	0.02	0.18
			2020	6,599	7	943	0.02	0.20
			2021	12,694	6	2,116	0.02	0.36
		Total	2017	20,403,871	1,776	11,489	5.68	652.88
			2018	14,446,048	1,509	9,573	4.85	463.98
			2019	17,608,633	1,280	13,757	4.01	551.32
			2020	23,011,002	1,968	11,693	5.89	688.87
			2021	25,689,683	1,807	14,217	5.15	732.02

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Owners	260	Fire, Lightning and Removal	2017	3,970,262	99	40,104	0.38	153.20
			2018	6,035,574	107	56,407	0.41	232.26
			2019	7,051,804	119	59,259	0.45	266.88
			2020	4,933,420	84	58,731	0.31	183.24
			2021	5,493,286	95	57,824	0.35	199.65
		Wind and Hail	2017	1,933,698	299	6,467	1.15	74.61
			2018	2,979,504	443	6,726	1.70	114.66
			2019	4,336,025	455	9,530	1.72	164.10
			2020	14,402,444	1,297	11,104	4.82	534.95
			2021	7,770,323	642	12,103	2.33	282.41
		Water Damage and Freezing	2017	2,137,498	210	10,179	0.81	82.48
			2018	2,782,755	312	8,919	1.20	107.09
			2019	2,083,168	200	10,416	0.76	78.84
			2020	2,143,738	213	10,064	0.79	79.62
			2021	3,737,291	322	11,606	1.17	135.83
		Theft	2017	309,342	75	4,125	0.29	11.94
			2018	221,743	63	3,520	0.24	8.53
			2019	125,892	36	3,497	0.14	4.76
			2020	90,363	28	3,227	0.10	3.36
			2021	102,542	30	3,418	0.11	3.73
		Other Physical Damage	2017	270,819	72	3,761	0.28	10.45
			2018	671,703	135	4,976	0.52	25.85
			2019	369,031	65	5,677	0.25	13.97
			2020	621,189	107	5,806	0.40	23.07
			2021	1,370,342	230	5,958	0.84	49.81
		Liability	2017	362,998	20	18,150	0.08	14.01
			2018	385,542	20	19,277	0.08	14.84
			2019	130,085	17	7,652	0.06	4.92
			2020	340,016	47	7,234	0.17	12.63
			2021	343,442	30	11,448	0.11	12.48
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	5,634	6	939	0.02	0.22
			2018	8,443	8	1,055	0.03	0.32
			2019	12,199	8	1,525	0.03	0.46
			2020	16,425	8	2,053	0.03	0.61
			2021	8,840	8	1,105	0.03	0.32
		Total	2017	8,990,251	781	11,511	3.01	346.90
			2018	13,085,264	1,088	12,027	4.19	503.55
			2019	14,108,204	900	15,676	3.41	533.94
			2020	22,547,595	1,784	12,639	6.63	837.48
			2021	18,826,066	1,357	13,873	4.93	684.24

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Owners	270	Fire, Lightning and Removal	2017	25,203,106	551	45,741	0.20	93.67
			2018	28,660,190	604	47,451	0.23	107.56
			2019	28,431,814	574	49,533	0.21	103.73
			2020	28,579,421	550	51,963	0.19	100.53
			2021	32,417,718	549	59,049	0.19	111.79
		Wind and Hail	2017	138,605,812	12,158	11,400	4.52	515.12
			2018	48,191,648	5,397	8,929	2.03	180.86
			2019	184,060,961	14,494	12,699	5.29	671.51
			2020	229,107,293	19,136	11,973	6.73	805.88
			2021	68,014,214	5,347	12,720	1.84	234.55
		Water Damage and Freezing	2017	51,515,576	4,344	11,859	1.61	191.46
			2018	60,050,371	5,075	11,833	1.90	225.37
			2019	49,973,435	4,408	11,337	1.61	182.32
			2020	56,808,553	4,692	12,108	1.65	199.82
			2021	64,736,639	4,390	14,746	1.51	223.25
		Theft	2017	2,294,187	607	3,780	0.23	8.53
			2018	2,214,879	584	3,793	0.22	8.31
			2019	1,506,204	348	4,328	0.13	5.50
			2020	1,100,334	240	4,585	0.08	3.87
			2021	1,084,883	218	4,977	0.08	3.74
		Other Physical Damage	2017	6,052,763	942	6,425	0.35	22.49
			2018	7,141,137	1,120	6,376	0.42	26.80
			2019	7,073,018	1,039	6,808	0.38	25.80
			2020	9,562,498	1,346	7,104	0.47	33.64
			2021	10,771,582	948	11,362	0.33	37.15
		Liability	2017	3,922,929	170	23,076	0.06	14.58
			2018	1,758,756	140	12,563	0.05	6.60
			2019	2,772,420	115	24,108	0.04	10.11
			2020	2,478,098	186	13,323	0.07	8.72
			2021	3,412,297	128	26,659	0.04	11.77
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	85,400	62	1,377	0.02	0.32
			2018	100,946	69	1,463	0.03	0.38
			2019	73,406	45	1,631	0.02	0.27
			2020	80,320	49	1,639	0.02	0.28
			2021	61,477	40	1,537	0.01	0.21
		Total	2017	227,679,773	18,834	12,089	7.00	846.16
			2018	148,117,927	12,989	11,403	4.87	555.88
			2019	273,891,258	21,023	13,028	7.67	999.23
			2020	327,716,517	26,199	12,509	9.22	1,152.73
			2021	180,498,810	11,620	15,533	4.01	622.45

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Owners	280	Fire, Lightning and Removal	2017	5,023,824	101	49,741	0.25	122.10
			2018	5,432,312	140	38,802	0.34	131.71
			2019	4,178,357	90	46,426	0.21	97.89
			2020	3,130,235	103	30,391	0.23	70.62
			2021	7,267,515	106	68,561	0.23	160.84
		Wind and Hail	2017	3,739,557	405	9,233	0.98	90.89
			2018	7,171,332	635	11,293	1.54	173.87
			2019	16,031,356	1,124	14,263	2.63	375.56
			2020	23,959,156	1,683	14,236	3.80	540.55
			2021	11,185,002	667	16,769	1.48	247.54
		Water Damage and Freezing	2017	5,542,288	431	12,859	1.05	134.70
			2018	6,352,572	584	10,878	1.42	154.02
			2019	4,772,321	403	11,842	0.94	111.80
			2020	6,244,284	486	12,848	1.10	140.88
			2021	6,896,246	461	14,959	1.02	152.63
		Theft	2017	432,854	108	4,008	0.26	10.52
			2018	319,242	85	3,756	0.21	7.74
			2019	230,500	62	3,718	0.15	5.40
			2020	200,976	46	4,369	0.10	4.53
			2021	137,766	36	3,827	0.08	3.05
		Other Physical Damage	2017	556,617	98	5,680	0.24	13.53
			2018	1,433,484	222	6,457	0.54	34.76
			2019	998,697	132	7,566	0.31	23.40
			2020	976,450	135	7,233	0.30	22.03
			2021	791,823	114	6,946	0.25	17.52
		Liability	2017	334,826	29	11,546	0.07	8.14
			2018	333,649	30	11,122	0.07	8.09
			2019	232,348	24	9,681	0.06	5.44
			2020	1,201,014	100	12,010	0.23	27.10
			2021	669,087	36	18,586	0.08	14.81
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	2,881	1	2,881	0.00	0.06
		Medical Payments	2017	9,372	12	781	0.03	0.23
			2018	16,287	16	1,018	0.04	0.39
			2019	10,264	8	1,283	0.02	0.24
			2020	4,714	5	943	0.01	0.11
			2021	8,574	8	1,072	0.02	0.19
		Total	2017	15,639,338	1,184	13,209	2.88	380.10
			2018	21,058,878	1,712	12,301	4.15	510.58
			2019	26,453,843	1,843	14,354	4.32	619.73
			2020	35,716,829	2,558	13,963	5.77	805.81
			2021	26,958,894	1,429	18,866	3.16	596.65

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Owners	290	Fire, Lightning and Removal	2017	2,389,622	116	20,600	0.36	75.11
			2018	4,761,536	134	35,534	0.42	147.60
			2019	3,586,114	112	32,019	0.34	107.78
			2020	4,090,906	117	34,965	0.34	117.91
			2021	6,531,641	105	62,206	0.29	180.79
		Wind and Hail	2017	3,441,165	346	9,946	1.09	108.16
			2018	1,993,196	245	8,135	0.76	61.79
			2019	2,223,893	248	8,967	0.75	66.84
			2020	6,028,765	623	9,677	1.80	173.77
			2021	12,950,365	792	16,351	2.19	358.46
		Water Damage and Freezing	2017	4,012,134	339	11,835	1.07	126.11
			2018	4,179,160	414	10,095	1.28	129.55
			2019	3,404,092	321	10,605	0.96	102.31
			2020	4,006,888	350	11,448	1.01	115.49
			2021	4,859,787	361	13,462	1.00	134.52
		Theft	2017	179,944	52	3,460	0.16	5.66
			2018	170,777	49	3,485	0.15	5.29
			2019	379,259	50	7,585	0.15	11.40
			2020	119,632	35	3,418	0.10	3.45
			2021	106,581	22	4,845	0.06	2.95
		Other Physical Damage	2017	695,522	99	7,025	0.31	21.86
			2018	837,713	127	6,596	0.39	25.97
			2019	801,067	114	7,027	0.34	24.08
			2020	749,819	190	3,946	0.55	21.61
			2021	949,331	122	7,781	0.34	26.28
		Liability	2017	200,079	20	10,004	0.06	6.29
			2018	487,104	17	28,653	0.05	15.10
			2019	219,642	16	13,728	0.05	6.60
			2020	108,297	18	6,017	0.05	3.12
			2021	264,261	17	15,545	0.05	7.31
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	2,982	1	2,982	0.00	0.08
		Medical Payments	2017	8,071	8	1,009	0.03	0.25
			2018	9,779	10	978	0.03	0.30
			2019	4,765	5	953	0.02	0.14
			2020	11,162	8	1,395	0.02	0.32
			2021	8,840	5	1,768	0.01	0.24
		Total	2017	10,926,537	980	11,150	3.08	343.44
			2018	12,439,265	996	12,489	3.09	385.59
			2019	10,618,832	866	12,262	2.60	319.16
			2020	15,115,469	1,341	11,272	3.87	435.68
			2021	25,673,788	1,425	18,017	3.94	710.63

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Owners	300	Fire, Lightning and Removal	2017	3,290,196	72	45,697	0.54	244.97
			2018	2,012,785	67	30,042	0.51	154.38
			2019	3,095,059	71	43,592	0.54	234.87
			2020	563,383	49	11,498	0.36	41.62
			2021	3,252,081	69	47,132	0.50	237.22
		Wind and Hail	2017	1,360,441	198	6,871	1.47	101.29
			2018	866,136	135	6,416	1.04	66.43
			2019	1,164,680	164	7,102	1.24	88.38
			2020	4,505,718	515	8,749	3.80	332.87
			2021	1,861,849	139	13,395	1.01	135.81
		Water Damage and Freezing	2017	1,091,837	119	9,175	0.89	81.29
			2018	1,425,123	131	10,879	1.00	109.31
			2019	677,870	86	7,882	0.65	51.44
			2020	1,092,733	108	10,118	0.80	80.73
			2021	770,169	81	9,508	0.59	56.18
		Theft	2017	144,655	43	3,364	0.32	10.77
			2018	181,911	35	5,197	0.27	13.95
			2019	174,417	25	6,977	0.19	13.24
			2020	78,985	19	4,157	0.14	5.84
			2021	135,005	23	5,870	0.17	9.85
		Other Physical Damage	2017	283,297	47	6,028	0.35	21.09
			2018	203,151	40	5,079	0.31	15.58
			2019	342,317	42	8,150	0.32	25.98
			2020	135,390	55	2,462	0.41	10.00
			2021	371,949	42	8,856	0.31	27.13
		Liability	2017	411,704	17	24,218	0.13	30.65
			2018	39,439	9	4,382	0.07	3.02
			2019	64,022	7	9,146	0.05	4.86
			2020	11,053	3	3,684	0.02	0.82
			2021	23,379	6	3,897	0.04	1.71
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	11,002	9	1,222	0.07	0.82
			2018	5,987	5	1,197	0.04	0.46
			2019	2,811	3	937	0.02	0.21
			2020	0	0	0	0.00	0.00
			2021	1,534	2	767	0.01	0.11
		Total	2017	6,593,132	505	13,056	3.76	490.89
			2018	4,734,532	422	11,219	3.24	363.13
			2019	5,521,176	398	13,872	3.02	418.97
			2020	6,387,262	749	8,528	5.53	471.87
			2021	6,415,966	362	17,724	2.64	468.01

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Owners	310	Fire, Lightning and Removal	2017	21,821,206	836	26,102	0.33	85.44
			2018	32,069,474	797	40,238	0.32	126.97
			2019	21,102,937	712	29,639	0.28	81.65
			2020	25,701,921	702	36,612	0.27	97.13
			2021	34,627,443	768	45,088	0.29	128.57
		Wind and Hail	2017	32,855,575	5,066	6,486	1.98	128.65
			2018	43,345,933	5,671	7,643	2.25	171.62
			2019	68,061,419	8,007	8,500	3.10	263.35
			2020	47,374,675	6,104	7,761	2.31	179.04
			2021	46,770,112	4,803	9,738	1.78	173.66
		Water Damage and Freezing	2017	27,309,746	3,009	9,076	1.18	106.93
			2018	34,830,276	3,819	9,120	1.51	137.90
			2019	31,928,231	3,285	9,719	1.27	123.54
			2020	35,177,535	3,500	10,051	1.32	132.94
			2021	37,673,132	3,417	11,025	1.27	139.88
		Theft	2017	2,117,803	606	3,495	0.24	8.29
			2018	1,652,453	471	3,508	0.19	6.54
			2019	1,945,017	491	3,961	0.19	7.53
			2020	1,433,042	336	4,265	0.13	5.42
			2021	1,012,843	247	4,101	0.09	3.76
		Other Physical Damage	2017	5,889,668	939	6,272	0.37	23.06
			2018	9,660,748	1,650	5,855	0.65	38.25
			2019	8,298,100	1,264	6,565	0.49	32.11
			2020	6,702,110	1,052	6,371	0.40	25.33
			2021	9,746,923	1,424	6,845	0.53	36.19
		Liability	2017	1,205,222	178	6,771	0.07	4.72
			2018	2,133,209	198	10,774	0.08	8.45
			2019	1,576,906	150	10,513	0.06	6.10
			2020	2,621,671	264	9,931	0.10	9.91
			2021	2,315,461	184	12,584	0.07	8.60
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	469	1	469	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	2,249	2	1,125	0.00	0.01
		Medical Payments	2017	111,316	78	1,427	0.03	0.44
			2018	85,313	69	1,236	0.03	0.34
			2019	81,730	63	1,297	0.02	0.32
			2020	71,360	65	1,098	0.02	0.27
			2021	79,574	61	1,304	0.02	0.30
		Total	2017	91,310,536	10,712	8,524	4.19	357.53
			2018	123,777,406	12,675	9,765	5.02	490.07
			2019	132,994,809	13,973	9,518	5.41	514.59
			2020	119,082,314	12,023	9,905	4.54	450.04
			2021	132,227,737	10,906	12,124	4.05	490.97



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Owners	320	Fire, Lightning and Removal	2017	13,944,093	462	30,182	0.37	110.22
			2018	17,181,184	466	36,869	0.37	137.32
			2019	12,826,355	334	38,402	0.26	99.72
			2020	15,737,183	376	41,854	0.28	118.27
			2021	17,064,919	420	40,631	0.31	125.15
		Wind and Hail	2017	31,994,806	4,116	7,773	3.25	252.91
			2018	15,019,410	2,061	7,287	1.65	120.04
			2019	36,389,870	3,777	9,635	2.94	282.91
			2020	42,883,433	4,652	9,218	3.50	322.27
			2021	53,089,597	4,293	12,367	3.15	389.36
		Water Damage and Freezing	2017	12,347,380	1,319	9,361	1.04	97.60
			2018	14,956,196	1,654	9,042	1.32	119.53
			2019	13,726,114	1,354	10,137	1.05	106.71
			2020	16,516,671	1,610	10,259	1.21	124.12
			2021	16,926,639	1,306	12,961	0.96	124.14
		Theft	2017	952,160	262	3,634	0.21	7.53
			2018	740,328	230	3,219	0.18	5.92
			2019	666,749	187	3,566	0.15	5.18
			2020	570,467	146	3,907	0.11	4.29
			2021	583,045	126	4,627	0.09	4.28
		Other Physical Damage	2017	1,941,317	388	5,003	0.31	15.35
			2018	3,992,421	628	6,357	0.50	31.91
			2019	2,240,045	426	5,258	0.33	17.42
			2020	2,588,347	484	5,348	0.36	19.45
			2021	3,828,599	495	7,735	0.36	28.08
		Liability	2017	1,858,007	135	13,763	0.11	14.69
			2018	1,431,499	101	14,173	0.08	11.44
			2019	653,957	55	11,890	0.04	5.08
			2020	2,058,642	141	14,600	0.11	15.47
			2021	773,524	69	11,210	0.05	5.67
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	196	1	196	0.00	0.00
		Medical Payments	2017	66,762	46	1,451	0.04	0.53
			2018	67,214	43	1,563	0.03	0.54
			2019	51,839	32	1,620	0.02	0.40
			2020	41,061	31	1,325	0.02	0.31
			2021	24,519	22	1,115	0.02	0.18
		Total	2017	63,104,525	6,728	9,379	5.32	498.82
			2018	53,388,252	5,183	10,301	4.14	426.69
2019	66,554,929		6,165	10,796	4.79	517.43		
2020	80,395,804		7,440	10,806	5.59	604.18		
2021	92,291,038		6,732	13,709	4.94	676.86		

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Owners	330	Fire, Lightning and Removal	2017	650,615	27	24,097	0.38	92.55
			2018	1,283,523	36	35,653	0.53	189.53
			2019	750,491	26	28,865	0.37	106.66
			2020	736,570	35	21,045	0.48	101.71
			2021	512,587	24	21,358	0.33	69.66
		Wind and Hail	2017	1,078,089	123	8,765	1.75	153.36
			2018	757,668	130	5,828	1.92	111.88
			2019	974,265	151	6,452	2.15	138.47
			2020	1,124,695	159	7,074	2.20	155.30
			2021	745,422	94	7,930	1.28	101.31
		Water Damage and Freezing	2017	249,885	49	5,100	0.70	35.55
			2018	465,477	56	8,312	0.83	68.74
			2019	521,111	61	8,543	0.87	74.06
			2020	537,378	61	8,809	0.84	74.20
			2021	853,914	64	13,342	0.87	116.05
		Theft	2017	30,110	12	2,509	0.17	4.28
			2018	47,854	15	3,190	0.22	7.07
			2019	53,486	7	7,641	0.10	7.60
			2020	58,981	10	5,898	0.14	8.14
			2021	11,595	6	1,933	0.08	1.58
		Other Physical Damage	2017	111,387	17	6,552	0.24	15.84
			2018	308,333	44	7,008	0.65	45.53
			2019	145,432	28	5,194	0.40	20.67
			2020	262,973	29	9,068	0.40	36.31
			2021	169,741	27	6,287	0.37	23.07
		Liability	2017	9,814	4	2,454	0.06	1.40
			2018	6,764	6	1,127	0.09	1.00
			2019	69,443	7	9,920	0.10	9.87
			2020	40,390	6	6,732	0.08	5.58
			2021	45,929	8	5,741	0.11	6.24
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	2,818	3	939	0.04	0.40
			2018	0	0	0	0.00	0.00
			2019	2,998	3	999	0.04	0.43
			2020	0	0	0	0.00	0.00
			2021	6,875	3	2,292	0.04	0.93
		Total	2017	2,132,718	235	9,075	3.34	303.37
			2018	2,869,619	287	9,999	4.24	423.75
			2019	2,517,226	283	8,895	4.02	357.76
			2020	2,760,987	300	9,203	4.14	381.25
			2021	2,346,063	226	10,381	3.07	318.85

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Owners	340	Fire, Lightning and Removal	2017	29,490,723	998	29,550	0.34	99.27
			2018	35,548,477	930	38,224	0.32	122.72
			2019	38,279,765	805	47,553	0.27	129.55
			2020	37,177,002	853	43,584	0.28	122.12
			2021	63,651,646	781	81,500	0.25	204.52
		Wind and Hail	2017	82,082,020	9,444	8,691	3.18	276.31
			2018	61,173,677	7,029	8,703	2.43	211.19
			2019	64,165,112	6,432	9,976	2.18	217.16
			2020	151,834,407	13,433	11,303	4.41	498.74
			2021	55,682,927	4,568	12,190	1.47	178.92
		Water Damage and Freezing	2017	49,014,060	4,658	10,523	1.57	164.99
			2018	54,242,802	5,210	10,411	1.80	187.26
			2019	55,690,396	4,693	11,867	1.59	188.47
			2020	65,320,824	5,182	12,605	1.70	214.56
			2021	67,409,299	4,527	14,891	1.45	216.59
		Theft	2017	2,904,840	782	3,715	0.26	9.78
			2018	2,491,769	589	4,231	0.20	8.60
			2019	2,429,189	569	4,269	0.19	8.22
			2020	1,608,645	374	4,301	0.12	5.28
			2021	1,457,641	317	4,598	0.10	4.68
		Other Physical Damage	2017	7,302,798	1,284	5,688	0.43	24.58
			2018	12,130,922	1,795	6,758	0.62	41.88
			2019	15,494,895	1,496	10,358	0.51	52.44
			2020	12,374,486	1,797	6,886	0.59	40.65
			2021	10,114,365	1,280	7,902	0.41	32.50
		Liability	2017	2,933,948	257	11,416	0.09	9.88
			2018	3,234,194	237	13,646	0.08	11.17
			2019	2,593,914	176	14,738	0.06	8.78
			2020	2,135,449	178	11,997	0.06	7.01
			2021	2,717,590	131	20,745	0.04	8.73
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	12,208	4	3,052	0.00	0.04
		Medical Payments	2017	103,063	71	1,452	0.02	0.35
			2018	83,487	57	1,465	0.02	0.29
			2019	106,864	72	1,484	0.02	0.36
			2020	93,905	64	1,467	0.02	0.31
			2021	102,590	62	1,655	0.02	0.33
		Total	2017	173,831,452	17,494	9,937	5.89	585.16
			2018	168,905,328	15,847	10,659	5.47	583.10
			2019	178,760,135	14,243	12,551	4.82	604.98
			2020	270,544,718	21,881	12,364	7.19	888.68
			2021	201,148,266	11,670	17,236	3.75	646.32

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Owners	350	Fire, Lightning and Removal	2017	12,230,727	343	35,658	0.37	132.65
			2018	10,307,933	372	27,709	0.41	112.93
			2019	10,158,251	318	31,944	0.34	108.91
			2020	12,225,609	343	35,643	0.36	127.90
			2021	13,462,705	276	48,778	0.28	137.70
		Wind and Hail	2017	15,774,650	1,904	8,285	2.06	171.08
			2018	27,005,959	2,913	9,271	3.19	295.87
			2019	11,703,619	1,278	9,158	1.37	125.48
			2020	23,850,707	2,573	9,270	2.69	249.52
			2021	9,516,096	936	10,167	0.96	97.33
		Water Damage and Freezing	2017	9,397,789	1,058	8,883	1.15	101.92
			2018	12,576,971	1,391	9,042	1.52	137.79
			2019	11,778,351	1,131	10,414	1.21	126.28
			2020	14,335,821	1,278	11,217	1.34	149.98
			2021	14,302,053	1,051	13,608	1.07	146.28
		Theft	2017	749,867	206	3,640	0.22	8.13
			2018	621,542	157	3,959	0.17	6.81
			2019	741,495	141	5,259	0.15	7.95
			2020	638,964	132	4,841	0.14	6.68
			2021	509,316	99	5,145	0.10	5.21
		Other Physical Damage	2017	2,033,069	312	6,516	0.34	22.05
			2018	3,197,625	523	6,114	0.57	35.03
			2019	2,219,427	322	6,893	0.35	23.80
			2020	2,391,125	383	6,243	0.40	25.02
			2021	2,559,231	293	8,735	0.30	26.18
		Liability	2017	896,527	85	10,547	0.09	9.72
			2018	830,492	81	10,253	0.09	9.10
			2019	597,303	51	11,712	0.05	6.40
			2020	911,462	55	16,572	0.06	9.54
			2021	887,347	55	16,134	0.06	9.08
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	37,763	30	1,259	0.03	0.41
			2018	45,114	31	1,455	0.03	0.49
			2019	33,475	24	1,395	0.03	0.36
			2020	38,302	27	1,419	0.03	0.40
			2021	24,247	18	1,347	0.02	0.25
		Total	2017	41,120,392	3,938	10,442	4.27	445.97
			2018	54,585,636	5,468	9,983	5.99	598.02
2019	37,231,921		3,265	11,403	3.50	399.19		
2020	54,391,990		4,791	11,353	5.01	569.04		
2021	41,260,995		2,728	15,125	2.79	422.03		

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Owners	360	Fire, Lightning and Removal	2017	24,709,543	743	33,256	0.38	127.96
			2018	20,681,906	624	33,144	0.33	109.01
			2019	24,511,033	707	34,669	0.37	126.54
			2020	22,757,114	599	37,992	0.30	114.84
			2021	28,880,308	564	51,206	0.28	142.40
		Wind and Hail	2017	39,582,207	5,087	7,781	2.63	204.98
			2018	20,650,179	2,916	7,082	1.54	108.85
			2019	25,020,692	3,153	7,936	1.63	129.17
			2020	33,355,278	3,810	8,755	1.92	168.33
			2021	19,919,726	2,133	9,339	1.05	98.22
		Water Damage and Freezing	2017	16,012,830	1,821	8,793	0.94	82.92
			2018	24,841,124	2,567	9,677	1.35	130.94
			2019	19,303,932	2,036	9,481	1.05	99.66
			2020	23,713,518	2,165	10,953	1.09	119.67
			2021	26,573,674	2,155	12,331	1.06	131.02
		Theft	2017	1,681,061	364	4,618	0.19	8.71
			2018	1,204,673	289	4,168	0.15	6.35
			2019	1,238,827	302	4,102	0.16	6.40
			2020	866,071	198	4,374	0.10	4.37
			2021	1,051,288	224	4,693	0.11	5.18
		Other Physical Damage	2017	4,707,573	818	5,755	0.42	24.38
			2018	10,814,770	1,396	7,747	0.74	57.00
			2019	5,005,780	753	6,648	0.39	25.84
			2020	5,184,795	735	7,054	0.37	26.16
			2021	7,467,874	644	11,596	0.32	36.82
		Liability	2017	2,235,168	140	15,965	0.07	11.57
			2018	1,276,919	138	9,253	0.07	6.73
			2019	1,301,660	99	13,148	0.05	6.72
			2020	1,758,848	97	18,132	0.05	8.88
			2021	694,253	88	7,889	0.04	3.42
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	118,383	81	1,462	0.04	0.61
			2018	101,366	71	1,428	0.04	0.53
			2019	97,058	61	1,591	0.03	0.50
			2020	103,677	61	1,700	0.03	0.52
			2021	49,318	31	1,591	0.02	0.24
		Total	2017	89,046,765	9,054	9,835	4.69	461.13
			2018	79,570,937	8,001	9,945	4.22	419.41
			2019	76,478,982	7,111	10,755	3.67	394.84
			2020	87,739,301	7,665	11,447	3.87	442.77
			2021	84,636,441	5,839	14,495	2.88	417.31

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Owners	370	Fire, Lightning and Removal	2017	3,233,590	33	97,988	0.31	300.74
			2018	1,941,148	34	57,093	0.31	179.69
			2019	680,585	30	22,686	0.27	61.97
			2020	1,152,170	27	42,673	0.24	102.49
			2021	4,408,807	48	91,850	0.41	373.37
		Wind and Hail	2017	523,880	84	6,237	0.78	48.72
			2018	318,696	61	5,225	0.56	29.50
			2019	563,811	101	5,582	0.92	51.34
			2020	729,677	63	11,582	0.56	64.91
			2021	831,195	101	8,230	0.86	70.39
		Water Damage and Freezing	2017	985,161	100	9,852	0.93	91.63
			2018	1,731,427	129	13,422	1.19	160.27
			2019	955,512	80	11,944	0.73	87.01
			2020	1,403,615	107	13,118	0.95	124.85
			2021	1,334,026	95	14,042	0.80	112.98
		Theft	2017	41,558	8	5,195	0.07	3.87
			2018	14,588	5	2,918	0.05	1.35
			2019	268,530	8	33,566	0.07	24.45
			2020	42,994	8	5,374	0.07	3.82
			2021	17,551	6	2,925	0.05	1.49
		Other Physical Damage	2017	209,432	32	6,545	0.30	19.48
			2018	360,108	56	6,431	0.52	33.33
			2019	307,068	30	10,236	0.27	27.96
			2020	137,142	24	5,714	0.21	12.20
			2021	155,990	35	4,457	0.30	13.21
		Liability	2017	60,873	13	4,683	0.12	5.66
			2018	26,783	9	2,976	0.08	2.48
			2019	48,764	7	6,966	0.06	4.44
			2020	35,818	4	8,955	0.04	3.19
			2021	3,368	4	842	0.03	0.29
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	3,756	4	939	0.04	0.35
			2018	3,456	3	1,152	0.03	0.32
			2019	2,811	3	937	0.03	0.26
			2020	1,886	2	943	0.02	0.17
			2021	6,372	2	3,186	0.02	0.54
		Total	2017	5,058,250	274	18,461	2.55	470.45
			2018	4,396,206	297	14,802	2.75	406.94
			2019	2,827,081	259	10,915	2.36	257.43
			2020	3,503,302	235	14,908	2.09	311.63
			2021	6,757,309	291	23,221	2.46	572.27

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Owners	380	Fire, Lightning and Removal	2017	4,584,750	145	31,619	0.41	130.26
			2018	6,745,517	127	53,114	0.37	194.14
			2019	2,240,878	120	18,674	0.34	62.77
			2020	6,419,930	152	42,236	0.42	175.62
			2021	2,345,032	98	23,929	0.26	62.51
		Wind and Hail	2017	2,372,634	345	6,877	0.98	67.41
			2018	1,746,671	289	6,044	0.83	50.27
			2019	6,451,108	690	9,349	1.93	180.69
			2020	5,336,118	584	9,137	1.60	145.97
			2021	2,954,970	303	9,752	0.81	78.77
		Water Damage and Freezing	2017	2,952,415	300	9,841	0.85	83.88
			2018	4,672,290	428	10,917	1.23	134.47
			2019	3,839,761	336	11,428	0.94	107.55
			2020	3,667,318	304	12,064	0.83	100.32
			2021	4,120,398	299	13,781	0.80	109.84
		Theft	2017	265,589	60	4,426	0.17	7.55
			2018	331,776	50	6,636	0.14	9.55
			2019	180,436	36	5,012	0.10	5.05
			2020	108,017	24	4,501	0.07	2.95
			2021	191,105	34	5,621	0.09	5.09
		Other Physical Damage	2017	642,560	94	6,836	0.27	18.26
			2018	1,857,998	293	6,341	0.84	53.47
			2019	796,246	120	6,635	0.34	22.30
			2020	882,805	119	7,419	0.33	24.15
			2021	998,023	122	8,181	0.33	26.60
		Liability	2017	678,392	20	33,920	0.06	19.27
			2018	707,069	38	18,607	0.11	20.35
			2019	163,686	22	7,440	0.06	4.58
			2020	349,888	20	17,494	0.05	9.57
			2021	88,258	17	5,192	0.05	2.35
		Credit Card	2017	0	0	0	0.00	0.00
			2018	8,287	1	8,287	0.00	0.24
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	21,203	12	1,767	0.03	0.60
			2018	50,841	17	2,991	0.05	1.46
			2019	15,342	9	1,705	0.03	0.43
			2020	20,006	8	2,501	0.02	0.55
			2021	11,786	7	1,684	0.02	0.31
		Total	2017	11,517,543	976	11,801	2.77	327.24
			2018	16,120,449	1,243	12,969	3.58	463.95
			2019	13,687,457	1,333	10,268	3.73	383.38
			2020	16,784,082	1,211	13,860	3.31	459.13
			2021	10,709,572	880	12,170	2.35	285.49

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Owners	390	Fire, Lightning and Removal	2017	9,061,310	168	53,936	0.43	229.93
			2018	6,415,065	164	39,116	0.42	163.60
			2019	10,748,561	210	51,184	0.52	268.15
			2020	8,440,351	171	49,359	0.41	204.79
			2021	11,667,314	174	67,054	0.41	275.89
		Wind and Hail	2017	5,412,373	551	9,823	1.40	137.34
			2018	3,357,191	352	9,537	0.90	85.62
			2019	1,422,765	216	6,587	0.54	35.49
			2020	4,901,690	419	11,699	1.02	118.93
			2021	2,166,463	231	9,379	0.55	51.23
		Water Damage and Freezing	2017	3,620,717	285	12,704	0.72	91.88
			2018	4,993,184	389	12,836	0.99	127.34
			2019	2,605,643	260	10,022	0.65	65.00
			2020	3,295,792	326	10,110	0.79	79.97
			2021	4,341,262	259	16,762	0.61	102.66
		Theft	2017	542,276	95	5,708	0.24	13.76
			2018	509,360	81	6,288	0.21	12.99
			2019	280,964	50	5,619	0.12	7.01
			2020	595,312	63	9,449	0.15	14.44
			2021	297,328	47	6,326	0.11	7.03
		Other Physical Damage	2017	821,518	135	6,085	0.34	20.85
			2018	1,038,170	157	6,613	0.40	26.48
			2019	1,746,618	94	18,581	0.23	43.57
			2020	1,187,095	123	9,651	0.30	28.80
			2021	679,600	116	5,859	0.27	16.07
		Liability	2017	77,788	20	3,889	0.05	1.97
			2018	235,536	18	13,085	0.05	6.01
			2019	423,714	18	23,540	0.04	10.57
			2020	1,185,962	12	98,830	0.03	28.78
			2021	271,303	17	15,959	0.04	6.42
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	30,454	13	2,343	0.03	0.77
			2018	10,761	8	1,345	0.02	0.27
			2019	11,673	7	1,668	0.02	0.29
			2020	27,538	12	2,295	0.03	0.67
			2021	21,980	10	2,198	0.02	0.52
		Total	2017	19,566,436	1,267	15,443	3.22	496.50
			2018	16,559,267	1,169	14,165	2.98	422.30
			2019	17,239,938	855	20,164	2.13	430.10
			2020	19,633,740	1,126	17,437	2.73	476.39
			2021	19,445,250	854	22,770	2.02	459.82



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LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Owners	Statewide	Fire, Lightning and Removal	2017	224,200,500	6,450	34,760	0.34	116.91
			2018	259,703,986	6,384	40,680	0.34	136.40
			2019	251,645,699	5,832	43,149	0.30	129.20
			2020	249,481,421	5,725	43,578	0.29	124.30
			2021	341,922,668	5,686	60,134	0.28	166.24
		Wind and Hail	2017	403,058,273	45,703	8,819	2.38	210.17
			2018	278,011,067	34,511	8,056	1.81	146.01
			2019	560,149,181	51,690	10,837	2.65	287.59
			2020	713,904,731	68,198	10,468	3.40	355.69
			2021	408,718,740	33,340	12,259	1.62	198.71
		Water Damage and Freezing	2017	236,719,636	22,953	10,313	1.20	123.43
			2018	293,448,784	28,257	10,385	1.48	154.12
			2019	254,841,794	23,374	10,903	1.20	130.84
			2020	298,186,018	25,865	11,529	1.29	148.56
			2021	319,876,644	24,027	13,313	1.17	155.52
		Theft	2017	16,422,558	4,333	3,790	0.23	8.56
			2018	13,985,164	3,541	3,949	0.19	7.35
			2019	13,398,223	3,038	4,410	0.16	6.88
			2020	9,762,581	2,184	4,470	0.11	4.86
			2021	8,786,220	1,892	4,644	0.09	4.27
		Other Physical Damage	2017	39,500,260	6,645	5,944	0.35	20.60
			2018	63,791,666	10,299	6,194	0.54	33.50
			2019	55,168,936	7,495	7,361	0.38	28.33
			2020	55,098,385	8,456	6,516	0.42	27.45
			2021	60,653,667	7,634	7,945	0.37	29.49
		Liability	2017	19,394,947	1,428	13,582	0.07	10.11
			2018	18,196,511	1,498	12,147	0.08	9.56
			2019	17,541,624	990	17,719	0.05	9.01
			2020	19,836,126	1,394	14,230	0.07	9.88
			2021	16,627,314	1,000	16,627	0.05	8.08
		Credit Card	2017	0	0	0	0.00	0.00
			2018	8,287	1	8,287	0.00	0.00
			2019	469	1	469	0.00	0.00
			2020	16,254	1	16,254	0.00	0.01
			2021	37,737	10	3,774	0.00	0.02
		Medical Payments	2017	787,664	572	1,377	0.03	0.41
			2018	804,596	548	1,468	0.03	0.42
			2019	689,428	469	1,470	0.02	0.35
			2020	699,158	463	1,510	0.02	0.35
			2021	573,363	377	1,521	0.02	0.28
		Total	2017	940,083,838	88,084	10,673	4.59	490.19
			2018	927,950,061	85,039	10,912	4.47	487.36
			2019	1,153,435,354	92,889	12,417	4.77	592.20
			2020	1,346,984,674	112,286	11,996	5.59	671.11
			2021	1,157,196,353	73,966	15,645	3.60	562.61

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Tenants	Statewide	Fire, Lightning and Removal	2017	6,776,320	923	7,342	0.23	17.14
			2018	6,120,316	921	6,645	0.23	15.03
			2019	6,103,287	833	7,327	0.20	14.38
			2020	6,289,621	859	7,322	0.19	14.06
			2021	6,951,609	827	8,406	0.18	15.05
		Wind and Hail	2017	464,711	156	2,979	0.04	1.18
			2018	759,605	339	2,241	0.08	1.87
			2019	400,812	156	2,569	0.04	0.94
			2020	757,075	272	2,783	0.06	1.69
			2021	250,634	104	2,410	0.02	0.54
		Water Damage and Freezing	2017	2,876,382	793	3,627	0.20	7.28
			2018	4,484,099	1,170	3,833	0.29	11.01
			2019	2,902,185	836	3,472	0.20	6.84
			2020	3,255,104	865	3,763	0.19	7.28
			2021	3,986,816	998	3,995	0.22	8.63
		Theft	2017	6,708,202	2,560	2,620	0.65	16.97
			2018	6,367,420	2,309	2,758	0.57	15.64
			2019	5,345,429	2,011	2,658	0.47	12.60
			2020	4,319,010	1,653	2,613	0.37	9.65
			2021	4,784,745	1,595	3,000	0.35	10.36
		Other Physical Damage	2017	1,546,930	745	2,076	0.19	3.91
			2018	2,087,152	1,110	1,880	0.27	5.13
			2019	1,661,796	899	1,848	0.21	3.92
			2020	1,656,171	989	1,675	0.22	3.70
			2021	2,139,686	1,076	1,989	0.23	4.63
		Liability	2017	6,125,559	593	10,330	0.15	15.50
			2018	6,763,864	629	10,753	0.15	16.61
			2019	6,873,717	553	12,430	0.13	16.20
			2020	6,812,182	596	11,430	0.13	15.23
			2021	7,221,059	540	13,372	0.12	15.64
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	201	1	201	0.00	0.00
			2021	472	1	472	0.00	0.00
		Medical Payments	2017	66,990	57	1,175	0.01	0.17
			2018	62,391	61	1,023	0.01	0.15
			2019	55,257	51	1,083	0.01	0.13
			2020	66,882	56	1,194	0.01	0.15
			2021	77,506	54	1,435	0.01	0.17
		Total	2017	24,565,094	5,827	4,216	1.47	62.14
			2018	26,644,847	6,539	4,075	1.61	65.45
2019	23,342,483		5,339	4,372	1.26	55.02		
2020	23,156,246		5,291	4,377	1.18	51.76		
2021	25,412,527		5,195	4,892	1.13	55.03		

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

LOSSES BY CAUSE

<u>Form</u>	<u>Territory</u>	<u>Cause of Loss</u>	<u>Year</u>	<u>Incurred Losses</u>	<u>Incurred Claims</u>	<u>Average Loss</u>	<u>Frequency per-100</u>	<u>Pure Premium</u>
Condos	Statewide	Fire, Lightning and Removal	2017	4,198,792	209	20,090	0.26	52.82
			2018	2,033,320	178	11,423	0.23	25.82
			2019	2,106,321	228	9,238	0.28	25.78
			2020	2,462,871	178	13,836	0.21	28.98
			2021	2,081,601	161	12,929	0.19	24.57
		Wind and Hail	2017	271,143	70	3,873	0.09	3.41
			2018	468,672	97	4,832	0.12	5.95
			2019	637,091	126	5,056	0.15	7.80
			2020	635,449	142	4,475	0.17	7.48
			2021	215,113	58	3,709	0.07	2.54
		Water Damage and Freezing	2017	10,775,966	1,793	6,010	2.26	135.55
			2018	13,576,698	2,224	6,105	2.82	172.42
			2019	13,045,918	1,981	6,586	2.42	159.66
			2020	14,561,687	2,091	6,964	2.46	171.36
			2021	17,050,172	2,053	8,305	2.42	201.27
		Theft	2017	476,635	203	2,348	0.26	6.00
			2018	492,223	171	2,878	0.22	6.25
			2019	486,232	181	2,686	0.22	5.95
			2020	458,918	149	3,080	0.18	5.40
			2021	300,744	123	2,445	0.15	3.55
		Other Physical Damage	2017	1,782,877	293	6,085	0.37	22.43
			2018	1,706,894	395	4,321	0.50	21.68
			2019	1,777,822	402	4,422	0.49	21.76
			2020	2,225,055	420	5,298	0.49	26.18
			2021	2,443,364	428	5,709	0.51	28.84
		Liability	2017	863,963	168	5,143	0.21	10.87
			2018	950,323	165	5,760	0.21	12.07
			2019	801,970	156	5,141	0.19	9.81
			2020	1,228,351	191	6,431	0.22	14.46
			2021	852,018	154	5,533	0.18	10.06
		Credit Card	2017	0	0	0	0.00	0.00
			2018	0	0	0	0.00	0.00
			2019	0	0	0	0.00	0.00
			2020	0	0	0	0.00	0.00
			2021	0	0	0	0.00	0.00
		Medical Payments	2017	13,241	11	1,204	0.01	0.17
			2018	17,734	11	1,612	0.01	0.23
			2019	9,724	7	1,389	0.01	0.12
			2020	6,591	6	1,099	0.01	0.08
			2021	4,418	4	1,105	0.00	0.05
		Total	2017	18,382,617	2,747	6,692	3.46	231.23
			2018	19,245,864	3,241	5,938	4.12	244.42
			2019	18,865,078	3,081	6,123	3.77	230.88
			2020	21,578,922	3,177	6,792	3.74	253.94
			2021	22,947,430	2,981	7,698	3.52	270.88

## NORTH CAROLINA

### HOMEOWNERS INSURANCE

#### STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA REQUIREMENTS FOR A HOMEOWNERS RATE FILING AS PER 11 NCAC 10.1105

## 2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of statewide rate level indications which depend, in part, on the determination of the weighted statewide trended loss cost.

The statewide credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Pure Premium" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 5% maximum departure from the expected value, translated to house year standards. Partial credibility ( $Z_p$ ) is calculated using the square root rule:

$$Z_p = \sqrt{\frac{\text{Five Year House Years}}{\text{Full Credibility Standard}}} \quad (\text{truncated to one decimal place})$$

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for Tenant Form, and 190,000 house years for Condo Unit Form.

To distribute the statewide change by territory, a credibility procedure was used on the non-hurricane loss costs. The credibility standard used was based on the same model as statewide credibility. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 10% maximum departure from the expected value, translated to house years. The full credibility standards are 60,000 for Owners' Forms, 75,000 for Tenant Form and 50,000 for Condo Unit Form. Partial credibility ( $Z_p$ ) is calculated using the square root rule:

$$Z_p = \sqrt{\frac{\text{Five Year House Years}}{\text{Full Credibility Standard}}} \quad (\text{truncated to one decimal place})$$

The Rate Bureau has not considered alternative credibility procedures in the last three years.

See Section D and prefiled testimony of P. Anderson and P. Ericksen.

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

3. LOSS DEVELOPMENT FACTOR DERIVATION AND APPLICATION ON BOTH PAID AND INCURRED BASES AND IN BOTH NUMBERS AND DOLLARS OF CLAIMS
- (a) See pages D-3-4, pages D-11-13, and prefiled testimony of P. Anderson and P. Ericksen. The Rate Bureau has not considered an alternative loss development methodology in the last three years.
  - (b) See attached Exhibit (3)(b). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.
  - (c) See attached Exhibit (3)(c). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.
  - (d) See attached Exhibit (3)(d). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.
  - (e) See attached Exhibit (3)(e). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.
  - (f) The Rate Bureau is advised by ISO that loss and claim development information is not available by cause of loss.
  - (g) Responses provided in connection with items (3)(g) and (7)(c) are attached as Exhibits (3)(g) and (7)(c).

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**LOSS DEVELOPMENT  
ISO-Only Paid Losses, All Forms Combined**

Accident Year	Paid Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	395,047,185	433,044,548	438,207,418	439,593,631	440,530,971
2011	850,940,067	904,697,916	911,675,937	915,596,008	915,687,288
2012	390,330,664	436,548,840	444,545,323	447,558,708	447,439,270
2013	322,575,569	354,019,782	358,243,411	359,804,030	360,373,479
2014	377,081,333	413,454,080	419,771,028	421,460,158	421,880,404
2015	354,147,315	388,048,614	393,509,470	395,251,154	395,679,305
2016	515,424,991	582,051,073	594,630,046	596,672,156	597,576,645
2017	439,154,660	495,322,565	505,342,900	507,997,229	508,742,324
2018	1,456,709,569	1,686,742,393	1,729,726,194	1,747,008,221	
2019	576,061,312	640,538,936	654,296,050		
2020	747,565,618	849,363,550			
2021	568,647,270				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.096	1.012	1.003	1.002
2011	1.063	1.008	1.004	1.000
2012	1.118	1.018	1.007	1.000
2013	1.097	1.012	1.004	1.002
2014	1.096	1.015	1.004	1.001
2015	1.096	1.014	1.004	1.001
2016	1.129	1.022	1.003	1.002
2017	1.128	1.020	1.005	1.001
2018	1.158	1.025	1.010	
2019	1.112	1.021		
2020	1.136			
Average	<u>27:15</u> 1.112	<u>39:27</u> 1.017	<u>51:39</u> 1.005	<u>63:51</u> 1.001

**Loss Development Factors**

<u>15:63</u> 1.138	<u>27:63</u> 1.023	<u>39:63</u> 1.006	<u>51:63</u> 1.001	<u>63:63</u> 1.000
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**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**LOSS DEVELOPMENT  
ISO-Only Paid Losses, All Forms Combined**

Accident Year	Paid Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2013	322,575,569	354,019,782	358,243,411	359,804,030	360,373,479
2014	377,081,333	413,454,080	419,771,028	421,460,158	421,880,404
2015	354,147,315	388,048,614	393,509,470	395,251,154	395,679,305
2016	515,424,991	582,051,073	594,630,046	596,672,156	597,576,645
2017	439,154,660	495,322,565	505,342,900	507,997,229	508,742,324
2018	1,456,709,569	1,686,742,393	1,729,726,194	1,747,008,221	
2019	576,061,312	640,538,936	654,296,050		
2020	747,565,618	849,363,550			
2021	568,647,270				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2013	1.097	1.012	1.004	1.002
2014	1.096	1.015	1.004	1.001
2015	1.096	1.014	1.004	1.001
2016	1.129	1.022	1.003	1.002
2017	1.128	1.020	1.005	1.001
2018	1.158	1.025	1.010	
2019	1.112	1.021		
2020	1.136			
5-Year Average	<u>27:15</u> 1.133	<u>39:27</u> 1.020	<u>51:39</u> 1.005	<u>63:51</u> 1.001

**Loss Development Factors**

<u>15:63</u>	<u>27:63</u>	<u>39:63</u>	<u>51:63</u>	<u>63:63</u>
1.163	1.026	1.006	1.001	1.000

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**LOSS DEVELOPMENT  
ISO-Only Incurred Losses, All Forms Combined**

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	441,916,709	443,343,311	442,650,746	441,877,852	440,942,144
2011	907,007,796	918,425,175	918,997,261	917,013,001	916,187,770
2012	425,246,075	445,422,525	448,840,846	449,342,221	448,069,143
2013	357,831,596	364,011,098	362,357,456	360,896,525	360,838,554
2014	412,391,841	422,799,230	423,248,597	422,401,550	422,083,837
2015	390,300,780	400,961,127	398,265,690	396,756,822	396,771,944
2016	569,348,211	597,596,001	600,562,918	597,780,181	598,239,202
2017	481,432,059	507,028,361	509,904,665	509,945,825	509,913,621
2018	1,546,008,230	1,718,446,404	1,743,581,245	1,755,775,556	
2019	626,241,507	654,578,809	661,372,155		
2020	807,264,010	866,614,044			
2021	615,988,509				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.003	0.998	0.998	0.998
2011	1.013	1.001	0.998	0.999
2012	1.047	1.008	1.001	0.997
2013	1.017	0.995	0.996	1.000
2014	1.025	1.001	0.998	0.999
2015	1.027	0.993	0.996	1.000
2016	1.050	1.005	0.995	1.001
2017	1.053	1.006	1.000	1.000
2018	1.112	1.015	1.007	
2019	1.045	1.010		
2020	1.074			
Average	<u>27:15</u> 1.042	<u>39:27</u> 1.003	<u>51:39</u> 0.999	<u>63:51</u> 0.999

**Loss Development Factors**

<u>15:63</u>	<u>27:63</u>	<u>39:63</u>	<u>51:63</u>	<u>63:63</u>
1.043	1.001	0.998	0.999	1.000



**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**LOSS DEVELOPMENT**  
**ISO-Only Incurred Losses, All Forms Combined**

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2013	357,831,596	364,011,098	362,357,456	360,896,525	360,838,554
2014	412,391,841	422,799,230	423,248,597	422,401,550	422,083,837
2015	390,300,780	400,961,127	398,265,690	396,756,822	396,771,944
2016	569,348,211	597,596,001	600,562,918	597,780,181	598,239,202
2017	481,432,059	507,028,361	509,904,665	509,945,825	509,913,621
2018	1,546,008,230	1,718,446,404	1,743,581,245	1,755,775,556	
2019	626,241,507	654,578,809	661,372,155		
2020	807,264,010	866,614,044			
2021	615,988,509				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2013	1.017	0.995	0.996	1.000
2014	1.025	1.001	0.998	0.999
2015	1.027	0.993	0.996	1.000
2016	1.050	1.005	0.995	1.001
2017	1.053	1.006	1.000	1.000
2018	1.112	1.015	1.007	
2019	1.045	1.010		
2020	1.074			
5-Year Average	<u>27:15</u> 1.067	<u>39:27</u> 1.006	<u>51:39</u> 0.999	<u>63:51</u> 1.000

**Loss Development Factors**

<u>15:63</u>	<u>27:63</u>	<u>39:63</u>	<u>51:63</u>	<u>63:63</u>
1.072	1.005	0.999	1.000	1.000

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**LOSS DEVELOPMENT  
ISO-Only Paid Claims, All Forms Combined**

Accident Year	Paid Claims as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	64,032	67,869	68,249	68,355	68,401
2011	118,068	125,932	126,650	126,903	126,969
2012	55,747	62,053	63,042	63,308	63,344
2013	47,983	51,774	52,317	52,486	52,520
2014	49,994	53,945	54,479	54,629	54,679
2015	45,248	48,942	49,384	49,535	49,575
2016	75,607	82,399	83,377	83,689	83,749
2017	46,660	52,061	52,930	53,139	53,172
2018	143,215	154,384	156,731	157,473	
2019	56,032	61,456	62,249		
2020	77,123	84,950			
2021	46,300				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.060	1.006	1.002	1.001
2011	1.067	1.006	1.002	1.001
2012	1.113	1.016	1.004	1.001
2013	1.079	1.010	1.003	1.001
2014	1.079	1.010	1.003	1.001
2015	1.082	1.009	1.003	1.001
2016	1.090	1.012	1.004	1.001
2017	1.116	1.017	1.004	1.001
2018	1.078	1.015	1.005	
2019	1.097	1.013		
2020	1.101			
Average	<u>27:15</u> 1.087	<u>39:27</u> 1.011	<u>51:39</u> 1.003	<u>63:51</u> 1.001

**Claim Development Factors**

<u>15:63</u> 1.103	<u>27:63</u> 1.015	<u>39:63</u> 1.004	<u>51:63</u> 1.001	<u>63:63</u> 1.000
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**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**LOSS DEVELOPMENT**  
**ISO-Only Paid Claims, All Forms Combined**

Accident Year	Paid Claims as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2013	47,983	51,774	52,317	52,486	52,520
2014	49,994	53,945	54,479	54,629	54,679
2015	45,248	48,942	49,384	49,535	49,575
2016	75,607	82,399	83,377	83,689	83,749
2017	46,660	52,061	52,930	53,139	53,172
2018	143,215	154,384	156,731	157,473	
2019	56,032	61,456	62,249		
2020	77,123	84,950			
2021	46,300				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2013	1.079	1.010	1.003	1.001
2014	1.079	1.010	1.003	1.001
2015	1.082	1.009	1.003	1.001
2016	1.090	1.012	1.004	1.001
2017	1.116	1.017	1.004	1.001
2018	1.078	1.015	1.005	
2019	1.097	1.013		
2020	1.101			
5-Year Average	<u>27:15</u> 1.096	<u>39:27</u> 1.013	<u>51:39</u> 1.004	<u>63:51</u> 1.001

**Claim Development Factors**

<u>15:63</u>	<u>27:63</u>	<u>39:63</u>	<u>51:63</u>	<u>63:63</u>
1.116	1.018	1.005	1.001	1.000

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**LOSS DEVELOPMENT**  
**ISO-Only Outstanding Claims, All Forms Combined**

Accident Year	Outstanding Claims as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	3,487	301	122	56	23
2011	6,070	528	208	81	53
2012	3,348	520	187	71	29
2013	2,683	423	161	46	21
2014	2,610	395	147	40	13
2015	2,608	457	165	54	27
2016	4,497	690	273	92	75
2017	3,427	611	162	68	47
2018	7,082	1,293	743	366	
2019	2,868	782	489		
2020	4,244	1,429			
2021	2,196				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	0.086	0.405	0.459	0.411
2011	0.087	0.394	0.389	0.654
2012	0.155	0.360	0.380	0.408
2013	0.158	0.381	0.286	0.457
2014	0.151	0.372	0.272	0.325
2015	0.175	0.361	0.327	0.500
2016	0.153	0.396	0.337	0.815
2017	0.178	0.265	0.420	0.691
2018	0.183	0.575	0.493	
2019	0.273	0.625		
2020	0.337			
Average	<u>27:15</u> 0.176	<u>39:27</u> 0.413	<u>51:39</u> 0.374	<u>63:51</u> 0.533

**Claim Development Factors**

<u>15:63</u> 0.014	<u>27:63</u> 0.082	<u>39:63</u> 0.199	<u>51:63</u> 0.533	<u>63:63</u> 1.000
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**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**LOSS DEVELOPMENT**  
**ISO-Only Outstanding Claims, All Forms Combined**

Accident Year	Outstanding Claims as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2013	2,683	423	161	46	21
2014	2,610	395	147	40	13
2015	2,608	457	165	54	27
2016	4,497	690	273	92	75
2017	3,427	611	162	68	47
2018	7,082	1,293	743	366	
2019	2,868	782	489		
2020	4,244	1,429			
2021	2,196				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2013	0.158	0.381	0.286	0.457
2014	0.151	0.372	0.272	0.325
2015	0.175	0.361	0.327	0.500
2016	0.153	0.396	0.337	0.815
2017	0.178	0.265	0.420	0.691
2018	0.183	0.575	0.493	
2019	0.273	0.625		
2020	0.337			
5-Year Average	<u>27:15</u> 0.225	<u>39:27</u> 0.444	<u>51:39</u> 0.370	<u>63:51</u> 0.558

**Claim Development Factors**

<u>15:63</u> 0.021	<u>27:63</u> 0.092	<u>39:63</u> 0.206	<u>51:63</u> 0.558	<u>63:63</u> 1.000
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**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA**  
**REQUIREMENTS FOR A HOMEOWNERS RATE FILING**  
**AS PER 11 NCAC 10.1105**

The Rate Bureau is advised by ISO that loss and claim development information by cause of loss is not available.

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA**  
**REQUIREMENTS FOR A HOMEOWNERS RATE FILING**  
**AS PER 11 NCAC 10.1105**

Responses provided in connection with items (3)(g) and (7)(c) are enclosed herewith.

**Homeowners**

**Reserve Strengthening and Expense Cutting Activities**

11/16/23 ko





Gary Wierzbicki  
Senior Actuary, FCAS

November 15th, 2023

Dear Karen,

Included below is Allstate's response to the inquiry regarding reserve strengthening and expense cutting initiatives for the Allstate Indemnity Company Homeowners Program in North Carolina.

With respect to 11 N.C.A.C. 10.1105 (3)(g), which states,

Statements regarding any changes in reserve adequacy that have occurred in the latest five years from each of the ten largest writers (based on North Carolina written premium) of the line affected by the filing.

Allstate reports there have been **no** material changes with regard to case reserving practices for homeowners insurance in the state of North Carolina over the past five years (2017-2022) for the listed companies.

With respect to 11 N.C.A.C. 10.1105 (7)(c), which states,

In filings producing an overall rate level change for either homeowners or farmowners policies, provide statements regarding any activities affecting expense or service levels undertaken in the last five years by each of ten largest writers (based on North Carolina written premium) of the line affected by the filing.

There have not been any recent expense cutting activities for the listed companies that would create a material change in expected future expense ratios that exceeds typical year-to-year volatility. In the past 5 years, expense reduction activities have been largely offset by additional investments being made in various initiatives such as technology capabilities, acquisitions, and marketing initiatives.

Please contact me if you have any questions or require further details.

Sincerely,

Gary Wierzbicki, FCAS  
gwieb@allstate.com



Home Office • 100 Erie Insurance Place • Erie, Pennsylvania 16530 • 814.870.2000  
Toll free 1.800.458.0811 • Fax 814.870.3126 • www.erieinsurance.com

Kayla M. Robertson, FCAS, MAAA  
Director, P/C Actuarial  
Enterprise Risk Management  
Erie Insurance Group  
100 Erie Insurance Place  
Erie, Pennsylvania 16530  
Telephone: (814) 870-6993  
kayla.robertson@erieinsurance.com

November 9, 2023

To: Karen Ott  
Executive Assistant  
North Carolina Rate Bureau  
2910 Sumner Boulevard  
Raleigh, NC 27619-6010  
Telephone: (919) 582-1025

**RE: RESERVE STRENGTHENING & EXPENSE CUTTING ACTIVITIES**

**1. RESERVE STRENGTHENING**

The Erie Insurance Group (ERIE) began implementing a claim evaluation software and training program in 2003. These enable adjusters to produce a complete, detailed, and professional dwelling damage estimate in order to establish more accurate case reserves. ERIE changed the software used in the latter part of 2012.

A new claims administration software system for the Homeowners line of business was implemented in December, 2017. The software system is termed ERIE Claim Center (ECC).

The manner in which claims were recorded and case reserves established changed minimally with the implementation of the new claims system in December, 2017. Immediately following the implementation of the new claims system, relative case reserves appeared to be strengthening to a small degree.

The relative adequacy level of case reserves is examined during the quarterly reserve analysis. Since 2020, relative case reserve adequacy has been deteriorating. This can be attributed to staff turnover, adjusters with less experience, and strong inflation in recent years.

**2. EXPENSE CUTTING ACTIVITIES**

We are not aware of any expense cutting activities over the last five years on the Homeowners line of business that would materially impact the anticipated expense levels in North Carolina. The data in the most recent annual statements (2019 through 2023) is most representative of what to expect in the future.

Sincerely,

A handwritten signature in black ink that reads "Kayla Robertson, FCAS, MAAA". The signature is written in a cursive style.

Kayla M. Robertson, FCAS, MAAA



November 14, 2023

Attn: Karen Ott  
North Carolina Rate Bureau  
2910 Sumner Boulevard  
Raleigh, NC 27616

**NCRB Reserve Strengthening and Expense Cutting Activities Response**

Dear Karen Ott,

Thank you for the opportunity to respond to your request. Please consider this First Protective Insurance Company d/b/a Frontline Insurance's response to the North Carolina Rate Bureau.

The criteria used by Frontline Insurance in North Carolina for establishing case basis reserves has not changed materially from those used over the last five years. Additionally, Frontline Insurance has not undertaken any expense cutting activities over the last five years on our Homeowners coverages that would materially impact our anticipated expense levels in North Carolina.

It is our sincere hope that the above fully addresses any and all concerns the NCRB may have regarding this request. If the NCRB has any further concerns or questions, please do not hesitate to contact the Compliance Department.

Sincerely,

Melissa Alpuche  
Compliance Manager  
[malpuche@flhi.com](mailto:malpuche@flhi.com)  
[compliancedept@flhi.com](mailto:compliancedept@flhi.com)

P.O. Box 958405 Lake Mary, Florida 32795-8405  
Phone (800) 675-0145 Fax (321) 249-1346



**Liberty Mutual Insurance**

US Retail Markets  
Product Compliance  
175 Berkeley Street  
Boston, MA 02116  
Phone: (617) 357-9500  
Fax: (857) 224-8832

November 14, 2023

Karen Ott  
North Carolina Rate Bureau  
2910 Sumner Boulevard  
Raleigh, NC 27616

Dear Ms. Ott,

This letter is in response to your November 8, 2023 request for statements regarding LM Insurance Corporation's reserve strengthening and expense cutting activities.

**Reserve Strengthening**

In 2017, Liberty changed its reserve philosophy countrywide. We started estimating reserves at the beginning of the claim process instead of stair-stepping reserve. This resulted in reserves that are more adequate at the time of settlement. We have not engaged in any state specific initiatives for North Carolina over the past five years.

**Expense Cutting**

As part of our ongoing strategic initiatives, Liberty seeks to reduce its cost base through organizational efficiencies and productivity gains. We are actively managing our expenses holistically and have not engaged in any state specific initiatives for North Carolina over the past five years.

If you have any questions or need any additional information, please feel free to contact me directly. I'll be more than happy to assist you.

Sincerely,

*Craig Sanderson*

Craig Sanderson  
Compliance Analyst  
[craig.sanderson@libertymutual.com](mailto:craig.sanderson@libertymutual.com)



November 14, 2023

Ms. Karen Ott  
Executive Assistant  
North Carolina Rate Bureau  
2910 Summer Blvd  
Raleigh, NC 27616

RE: Reserve Strengthening and Expense Cutting Activities

Dear Ms. Ott,

This letter is in response to your request on November 8, 2023 for statements regarding the reserve strengthening and expense cutting activities for the Nationwide General Insurance Company and the Nationwide Mutual Insurance Company.

Nationwide has not made any significant changes in the past five years (2017-2021) that have a material impact on the reserves for North Carolina.

Additionally, while Nationwide does continually monitor our expense levels, we do not expect any material change to our expenses in 2024.

Thank you for your time.

Sincerely,

A handwritten signature in blue ink that reads 'Sara Behrend'. The signature is fluid and cursive, with the first name 'Sara' being more prominent.

Sara Behrend  
Technical Director, Actuarial – P&C



# North Carolina Farm Bureau Insurance Group

Telephone 919.782.1705 - Post Office Box 27427 - Raleigh, NC 27611

November 16, 2023

North Carolina Rate Bureau  
Attn: Karen Ott  
2910 Sumner Boulevard  
Raleigh, NC 27616

RE: NCRB Reserve Strengthening and Expense Cutting Activities Homeowners

Please be advised, North Carolina Farm Bureau Mutual Insurance Company has undertaken no material changes in reserve strengthening or expense cutting in the last five years on the Homeowners line of business.

Sincerely,

Matt Beamon, ACAS, MAAA  
Sr. Executive, Actuarial, Research, & Reinsurance  
North Carolina Farm Bureau Mutual Ins Co.  
5301 Glenwood Ave.  
Raleigh, NC 27612  
[matt.beamon@ncfbins.com](mailto:matt.beamon@ncfbins.com)  
(919) 783-4347

Jeff Clinch, FCAS, MAAA, CPCU  
Actuary and Assistant Secretary-Treasurer

One State Farm Plaza, D4  
Bloomington, Illinois 61710  
Phone: 309.766.9940  
Fax: 309.766.3189  
E-mail: jeff.clinch.gfdl@statefarm.com

November 15, 2023

Ms. Karen Ott  
Executive Assistant  
North Carolina Rate Bureau  
2910 Summer Blvd.  
Raleigh, NC 27616

Dear Ms. Ott:

RE: Reserve Strengthening and Expense Cutting Activities

Your email dated November 8, 2023 requested two items required from the largest writers of Homeowners insurance in North Carolina.

The first item concerned reserves. In response to your question, State Farm has not made any changes in the past five years (2017 through 2021) that have a material impact on the reserves established in North Carolina.

The second item concerned expenses. State Farm continues to review every aspect of our company's operation in an effort to further streamline workflow and processes and to invest in technological advances where appropriate while striving to improve the service provided to our customers. We believe that State Farm's recent expense levels are representative of what we expect for 2024, as we do not anticipate a material change.

Sincerely,



Jeff Clinch  
Actuary and Assistant Secretary-Treasurer





Karen Ott  
NCRB  
2910 Sumner Boulevard  
Raleigh, NC 27616  
klo@ncrb.org

November 14, 2023

Reference: NCRB Reserve Strengthening and Expense Cutting Activities Homeowners

Dear Karen Ott,

Below is information regarding any Reserve Strengthening and Expense Cutting Activities for the USAA group of companies. The request we received was for United Services Automobile Association and USAA Casualty Insurance Company, but the changes also apply to USAA General Indemnity Company and Garrison Property and Casualty Company.

**Reserve Strengthening:**

For less complex claims (based on pre-determined business rules), case reserves are set automatically by our claims system. In 2019, we began to update these defaults on an annual basis to ensure it kept up with trends and inflation and was more adequate going forward.

**Expense Cutting Activities:**

USAA continuously runs an industry leading expense ratio and is always looking for more efficient processes for the homeowner line of business. Examples would include more virtual dwelling inspections instead of in person vendor inspections and changes in the cadence of ordering consumer reports. However, these changes have not resulted in a material change in USAA's expense provision.

If you need any more information or have any questions, please do not hesitate to reach out.

Sincerely,

Nicholas Kunkle, FCAS  
Associate Actuary – Property Pricing  
nicholas.kunkle@usaa.com  
USAA

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
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AS PER 11 NCAC 10.1105**

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

- (a) See Section D and pre-filed testimony of P. Anderson and P. Ericksen.
- (b) See prefiled testimony of P. Anderson and P. Ericksen.
- (c) This information, based on companies reporting to ISO, ISS and NISS, is provided in the response to 11 NCAC 10.1105 (1)(1) and on pages D-14-16 of the filing.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
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5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS

- (a) See Section D and prefiled testimony of P. Anderson and P. Ericksen. The Rate Bureau has not considered an alternative exposure trend methodology in the last three years.
- (b) The Rate Bureau is advised by ISO that the exposure and premium distributions by policy term are not available for the latest five years. Past analysis for the years 1992-1996 indicated that 100% of the written premium was for a policy term of one year. No significant change in the policy term distribution is expected.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
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6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

- (a) No limitations were applied to the losses.
- (b) Limitations were applied to the rate level change by form. No limitations were applied to the rate level change by coverage, protection class, construction or deductible.
- (c) Limitations were applied to the rate level change by territory.
- (d) No other limitations were applied.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
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7. OVERHEAD EXPENSE DEVELOPMENT AND APPLICATION OF COMMISSION AND BROKERAGE, OTHER ACQUISITION EXPENSES, GENERAL EXPENSES, TAXES, LICENSES, AND FEES
- (a) Exhibit (7)(a) provides all information relating to expense provisions contained in the filing. The Rate Bureau has not considered an alternative expense methodology in the last three years.
  - (b) See Section D for earned premium and unallocated loss adjustment expenses for each of the latest five available calendar years.
  - (c) See the response to 11 NCAC 10.1105 (3)(g).

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
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The following provides a description of the derivation of Homeowners expense provisions. The underlying historical expense data are provided by the North Carolina Rate Bureau and are displayed on pages D-24-26.

The filed expense provision methodology makes a distinction between those provisions which require trending and those that do not. For example, since commission and tax expenses vary directly with premium, no additional consideration of trend is needed. In contrast, general expenses, other acquisition expenses, and loss adjustment expenses do not vary directly with premium or losses and, as a percentage of premium or losses, are subject to the effects of trend.

The filed provision for commission and brokerage expenses, 12.0% of written premium, and the provision for taxes, licenses, and fees, 2.8% of written premium, are based on the historical data shown on page D-24 for the latest three years.

Since the general expense and other acquisition expense percentages are relative to earned premiums and the loss adjustment expense percentage is relative to losses, separate trend factors are required for premiums, losses, and expenses. See information provided below, pages D-5-7, pages D-27-28 and the pre-filed testimony of P. Anderson and P. Ericksen.

General Expense and Other Acquisition Expense - Based on the 2020-2022 experience on page D-24, general expense averages 3.9% of earned premium and other acquisition expense averages 5.9% of earned premium. The average date of payment of the 2020-2022 expenses is 7/1/2021. Similarly, the average date represented in the 2020-2022 premiums is 7/1/2021. Since the average date of writing of policies under the proposed rates, and the average date of payment of the expenses on these policies, is six months after the assumed effective date of 8/1/2024, or 2/1/2025, the historical general and other acquisition expense ratios need to be trended to the 2/1/2025 level.

The trend factor for the expenses represented in the numerator is based on the indices displayed on pages D-21-22. This index is constructed by weighting the Compensation Cost Index with the Consumer Price Index. These two sources receive equal weights. Based on these data, an average annual change of 5.0% is selected. This average annual change is projected 43 months (from 7/1/2021 to 2/1/2025).

To trend the premiums in the denominator, the 2021 Premium Trend Factor is applied. The Premium Trend Factors are shown on page D-19.

Once the percentage provision for general and other acquisition expenses is trended, it is converted to a corresponding dollar value which can be incorporated into the pure-premium ratemaking methodology utilized in this filing. The dollar value is obtained by multiplying the trended percentage by the trended average rate at current-manual level. Distinct dollar values are generated for the Owners, Tenant and Condominium Unit Owner forms. These values by form reflect the judgment that the premium for a single Tenant or Condominium Unit Owner policy requires a dollar loading that is 50% of the dollar loading required by the premium for a single Owners policy.

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
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Loss Adjustment Expense - Based on the 2018-2022 experience shown on page D-26, loss adjustment expenses (both allocated and unallocated) average 12.7% of incurred losses, after excluding the high- and low-valued years. The average date of loss represented in these data is 7/1/2020. Both the numerator and denominator are therefore trended 61 months, from 7/1/2020 to 8/1/2025 (12 months beyond the anticipated effective date of 8/1/2024).

The trend factor used for expenses in the numerator is determined in a similar way as for general and other acquisition expenses. The 5.0% selected average annual change is projected 61 months (from 7/1/2017 to 8/1/2022).

To trend the losses in the denominator, the 2020 Loss Trend Factor is applied. The Loss Trend Factors are shown on page D-17.

No alternate expense trend methodology has been considered within the last three years.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

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8. PERCENT RATE CHANGE

The overall statewide rate change and the rate changes by territory are shown on pages A-2-3.

The proposed rate changes are dependent on the actual implementation date of the new rates, because any such change will affect all of the trending periods used in the filing. Any change in the trending periods will affect all of the losses, fixed expenses, and average rating factors used in the calculation of the rate level indication. The proposed rate changes have been calculated based on an assumed effective date of 8/1/2024.

If the effective date were to be changed, advance notice of one hundred five (105) days is required for an orderly implementation of the change in rates. This is the amount of time required to calculate the new rates based on the new effective date and distribute the necessary information to member companies.



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

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9. FINAL PROPOSED RATES

The proposed rates are shown in Section A.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
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10. INVESTMENT EARNINGS, CONSISTING OF INVESTMENT INCOME AND REALIZED PLUS UNREALIZED CAPITAL GAINS, FROM LOSS, LOSS EXPENSE AND UNEARNED PREMIUM RESERVES

See attached Exhibits (10)(a), (b) and (c) and the pre-filed testimony of P. Ericksen and G. Zanjani. The experience provides the best estimate of the future.

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/22	\$3,418,913,643
2.	Mean Unearned Premium Reserve, (1) x 0.5285	\$1,806,895,860
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	11.82%
	Taxes, Licenses and Fees	2.35%
	1/2 General Expenses	1.93%
	1/2 Other Acquisition	3.00%
	Total	19.10%
4.	(2) × (3)	\$345,117,109
5.	Net Subject to Investment (2) - (4)	\$1,461,778,751

## B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)	\$3,418,913,643
2.	Average Agents' Balances	0.146
3.	Delayed Remission (1) × (2)	\$499,161,392

## C. Loss Reserve

1.	Direct Earned Premium (A-1)	\$3,418,913,643
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.4055	\$1,386,369,482
3.	Expected Mean Loss Reserves, (2) x 0.327	\$453,342,821

## D. Net Subject to Investment (A-5)-(B-3)+(C-3) \$1,415,960,180

## E. Average Rate of Return 3.24%

F. Investment Earnings on Net Subject to  
Investment (D) × (E) \$45,877,110G. Average Rate of Return as a Percent of Direct  
Earned Premium (F) / (A-1) 1.34%H. Average Rate of Return as a Percent of Direct Earned  
Premium after Federal Income Taxes, (G) x (1 - 0.168) 1.11%

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES**

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/22 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/22	\$3,418,913,643
2. Unearned Premium Reserve as of 12/31/21	\$1,703,096,979
3. Unearned Premium Reserve as of 12/31/22	\$1,910,955,876
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	\$1,807,026,428
5. Ratio (4) $\div$ (1)	0.5285

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/22.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1432
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.020
3. Factor for agents' balances $(1) \times (2)$	0.146

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/22.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2022 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2022	\$2,316,094,568
2. Loss Reserves as of 12/31/21	\$560,103,530
3. Loss Reserves as of 12/31/22	\$896,965,689
4. Mean Loss Reserve 2022, 1/2 [(2) + (3)]	\$728,534,610
5. Ratio (4) ÷ (1)	0.315
6. Ratio of LAE Reserves to Loss Reserves (a)	0.176
7. Ratio of Incurred LAE to Incurred Losses (a)	0.134
8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))]	0.327

(a) Based on 2022 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2022	\$72,872,014	\$2,252,298,716	3.24%

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	3.24%	0.168

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2022 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	\$31,344,552	0.210
	Non-Taxable	\$6,002,744	
	Sub-Total	\$37,347,296	0.176
Stocks	Taxable (a)	\$10,535,257	0.105
	Non-Taxable	\$3,239,275	
	Sub-Total	\$13,774,532	0.080
Mortgage Loans		\$1,409,516	
Real Estate		\$1,933,525	
Contract Loans		\$202	
Cash on Deposit		\$1,968,882	
Short Term Investments		\$112,071	
All Other		\$22,739,012	
Sub-Total		\$28,163,208	0.210
Total		\$79,285,036	0.171
Investment Deductions		\$6,413,018	0.210
Net Investment Income Earned		\$72,872,018	0.168

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/21	\$3,117,849,262
2.	Mean Unearned Premium Reserve, (1) x 0.5274	\$1,644,353,701
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	11.86%
	Taxes, Licenses and Fees	2.35%
	1/2 General Expenses	2.33%
	1/2 Other Acquisition	3.25%
	Total	19.79%
4.	(2) × (3)	\$325,417,597
5.	Net Subject to Investment (2) - (4)	\$1,318,936,104

## B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)	\$3,117,849,262
2.	Average Agents' Balances	0.148
3.	Delayed Remission (1) × (2)	\$461,441,691

## C. Loss Reserve

1.	Direct Earned Premium (A-1)	\$3,117,849,262
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.3917	\$1,221,261,556
3.	Expected Mean Loss Reserves, (2) x 0.371	\$453,088,037

D. Net Subject to Investment (A-5)-(B-3)+(C-3) \$1,310,582,450

E. Average Rate of Return 2.63%

F. Investment Earnings on Net Subject to  
Investment (D) × (E) \$34,468,318

G. Average Rate of Return as a Percent of Direct  
Earned Premium (F) / (A-1) 1.11%

H. Average Rate of Return as a Percent of Direct Earned  
Premium after Federal Income Taxes, (G) x (1 - 0.156) 0.94%

**NORTH CAROLINA****HOMEOWNERS INSURANCE****ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES****EXPLANATORY NOTES**Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/21 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/21	\$3,117,849,262
2. Unearned Premium Reserve as of 12/31/20	\$1,585,491,577
3. Unearned Premium Reserve as of 12/31/21	\$1,703,096,979
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	\$1,644,294,278
5. Ratio (4) $\div$ (1)	0.5274

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/21.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1448
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) $\times$ (2)	0.148



## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/21.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2021 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2021	\$1,592,119,157
2. Loss Reserves as of 12/31/20	\$583,782,316
3. Loss Reserves as of 12/31/21	\$560,103,530
4. Mean Loss Reserve 2021, 1/2 [(2) + (3)]	\$571,942,923
5. Ratio (4) ÷ (1)	0.359
6. Ratio of LAE Reserves to Loss Reserves (a)	0.172
7. Ratio of Incurred LAE to Incurred Losses (a)	0.135
8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))]	0.371

(a) Based on 2021 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2021	\$56,623,774	\$2,156,812,439	2.63%

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	2.63%	0.156

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2021 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	\$27,544,890	0.210
	Non-Taxable	\$6,758,330	
	Sub-Total	\$34,303,220	0.169
Stocks	Taxable (a)	\$9,209,605	0.105
	Non-Taxable	\$3,215,338	
	Sub-Total	\$12,424,943	0.078
Mortgage Loans		\$1,149,755	
Real Estate		\$1,995,897	
Contract Loans		\$91	
Cash on Deposit		\$139,788	
Short Term Investments		\$46,945	
All Other		\$12,669,731	
Sub-Total		\$16,002,207	0.210
Total		\$62,730,370	0.161
Investment Deductions		\$6,106,693	0.210
Net Investment Income Earned		\$56,623,677	0.156

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/20	\$2,927,843,779
2.	Mean Unearned Premium Reserve, (1) x 0.5217	\$1,527,456,100
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.38%
	Taxes, Licenses and Fees	2.38%
	1/2 General Expenses	2.08%
	1/2 Other Acquisition	3.36%
	Total	20.20%
4.	(2) × (3)	\$308,546,132
5.	Net Subject to Investment (2) - (4)	\$1,218,909,968

## B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)	\$2,927,843,779
2.	Average Agents' Balances	0.155
3.	Delayed Remission (1) × (2)	\$453,815,786

## C. Loss Reserve

1.	Direct Earned Premium (A-1)	\$2,927,843,779
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.3704	\$1,084,473,336
3.	Expected Mean Loss Reserves, (2) x 0.311	\$337,271,207

D. Net Subject to Investment (A-5)-(B-3)+(C-3) \$1,102,365,389

E. Average Rate of Return 2.75%

F. Investment Earnings on Net Subject to  
Investment (D) × (E) \$30,315,048

G. Average Rate of Return as a Percent of Direct  
Earned Premium (F) / (A-1) 1.04%

H. Average Rate of Return as a Percent of Direct Earned  
Premium after Federal Income Taxes, (G) x (1 - 0.156) 0.88%

**NORTH CAROLINA****HOMEOWNERS INSURANCE****ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES****EXPLANATORY NOTES**Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/20 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/20	\$2,927,843,779
2. Unearned Premium Reserve as of 12/31/19	\$1,469,475,147
3. Unearned Premium Reserve as of 12/31/20	\$1,585,491,577
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	\$1,527,483,362
5. Ratio (4) $\div$ (1)	0.5217

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/20.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1519
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) $\times$ (2)	0.155

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/20.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2020 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2020	\$1,861,156,269
2. Loss Reserves as of 12/31/19	\$526,638,529
3. Loss Reserves as of 12/31/20	\$583,782,316
4. Mean Loss Reserve 2020, 1/2 [(2) + (3)]	\$555,210,423
5. Ratio (4) ÷ (1)	0.298
6. Ratio of LAE Reserves to Loss Reserves (a)	0.188
7. Ratio of Incurred LAE to Incurred Losses (a)	0.140
8. Loss and LAE Reserve [(5)×(1.0+(6))]/(1.0+(7))]	0.311

(a) Based on 2020 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2020	\$54,400,619	\$1,976,949,891	2.75%

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	Federal Income <u>Tax Rate</u>
Net Investment Income Earned	2.75%	0.156

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2020 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	\$28,339,436	0.210
	Non-Taxable	\$7,246,012	
	Sub-Total	\$35,585,448	0.167
Stocks	Taxable (a)	\$8,494,491	0.105
	Non-Taxable	\$2,429,550	
	Sub-Total	\$10,924,041	0.082
Mortgage Loans		\$1,029,624	
Real Estate		\$1,999,576	
Contract Loans		\$17,597	
Cash on Deposit		\$820,107	
Short Term Investments		(\$183,091)	
All Other		\$10,043,526	
Sub-Total		\$13,727,339	0.210
Total		\$60,236,828	0.161
Investment Deductions		\$5,836,159	0.210
Net Investment Income Earned		\$54,400,669	0.156

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/19	\$2,748,738,904
2.	Mean Unearned Premium Reserve, (1) x 0.5195	\$1,427,969,861
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.37%
	Taxes, Licenses and Fees	2.33%
	1/2 General Expenses	2.45%
	1/2 Other Acquisition	3.57%
	Total	20.72%
4.	(2) × (3)	\$295,875,355
5.	Net Subject to Investment (2) - (4)	\$1,132,094,506

## B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)	\$2,748,738,904
2.	Average Agents' Balances	0.160
3.	Delayed Remission (1) × (2)	\$439,798,225

## C. Loss Reserve

1.	Direct Earned Premium (A-1)	\$2,748,738,904
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.3581	\$984,323,402
3.	Expected Mean Loss Reserves, (2) x 0.426	\$419,321,769

## D. Net Subject to Investment (A-5)-(B-3)+(C-3) \$1,111,618,050

## E. Average Rate of Return 3.14%

F. Investment Earnings on Net Subject to  
Investment (D) × (E) \$34,904,807G. Average Rate of Return as a Percent of Direct  
Earned Premium (F) / (A-1) 1.27%H. Average Rate of Return as a Percent of Direct Earned  
Premium after Federal Income Taxes, (G) x (1 - 0.159) 1.07%

**NORTH CAROLINA****HOMEOWNERS INSURANCE****ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES****EXPLANATORY NOTES**Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/19 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/19	\$2,748,738,904
2. Unearned Premium Reserve as of 12/31/18	\$1,386,288,967
3. Unearned Premium Reserve as of 12/31/19	\$1,469,475,147
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	\$1,427,882,057
5. Ratio (4) $\div$ (1)	0.5195

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/19.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1562
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) $\times$ (2)	0.160



## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/19.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2019 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2019	\$1,561,396,362
2. Loss Reserves as of 12/31/18	\$732,364,300
3. Loss Reserves as of 12/31/19	\$526,638,529
4. Mean Loss Reserve 2019, 1/2 [(2) + (3)]	\$629,501,415
5. Ratio (4) ÷ (1)	0.403
6. Ratio of LAE Reserves to Loss Reserves (a)	0.213
7. Ratio of Incurred LAE to Incurred Losses (a)	0.147
8. Loss and LAE Reserve [(5)×(1.0+(6))/(1.0+(7))]	0.426

(a) Based on 2019 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2019	\$57,196,091	\$1,824,395,370	3.14%

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	3.14%	0.159

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2019 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	\$29,410,180	0.210
	Non-Taxable	\$7,801,848	
	Sub-Total	\$37,212,028	0.166
Stocks	Taxable (a)	\$8,917,321	0.105
	Non-Taxable	\$1,595,409	
	Sub-Total	\$10,512,730	0.089
Mortgage Loans		\$996,462	
Real Estate		\$2,035,516	
Contract Loans		\$202	
Cash on Deposit		\$2,501,850	
Short Term Investments		(\$92,602)	
All Other		\$9,880,010	
Sub-Total		\$15,321,438	0.210
Total		\$63,046,196	0.164
Investment Deductions		\$5,850,107	0.210
Net Investment Income Earned		\$57,196,089	0.159

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/18	\$2,580,906,277
2.	Mean Unearned Premium Reserve, (1) x 0.5217	\$1,346,458,805
3.	Deduction for Prepaid Expenses	
	Commission and Brokerage	12.10%
	Taxes, Licenses and Fees	2.31%
	1/2 General Expenses	2.65%
	1/2 Other Acquisition	3.52%
	Total	20.58%
4.	(2) × (3)	\$277,101,222
5.	Net Subject to Investment (2) - (4)	\$1,069,357,583

## B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)	\$2,580,906,277
2.	Average Agents' Balances	0.166
3.	Delayed Remission (1) × (2)	\$428,430,442

## C. Loss Reserve

1.	Direct Earned Premium (A-1)	\$2,580,906,277
2.	Expected Incurred Losses and Loss Adjustment Expense, (1) x 0.2888	\$745,365,733
3.	Expected Mean Loss Reserves, (2) x 0.254	\$189,322,896

D. Net Subject to Investment (A-5)-(B-3)+(C-3) \$830,250,037

E. Average Rate of Return 3.33%

F. Investment Earnings on Net Subject to  
Investment (D) × (E) \$27,647,326

G. Average Rate of Return as a Percent of Direct  
Earned Premium (F) / (A-1) 1.07%

H. Average Rate of Return as a Percent of Direct Earned  
Premium after Federal Income Taxes, (G) x (1 - 0.149) 0.91%

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from Statutory Page 14 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/18 for all companies writing Homeowners insurance in North Carolina. These data are from Statutory Page 14 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/18	\$2,580,906,277
2. Unearned Premium Reserve as of 12/31/17	\$1,306,548,706
3. Unearned Premium Reserve as of 12/31/18	\$1,386,288,967
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	\$1,346,418,837
5. Ratio (4) $\div$ (1)	0.5217

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/18.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1625
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.021
3. Factor for agents' balances (1) $\times$ (2)	0.166

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/18.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2018 for Homeowners insurance. This ratio is based on North Carolina companies' Statutory Page 14 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2018	\$2,349,919,704
2. Loss Reserves as of 12/31/17	\$398,416,653
3. Loss Reserves as of 12/31/18	\$732,364,300
4. Mean Loss Reserve 2018, 1/2 [(2) + (3)]	\$565,390,477
5. Ratio (4) ÷ (1)	0.241
6. Ratio of LAE Reserves to Loss Reserves (a)	0.187
7. Ratio of Incurred LAE to Incurred Losses (a)	0.127
8. Loss and LAE Reserve [(5)×(1.0+(6))/(1.0+(7))]	0.254

(a) Based on 2018 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2018	\$57,671,849	\$1,734,094,329	3.33%

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

## EXPLANATORY NOTES

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	3.33%	0.149

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2018 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	\$26,161,755	0.210
	Non-Taxable	\$8,708,550	
	Sub-Total	\$34,870,305	0.158
Stocks	Taxable (a)	\$7,974,536	0.105
	Non-Taxable	\$4,005,063	
	Sub-Total	\$11,979,599	0.070
Mortgage Loans		\$908,739	
Real Estate		\$1,937,053	
Contract Loans		\$5,854	
Cash on Deposit		\$1,985,735	
Short Term Investments		(\$116,536)	
All Other		\$12,020,161	
Sub-Total		\$16,741,006	0.210
Total		\$63,590,910	0.155
Investment Deductions		\$5,919,053	0.210
Net Investment Income Earned		\$57,671,857	0.149

(a) Only 50% of dividend income on stock is subject to the full corporate income tax rate of 21%. The applicable tax rate is thus 10.5% (.21 x .5 = 10.5%)

**NORTH CAROLINA****HOMEOWNERS INSURANCE****AVERAGE NUMBER OF MONTHS FROM OCCURRENCE TO CLAIM SETTLEMENT**

(Based on ISO North Carolina experience for accident years 2007-2016)

(1)	(2)	(3)
Average Payment Month	Losses Paid	Portion of All Losses Paid <u>=(2)/Total (2)</u>
1.5	2,065,941,364	0.448
4.5	1,480,798,046	0.321
7.5	448,764,455	0.097
10.5	235,219,857	0.051
13.5	144,834,780	0.031
16.5	76,381,788	0.017
19.5	43,787,441	0.009
22.5	28,620,835	0.006
25.5	26,086,471	0.006
28.5	16,754,979	0.004
31.5	10,521,150	0.002
34.5	10,316,608	0.002
37.5	10,128,328	0.002
40.5	5,296,861	0.001
43.5	735,629	0.000
46.5	3,176,774	0.001
49.5	1,346,875	0.000
52.5	1,950,654	0.000
55.5	1,159,077	0.000
58.5	1,940,825	0.000
61.5	128,211	0.000
64.5	442,485	0.000
67.5	89,176	0.000
70.5	348,280	0.000
73.5	337,660	0.000
76.5	140,296	0.000
	4,615,248,905	

The average number of months to payment from the beginning of the accident year is 5.06, i.e., the sum of [Column (1) × Column (3)].

The average number of months to payment from the average date of occurrence is 3.56.

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2021 AGGREGATE ANNUAL STATEMENT DATA  
2021 TOP 50 HOMEOWNERS INSURERS**

	Net Admitted Assets
1 Bonds (Schedule D)	171,617,267,000
2 Stocks (Schedule D):	
2.1 Preferred stocks	960,688,000
2.2 Common stocks	91,286,800,000
3 Mortgage loans on real estate (Schedule B):	
3.1 First liens	3,627,709,000
3.2 Other than first liens	0
4 Real estate (Schedule A):	
4.1 Properties occupied by the company (less \$0 encumbrances)	1,943,297,000
4.2 Properties held for the production of income (less \$64,831,000 encumbrances)	251,231,000
4.3 Properties held for sale (less \$0 encumbrances)	160,869,000
5 Cash (-\$1,819,760,000, Schedule E - Part 1), cash equivalents (\$8,949,446,000, Schedule E - Part 2) and short-term investments (\$508,465,000, Schedule DA)	7,638,151,000
6 Contract loans (including \$0 premium notes)	0
7 Derivatives (Schedule DB)	47,546,000
8 Other invested assets (Schedule BA)	28,153,486,000
9 Receivables for securities	419,946,000
10 Securities lending reinvested collateral assets (Schedule DL)	1,791,283,000
11 Aggregate write-ins for invested assets	15,951,000
12 Subtotals, cash and invested assets (Lines 1 to 11)	307,914,224,000
13 Title plants less \$0 charged off (for Title insurers only)	0
14 Investment income due and accrued	1,362,803,000
15 Premiums and considerations:	
15.1 Uncollected premiums and agents' balances in the course of collection	9,688,334,000
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$37,659,000 earned but unbilled premiums)	28,450,004,000
15.3 Accrued retrospective premiums (\$29,736,000) and contracts subject to redetermination (\$0)	32,186,000
16 Reinsurance:	
16.1 Amounts recoverable from reinsurers	3,604,411,000
16.2 Funds held by or deposited with reinsured companies	154,383,000
16.3 Other amounts receivable under reinsurance contracts	56,956,000
17 Amounts receivable relating to uninsured plans	4,000
18.1 Current federal and foreign income tax recoverable and interest thereon	1,189,912,000
18.2 Net deferred tax asset	3,641,237,000
19 Guaranty funds receivable or on deposit	27,502,000
20 Electronic data processing equipment and software	1,860,992,000
21 Furniture and equipment, including health care delivery assets (\$0)	472,374,000
22 Net adjustment in assets and liabilities due to foreign exchange rates	3,458,000
23 Receivables from parent, subsidiaries and affiliates	3,537,793,000
24 Health care (\$0) and other amounts receivable	287,000
25 Aggregate write-ins for other than invested assets	7,388,915,000
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	369,385,772,000
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0
28 Total (Lines 26 and 27)	369,385,772,000



**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2022 AGGREGATE ANNUAL STATEMENT DATA  
2022 TOP 50 HOMEOWNERS INSURERS**

	Net Admitted Assets
1 Bonds (Schedule D)	172,170,089,000
2 Stocks (Schedule D):	
2.1 Preferred stocks	772,380,000
2.2 Common stocks	77,822,343,000
3 Mortgage loans on real estate (Schedule B):	
3.1 First liens	3,658,175,000
3.2 Other than first liens	0
4 Real estate (Schedule A):	
4.1 Properties occupied by the company (less \$0 encumbrances)	1,962,740,000
4.2 Properties held for the production of income (less \$47,075,000 encumbrances)	223,522,000
4.3 Properties held for sale (less \$29,556,000 encumbrances)	86,542,000
5 Cash (-\$2,516,267,000, Schedule E - Part 1), cash equivalents (\$10,146,436,000, Schedule E - Part 2) and short-term investments (\$683,490,000, Schedule DA)	8,313,659,000
6 Contract loans (including \$0 premium notes)	0
7 Derivatives (Schedule DB)	47,123,000
8 Other invested assets (Schedule BA)	30,554,967,000
9 Receivables for securities	88,061,000
10 Securities lending reinvested collateral assets (Schedule DL)	1,763,280,000
11 Aggregate write-ins for invested assets	14,865,000
12 Subtotals, cash and invested assets (Lines 1 to 11)	297,477,745,000
13 Title plants less \$0 charged off (for Title insurers only)	0
14 Investment income due and accrued	1,523,668,000
15 Premiums and considerations:	
15.1 Uncollected premiums and agents' balances in the course of collection	9,283,056,000
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$78,676,000 earned but unbilled premiums)	32,361,304,000
15.3 Accrued retrospective premiums (\$29,755,000) and contracts subject to redetermination (\$0)	32,927,000
16 Reinsurance:	
16.1 Amounts recoverable from reinsurers	4,216,542,000
16.2 Funds held by or deposited with reinsured companies	133,832,000
16.3 Other amounts receivable under reinsurance contracts	102,718,000
17 Amounts receivable relating to uninsured plans	30,000
18.1 Current federal and foreign income tax recoverable and interest thereon	1,965,941,000
18.2 Net deferred tax asset	5,105,846,000
19 Guaranty funds receivable or on deposit	71,809,000
20 Electronic data processing equipment and software	2,193,990,000
21 Furniture and equipment, including health care delivery assets (\$0)	359,125,000
22 Net adjustment in assets and liabilities due to foreign exchange rates	2,611,000
23 Receivables from parent, subsidiaries and affiliates	4,158,941,000
24 Health care (\$0) and other amounts receivable	1,079,000
25 Aggregate write-ins for other than invested assets	7,075,555,000
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	366,066,724,000
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0
28 Total (Lines 26 and 27)	366,066,724,000

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2021 AGGREGATE ANNUAL STATEMENT DATA  
2021 TOP 50 HOMEOWNERS INSURERS**

	Liabilities
1 Losses (Part 2A, Line 35, Column 8)	76,128,227,000
2 Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	2,835,099,000
3 Loss adjustment expenses (Part 2A, Line 35, Column 9)	16,143,572,000
4 Commissions payable, contingent commissions and other similar charges	1,934,541,000
5 Other expenses (excluding taxes, licenses and fees)	9,116,452,000
6 Taxes, licenses and fees (excluding federal and foreign income taxes)	868,067,000
7.1 Current federal and foreign income taxes (including -\$78,062,000) on realized capital gains (losses)	80,080,000
7.2 Net deferred tax liability	1,721,132,000
8 Borrowed money \$420,747,000 and interest thereon \$533,000	421,280,000
9 Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$36,994,920,000 and including warranty reserves of \$152,716,000 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	59,474,553,000
10 Advance premium	1,708,111,000
11 Dividends declared and unpaid:	
11.1 Stockholders	100,000,000
11.2 Policyholders	42,190,000
12 Ceded reinsurance premiums payable (net of ceding commissions)	9,314,746,000
13 Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	554,061,000
14 Amounts withheld or retained by company for account of others	2,428,018,000
15 Remittances and items not allocated	213,315,000
16 Provision for reinsurance (including \$24,414,000 certified) (Schedule F, Part 3, Column 78)	152,967,000
17 Net adjustments in assets and liabilities due to foreign exchange rates	43,000
18 Drafts outstanding	1,195,784,000
19 Payable to parent, subsidiaries and affiliates	3,822,496,000
20 Derivatives	13,975,000
21 Payable for securities	1,442,910,000
22 Payable for securities lending	3,206,934,000
23 Liability for amounts held under uninsured plans	0
24 Capital notes \$0 and interest thereon \$0	0
25 Aggregate write-ins for liabilities	4,940,812,000
26 Total liabilities excluding protected cell liabilities (Lines 1 through 25)	197,859,359,000
27 Protected cell liabilities	0
28 Total liabilities (Lines 26 and 27)	197,859,359,000
29 Aggregate write-ins for special surplus funds	7,289,913,000
30 Common capital stock	176,316,000
31 Preferred capital stock	0
32 Aggregate write-ins for other than special surplus funds	18,500,000
33 Surplus notes	4,211,396,000
34 Gross paid in and contributed surplus	15,881,376,000
35 Unassigned funds (surplus)	135,493,487,000
36 Less treasury stock, at cost:	
36.1 0 shares common (value included in Line 30 \$0)	0
36.2 0 shares preferred (value included in Line 31 \$0)	0
37 Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	163,070,985,000
38 Totals (Page 2, Line 28, Col. 3)	360,930,349,000

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2022 AGGREGATE ANNUAL STATEMENT DATA  
2022 TOP 50 HOMEOWNERS INSURERS**

	Liabilities
1 Losses (Part 2A, Line 35, Column 8)	86,057,421,000
2 Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	2,413,680,000
3 Loss adjustment expenses (Part 2A, Line 35, Column 9)	16,804,952,000
4 Commissions payable, contingent commissions and other similar charges	1,842,322,000
5 Other expenses (excluding taxes, licenses and fees)	8,161,987,000
6 Taxes, licenses and fees (excluding federal and foreign income taxes)	1,013,234,000
7.1 Current federal and foreign income taxes (including -\$60,156,000) on realized capital gains (losses)	253,498,000
7.2 Net deferred tax liability	1,002,802,000
8 Borrowed money \$570,708,000 and interest thereon \$1,381,000	572,089,000
9 Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$42,453,052,000 and including warranty reserves of \$146,465,000 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	64,703,591,000
10 Advance premium	1,886,709,000
11 Dividends declared and unpaid:	
11.1 Stockholders	100,000,000
11.2 Policyholders	39,884,000
12 Ceded reinsurance premiums payable (net of ceding commissions)	10,861,923,000
13 Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	679,740,000
14 Amounts withheld or retained by company for account of others	2,219,293,000
15 Remittances and items not allocated	186,423,000
16 Provision for reinsurance (including \$16,714,000 certified) (Schedule F, Part 3, Column 78)	108,714,000
17 Net adjustments in assets and liabilities due to foreign exchange rates	0
18 Drafts outstanding	1,255,045,000
19 Payable to parent, subsidiaries and affiliates	3,808,868,000
20 Derivatives	38,867,000
21 Payable for securities	1,145,308,000
22 Payable for securities lending	3,750,882,000
23 Liability for amounts held under uninsured plans	0
24 Capital notes \$0 and interest thereon \$0	0
25 Aggregate write-ins for liabilities	4,039,803,000
26 Total liabilities excluding protected cell liabilities (Lines 1 through 25)	212,947,025,000
27 Protected cell liabilities	0
28 Total liabilities (Lines 26 and 27)	212,947,025,000
29 Aggregate write-ins for special surplus funds	6,352,744,000
30 Common capital stock	169,716,000
31 Preferred capital stock	0
32 Aggregate write-ins for other than special surplus funds	18,500,000
33 Surplus notes	4,567,844,000
34 Gross paid in and contributed surplus	16,475,533,000
35 Unassigned funds (surplus)	117,380,069,000
36 Less treasury stock, at cost:	
36.1 0 shares common (value included in Line 30 \$0)	0
36.2 0 shares preferred (value included in Line 31 \$0)	0
37 Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	144,964,407,000
38 Totals (Page 2, Line 28, Col. 3)	357,911,440,000

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2021 AGGREGATE ANNUAL STATEMENT DATA  
2021 TOP 50 HOMEOWNERS INSURERS**

**2021 STATEMENT OF INCOME**

<b>UNDERWRITING INCOME</b>	
1 Premiums earned (Part 1, Line 35, Column 4)	136,236,335,000
<b>DEDUCTIONS:</b>	
2 Losses incurred (Part 2, Line 35, Column 7)	88,553,559,000
3 Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	12,780,481,000
4 Other underwriting expenses incurred (Part 3, Line 25, Column 2)	36,450,391,000
5 Aggregate write-ins for underwriting deductions	1,294,000
6 Total underwriting deductions (Lines 2 through 5)	137,785,723,000
7 Net income of protected cells	0
8 Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(1,549,386,000)
<b>INVESTMENT INCOME</b>	
9 Net investment income earned (Exhibit of Net Investment Income, Line 17)	10,081,087,000
10 Net realized capital gains (losses) less capital gains tax of \$814,358,000 (Exhibit of Capital Gains (Losses))	3,518,245,000
11 Net investment gain (loss) (Lines 9 + 10)	13,599,329,000
<b>OTHER INCOME</b>	
12 Net gain (loss) from agents' or premium balances charged off (amount recovered \$73,540,000 amount charged off \$559,438,000)	(485,902,000)
13 Finance and service charges not included in premiums	749,553,000
14 Aggregate write-ins for miscellaneous income	611,393,000
15 Total other income (Lines 12 through 14)	875,050,000
16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15)	12,924,999,000
17 Dividends to policyholders	1,373,323,000
18 Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	11,551,672,000
19 Federal and foreign income taxes incurred	5,130,000
20 Net income (Line 18 minus Line 19) (to Line 22)	11,546,542,000
<b>CAPITAL AND SURPLUS ACCOUNT</b>	
21 Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	155,334,424,000
22 Net income (from Line 20)	11,546,542,000
23 Net transfers (to) from Protected Cell accounts	0
24 Change in net unrealized capital gains or (losses) less capital gains tax of \$1,379,183,000	4,266,607,000
25 Change in net unrealized foreign exchange capital gain (loss)	(121,819,000)
26 Change in net deferred income tax	(328,783,000)
27 Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(970,638,000)
28 Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(17,430,000)
29 Change in surplus notes	316,169,000
30 Surplus (contributed to) withdrawn from protected cells	0
31 Cumulative effect of changes in accounting principles	418,000
32 Capital changes:	
32.1 Paid in	(313,800,000)
32.2 Transferred from surplus (Stock Dividend)	0
32.3 Transferred to surplus	0
33 Surplus adjustments:	
33.1 Paid in	281,998,000
33.2 Transferred to capital (Stock Dividend)	0
33.3 Transferred from capital	0
34 Net remittances from or (to) Home Office	0
35 Dividends to stockholders	(7,381,387,000)
36 Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0
37 Aggregate write-ins for gains and losses in surplus	458,686,000
38 Change in surplus as regards policyholders for the year (Lines 22 through 37)	7,736,561,000
39 Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	163,070,985,000

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2022 AGGREGATE ANNUAL STATEMENT DATA  
2022 TOP 50 HOMEOWNERS INSURERS**

**2022 STATEMENT OF INCOME**

<b>UNDERWRITING INCOME</b>	
1 Premiums earned (Part 1, Line 35, Column 4)	144,975,754,000
<b>DEDUCTIONS:</b>	
2 Losses incurred (Part 2, Line 35, Column 7)	104,750,494,000
3 Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	14,168,374,000
4 Other underwriting expenses incurred (Part 3, Line 25, Column 2)	36,673,375,000
5 Aggregate write-ins for underwriting deductions	2,591,000
6 Total underwriting deductions (Lines 2 through 5)	155,594,837,000
7 Net income of protected cells	0
8 Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(10,619,084,000)
<b>INVESTMENT INCOME</b>	
9 Net investment income earned (Exhibit of Net Investment Income, Line 17)	7,901,061,000
10 Net realized capital gains (losses) less capital gains tax of \$283,597,000 (Exhibit of Capital Gains (Losses))	(469,908,000)
11 Net investment gain (loss) (Lines 9 + 10)	7,431,155,000
<b>OTHER INCOME</b>	
12 Net gain (loss) from agents' or premium balances charged off (amount recovered \$50,426,000 amount charged off \$585,922,000)	(535,496,000)
13 Finance and service charges not included in premiums	772,534,000
14 Aggregate write-ins for miscellaneous income	404,887,000
15 Total other income (Lines 12 through 14)	641,930,000
16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15)	(2,546,001,000)
17 Dividends to policyholders	1,236,981,000
18 Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(3,782,981,000)
19 Federal and foreign income taxes incurred	(842,562,000)
20 Net income (Line 18 minus Line 19) (to Line 22)	(2,940,420,000)
<b>CAPITAL AND SURPLUS ACCOUNT</b>	
21 Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	163,504,256,000
22 Net income (from Line 20)	(2,940,420,000)
23 Net transfers (to) from Protected Cell accounts	0
24 Change in net unrealized capital gains or (losses) less capital gains tax of -\$1,261,904,000	(11,916,955,000)
25 Change in net unrealized foreign exchange capital gain (loss)	(271,926,000)
26 Change in net deferred income tax	881,809,000
27 Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	354,233,000
28 Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	44,470,000
29 Change in surplus notes	291,741,000
30 Surplus (contributed to) withdrawn from protected cells	0
31 Cumulative effect of changes in accounting principles	0
32 Capital changes:	
32.1 Paid in	0
32.2 Transferred from surplus (Stock Dividend)	0
32.3 Transferred to surplus	0
33 Surplus adjustments:	
33.1 Paid in	659,707,000
33.2 Transferred to capital (Stock Dividend)	0
33.3 Transferred from capital	0
34 Net remittances from or (to) Home Office	0
35 Dividends to stockholders	(5,834,718,000)
36 Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0
37 Aggregate write-ins for gains and losses in surplus	192,209,000
38 Change in surplus as regards policyholders for the year (Lines 22 through 37)	(18,539,850,000)
39 Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	144,964,407,000

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2021 AGGREGATE ANNUAL STATEMENT DATA  
2021 TOP 50 HOMEOWNERS INSURERS**

**PART II - 2021 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE**

Homeowners Multiple Peril

1 Premiums Written	47,780,497,000
2 Premiums Earned	46,033,341,000
3 Dividends to Policyholders	423,782,000
4 Incurred Loss	31,652,249,000
5 Defense and Cost Containment Expenses Incurred	790,225,000
6 Adjusting and Other Expenses Incurred	3,467,179,000
7 Unpaid Losses	13,296,617,000
8 Defense and Cost Containment Expenses Unpaid	1,005,638,000
9 Adjusting and Other Expenses Unpaid	1,854,243,000
10 Unearned Premium Reserves	25,634,377,000
11 Agents' Balances	8,157,478,000
12 Commission and Brokerage Expenses Incurred	4,689,077,000
13 Taxes, Licenses & Fees Incurred	1,367,428,000
14 Other Acquisitions, Field Supervision, and Collection Expenses Incurred	4,245,586,000
15 General Expenses Incurred	2,200,810,000
16 Other Income Less Other Expenses	265,206,000
17 Pre-tax Profit or Loss Excluding All Investment Gain	(2,537,786,000)
18 Investment Gain on Funds Attributable to Insurance Transactions	1,357,715,000
19 Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus	(1,180,074,000)
20 Investment Gain Attributable to Capital and Surplus	2,535,108,000
21 Total Profit or Loss	1,355,035,000

**NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2022 AGGREGATE ANNUAL STATEMENT DATA  
2022 TOP 50 HOMEOWNERS INSURERS**

**PART II - 2022 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE**

Homeowners Multiple Peril

1 Premiums Written	52,775,773,000
2 Premiums Earned	50,050,610,000
3 Dividends to Policyholders	432,198,000
4 Incurred Loss	34,223,906,000
5 Defense and Cost Containment Expenses Incurred	774,943,000
6 Adjusting and Other Expenses Incurred	3,995,760,000
7 Unpaid Losses	15,262,457,000
8 Defense and Cost Containment Expenses Unpaid	1,032,366,000
9 Adjusting and Other Expenses Unpaid	2,085,397,000
10 Unearned Premium Reserves	28,181,360,000
11 Agents' Balances	9,198,118,000
12 Commission and Brokerage Expenses Incurred	4,895,009,000
13 Taxes, Licenses & Fees Incurred	1,487,798,000
14 Other Acquisitions, Field Supervision, and Collection Expenses Incurred	4,317,716,000
15 General Expenses Incurred	1,940,053,000
16 Other Income Less Other Expenses	114,027,000
17 Pre-tax Profit or Loss Excluding All Investment Gain	(1,902,749,000)
18 Investment Gain on Funds Attributable to Insurance Transactions	849,146,000
19 Profit or Loss Excluding Investment Gain Attributable to Capital and Surplus	(1,053,601,000)
20 Investment Gain Attributable to Capital and Surplus	1,586,608,000
21 Total Profit or Loss	533,002,000

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

11. IDENTIFICATION OF APPLICABLE STATISTICAL PLANS AND PROGRAMS AND A CERTIFICATION OF COMPLIANCE WITH THEM
- (a) ISO Personal Lines Statistical Plan (Other than Automobile)  
ISO Personal Lines Statistical Agent Plan (Other than Automobile)  
ISO Call(s) for Homeowners Statistics  
ISO Call(s) for Homeowners Statistical Agent Plan Statistics  
ISS Personal Lines Statistical Plans - All Coverages  
ISS Homeowners Call(s)  
AAIS Personal Lines Statistical Plan  
AAIS Call(s) for Homeowners Statistics  
NISS Statistical Plan - All Coverages - Part IV, North Carolina  
NISS Quarterly Call(s)  
NISS Financial Reconciliation Call(s)  
NAIC Annual Statements  
NAIC Insurance Expense Exhibits  
NCRB Call(s) for North Carolina Expense Experience
- (b) The North Carolina Rate Bureau certifies that there is no evidence known to it or, insofar as it is aware following reasonable inquiry, to the statistical agencies involved that the data which were collected under the statistical plans identified in response (11)(a) above and used in the filing are not materially true and accurate representations of the experience of the companies whose data underlie such experience. While the Rate Bureau is aware that the collected data sometimes require corrections or adjustments, the Rate Bureau's review of the data, the data collection process, and the ratemaking process indicates that the aggregate data are reasonable and reliable for ratemaking purposes. See also the prefiled testimony of P. Anderson and P. Ericksen.
- (c) The attached Exhibit (11)(c) contains general descriptions of the editing procedures used to ensure data were collected in accordance with the applicable statistical plans.



**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**ISO Editing Procedures

1. Upon receipt of the data from each reporting company, checks are made to ensure that each record (i.e., the data reported for each exposure) has valid and readable information. This includes a check that the appropriate alpha-numeric codes have been utilized.
2. The records are then checked to ensure that each of the fields has a valid code in it (e.g., company numbers must be entered as four-digit numerals).
3. Relationship edits which evaluate the interrelationship between codes are then performed. For example, if a record indicates North Carolina, Homeowners, Form 3, checks are made to ascertain that applicable interrelationships are maintained.
4. Distributional edits are performed to make sure that the reporting company has not erred in miscoding its data into a single class, territory, or other rating criteria due a systems problem or other error.
5. The resulting combined data from all the company records are reconciled with Statutory Page 14 Annual Statement data for that company.
6. After all of the ISO data are aggregated, a consolidated review of the data is conducted to determine overall reasonableness and accuracy. In this procedure the data are compared with previous statewide and territory figures. Areas of concern are identified, and results are verified by checking back to the source data.

ISS Editing Procedures

The following narrative sets forth a general description of the editing procedures utilized by ISS to review North Carolina statistical data. All North Carolina experience submitted to the ISS by affiliated companies undergoes standard procedures to ensure that the data is reported in accordance with the ISS's approved statistical plans.

ISS's review of the data takes place on two levels: analysis of individual company data and analysis of the aggregate data of all the companies combined. These two separate functions will be treated in that order.

**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**ISS Editing Procedures (continued)Analysis of Company Data

Analysis of company data includes: completeness checks, editing for valid coding and checking the distribution of data among the various data elements.

1. Completeness Checks (Balancing and Reconciliation):

Balancing and reconciliation procedures are used to determine completeness of reporting. Completeness means that the ISS has received and processed all of the data due to be filed with the ISS. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that ISS has processed completely the experience included in the company's submission of data and that no errors occur during this processing. As a second check for completeness, the reported statistical data is reconciled to Statutory Page 14 totals from the company's Annual Statement. It is a useful procedure in determining completeness because the annual statement represents an independent source of information.

2. Editing of Codes:Format and Readability

Statistical data reported by affiliated companies must be filed in accordance with ISS's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for ISS to properly read and process these submissions. The initial edit is a test of each company's submission to ensure it has been reported using the proper record format and that it meets certain technical requirements for the line of insurance being reported. Key fields are tested to ensure that only numeric information has been reported in fields defined as numeric, and that the fields have been reported in the proper position in the record.

Relational Edits

The data items of information filed with the insurance company's experience are reported by using codes defined under ISS's statistical plans. For example, the various types of Policy Forms written on Homeowners policies in North Carolina are defined in the Personal Lines Statistical Plan. Each definition for each data element has a unique code assigned to it which distinguishes it from other definitions. All data items applicable to North Carolina are defined in a similar manner in each of ISS's statistical plans and have codes assigned to properly identify each definition.

All records reported to ISS are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined ISS Statistical Plan codes for North Carolina experience.

The purpose of the edit is to validate the statistical codes reported in each record. This validation is called a Relation Edit. A relational edit verifies that a reported code is valid in combination with one or more related data items. Relational edit tests are accomplished primarily through the use of specific edit tables applicable to each line of insurance.

**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**ISS Editing Procedures (continued)

In most cases, the experience data in the record is used in conjunction with the related codes and compared to an establishment or discontinued date for the code being validated. This ensures that specific codes are not being utilized beyond the range of time during which they are valid.

An example of a relational edit involves territory coding. Many territory code numbers are available under each statistical plan for various states, with various effective dates. However, only codes defined for North Carolina for the specific line being processed are valid in combination with North Carolina reported experience. Further, if a new code is erected, that code will be considered valid only if the date reported in the statistical record is equal or subsequent to the establishment date of the code.

3. Distributional Analysis:

The validation of the codes is not by itself sufficient to assure the credibility of company data. Having assured the reporting of valid codes, the statistical agent must verify that valid entries are indeed reliable. Therefore, the data is also reviewed for reasonable distributions. The primary focus of this review is to establish that the statistical data reported by the company is a credible reflection of the company's experience.

The distribution of company experience by specific data elements such as state, territory, policy form, and construction, for example, for the current reporting period is compared to company profiles of prior periods. In addition, ratios relevant to the line of insurance such as average premium, average loss, volume, loss ratio and loss frequency are compared to industry averages. This historical comparison can highlight changes in the pattern of reporting.

The distributional analysis serves as an additional verification that systematic errors are not introduced during the production of data files submitted to ISS by our affiliated companies. Disproportionate amounts of premiums and/or losses in a particular class or territory, for example, can be detected using this technique.

4. Validation of Aggregate Data

After the individual company has been reviewed, the data for all reporting companies is compiled to produce aggregate reports. The aggregate data represents the combined experience of many companies. This data is also subjected to similar review procedures. To ensure completeness, run to run control techniques are applied. This involves balancing the totals of the aggregate runs to previously verified control totals. In this manner the aggregate data is monitored to ensure the inclusion of the appropriate company data.

The aggregate data is also reviewed for credibility through distributional analysis similar to that performed on the individual company data. Earned exposures (where applicable) and premiums and incurred losses and claims are used to calculate pure premiums, claim frequencies and claim costs for comparison to past averages. The analysis of the aggregate data centers on determining consistency over time by comparing several years of experience, by coverage and class, or territory, for example. Through the application of these techniques, ISS is able to provide reliable insurance statistical data in North Carolina.

**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**NISS Editing Procedures

- a. Every report received is checked for completeness. Every submission must include (1) an affidavit; (2) a letter of transmittal setting forth company control totals for the data being sent; (3) the data submitted via the NISS website.
- b. Individual company submissions are balanced to the company letter of transmittal to ensure that all data have been received and processed. After all data has been received, the company reports are reconciled to the Annual Statement Statutory Page 14 amounts. The NISS Financial Reconciliation identifies any amounts needed to reconcile any differences between the company reported data and Annual Statement amounts.
- c. Every company record submitted to NISS is verified through NISS edit software for its coding accuracy and conformance with NISS record layouts and instructions. NISS edits verify the accuracy of each code for each data element. Where possible, each data element is subjected to a relational edit whereby it will be checked for accuracy in conjunction with another field.
- d. Individual company submissions are also subjected to a series of reasonability tests to determine that the current submission is consistent with previous company submissions, known changes in this line of business and statewide trends. NISS compares current year data to the previous year. This comparison is performed and analyzed by grouping data.
- e. After all of the NISS data are combined, a review of this consolidated data is also performed. The aggregate data is compared on a year to year basis to again verify its reasonableness, similar to those checks employed on an individual company submission.

AAIS Editing Procedures

The American Association of Insurance Services functions as an official statistical agent in the State of North Carolina for a number of lines of insurance, including Homeowners. In this capacity, it provides for the administration of statistical programs in accordance with approved statistical plans on behalf of the Commissioner of Insurance. These plans, which were filed according to the requirements of the State of North Carolina, serve to ensure a high quality of data reliability.

1. All statistical plans constitute permanent calls for data, which is due at AAIS within 60 days following the close of the period covered by the report.
2. The AAIS data collection procedure consists of several consecutive steps in order to further verify receipt of accurate and complete data from each company and ultimately aggregate the data into the final experience format.

**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**AAIS Editing Procedures (continued)

3. The data collection procedure begins with the company uploading their data file into the AAIS secure online Statistical Data Management Application (SDMA). The SDMA verifies certain key fields, calculates transmittal totals for verification, and houses the edit program. The key fields are company number, line of insurance, transaction code and report period (quarter and year). All invalid key fields must be corrected before the data proceeds to the next step. Once all key fields have been validated, the data moves on to the edit program.
4. The edit program has several functions and reports. They are:
  - a. Data is balanced to transmittal totals and submitting companies are verifying this upon submission of their data using our Statistical Data Management Application (SDMA).
  - b. Each statistical field is edited to the valid codes in the statistical plan for the line being processed. Many fields are also cross edited. An example is deductible type and amount. All invalid codes are identified with an asterisk to the right of the code.
  - c. Edit reports consist of a listing of invalid records, error summary report, month report, state report and field error detail report.
  - d. Data distributions are monitored by the Statistical Reporting staff in conjunction with AAIS Actuaries. Material quality problems are logged by the Data Governance Steering Committee and the offending affiliate is notified of the error.
  - e. Along with the edit and distribution reports, there are additional review procedures in place to identify procedural reporting errors that may exist (e.g., cancellations and coverage changes). A great deal of time is spent on this item because of its importance to the validity of the reported data.
  - f. The Statistical Data Management Application (SDMA) performs analysis of a company's data and provides the company with a customized letter stating that their data was accepted by AAIS. Throughout the submission and editing process, the SDMA provides a status for the submission indicating the type of action required. Depending on the severity of errors, companies are requested to make corrections or resubmit data.
5. AAIS provides assistance to all of its affiliated companies to ensure a continued high level of data quality. Statistical coding seminars designed to instruct company coders and respond to questions are scheduled annually. In addition to the seminars, AAIS has developed Statistical Training Manuals for some lines and pre-edit programs for company in-house use. Technical Services staff is available to train company personnel in all aspects of data collection, coding, statistical reporting and data processing.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Given the selected underwriting profit provision contained in the filing, the pro forma statutory return on net worth (equity capital) of 7.43% is shown in the filing and the pre-filed testimony of G. Zanjani. Also shown therein is the ratio of net worth to surplus of 1.122. Accordingly, the corresponding return on statutory capital and surplus would be 8.34% for Homeowners insurance. Based on data from A.M. Best's Aggregates and Averages, the 5-year average ratio of surplus to assets is .380. Accordingly, the corresponding return on assets would be 3.17% for Homeowners insurance.

See also pre-filed testimony of G. Zanjani.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

**13. LEVEL OF CAPITAL AND SURPLUS NEEDED TO SUPPORT PREMIUM WRITINGS  
WITHOUT ENDANGERING THE SOLVENCY OF MEMBER COMPANIES**

- (a) The weighted average premium to surplus ratios (weighted by North Carolina Homeowners Direct Premiums Written) for the calendar years 2013-2022 for the company groups which wrote North Carolina Homeowners insurance in each of those years:

<b>Year</b>	<b>Ratio</b>
<b>2022</b>	1.09
<b>2021</b>	0.90
<b>2020</b>	0.93
<b>2019</b>	0.96
<b>2018</b>	1.02
<b>2017</b>	0.98
<b>2016</b>	0.98
<b>2015</b>	0.98
<b>2014</b>	0.98
<b>2013</b>	0.98

Note: These data are based on statutory filings as compiled by the NAIC.

- (b) The estimate of the future premium to surplus ratio is based on the 10-year average of the past premium to surplus ratios. See the pre-filed testimony of G. Zanjani.
- (c) The necessary level of capital and surplus to support particular coverages varies by line, and the Rate Bureau regards the ratios shown in (a) as indicative of levels typical within the industry for the lines of business covered by this filing. The actual level of capital and surplus needed to support premium writings without endangering the solvency of a company is dependent upon (among others) the financial structure and investments unique to each company, the relationship of the company with affiliated companies as a group (and the experience of the affiliated companies), the mix of business of each company, and the conditions of the economy as they affect each company's individual circumstances. The Rate Bureau is advised that the National Association of Insurance Commissioners, as one of several criteria, generally considers that a premium to surplus ratio for an individual company of 3 to 1 warrants close regulatory attention and monitoring with respect to the company's solvency position.
- (d) The Rate Bureau has determined the premium to surplus ratio for Homeowners insurance in North Carolina based on the weighted average premium to surplus ratios for insurance groups writing homeowners insurance in North Carolina, where the weights are the actual premiums written for Homeowners insurance. The premium to surplus ratios of the insurers actually writing this business in North Carolina is representative of the leverage relevant for this line and state. The Rate Bureau has not further allocated surplus within these insurers across lines and states in this or other filings in North Carolina.

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

- (a) See pre-filed testimony of P. Anderson, P. Ericksen, M. Mao and G. Zanjani.
- (b) See attached exhibit 14 (b).
- (c) See attached exhibit 14 (c).
- (d) See attached exhibit 14 (d).





**Property Rating Subcommittee  
Meeting Agenda**

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**Date: May 25, 2023**

**Time: 9:00 AM (ET)**

**Zoom Teleconference**

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Call in: 929.205.6099 / 877.853.5257 Meeting ID: 864 408 3402

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1. **Welcome**
2. **Roll Call**
3. **Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)**
4. **2023 Dwelling Rate Review**

Aon will present the Net Cost of Reinsurance (NCOR) Review, **Exhibit 4** and **Exhibit 5**.  
ISO will present **Exhibit 6**, which includes the Dwelling Indication summary. **Exhibit 7** is the detailed excel file for the Dwelling Rate Review Package.  
The Committee will be asked to make a recommendation to the Property Committee on the Dwelling review.
5. **Homeowner 2024 Rate Review - Exposure Trend**

ISO will present **Exhibit 8** on exposure trend.  
The committee will be asked to make selections on the exposure trend.
6. **Report of Staff**
7. **Report of Counsel**
8. **Other Business**
9. **Adjournment**

AM:ko  
PRS-23-4  
Attachments  
5/19/2023



## NORTH CAROLINA RATE BUREAU

### ANTITRUST COMPLIANCE POLICY AND BOARD RESOLUTION

**Whereas**, it is the established policy of the North Carolina Rate Bureau to comply fully with all laws and regulations applicable to its operations; and

**Whereas**, the creation and operation of the North Carolina Rate Bureau is to promulgate rates and forms, and because the activities and functions bring together representatives of insurance companies that may be in competition, it is the policy of the NCRB, in the course of its activities and functions, to discourage and prohibit the disclosure of competitive information.

**Resolved**, that the following antitrust guidelines are adopted by the Governing Committee of the NCRB.

These guidelines apply to those individuals and alternates who serve on the NCRB Governing Committee, NCRB committees and subcommittees and NCRB task forces and any other individual in attendance at an NCRB meeting.

1. In performing the statutory duties of the North Carolina Rate Bureau, avoid any action or statement which would give the appearance of private motivation.
2. Conduct business at regularly scheduled, formal meetings where minutes are kept and counsel is present.
3. Do not hold "informal" meetings or "rump sessions" at which any agreements or understandings are reached or any decisions are made.
4. Do not authorize, agree to, engage in or even discuss any activity which might be interpreted as boycott, coercion or intimidation.
5. Specifically, do not authorize, agree to, engage in or even discuss any division of markets, allocation of customers or refusal to do business with any individual or business organization.
6. Do not discuss individual company results, or current or future marketing or pricing strategies or business plans.
7. When in doubt, consult counsel.



**NORTH CAROLINA RATE BUREAU**  
**CONFLICTS OF INTEREST STATEMENT**

**Whereas**, the North Carolina Rate Bureau affirms its confidence in the loyalty and integrity of its Governing Committee, Bureau employees, agents, consultants and member representatives including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces; and

**Whereas**, it is the policy of the Bureau that members of the governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces conduct their personal and business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities owed to the Bureau; and

**Now therefore**, it is resolved that the Governing Committee hereby adopts the following policy addressing conflicts of interest:

It is the Bureau's policy that the Governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces shall not permit private interests to conflict with the proper discharge of his or her duties, nor shall one's position or the knowledge gained therein be used to further such interests. In addition, each said person shall conduct his or her private affairs in such manner as to avoid giving the appearance of any such conflict.

Any person having a conflict of interest on a matter shall not vote, take action, or use his or her personal influence on the matter. However, he or she may be counted in determining the quorum for a meeting where action on the matter may be taken. The minutes of any such meeting shall reflect that a disclosure was made and the abstention from voting.

It is understood and acknowledged by the Governing Committee that, as a result of the Bureau's unique structure and relationship to its members, many representatives of the Bureau will have certain inherent and obvious interest unique to his or her position held outside of the Bureau structure. This Policy is not intended to require a disclosure of such obvious situations at every meeting. This Policy should however serve as a reminder to those individuals who find themselves in that situation that, when taking action on behalf of the Bureau, they must make decisions that they believe to be in the best interest of the Bureau and its member companies and put aside other interests they represent.

## NORTH CAROLINA RATE BUREAU

### CODE OF ETHICS AND STANDARDS OF CONDUCT

The undersigned, an individual committee member or a representative of a company member (on behalf of his/her company) on a committee of the North Carolina Rate Bureau ("Bureau") (a "member"), hereby agrees to conform to the following code of ethics and to abide by the following standards of conduct:

1. Each member's conduct shall be marked by integrity and dignity, and he or she shall expect and encourage such conduct by others.
2. Each member should understand and support the Bureau's mission, purposes, goals, policies, programs, services, strengths and needs and be able to communicate them to others. In the performance of his or her duties, each member shall obey all applicable state, local and federal laws, rules and regulations.
3. Each member agrees to be governed by a spirit of cooperation, helpfulness and frankness in his or her relationship with fellow members to the end that each shall be equipped, through cooperative measures and exchanges of ideas, to better perform and function, and to foster the advancement and prestige of the Bureau.
4. Each member shall respect the confidential and proprietary nature of information received in the performance of his, hers or its duties and shall not divulge any privileged, confidential or proprietary information of the Bureau (including without limitation privileged work product and attorney/client communication) unless legally discharged from such obligation. No member shall have authority to waive or compromise any claim of privilege or confidentiality unless authorized to do so. Individual representatives of a company shall not share privileged, confidential or proprietary information of the Bureau with persons within his/her company unless such persons are informed of the company's obligations under this agreement.
5. Each member agrees that he or she does not and shall not speak or act on behalf of the Bureau unless authorized to do so.
6. Each member agrees to observe the policies and procedures of the Bureau, including without limitation the Antitrust Compliance Policy and the Conflicts of Interest Statement.
7. Each member shall seek to avoid any perception that he or she is not acting in the Bureau's best interest.

# Exhibit 8

## NORTH CAROLINA

### HOMEOWNERS INSURANCE

#### AVERAGE EXPOSURE PER POLICY ANNUAL RATE OF CHANGE

Accident Year	Average Exposure Per Policy		
	Owners (Coverage A)	Tenants (Coverage C)	Condominium Unit Owners (Coverage C)
2017	260,768	27,810	51,317
2018	269,061	26,998	52,330
2019	281,550	26,254	53,312
2020	292,797	25,623	54,020
2021	306,497	25,440	54,808
<b>Annual Rate of Change</b>			
5-Year Average (2017 - 2021)	+4.2%	-2.3%	+1.6%
4-Year Average (2018 - 2021)	+4.4%	-2.0%	+1.5%
3-Year Average (2019 - 2021)	+4.3%	-1.6%	+1.4%
<b>Selected Annual Rate of Change</b>			



MINUTES OF THE VIRTUAL MEETING OF THE PROPERTY RATING SUBCOMMITTEE  
OF THE NORTH CAROLINA RATE BUREAU HELD MAY 25, 2023

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MEMBERS PRESENT

Allstate Insurance Company  
American Modern Home Insurance Company  
  
Foremost Insurance Company  
Nationwide Mutual insurance Company  
NC Farm Bureau Mutual Insurance Company  
  
State Farm Mutual Automobile Insurance Company  
The Travelers Insurance Company  
United Services Automobile Association

OTHERS PRESENT

Aon  
  
Insurance Services Office  
  
Consultant  
Milliman  
Young Moore and Henderson, P.A.  
  
Staff

REPRESENTED BY

Gary Wierzbicki  
Diana Matalka  
Val Schneider  
Matthew York  
Sara Behrend  
Matt Beamon  
Rich Phillips  
Jennifer Heizer  
Lois Cappellano  
Nick Kunkle

REPRESENTED BY

Angelo Besana  
Minchong Mao  
Steve Conover  
Paul Ericksen  
David Markowitz  
George Zanjani  
Paul Anderson  
Brian Beverly  
Mickey Spivey  
David Ball\*  
Joanna Biliouris  
Jarred Chappell  
Keri Johnson  
Andy Montano  
Rebecca Williams

\*Partial attendance

The meeting commenced at approximately 9:00 A.M., Mr. Wierzbicki presiding. Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. 2023 Dwelling Rate Level Review

Attention was directed to exhibits prepared by Aon and previously distributed with respect to Net Cost of Reinsurance (NCOR). Mr. Besana reviewed the exhibits in detail, beginning with the methodology for determining the NCOR factor to be used in the preliminary dwelling rate indications, which he noted considers reinsurance model pricing, determines appropriate coverage levels, and optimizes layer structure. Mr. Besana then continued his presentation with a review of pricing options, noting the

coverage levels and layer structure used in the pricing and showing various year over year changes. He noted that the reinsurance market has been hardening, and he described the impact on the NCOR.

Following discussion, a motion was made, seconded and passed to adopt the NCOR analysis as presented and to select the resulting NCOR provision for use in the Dwelling rate review.

Attention was then directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed regarding the preliminary rate level indications, which reflected the various selections made by the subcommittee in previous meetings. Mr. Conover reviewed the exhibit in detail and summarized the 2022 rate filing and 2023 rate review. Mr. Conover continued his review with a comparison of key rating components and trend factors, along with a breakdown of the indications and rate level changes by territory for both fire and extended coverage.

Following discussion, a motion was made, seconded and passed unanimously to recommend the Dwelling indications to the Property Committee.

2. 2024 Homeowners – exposure trend selections

ISO reviewed the 2024 Homeowner exposure trend information previously distributed with the meeting materials.

Following discussion, a motion was made, seconded and passed unanimously to select the Homeowner exposure trends for use in the Homeowner rate review.

3. Report of Staff

Mr. Montano stated that the voluntary private passenger auto rate filing remains outstanding and that the Rate Bureau has been working on responses to various data requests from the Department of Insurance. Mr. Montano also reported that the property committees will begin reviewing ISO's 2022 Homeowners Multistate program and that this committee will be asked to consider any rating impacts of the program.

4. Report of Counsel

Mr. Beverly stated that there have been no new developments since the previous meeting of the Subcommittee.

5. Adjournment

There being no other business, the meeting was adjourned.

Respectfully Submitted,

Andy Montano

Director, Personal Lines

AM:ko  
PRS-23-4  
6/13/2023



## Property Rating Subcommittee Meeting Agenda

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**Date: October 18, 2023**

**Time: 2:00 PM (ET)**

**Zoom Teleconference**

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Call in: 929.205.6099 / 877.853.5257 Meeting ID: 864 408 3402

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1. **Welcome**
2. **Roll Call**
3. **Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)**
4. **2024 Homeowners Rate Level Review**

The Committee will review Exposures, Modeled Hurricane Losses, Net Cost of Reinsurance (NCOR), and Compensation for Assessment Risk, **Exhibits 4 and 5**.

The Committee will be asked to make selections to be used in the Homeowners preliminary rate indication.
5. **Senate Bill 452**

Staff will review recent legislative changes impacting ratemaking in North Carolina.
6. **Report of Staff**
7. **Report of Counsel**
8. **Other Business**
9. **Adjournment**

AM:ko  
PRS-23-6  
Attachments  
10/11/2023



**NORTH CAROLINA RATE BUREAU**

**ANTITRUST COMPLIANCE POLICY AND  
BOARD RESOLUTION**

**Whereas**, it is the established policy of the North Carolina Rate Bureau to comply fully with all laws and regulations applicable to its operations; and

**Whereas**, the creation and operation of the North Carolina Rate Bureau is to promulgate rates and forms, and because the activities and functions bring together representatives of insurance companies that may be in competition, it is the policy of the NCRB, in the course of its activities and functions, to discourage and prohibit the disclosure of competitive information.

**Resolved**, that the following antitrust guidelines are adopted by the Governing Committee of the NCRB.

These guidelines apply to those individuals and alternates who serve on the NCRB Governing Committee, NCRB committees and subcommittees and NCRB task forces and any other individual in attendance at an NCRB meeting.

1. In performing the statutory duties of the North Carolina Rate Bureau, avoid any action or statement which would give the appearance of private motivation.
2. Conduct business at regularly scheduled, formal meetings where minutes are kept and counsel is present.
3. Do not hold "informal" meetings or "rump sessions" at which any agreements or understandings are reached or any decisions are made.
4. Do not authorize, agree to, engage in or even discuss any activity which might be interpreted as boycott, coercion or intimidation.
5. Specifically, do not authorize, agree to, engage in or even discuss any division of markets, allocation of customers or refusal to do business with any individual or business organization.
6. Do not discuss individual company results, or current or future marketing or pricing strategies or business plans.
7. When in doubt, consult counsel.



**NORTH CAROLINA RATE BUREAU**  
**CONFLICTS OF INTEREST STATEMENT**

**Whereas**, the North Carolina Rate Bureau affirms its confidence in the loyalty and integrity of its Governing Committee, Bureau employees, agents, consultants and member representatives including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces; and

**Whereas**, it is the policy of the Bureau that members of the governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces conduct their personal and business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities owed to the Bureau; and

**Now therefore**, it is resolved that the Governing Committee hereby adopts the following policy addressing conflicts of interest:

It is the Bureau's policy that the Governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces shall not permit private interests to conflict with the proper discharge of his or her duties, nor shall one's position or the knowledge gained therein be used to further such interests. In addition, each said person shall conduct his or her private affairs in such manner as to avoid giving the appearance of any such conflict.

Any person having a conflict of interest on a matter shall not vote, take action, or use his or her personal influence on the matter. However, he or she may be counted in determining the quorum for a meeting where action on the matter may be taken. The minutes of any such meeting shall reflect that a disclosure was made and the abstention from voting.

It is understood and acknowledged by the Governing Committee that, as a result of the Bureau's unique structure and relationship to its members, many representatives of the Bureau will have certain inherent and obvious interest unique to his or her position held outside of the Bureau structure. This Policy is not intended to require a disclosure of such obvious situations at every meeting. This Policy should however serve as a reminder to those individuals who find themselves in that situation that, when taking action on behalf of the Bureau, they must make decisions that they believe to be in the best interest of the Bureau and its member companies and put aside other interests they represent.

## NORTH CAROLINA RATE BUREAU

### CODE OF ETHICS AND STANDARDS OF CONDUCT

The undersigned, an individual committee member or a representative of a company member (on behalf of his/her company) on a committee of the North Carolina Rate Bureau ("Bureau") (a "member"), hereby agrees to conform to the following code of ethics and to abide by the following standards of conduct:

1. Each member's conduct shall be marked by integrity and dignity, and he or she shall expect and encourage such conduct by others.
2. Each member should understand and support the Bureau's mission, purposes, goals, policies, programs, services, strengths and needs and be able to communicate them to others. In the performance of his or her duties, each member shall obey all applicable state, local and federal laws, rules and regulations.
3. Each member agrees to be governed by a spirit of cooperation, helpfulness and frankness in his or her relationship with fellow members to the end that each shall be equipped, through cooperative measures and exchanges of ideas, to better perform and function, and to foster the advancement and prestige of the Bureau.
4. Each member shall respect the confidential and proprietary nature of information received in the performance of his, hers or its duties and shall not divulge any privileged, confidential or proprietary information of the Bureau (including without limitation privileged work product and attorney/client communication) unless legally discharged from such obligation. No member shall have authority to waive or compromise any claim of privilege or confidentiality unless authorized to do so. Individual representatives of a company shall not share privileged, confidential or proprietary information of the Bureau with persons within his/her company unless such persons are informed of the company's obligations under this agreement.
5. Each member agrees that he or she does not and shall not speak or act on behalf of the Bureau unless authorized to do so.
6. Each member agrees to observe the policies and procedures of the Bureau, including without limitation the Antitrust Compliance Policy and the Conflicts of Interest Statement.
7. Each member shall seek to avoid any perception that he or she is not acting in the Bureau's best interest.

# 2023 North Carolina Homeowners Rate Review

10/18/2023

# 2023 North Carolina Homeowners Rate Review

## Reconciliation of Exposure Changes Since Last Filing

- For each review, the latest year's exposure data is used to run the hurricane models
- For the current review, the year being used is 2021; the previous review used 2018
- Between the two reviews, the total trended exposures have increased by roughly 37%
- The main drivers of the increase in exposures are:
  - An increase in earned house years
  - An increase in the average amount of insurance (AOI)
  - An increase in exposure trend
- The Owners total limits factors also increased slightly

# 2023 North Carolina Homeowners Rate Review

## Summary of Changes

- The table below shows the amount that the current values for the main components of the trended exposures have changed versus the values from the previous review
  - For the earned house years and average AOI, the changes include the effects of company mix and annual changes
- Changes in company mix did have a minor impact, but most of the growth in the trended exposures is due to steady annual increases in the components

Component	Owners Changes	Tenants Changes	Condos Changes	All Forms Changes
Earned House Years	+5.2%	+10.8%	+6.2%	+6.2%
Average AOI	+14.8%	-5.4%	+4.7%	+13.4%
Exposure Trend	+12.5%	+10.9%	+12.9%	+12.6%
<b>Total</b>	<b>+35.9%</b>	<b>+16.2%</b>	<b>+25.5%</b>	<b>+35.6%</b>

# 2023 North Carolina Homeowners Rate Review

## Changes in Company Mix

- The tables below show how company mix has impacted the 2018 values for the earned house years and average AOI
- 2018 Earned House Years:

Owners				Tenants			Condos			All Forms Combined		
Region	C18	C21	Change	C18	C21	Change	C18	C21	Change	C18	C21	Change
Beach	30,159	39,217	+30.0%	2,066	2,061	-0.2%	2,276	2,266	-0.4%	34,501	43,544	+26.2%
Coast	168,828	179,546	+6.3%	25,324	24,963	-1.4%	8,957	8,899	-0.6%	203,109	213,408	+5.1%
Inland	1,756,616	1,685,260	-4.1%	389,426	380,087	-2.4%	68,521	67,576	-1.4%	2,214,563	2,132,923	-3.7%
<b>Statewide</b>	<b>1,955,603</b>	<b>1,904,023</b>	<b>-2.6%</b>	<b>416,816</b>	<b>407,111</b>	<b>-2.3%</b>	<b>79,754</b>	<b>78,741</b>	<b>-1.3%</b>	<b>2,452,173</b>	<b>2,389,875</b>	<b>-2.5%</b>

- 2018 Average AOI:

Owners				Tenants			Condos			All Forms Combined		
Region	C18	C21	Change	C18	C21	Change	C18	C21	Change	C18	C21	Change
Beach	297,579	349,526	+17.5%	26,542	26,490	-0.2%	34,343	34,294	-0.1%	263,983	317,832	+20.4%
Coast	250,150	258,305	+3.3%	25,781	25,826	+0.2%	43,052	42,538	-1.2%	213,042	222,114	+4.3%
Inland	267,950	268,335	+0.1%	26,959	27,077	+0.4%	54,454	54,223	-0.4%	218,967	218,559	-0.2%
<b>Statewide</b>	<b>266,871</b>	<b>269,061</b>	<b>+0.8%</b>	<b>26,885</b>	<b>26,998</b>	<b>+0.4%</b>	<b>52,599</b>	<b>52,329</b>	<b>-0.5%</b>	<b>219,109</b>	<b>220,685</b>	<b>+0.7%</b>

# 2023 North Carolina Homeowners Rate Review

## Annual Changes in Earned House Years

- The table below shows the annual changes in the earned house years from 2018 to 2021 in the current review:

Accident Year	Owners		Tenants		Condos		All Forms Combined	
	Earned House Years	Annual Change	Earned House Years	Annual Change	Earned House Years	Annual Change	Earned House Years	Annual Change
2018	1,904,023		407,111		78,741		2,389,875	
2019	1,947,707	+2.3%	424,286	+4.2%	81,709	+3.8%	2,453,702	+2.7%
2020	2,007,113	+3.1%	447,386	+5.4%	84,977	+4.0%	2,539,476	+3.5%
2021	2,056,820	+2.5%	461,761	+3.2%	84,715	-0.3%	2,603,296	+2.5%
<b>Total</b>		<b>+8.0%</b>		<b>+13.4%</b>		<b>+7.6%</b>		<b>+8.9%</b>



# 2023 North Carolina Homeowners Rate Review

## Annual Changes in Average Amounts of Insurance

- The table below shows the annual changes in the average AOI from 2018 to 2021 in the current review:

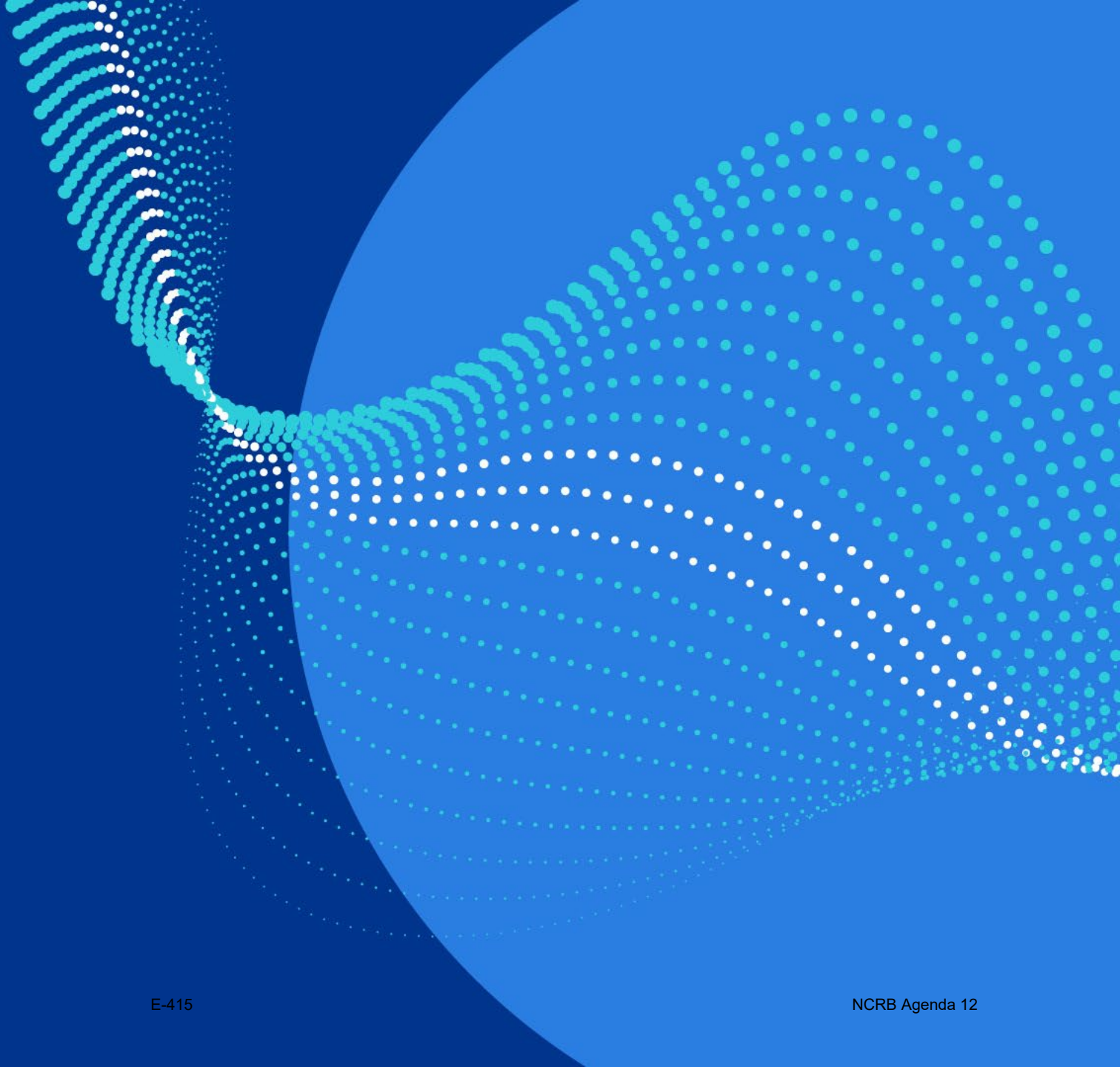
Accident <u>Year</u>	Owners		Tenants		Condos		All Forms Combined	
	Average <u>AOI</u>	Annual <u>Change</u>	Average <u>AOI</u>	Annual <u>Change</u>	Average <u>AOI</u>	Annual <u>Change</u>	Average <u>AOI</u>	Annual <u>Change</u>
2018	269,061		26,998		52,329		220,685	
2019	281,550	+4.6%	26,254	-2.8%	53,311	+1.9%	229,805	+4.1%
2020	292,797	+4.0%	25,623	-2.4%	54,031	+1.4%	237,738	+3.5%
2021	306,497	+4.7%	25,440	-0.7%	55,045	+1.9%	248,462	+4.5%
<b>Total</b>		<b>+13.9%</b>		<b>-5.8%</b>		<b>+5.2%</b>		<b>+12.6%</b>

# 2023 North Carolina Homeowners Rate Review

## Changes in Exposure Trend

- In the current review, the average annual rates of change in the AOIs for Owners and Condos have grown compared to the previous review
- For Tenants, after steady decreases in the average AOI for years, 2021 shows only a modest decrease
- These changes have resulted in higher selected annual rates of changes for all forms:

Policy Form Group	C18 Selected AROC	C18 Exposure Projection Factor	C21 Selected AROC	C21 Exposure Projection Factor	Change in Projection Factors
Owners	+2.0%	1.084	+5.0%	1.220	+12.5%
Tenants	-2.5%	0.902	0.0%	1.000	+10.9%
Condos	-1.0%	0.960	+2.0%	1.084	+12.9%
<b>Total</b>		<b>1.079</b>		<b>1.215</b>	<b>+12.6%</b>





**AON**

**Exhibit 5**

**North Carolina  
Rate Bureau**

**Homeowners  
Catastrophe Loss  
and Reinsurance  
Review**

**CY2021**

**October 2023**







# Exposure Summary



E-417

NCRB Agenda 14

**NCRB CY21 Homeowners Trended  
Control Totals  
Total Coverage and Risk Count  
Homeowners by Territory and Policy Form Group**

Territory	PFG 11 (Owner)		PFG 14 (Tenant)		PFG 16 (Condo)	
	Earned House Years	Earned AOI Years	Earned House Years	Earned AOI Years	Earned House Years	Earned AOI Years
110	19,665	10,363,782	348	9,420	325	12,646
120	19,920	9,289,473	844	21,794	1,982	78,322
130	13,295	4,893,201	533	16,914	232	10,743
140	95,182	38,166,164	13,817	328,446	6,431	299,545
150	50,080	16,258,408	4,980	135,334	671	40,680
160	42,444	12,908,538	7,355	164,410	1,638	91,405
170	4,377	1,234,949	532	15,333	0	0
180	51,716	15,951,025	15,052	331,261	848	37,902
190	12,777	3,636,964	1,736	47,757	11	695
200	5,713	1,665,377	502	12,831	1	27
210	20,405	5,863,800	4,490	109,269	59	4,094
220	58,534	18,458,721	14,280	299,182	1,301	61,530
230	13,951	3,907,276	2,261	51,486	55	2,085
240	84,720	27,155,311	11,256	291,993	278	21,839
250	35,094	10,976,757	4,745	117,741	96	4,948
260	27,516	9,079,356	3,900	93,014	17	732
270	289,981	123,962,086	107,176	2,685,094	12,611	757,029
280	45,185	21,720,956	13,973	392,186	2,697	185,004
290	36,129	14,299,720	5,024	148,031	1,062	64,742
300	13,709	4,049,448	1,277	34,896	27	1,418
310	269,318	91,597,436	69,791	1,717,365	9,479	573,270
320	136,351	44,924,005	20,661	553,749	2,051	114,204
330	7,358	2,179,181	608	18,022	27	1,809
340	311,222	131,992,179	103,988	2,605,440	29,735	1,832,285
350	97,769	32,244,330	14,248	377,247	1,744	97,151
360	202,816	76,032,177	31,112	952,902	8,243	565,839
370	11,808	4,710,897	550	18,777	1,561	83,297
380	37,513	14,512,387	2,924	97,623	871	54,888
390	42,289	17,073,707	3,836	101,043	659	56,791
<b>Total</b>	<b>2,056,840</b>	<b>769,107,610</b>	<b>461,800</b>	<b>11,748,560</b>	<b>84,712</b>	<b>5,054,919</b>



# NCRB CY21 Homeowners Trended Total Summary Homeowners by Territory and Policy Form Group

Territory	Policy	Current				Change			
		Home Count	TIV	Coverage Limit	Deductible	Home Count	TIV	Coverage Limit	Deductible
110	11	19,665	19,774,707,584	19,774,095,432	19,664,614	41.2%	119.8%	120.4%	41.2%
110	14	348	28,466,157	11,304,314	173,935	-1.3%	-0.5%	1.3%	-1.3%
110	16	325	30,762,994	18,029,170	162,486	14.3%	22.7%	36.6%	14.3%
120	11	19,920	17,558,964,112	17,557,103,793	19,920,202	22.6%	89.8%	90.8%	22.6%
120	14	844	67,984,660	26,152,962	421,831	-50.7%	-49.3%	-45.8%	-50.7%
120	16	1,982	188,839,238	111,632,529	991,190	-0.8%	6.4%	18.1%	-0.8%
130	11	13,295	9,248,523,549	9,238,363,500	13,295,039	17.9%	39.1%	39.5%	17.9%
130	14	533	46,081,069	20,296,758	266,366	11.7%	14.4%	19.4%	11.7%
130	16	232	23,688,685	15,272,622	116,103	6.1%	12.6%	21.4%	6.1%
140	11	95,182	72,226,116,052	72,210,383,070	95,181,967	24.8%	71.5%	72.5%	24.8%
140	14	13,817	1,084,907,627	394,134,747	6,908,329	-0.9%	1.1%	5.8%	-0.9%
140	16	6,431	658,131,446	425,793,716	3,215,385	-3.7%	3.6%	13.6%	-3.7%
150	11	50,080	30,704,319,704	30,663,357,470	50,080,006	10.1%	42.5%	44.4%	10.1%
150	14	4,980	407,998,198	162,401,369	2,490,026	5.0%	5.2%	5.7%	5.0%
150	16	671	78,109,509	57,623,638	335,689	8.2%	14.8%	21.4%	8.2%
160	11	42,444	24,419,162,212	24,345,502,466	42,444,259	16.1%	51.6%	54.8%	16.1%
160	14	7,355	567,132,859	197,291,726	3,677,312	18.4%	18.3%	18.2%	18.4%
160	16	1,638	182,748,903	129,605,764	819,226	11.1%	21.9%	34.6%	11.1%
170	11	4,377	2,383,923,415	2,374,806,657	4,377,016	0.2%	25.6%	28.4%	0.2%
170	14	532	44,446,622	18,399,303	265,880	24.1%	26.6%	31.6%	24.1%
180	11	51,716	30,468,309,749	30,402,653,671	51,715,537	0.6%	25.4%	27.4%	0.6%
180	14	15,052	1,155,353,676	397,513,361	7,525,959	27.0%	26.3%	24.6%	27.0%
180	16	848	85,169,983	53,910,427	423,836	1.0%	7.7%	17.2%	1.0%
190	11	12,777	6,982,551,299	6,950,238,728	12,777,130	-4.8%	19.1%	21.7%	-4.8%
190	14	1,736	142,779,507	57,308,846	867,782	17.0%	18.6%	21.9%	17.0%
190	16	11	1,321,716	983,816	5,624	-26.0%	-34.8%	-40.8%	-26.0%
200	11	5,713	3,167,875,449	3,159,220,730	5,712,926	-4.1%	19.4%	21.8%	-4.1%
200	14	502	40,337,472	15,396,649	251,205	10.9%	9.9%	7.9%	10.9%
200	16	1	89,805	38,660	565	-54.7%	-51.7%	-43.2%	-54.7%
210	11	20,405	11,349,234,146	11,299,543,117	20,405,467	1.7%	28.0%	30.5%	1.7%
210	14	4,490	355,085,400	131,123,148	2,244,896	33.8%	34.9%	37.6%	33.8%
210	16	59	7,574,450	5,790,640	29,654	3.4%	24.3%	40.9%	3.4%
220	11	58,534	35,524,493,155	35,440,743,846	58,533,933	7.9%	34.2%	36.0%	7.9%
220	14	14,280	1,081,039,508	359,018,865	7,140,248	29.4%	29.3%	29.0%	29.4%
220	16	1,301	134,098,520	87,443,834	650,693	11.8%	17.3%	24.2%	11.8%
230	11	13,951	7,513,679,247	7,470,710,798	13,950,672	-0.8%	24.1%	26.7%	-0.8%
230	14	2,261	175,281,600	61,782,811	1,130,556	15.5%	16.1%	17.6%	15.5%
230	16	55	5,178,293	2,973,848	27,747	-16.6%	-12.0%	-4.3%	-16.6%
240	11	84,720	52,487,687,479	52,409,749,991	84,720,155	7.4%	38.1%	40.1%	7.4%
240	14	11,256	908,284,796	350,391,695	5,628,235	28.0%	29.8%	33.7%	28.0%
240	16	278	38,216,459	30,852,595	138,919	5.4%	24.7%	36.5%	5.4%
250	11	35,094	21,128,380,435	21,086,349,858	35,094,385	9.1%	35.5%	37.3%	9.1%
250	14	4,745	377,521,218	141,289,271	2,372,422	22.8%	23.3%	24.4%	22.8%
250	16	96	10,324,415	7,023,210	48,222	23.3%	30.9%	39.9%	23.3%
260	11	27,516	17,545,795,573	17,532,236,364	27,516,130	2.4%	30.5%	31.9%	2.4%
260	14	3,900	306,556,542	111,616,944	1,950,159	24.4%	25.5%	27.9%	24.4%
260	16	17	1,684,458	1,041,969	8,542	7.4%	10.2%	14.0%	7.4%
270	11	289,981	241,680,207,153	241,602,105,133	289,981,304	2.8%	34.8%	35.3%	2.8%
270	14	107,176	8,552,955,613	3,222,112,927	53,587,776	2.2%	4.5%	10.0%	2.2%
270	16	12,611	1,463,538,426	1,072,451,070	6,305,298	9.4%	18.9%	28.6%	9.4%
280	11	45,185	42,362,343,083	42,355,863,231	45,185,202	5.1%	35.4%	35.6%	5.1%
280	14	13,973	1,157,233,345	470,623,046	6,986,735	11.1%	13.2%	17.5%	11.1%
280	16	2,697	335,762,846	261,703,363	1,348,613	5.9%	15.1%	23.3%	5.9%
290	11	36,129	27,480,470,430	27,469,762,956	36,128,856	6.7%	34.3%	34.9%	6.7%
290	14	5,024	423,094,241	177,637,245	2,511,993	19.6%	21.8%	26.3%	19.6%

(continued ...)

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Territory	Policy	Current				Change			
		Home Count	TIV	Coverage Limit	Deductible	Home Count	TIV	Coverage Limit	Deductible
290	16	1,062	123,969,952	91,700,892	530,776	3.7%	12.3%	21.2%	3.7%
300	11	13,709	7,854,805,061	7,827,583,146	13,708,879	2.4%	31.0%	33.7%	2.4%
300	14	1,277	104,828,137	41,875,248	638,649	13.9%	13.9%	14.1%	13.9%
300	16	27	2,911,156	2,011,449	13,395	13.4%	22.3%	32.9%	13.4%
310	11	269,318	178,174,142,632	177,790,622,409	269,318,344	2.7%	31.2%	32.7%	2.7%
310	14	69,791	5,538,411,599	2,060,838,455	34,895,399	14.7%	16.1%	19.1%	14.7%
310	16	9,479	1,103,027,380	812,056,970	4,739,326	3.4%	11.0%	18.5%	3.4%
320	11	136,351	87,360,977,992	87,197,493,230	136,351,399	4.5%	33.8%	35.4%	4.5%
320	14	20,661	1,684,955,753	664,498,272	10,330,659	19.1%	20.2%	22.7%	19.1%
320	16	2,051	228,638,839	161,936,139	1,025,593	2.3%	8.6%	15.6%	2.3%
330	11	7,358	4,255,128,982	4,240,685,956	7,358,359	5.6%	33.3%	35.5%	5.6%
330	14	608	51,332,710	21,626,617	304,206	16.7%	20.9%	29.6%	16.7%
330	16	27	3,288,366	2,559,319	13,267	13.7%	16.7%	19.2%	13.7%
340	11	311,222	256,492,810,713	256,328,811,915	311,222,483	0.6%	31.7%	32.5%	0.6%
340	14	103,988	8,298,806,870	3,126,527,702	51,994,220	7.8%	9.6%	13.8%	7.8%
340	16	29,735	3,502,839,362	2,594,933,635	14,867,420	8.3%	18.2%	27.9%	8.3%
350	11	97,769	62,584,394,756	62,457,267,732	97,769,126	1.5%	30.3%	32.0%	1.5%
350	14	14,248	1,157,318,294	452,696,516	7,123,938	26.8%	27.2%	27.9%	26.8%
350	16	1,744	194,360,989	137,754,692	871,841	7.8%	14.5%	21.9%	7.8%
360	11	202,816	147,498,422,689	147,350,358,789	202,816,106	3.5%	34.9%	35.9%	3.5%
360	14	31,112	2,656,283,656	1,143,482,091	15,555,999	11.6%	13.6%	17.2%	11.6%
360	16	8,243	1,026,236,632	800,417,277	4,121,588	6.1%	16.7%	26.7%	6.1%
370	11	11,808	9,131,837,065	9,125,008,177	11,808,232	7.4%	33.2%	34.2%	7.4%
370	14	550	48,870,715	22,531,839	274,833	1.3%	3.0%	5.9%	1.3%
370	16	1,561	170,426,900	118,177,266	780,586	5.7%	15.5%	27.4%	5.7%
380	11	37,513	28,110,614,109	28,095,981,292	37,512,776	4.9%	35.5%	36.3%	4.9%
380	14	2,924	257,727,510	117,147,452	1,462,136	10.0%	12.6%	17.2%	10.0%
380	16	871	103,443,294	77,714,410	435,365	9.3%	21.0%	33.3%	9.3%
390	11	42,289	33,050,881,357	33,037,622,859	42,289,269	5.8%	33.6%	34.6%	5.8%
390	14	3,836	311,085,373	121,251,642	1,918,195	38.0%	38.1%	38.2%	38.0%
390	16	659	93,945,637	80,166,508	329,283	10.3%	30.2%	45.7%	10.3%
<b>Total</b>		<b>2,603,352</b>	<b>1.535351e+12</b>	<b>1.508054e+12</b>	<b>2,330,095,882</b>	<b>5.9%</b>	<b>35.3%</b>	<b>37.0%</b>	<b>5.4%</b>



# NCRB CY21 Homeowners Trended Summary by Coverage Value Homeowners by Territory and Policy Form Group

Territory	Policy	Home Count	Cov A	Cov B	Cov C	Cov D	Total Coverage
110	11	19,665	10,363,781,673	1,036,378,167	6,301,179,257	2,073,368,487	19,774,707,584
110	14	348	0	0	9,420,262	19,045,895	28,466,157
110	16	325	324,971	0	12,645,856	17,792,167	30,762,994
120	11	19,920	9,289,472,906	928,947,291	5,480,789,015	1,859,754,900	17,558,964,112
120	14	844	0	0	21,794,135	46,190,525	67,984,660
120	16	1,982	1,982,380	0	78,321,534	108,535,324	188,839,238
130	11	13,295	4,893,201,006	489,320,101	2,877,202,192	988,800,250	9,248,523,549
130	14	533	0	0	16,913,965	29,167,104	46,081,069
130	16	232	232,207	0	10,743,154	12,713,324	23,688,685
140	11	95,182	38,166,164,413	3,816,616,441	22,594,369,333	7,648,965,865	72,226,116,052
140	14	13,817	0	0	328,445,623	756,462,004	1,084,907,627
140	16	6,431	6,430,770	0	299,544,962	352,155,714	658,131,446
150	11	50,080	16,258,407,990	1,625,840,799	9,527,427,082	3,292,643,832	30,704,319,704
150	14	4,980	0	0	135,334,475	272,663,724	407,998,198
150	16	671	671,378	0	40,680,186	36,757,945	78,109,509
160	11	42,444	12,908,537,893	1,290,853,789	7,564,403,205	2,655,367,325	24,419,162,212
160	14	7,355	0	0	164,409,772	402,723,087	567,132,859
160	16	1,638	1,638,452	0	91,405,223	89,705,228	182,748,903
170	11	4,377	1,234,948,860	123,494,886	769,373,140	256,106,530	2,383,923,415
170	14	532	0	0	15,332,752	29,113,870	44,446,622
180	11	51,716	15,951,025,011	1,595,102,501	9,666,321,157	3,255,861,080	30,468,309,749
180	14	15,052	0	0	331,261,135	824,092,541	1,155,353,676
180	16	848	847,671	0	37,901,968	46,420,343	85,169,983
190	11	12,777	3,636,964,274	363,696,427	2,222,185,172	759,705,426	6,982,551,299
190	14	1,736	0	0	47,757,372	95,022,135	142,779,507
190	16	11	11,247	0	694,692	615,777	1,321,716
200	11	5,713	1,665,377,296	166,537,730	994,230,245	341,730,179	3,167,875,449
200	14	502	0	0	12,830,541	27,506,932	40,337,472
200	16	1	1,130	0	26,807	61,868	89,805
210	11	20,405	5,863,800,268	586,380,027	3,676,602,768	1,222,451,083	11,349,234,146
210	14	4,490	0	0	109,269,290	245,816,110	355,085,400
210	16	59	59,309	0	4,093,808	3,421,333	7,574,450
220	11	58,534	18,458,720,753	1,845,872,075	11,444,406,867	3,775,493,460	35,524,493,155
220	14	14,280	0	0	299,182,388	781,857,120	1,081,039,508
220	16	1,301	1,301,386	0	61,530,320	71,266,814	134,098,520
230	11	13,951	3,907,275,522	390,727,552	2,391,252,619	824,423,553	7,513,679,247
230	14	2,261	0	0	51,485,676	123,795,924	175,281,600
230	16	55	55,493	0	2,084,539	3,038,261	5,178,293
240	11	84,720	27,155,310,876	2,715,531,088	17,107,845,852	5,508,999,664	52,487,687,479
240	14	11,256	0	0	291,993,079	616,291,717	908,284,796
240	16	278	277,839	0	21,839,112	16,099,508	38,216,459
250	11	35,094	10,976,756,823	1,097,675,682	6,816,565,987	2,237,381,942	21,128,380,435
250	14	4,745	0	0	117,741,059	259,780,159	377,521,218
250	16	96	96,444	0	4,947,690	5,280,282	10,324,415
260	11	27,516	9,079,355,963	907,935,596	5,729,073,613	1,829,430,401	17,545,795,573
260	14	3,900	0	0	93,014,120	213,542,421	306,556,542
260	16	17	17,083	0	732,061	935,313	1,684,458
270	11	289,981	123,962,085,753	12,396,208,575	80,451,393,654	24,870,519,171	241,680,207,153
270	14	107,176	0	0	2,685,094,106	5,867,861,507	8,552,955,613
270	16	12,611	12,610,596	0	757,028,910	693,898,919	1,463,538,426
280	11	45,185	21,720,955,503	2,172,095,550	14,118,621,077	4,350,670,952	42,362,343,083
280	14	13,973	0	0	392,185,872	765,047,474	1,157,233,345
280	16	2,697	2,697,225	0	185,004,384	148,061,237	335,762,846

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Territory	Policy	Home Count	Cov A	Cov B	Cov C	Cov D	Total Coverage
290	11	36,129	14,299,720,435	1,429,972,044	8,880,126,390	2,870,651,561	27,480,470,430
290	14	5,024	0	0	148,031,037	275,063,203	423,094,241
290	16	1,062	1,061,552	0	64,742,386	58,166,015	123,969,952
300	11	13,709	4,049,448,084	404,944,808	2,563,300,637	837,111,531	7,854,805,061
300	14	1,277	0	0	34,896,040	69,932,097	104,828,137
300	16	27	26,790	0	1,417,614	1,466,752	2,911,156
310	11	269,318	91,597,435,553	9,159,743,555	58,713,956,190	18,703,007,333	178,174,142,632
310	14	69,791	0	0	1,717,365,379	3,821,046,221	5,538,411,599
310	16	9,479	9,478,651	0	573,270,228	520,278,501	1,103,027,380
320	11	136,351	44,924,004,755	4,492,400,476	28,796,287,048	9,148,285,713	87,360,977,992
320	14	20,661	0	0	553,748,560	1,131,207,193	1,684,955,753
320	16	2,051	2,051,185	0	114,203,538	112,384,115	228,638,839
330	11	7,358	2,179,180,861	217,918,086	1,407,750,836	450,279,198	4,255,128,982
330	14	608	0	0	18,022,181	33,310,530	51,332,710
330	16	27	26,533	0	1,809,133	1,452,700	3,288,366
340	11	311,222	131,992,179,153	13,199,217,915	84,738,979,016	26,562,434,628	256,492,810,713
340	14	103,988	0	0	2,605,439,751	5,693,367,118	8,298,806,870
340	16	29,735	29,734,840	0	1,832,284,854	1,640,819,668	3,502,839,362
350	11	97,769	32,244,330,270	3,224,433,027	20,539,638,382	6,575,993,077	62,584,394,756
350	14	14,248	0	0	377,247,097	780,071,197	1,157,318,294
350	16	1,744	1,743,682	0	97,150,721	95,466,586	194,360,989
360	11	202,816	76,032,176,878	7,603,217,688	48,508,528,848	15,354,499,276	147,498,422,689
360	14	31,112	0	0	952,901,742	1,703,381,913	2,656,283,656
360	16	8,243	8,243,176	0	565,838,644	452,154,812	1,026,236,632
370	11	11,808	4,710,897,355	471,089,736	3,000,841,615	949,008,358	9,131,837,065
370	14	550	0	0	18,776,533	30,094,182	48,870,715
370	16	1,561	1,561,172	0	83,297,210	85,568,518	170,426,900
380	11	37,513	14,512,387,031	1,451,238,703	9,229,878,152	2,917,110,223	28,110,614,109
380	14	2,924	0	0	97,622,877	160,104,633	257,727,510
380	16	871	870,729	0	54,888,344	47,684,221	103,443,294
390	11	42,289	17,073,706,904	1,707,370,690	10,841,803,884	3,427,999,879	33,050,881,357
390	14	3,836	0	0	101,043,035	210,042,337	311,085,373
390	16	659	658,566	0	56,791,387	36,495,684	93,945,637
<b>Total</b>		<b>2,603,352</b>	<b>769,192,322,522</b>	<b>76,910,761,006</b>	<b>503,757,812,352</b>	<b>185,490,352,680</b>	<b>1.535351e+12</b>

# NCRB CY21 Homeowners Trended Summary by Coverage Limit Homeowners by Territory and Policy Form Group

Territory	Policy	Home Count	Lim A	Lim B	Lim C	Lim D	Total Cov Limit
110	11	19,665	10,363,781,673	1,036,378,167	6,301,179,257	2,072,756,335	19,774,095,432
110	14	348	0	0	9,420,262	1,884,052	11,304,314
110	16	325	324,971	0	12,645,856	5,058,343	18,029,170
120	11	19,920	9,289,472,906	928,947,291	5,480,789,015	1,857,894,581	17,557,103,793
120	14	844	0	0	21,794,135	4,358,827	26,152,962
120	16	1,982	1,982,380	0	78,321,534	31,328,614	111,632,529
130	11	13,295	4,893,201,006	489,320,101	2,877,202,192	978,640,201	9,238,363,500
130	14	533	0	0	16,913,965	3,382,793	20,296,758
130	16	232	232,207	0	10,743,154	4,297,262	15,272,622
140	11	95,182	38,166,164,413	3,816,616,441	22,594,369,333	7,633,232,883	72,210,383,070
140	14	13,817	0	0	328,445,623	65,689,125	394,134,747
140	16	6,431	6,430,770	0	299,544,962	119,817,985	425,793,716
150	11	50,080	16,258,407,990	1,625,840,799	9,527,427,082	3,251,681,598	30,663,357,470
150	14	4,980	0	0	135,334,475	27,066,895	162,401,369
150	16	671	671,378	0	40,680,186	16,272,074	57,623,638
160	11	42,444	12,908,537,893	1,290,853,789	7,564,403,205	2,581,707,579	24,345,502,466
160	14	7,355	0	0	164,409,772	32,881,954	197,291,726
160	16	1,638	1,638,452	0	91,405,223	36,562,089	129,605,764
170	11	4,377	1,234,948,860	123,494,886	769,373,140	246,989,772	2,374,806,657
170	14	532	0	0	15,332,752	3,066,550	18,399,303
180	11	51,716	15,951,025,011	1,595,102,501	9,666,321,157	3,190,205,002	30,402,653,671
180	14	15,052	0	0	331,261,135	66,252,227	397,513,361
180	16	848	847,671	0	37,901,968	15,160,787	53,910,427
190	11	12,777	3,636,964,274	363,696,427	2,222,185,172	727,392,855	6,950,238,728
190	14	1,736	0	0	47,757,372	9,551,474	57,308,846
190	16	11	11,247	0	694,692	277,877	983,816
200	11	5,713	1,665,377,296	166,537,730	994,230,245	333,075,459	3,159,220,730
200	14	502	0	0	12,830,541	2,566,108	15,396,649
200	16	1	1,130	0	26,807	10,723	38,660
210	11	20,405	5,863,800,268	586,380,027	3,676,602,768	1,172,760,054	11,299,543,117
210	14	4,490	0	0	109,269,290	21,853,858	131,123,148
210	16	59	59,309	0	4,093,808	1,637,523	5,790,640
220	11	58,534	18,458,720,753	1,845,872,075	11,444,406,867	3,691,744,151	35,440,743,846
220	14	14,280	0	0	299,182,388	59,836,478	359,018,865
220	16	1,301	1,301,386	0	61,530,320	24,612,128	87,443,834
230	11	13,951	3,907,275,522	390,727,552	2,391,252,619	781,455,104	7,470,710,798
230	14	2,261	0	0	51,485,676	10,297,135	61,782,811
230	16	55	55,493	0	2,084,539	833,816	2,973,848
240	11	84,720	27,155,310,876	2,715,531,088	17,107,845,852	5,431,062,175	52,409,749,991
240	14	11,256	0	0	291,993,079	58,398,616	350,391,695
240	16	278	277,839	0	21,839,112	8,735,645	30,852,595
250	11	35,094	10,976,756,823	1,097,675,682	6,816,565,987	2,195,351,365	21,086,349,858
250	14	4,745	0	0	117,741,059	23,548,212	141,289,271
250	16	96	96,444	0	4,947,690	1,979,076	7,023,210
260	11	27,516	9,079,355,963	907,935,596	5,729,073,613	1,815,871,193	17,532,236,364
260	14	3,900	0	0	93,014,120	18,602,824	111,616,944
260	16	17	17,083	0	732,061	292,825	1,041,969
270	11	289,981	123,962,085,753	12,396,208,575	80,451,393,654	24,792,417,151	241,602,105,133
270	14	107,176	0	0	2,685,094,106	537,018,821	3,222,112,927
270	16	12,611	12,610,596	0	757,028,910	302,811,564	1,072,451,070
280	11	45,185	21,720,955,503	2,172,095,550	14,118,621,077	4,344,191,101	42,355,863,231
280	14	13,973	0	0	392,185,872	78,437,174	470,623,046
280	16	2,697	2,697,225	0	185,004,384	74,001,754	261,703,363

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Territory	Policy	Home Count	Lim A	Lim B	Lim C	Lim D	Total Cov Limit
290	11	36,129	14,299,720,435	1,429,972,044	8,880,126,390	2,859,944,087	27,469,762,956
290	14	5,024	0	0	148,031,037	29,606,207	177,637,245
290	16	1,062	1,061,552	0	64,742,386	25,896,954	91,700,892
300	11	13,709	4,049,448,084	404,944,808	2,563,300,637	809,889,617	7,827,583,146
300	14	1,277	0	0	34,896,040	6,979,208	41,875,248
300	16	27	26,790	0	1,417,614	567,045	2,011,449
310	11	269,318	91,597,435,553	9,159,743,555	58,713,956,190	18,319,487,111	177,790,622,409
310	14	69,791	0	0	1,717,365,379	343,473,076	2,060,838,455
310	16	9,479	9,478,651	0	573,270,228	229,308,091	812,056,970
320	11	136,351	44,924,004,755	4,492,400,476	28,796,287,048	8,984,800,951	87,197,493,230
320	14	20,661	0	0	553,748,560	110,749,712	664,498,272
320	16	2,051	2,051,185	0	114,203,538	45,681,415	161,936,139
330	11	7,358	2,179,180,861	217,918,086	1,407,750,836	435,836,172	4,240,685,956
330	14	608	0	0	18,022,181	3,604,436	21,626,617
330	16	27	26,533	0	1,809,133	723,653	2,559,319
340	11	311,222	131,992,179,153	13,199,217,915	84,738,979,016	26,398,435,831	256,328,811,915
340	14	103,988	0	0	2,605,439,751	521,087,950	3,126,527,702
340	16	29,735	29,734,840	0	1,832,284,854	732,913,941	2,594,933,635
350	11	97,769	32,244,330,270	3,224,433,027	20,539,638,382	6,448,866,054	62,457,267,732
350	14	14,248	0	0	377,247,097	75,449,419	452,696,516
350	16	1,744	1,743,682	0	97,150,721	38,860,289	137,754,692
360	11	202,816	76,032,176,878	7,603,217,688	48,508,528,848	15,206,435,376	147,350,358,789
360	14	31,112	0	0	952,901,742	190,580,348	1,143,482,091
360	16	8,243	8,243,176	0	565,838,644	226,335,458	800,417,277
370	11	11,808	4,710,897,355	471,089,736	3,000,841,615	942,179,471	9,125,008,177
370	14	550	0	0	18,776,533	3,755,307	22,531,839
370	16	1,561	1,561,172	0	83,297,210	33,318,884	118,177,266
380	11	37,513	14,512,387,031	1,451,238,703	9,229,878,152	2,902,477,406	28,095,981,292
380	14	2,924	0	0	97,622,877	19,524,575	117,147,452
380	16	871	870,729	0	54,888,344	21,955,337	77,714,410
390	11	42,289	17,073,706,904	1,707,370,690	10,841,803,884	3,414,741,381	33,037,622,859
390	14	3,836	0	0	101,043,035	20,208,607	121,251,642
390	16	659	658,566	0	56,791,387	22,716,555	80,166,508
<b>Total</b>		<b>2,603,352</b>	<b>769,192,322,522</b>	<b>76,910,761,006</b>	<b>503,757,812,352</b>	<b>158,193,201,690</b>	<b>1.508054e+12</b>

# NCRB CY21 Homeowners Trended Summary by Split ZIP

## Homeowners by Territory and Policy Form Group

Territory	Policy	Beach Split	Home Count	TIV	Coverage Limit	Deductible
110	11	0	19,662	19,773,540,693	19,772,942,008	19,662,432
110	11	1	2	1,166,891	1,153,424	2,182
110	14	0	347	28,396,407	11,286,314	173,435
110	14	1	1	69,750	18,000	500
110	16	0	325	30,762,994	18,029,170	162,486
120	11	0	11,946	9,564,092,143	9,562,693,287	11,945,561
120	11	1	7,975	7,994,871,969	7,994,410,506	7,974,641
120	14	0	430	34,790,106	13,468,925	215,215
120	14	1	413	33,194,554	12,684,037	206,617
120	16	0	1,036	100,492,013	60,865,375	517,998
120	16	1	946	88,347,225	50,767,154	473,192
130	11	0	12,849	8,970,917,167	8,960,863,689	12,848,653
130	11	1	446	277,606,382	277,499,811	446,386
130	14	0	525	45,320,123	19,920,732	262,279
130	14	1	8	760,946	376,026	4,088
130	16	0	232	23,657,603	15,256,533	115,925
130	16	1	0	31,081	16,089	178
140	11	0	58,914	44,265,109,152	44,260,882,851	58,913,679
140	11	1	36,268	27,961,006,900	27,949,500,219	36,268,288
140	14	0	10,804	836,933,791	294,490,483	5,402,055
140	14	1	3,013	247,973,836	99,644,264	1,506,274
140	16	0	4,738	485,529,563	314,674,467	2,369,026
140	16	1	1,693	172,601,883	111,119,249	846,359
150	11	0	50,080	30,704,319,704	30,663,357,470	50,080,006
150	14	0	4,980	407,998,198	162,401,369	2,490,026
150	16	0	671	78,109,509	57,623,638	335,689
160	11	0	42,444	24,419,162,212	24,345,502,466	42,444,259
160	14	0	7,355	567,132,859	197,291,726	3,677,312
160	16	0	1,638	182,748,903	129,605,764	819,226
170	11	0	4,377	2,383,923,415	2,374,806,657	4,377,016
170	14	0	532	44,446,622	18,399,303	265,880
180	11	0	51,716	30,468,309,749	30,402,653,671	51,715,537
180	14	0	15,052	1,155,353,676	397,513,361	7,525,959
180	16	0	848	85,169,983	53,910,427	423,836
190	11	0	12,777	6,982,551,299	6,950,238,728	12,777,130
190	14	0	1,736	142,779,507	57,308,846	867,782
190	16	0	11	1,321,716	983,816	5,624
200	11	0	5,713	3,167,875,449	3,159,220,730	5,712,926
200	14	0	502	40,337,472	15,396,649	251,205
200	16	0	1	89,805	38,660	565
210	11	0	20,405	11,349,234,146	11,299,543,117	20,405,467
210	14	0	4,490	355,085,400	131,123,148	2,244,896
210	16	0	59	7,574,450	5,790,640	29,654
220	11	0	58,534	35,524,493,155	35,440,743,846	58,533,933
220	14	0	14,280	1,081,039,508	359,018,865	7,140,248
220	16	0	1,301	134,098,520	87,443,834	650,693
230	11	0	13,951	7,513,679,247	7,470,710,798	13,950,672
230	14	0	2,261	175,281,600	61,782,811	1,130,556
230	16	0	55	5,178,293	2,973,848	27,747
240	11	0	84,720	52,487,687,479	52,409,749,991	84,720,155

(continued ...)

(continued)

Territory	Policy	Beach Split	Home Count	TIV	Coverage Limit	Deductible
240	14	0	11,256	908,284,796	350,391,695	5,628,235
240	16	0	278	38,216,459	30,852,595	138,919
250	11	0	35,094	21,128,380,435	21,086,349,858	35,094,385
250	14	0	4,745	377,521,218	141,289,271	2,372,422
250	16	0	96	10,324,415	7,023,210	48,222
260	11	0	27,516	17,545,795,573	17,532,236,364	27,516,130
260	14	0	3,900	306,556,542	111,616,944	1,950,159
260	16	0	17	1,684,458	1,041,969	8,542
270	11	0	289,981	241,680,207,153	241,602,105,133	289,981,304
270	14	0	107,176	8,552,955,613	3,222,112,927	53,587,776
270	16	0	12,611	1,463,538,426	1,072,451,070	6,305,298
280	11	0	45,185	42,362,343,083	42,355,863,231	45,185,202
280	14	0	13,973	1,157,233,345	470,623,046	6,986,735
280	16	0	2,697	335,762,846	261,703,363	1,348,613
290	11	0	36,129	27,480,470,430	27,469,762,956	36,128,856
290	14	0	5,024	423,094,241	177,637,245	2,511,993
290	16	0	1,062	123,969,952	91,700,892	530,776
300	11	0	13,709	7,854,805,061	7,827,583,146	13,708,879
300	14	0	1,277	104,828,137	41,875,248	638,649
300	16	0	27	2,911,156	2,011,449	13,395
310	11	0	269,318	178,174,142,632	177,790,622,409	269,318,344
310	14	0	69,791	5,538,411,599	2,060,838,455	34,895,399
310	16	0	9,479	1,103,027,380	812,056,970	4,739,326
320	11	0	136,351	87,360,977,992	87,197,493,230	136,351,399
320	14	0	20,661	1,684,955,753	664,498,272	10,330,659
320	16	0	2,051	228,638,839	161,936,139	1,025,593
330	11	0	7,358	4,255,128,982	4,240,685,956	7,358,359
330	14	0	608	51,332,710	21,626,617	304,206
330	16	0	27	3,288,366	2,559,319	13,267
340	11	0	311,222	256,492,810,713	256,328,811,915	311,222,483
340	14	0	103,988	8,298,806,870	3,126,527,702	51,994,220
340	16	0	29,735	3,502,839,362	2,594,933,635	14,867,420
350	11	0	97,769	62,584,394,756	62,457,267,732	97,769,126
350	14	0	14,248	1,157,318,294	452,696,516	7,123,938
350	16	0	1,744	194,360,989	137,754,692	871,841
360	11	0	202,816	147,498,422,689	147,350,358,789	202,816,106
360	14	0	31,112	2,656,283,656	1,143,482,091	15,555,999
360	16	0	8,243	1,026,236,632	800,417,277	4,121,588
370	11	0	11,808	9,131,837,065	9,125,008,177	11,808,232
370	14	0	550	48,870,715	22,531,839	274,833
370	16	0	1,561	170,426,900	118,177,266	780,586
380	11	0	37,513	28,110,614,109	28,095,981,292	37,512,776
380	14	0	2,924	257,727,510	117,147,452	1,462,136
380	16	0	871	103,443,294	77,714,410	435,365
390	11	0	42,289	33,050,881,357	33,037,622,859	42,289,269
390	14	0	3,836	311,085,373	121,251,642	1,918,195
390	16	0	659	93,945,637	80,166,508	329,283
<b>Total</b>			<b>2,603,352</b>	<b>1.535351e+12</b>	<b>1.508054e+12</b>	<b>2,330,095,882</b>





# Modeled Loss Summary



**NCRB CY21 Homeowners Trended  
Territory Summary  
50/50 Blend RMSv21/Veriskv9  
Historical/100k Standard wDS  
Hurricane Wind Only**

Territory	EHY	Total Limit	Deductibles	Gross AAL Incl. LAE
110	20,337	19,803,428,916	20,001,034	52,310,775
120	22,746	17,694,889,283	21,333,223	58,283,436
130	14,060	9,273,932,880	13,677,509	11,682,195
140	115,429	73,030,311,533	105,305,681	137,544,330
150	55,731	30,883,382,477	52,905,721	24,399,591
160	51,437	24,672,399,957	46,940,797	22,031,806
170	4,909	2,393,205,960	4,642,896	695,461
180	67,615	30,854,077,460	59,665,332	15,961,030
190	14,524	7,008,531,390	13,650,535	4,989,991
200	6,216	3,174,656,039	5,964,696	2,701,676
210	24,955	11,436,456,905	22,680,017	4,387,271
220	74,116	35,887,206,545	66,324,874	12,564,609
230	16,267	7,535,467,457	15,108,975	3,931,974
240	96,254	52,790,994,280	90,487,310	13,446,544
250	39,936	21,234,662,338	37,515,029	5,811,192
260	31,434	17,644,895,278	29,474,830	2,479,062
270	409,767	245,896,669,131	349,874,378	43,313,857
280	61,856	43,088,189,641	53,520,550	5,684,952
290	42,214	27,739,101,093	39,171,625	5,374,238
300	15,013	7,871,469,843	14,360,923	1,345,017
310	348,588	180,663,517,834	308,953,069	16,053,538
320	159,064	88,023,927,641	147,707,651	8,430,855
330	7,993	4,264,871,892	7,675,832	291,425
340	444,946	262,050,273,252	378,084,123	24,300,096
350	113,761	63,047,718,940	105,764,904	4,308,926
360	242,171	149,294,258,157	222,493,693	5,668,264
370	13,919	9,265,717,283	12,863,650	251,362
380	41,308	28,290,843,154	39,410,277	703,493
390	46,784	33,239,041,009	44,536,747	741,251
<b>Total</b>	<b>2,603,352</b>	<b>1,508,054,097,569</b>	<b>2,330,095,882</b>	<b>489,688,216</b>



**NCRB CY21 Homeowners Trended  
Territory and Policy Summary  
50/50 Blend RMSv21/Veriskv9  
Historical/100k Standard wDS  
Hurricane Wind Only**

Territory	Policy	EHY	Total Limit	Deductibles	Gross AAL Incl. LAE
110	11	19,665	19,774,095,431.59	19,664,614	52,225,221
110	14	348	11,304,313.93	173,935	37,819
110	16	325	18,029,170.08	162,486	47,735
120	11	19,920	17,557,103,792.89	19,920,202	57,714,025
120	14	844	26,152,961.81	421,831	116,583
120	16	1,982	111,632,528.54	991,190	452,828
130	11	13,295	9,238,363,499.91	13,295,039	11,623,886
130	14	533	20,296,758.10	266,366	31,153
130	16	232	15,272,622.28	116,103	27,156
140	11	95,182	72,210,383,069.77	95,181,967	135,835,758
140	14	13,817	394,134,747.49	6,908,329	916,281
140	16	6,431	425,793,716.06	3,215,385	792,290
150	11	50,080	30,663,357,470.06	50,080,006	24,231,723
150	14	4,980	162,401,369.48	2,490,026	132,229
150	16	671	57,623,637.84	335,689	35,638
160	11	42,444	24,345,502,466.31	42,444,259	21,695,534
160	14	7,355	197,291,726.48	3,677,312	223,470
160	16	1,638	129,605,764.18	819,226	112,802
170	11	4,377	2,374,806,657.41	4,377,016	690,742
170	14	532	18,399,303.00	265,880	4,719
180	11	51,716	30,402,653,671.16	51,715,537	15,734,708
180	14	15,052	397,513,361.41	7,525,959	204,594
180	16	848	53,910,427.01	423,836	21,727
190	11	12,777	6,950,238,728.42	12,777,130	4,952,953
190	14	1,736	57,308,846.26	867,782	36,624
190	16	11	983,815.53	5,624	414
200	11	5,713	3,159,220,729.68	5,712,926	2,689,451
200	14	502	15,396,649.00	251,205	12,199
200	16	1	38,660.25	565	27
210	11	20,405	11,299,543,116.98	20,405,467	4,339,728
210	14	4,490	131,123,147.95	2,244,896	46,096
210	16	59	5,790,640.02	29,654	1,447
220	11	58,534	35,440,743,845.76	58,533,933	12,431,562
220	14	14,280	359,018,865.10	7,140,248	114,576
220	16	1,301	87,443,834.20	650,693	18,470
230	11	13,951	7,470,710,797.62	13,950,672	3,901,566
230	14	2,261	61,782,810.84	1,130,556	29,216
230	16	55	2,973,848.27	27,747	1,191
240	11	84,720	52,409,749,990.76	84,720,155	13,350,695
240	14	11,256	350,391,694.69	5,628,235	89,748
240	16	278	30,852,594.94	138,919	6,100
250	11	35,094	21,086,349,857.69	35,094,385	5,770,329
250	14	4,745	141,289,270.78	2,372,422	39,468
250	16	96	7,023,210.02	48,222	1,394
260	11	27,516	17,532,236,364.09	27,516,130	2,463,909

(continued ...)

(continued)

Territory	Policy	EHY	Total Limit	Deductibles	Gross AAL Incl. LAE
260	14	3,900	111,616,944.30	1,950,159	15,032
260	16	17	1,041,969.22	8,542	122
270	11	289,981	241,602,105,133.18	289,981,304	42,632,090
270	14	107,176	3,222,112,927.27	53,587,776	548,648
270	16	12,611	1,072,451,070.27	6,305,298	133,118
280	11	45,185	42,355,863,231.49	45,185,202	5,600,127
280	14	13,973	470,623,045.97	6,986,735	60,063
280	16	2,697	261,703,363.25	1,348,613	24,761
290	11	36,129	27,469,762,956.02	36,128,856	5,329,535
290	14	5,024	177,637,244.65	2,511,993	31,947
290	16	1,062	91,700,892.02	530,776	12,757
300	11	13,709	7,827,583,146.00	13,708,879	1,338,497
300	14	1,277	41,875,247.90	638,649	6,286
300	16	27	2,011,449.11	13,395	234
310	11	269,318	177,790,622,409.13	269,318,344	15,823,094
310	14	69,791	2,060,838,454.62	34,895,399	179,075
310	16	9,479	812,056,970.14	4,739,326	51,369
320	11	136,351	87,197,493,229.59	136,351,399	8,358,898
320	14	20,661	664,498,272.28	10,330,659	61,049
320	16	2,051	161,936,138.79	1,025,593	10,907
330	11	7,358	4,240,685,956.21	7,358,359	289,951
330	14	608	21,626,617.01	304,206	1,339
330	16	27	2,559,319.21	13,267	135
340	11	311,222	256,328,811,915.24	311,222,483	23,861,186
340	14	103,988	3,126,527,701.79	51,994,220	273,400
340	16	29,735	2,594,933,635.16	14,867,420	165,509
350	11	97,769	62,457,267,732.47	97,769,126	4,272,103
350	14	14,248	452,696,516.22	7,123,938	29,678
350	16	1,744	137,754,691.69	871,841	7,145
360	11	202,816	147,350,358,788.69	202,816,106	5,608,219
360	14	31,112	1,143,482,090.86	15,555,999	40,400
360	16	8,243	800,417,277.45	4,121,588	19,645
370	11	11,808	9,125,008,177.39	11,808,232	248,198
370	14	550	22,531,839.24	274,833	606
370	16	1,561	118,177,266.35	780,586	2,558
380	11	37,513	28,095,981,292.13	37,512,776	699,139
380	14	2,924	117,147,451.94	1,462,136	2,822
380	16	871	77,714,410.06	435,365	1,531
390	11	42,289	33,037,622,858.54	42,289,269	737,044
390	14	3,836	121,251,642.47	1,918,195	2,670
390	16	659	80,166,508.47	329,283	1,536
<b>Total</b>		<b>2,603,352</b>	<b>1,508,054,097,569.44</b>	<b>2,330,095,882</b>	<b>489,688,216</b>

**NCRB CY21 Homeowners Trended**  
**Gross PMLs**  
**50/50 Blend RMSv21/Veriskv9**  
**Detail Model Results by Frequency**  
**Hurricane Wind Only**  
**Excluding LAE**

Return Period	MTR/10K WSST Loss	Hist/100K Std Loss
10000	50,380,850,468	51,909,389,504
5000	44,236,469,258	43,244,413,424
1000	26,911,232,193	26,355,901,976
500	20,803,143,843	20,199,997,236
250	15,837,895,877	14,361,297,423
200	14,409,822,483	12,801,134,457
100	9,646,791,957	8,236,128,031
50	6,081,386,090	4,934,254,296
25	3,412,985,581	2,686,232,679
20	2,825,767,291	2,107,245,042
15	2,065,195,689	1,497,981,853
10	1,230,568,937	826,291,932
5	321,333,756	167,868,996
AAL	588,725,727	461,970,015
SD	2,356,615,140	2,132,601,484

**NCRB CY21 Homeowners Trended  
Gross PMLs  
50/50 Blend RMSv21/Veriskv9  
Detail Model Results by Frequency  
Hurricane Wind Only  
Including LAE**

Return Period	MTR/10K WSST Loss	Hist/100K Std Loss
10000	53,403,701,496	55,023,952,875
5000	46,890,657,413	45,839,078,229
1000	28,525,906,125	27,937,256,095
500	22,051,332,474	21,411,997,070
250	16,788,169,629	15,222,975,269
200	15,274,411,832	13,569,202,525
100	10,225,599,475	8,730,295,713
50	6,446,269,255	5,230,309,554
25	3,617,764,716	2,847,406,640
20	2,995,313,328	2,233,679,745
15	2,189,107,430	1,587,860,764
10	1,304,403,073	875,869,448
5	340,613,782	177,941,136
AAL	624,049,270	489,688,216
SD	2,498,012,049	2,260,557,573

## NCRB CY21 Homeowners Trended Limits by Primary Characteristics 50/50 Blend RMSv21/Veriskv9

### Occupancy by Model

RMS Code	AIR Code	EHY	Total Limit
1	302	2,056,840	1,486,794,226,316
2	303	461,800	14,098,271,823
43	306	84,712	7,161,599,430
<b>Total</b>		<b>2,603,352</b>	<b>1,508,054,097,569</b>

### Construction by Model

RMS Code	AIR Code	EHY	Total Limit
1	101	1,782,352	961,530,540,376
1	103	657,495	433,473,120,019
2	111	156,475	111,152,086,236
3A	131	7,030	1,898,350,939
<b>Total</b>		<b>2,603,352</b>	<b>1,508,054,097,569</b>

### Year Built Band

Year Built Band	EHY	Total Limit
Pre-1995	1,098,847	691,397,859,594
1995 - 2001	300,634	231,972,792,408
2002 - 2008	345,951	291,292,073,150
Post-2008	311,407	272,131,501,164
Unknown	546,512	21,259,871,253
<b>Total</b>	<b>2,603,352</b>	<b>1,508,054,097,569</b>

## Limitations Regarding Use Of Catastrophe Models

This report includes information that is output from catastrophe models of AIR Worldwide Corporation (Verisk), CoreLogic, Impact Forecasting, LLC (IF), and Risk Management Solutions, Inc. (RMS). The information from the models is provided by Aon Benfield Inc. (Aon) under the terms of its license agreements with Verisk, CoreLogic, IF, and RMS.

The results in this report from Verisk, CoreLogic, IF, and RMS are the products of the exposures modeled, the financial assumptions made concerning insurance terms such as deductibles and limits, and the risk models that project the dollars of damage that may be caused by defined catastrophe perils. Aon recommends that the results from these models in this report not be relied upon in isolation when making decisions that may affect the underwriting appetite, rate adequacy or solvency of the company.

The Verisk, CoreLogic, IF, and RMS models are based on scientific data, mathematical and empirical models, and the experience of engineering, geological, meteorological and terrorism experts. Calibration of the models using actual loss experience is based on very sparse data, and material inaccuracies in these models are possible. The loss probabilities generated by the models are not predictive of future hurricanes, other windstorms, or earthquakes or other natural or man made catastrophes, but provide estimates of the magnitude of losses that may occur in the event of such catastrophes.

Aon makes no warranty about the accuracy of the Verisk, CoreLogic, IF, and RMS models and has made no attempt to independently verify them. Aon will not be liable for any loss or damage arising from or related to any use of, or decisions based upon, data developed using the models of Verisk, CoreLogic, IF, and RMS, including without limitation special, indirect or consequential damages.



## Additional Limitations Of RMS

This report, and the analyses, models and predictions contained herein (“Information”), are based on data provided by North Carolina Rate Bureau, and compiled using proprietary computer risk assessment technology of Risk Management Solutions, Inc. (“RMS”). Such Information constitutes RMS confidential and proprietary information and trade secrets. North Carolina Rate Bureau shall (i) not disclose such Information to any third party; (ii) use such Information only for the purpose of facilitating an actual imminent reinsurance placement (“Purpose”); (iii) limit the disclosure of such Information only to its employees, partners and directors who have a need to know, provided that the receiving party shall ensure that each of those persons to whom such Information is to be disclosed is made aware of, and shall procure that such person or persons adhere to, the terms of these confidentiality restrictions; and (iv) use the same degree of care to prevent disclosure or use of such Information for other than the Purpose that it would use for its own confidential information (but in no case with less than a reasonable degree of care). The technology and data used in providing this Information is based on the scientific data, mathematical and empirical models, and encoded experience of scientists and specialists (including without limitation: earthquake engineers, wind engineers, structural engineers, geologists, seismologists, meteorologists, geotechnical specialists, mathematicians and cyber security experts). As with any model of physical systems, particularly those with low frequencies of occurrence and potentially high severity outcomes, the actual losses from catastrophic events may differ from the results of simulation analyses. Furthermore, the accuracy of predictions depends largely on the accuracy and quality of the data used by North Carolina Rate Bureau. The Information is provided under license to Aon and is either Aon’s or RMS’s proprietary and confidential information and may not be shared with any third party without the prior written consent of both Aon and RMS. Furthermore, this Information may only be used for the specific business purpose specified by North Carolina Rate Bureau and for no other purpose, and may not be used under any circumstances in the development or calibration of any product or service offering that competes with RMS. The recipient of this Information is further advised that RMS is not engaged in the insurance, reinsurance, or related industries, and that the Information provided is not intended to constitute professional advice. RMS SPECIFICALLY DISCLAIMS ANY AND ALL RESPONSIBILITIES, OBLIGATIONS AND LIABILITY WITH RESPECT TO ANY DECISIONS OR ADVICE MADE OR GIVEN AS A RESULT OF THE INFORMATION OR USE THEREOF, INCLUDING ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL RMS (OR ITS PARENT, SUBSIDIARY, OR OTHER AFFILIATED COMPANIES) BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY DECISIONS OR ADVICE MADE OR GIVEN AS A RESULT OF THE CONTENTS OF THIS INFORMATION OR USE THEREOF.

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The attached Touchstone reports and any other Touchstone reports provided to you during the calendar year are provided to you in confidence, and you may not cause or permit disclosure, copying, display, loan, publication, transfer of possession (whether by sale, exchange, gift, operation of law or otherwise) or other dissemination of the Touchstone reports (or details of the methodology and analysis employed to develop the Touchstone reports) in whole or in part, to any third party without the prior written consent of Aon and AIR Worldwide Corporation (“Verisk”).

Notwithstanding the foregoing, you may disclose the Touchstone reports associated with your reinsurance or risk transfer programs to insurance regulators and disclose, in confidence, to your rating agencies, reinsurers, actuarial consultants, managing general agencies, risk managers, investment bankers (but not in connection with the placement of any insurance-linked securities) and auditors (but in no event to any entity in the business of developing loss estimation models), provided that, in the event of any such disclosure, you clearly acknowledge in writing that Verisk owns the exclusive right and title to the Touchstone reports and the methods employed to develop them.

You may not alter or remove any copyrights, trade secret, patent, proprietary and/or other legal notices contained on or in copies of the Touchstone reports. The existence of any such copyright notice on the Touchstone reports shall not be construed as an admission, or be deemed to create a presumption, that publication of such materials has occurred.

The Touchstone reports are intended to function as one of several tools which you will use in analyzing your estimated and potential losses from certain natural hazards. The estimation of hazards and potential losses involves uncertainties and depends on environmental, demographic and regulatory factors beyond the control of Aon and Verisk. The Touchstone reports depend on data and inputs which you have supplied. The assumptions and methodologies used by Verisk in creating Touchstone may not constitute the exclusive set of reasonable assumptions and methodologies, and the use of alternative assumptions and methodologies could yield materially different results. The loss probabilities indicated by the Touchstone reports are estimates of the magnitude of losses that may occur in the event of such natural hazards; they are not factual and do not predict future events. Actual loss experience can differ materially.

No responsibility is or shall be assumed or implied by Aon or Verisk for loss or damage to you resulting from inaccuracies contained therein nor shall Aon or Verisk be liable to you or others for any adverse results experienced in utilizing the Touchstone reports.



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E-4088

NCRB Agenda 55



MINUTES OF THE VIRTUAL MEETING OF THE PROPERTY RATING SUBCOMMITTEE  
OF THE NORTH CAROLINA RATE BUREAU HELD OCTOBER 18, 2023

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MEMBERS PRESENT

Allstate Insurance Company  
American Modern Home Insurance Company  
Foremost Insurance Company  
  
Horace Mann Insurance Company  
Nationwide Mutual Insurance Company  
NC Farm Bureau Mutual Insurance Company  
State Farm Mutual Automobile Insurance Company  
The Travelers Insurance Company  
United Services Automobile Association

OTHERS PRESENT

Milliman  
AON  
  
ISO  
  
Young Moore and Henderson, P.A.  
  
Staff

REPRESENTED BY

Gary Wierzbicki  
Diana Matalka  
Matthew York  
Nathan Chouinard  
Brad Melton  
Kathy Owsiany  
Matt Beamon  
Jennifer Heizer  
Wendel Ridley  
Nick Kunkle

REPRESENTED BY

Paul Anderson  
Angelo Besena  
Minchong Mao  
Stephen Conover  
Paul Ericksen  
David Markowitz  
Brett Moberg  
Brian Beverly  
Mickey Spivey  
Lisa Leeaphorn  
Joanna Biliouris  
Jarred Chappell  
Andy Montano  
Rebecca Williams  
KarenOtt

The meeting commenced at approximately 2:00 P.M., Mr. Wierzbicki presiding. Attention was directed to Antitrust Guidelines, Conflict of Interest Statement and Code of Ethics and Standards of Conduct which were previously distributed.

1. Homeowners Rate Level Review

Attention was directed to an exhibit prepared by Insurance Services Office and distributed with the agenda regarding the Homeowners rate level review. Mr. Conover summarized the exposure changes since the last Homeowners rate filing, stating that 1) the exposure data used is through 2021; 2) the total trended exposures have significantly increased; 3) the main drivers of the increase in exposures are increases in earned house years, average amount of insurance and exposure trend; and 4) there was a change in company mix which had a small impact on the statewide values for earned house years and average amount of insurance.

Attention was then directed to an exhibit prepared by Aon and which was previously distributed with the meeting agenda. Ms. Mao reviewed a summary of the exposures used in running the catastrophe models and then described the modeled losses resulting from the model runs and noting the material increase.

Mr. Besana reviewed the exhibits pertaining to the net cost of reinsurance and the compensation for assessment risk. He noted that there has been a material increase in the net cost of reinsurance since the last homeowners rate review and he described the items contributing to that increase. Mr. Besana also presented the results of the compensation for assessment risk analysis.

Following discussion, a motion was made, seconded, and passed unanimously to use the results of Aon's analyses of modeled losses, net cost of reinsurance, and compensation for assessment risk in calculating the preliminary rate indications for use in the Homeowners rate review.

Mr. Besana then reviewed the exhibit pertaining to catastrophe loss adjustment expenses. Following discussion, a motion was made, seconded, and passed unanimously to select a 6% catastrophe LAE provision for use in the Homeowners rate review.

## 2. Senate Bill 452

Ms. Williams reported on recent legislation impacting property lines of business in the Rate Bureau. She stated the provisions of Senate Bill 452 include 1) that consideration be given in rate-making to investment income from capital and surplus; 2) that the Beach Plan's maximum policy limits are increased to \$1,000,000 from \$750,000 on habitational property and to \$4,000,000 from \$3,000,000 on commercial property effective November 1, 2023; and 3) that, for optional enhanced endorsements, the statute requiring separate reporting of statistical data had been repealed.

## 3. Report of Staff

Mr. Montano reported that 1) a Dwelling Fire and Extended Coverage filing was submitted to the Commissioner of Insurance in July 2023 and the Commissioner had scheduled a hearing for April, 2024; 2) ISO's 2022 Homeowners Program is currently under review with an anticipated effective date sometime in 2024; 3) the last Mobile Home rate filings were settled and were effective October 1, 2023 for MH(C) with an overall statewide rate level increase of 10% and for MH(F) with an overall rate level increase of 15%; and 4) the 2023 Private Passenger Auto rate filing submitted on February 1, 2023 was settled with a two year settlement providing an overall rate level increase of 4.5% to be effective December 1, 2023 and an overall rate level increase of 4.5% to be effective December 1, 2024.

Mr. Montano reviewed the impact of Senate Bill 452 on Private Passenger Automobile, stating that, effective January 1, 2025, 1) minimum financial responsibility limits will be increased from 30/60/25 to 50/100/50; 2) Underinsured Motorists coverage is materially changed; 3) the inexperienced operator surcharge period may be expanded from 3 years to 8 years; 4) the major convictions surcharge period is expanded from 3 years to 5 years; and 5) the statutory requirement for separate statistical data reporting on optional enhanced endorsements has been removed.

Mr. Chappell reminded the Subcommittee that the NCRB Annual Meeting is scheduled for October 24, 2023 at the Washington Duke Inn & Golf Club in Durham, NC.

## 4. Report of Counsel

Mr. Beverly further reported on Senate Bill 452, stating that 1) NC Insurance Guaranty Association's maximum limits on covered claims has been increased to \$500,000 from \$300,000 effective October 1, 2023; and 2) carriers and agents may charge a convenience fee of up to 4% on electronic payments of premium by policyholders.

Mr. Beverly also reported that a North Carolina Reinsurance Facility Commercial Automobile rate filing will be submitted soon to the Commissioner of Insurance.

Mr. Beverly updated the Subcommittee on the case of Ha v. Nationwide, which involves the validity of notice of cancellation under a homeowners policy. Mr. Beverly noted that case is still on appeal at the North Carolina Supreme Court.

5. Adjournment

There being no other business, the meeting was adjourned.

Respectfully Submitted,

Andy Montano

Director, Personal Lines

AM:ko  
PRS-23-6  
11/13/2023



## Property Rating Subcommittee Meeting Agenda

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**Date: November 1, 2023**

**Time: 9:00 AM (ET)**

**Zoom Teleconference**

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

**Call in: 929.205.6099 / 877.853.5257 Meeting ID: 864 408 3402**

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1. **Welcome**
2. **Roll Call**
3. **Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)**

4. **Homeowners Rate Review**

The purpose of the meeting is to review various items for the current Homeowners Rate Level Review. ISO will present loss, premium and expense trends (**Exhibit 4 Trend Package**) and expense loadings (**Exhibit 5 Expense Package**).

Dr. Zanjani will lead the committee through profit selections.

The Committee will be asked to make selections to be used in the Homeowners preliminary rate indications.

5. **Reports of Staff and Counsel**
6. **Other Business**
7. **Adjournment**

AM:klj  
PRS-23-7  
Attachments  
10/26/2023

**NORTH CAROLINA RATE BUREAU**  
**ANTITRUST COMPLIANCE POLICY AND**  
**BOARD RESOLUTION**

**Whereas**, it is the established policy of the North Carolina Rate Bureau to comply fully with all laws and regulations applicable to its operations; and

**Whereas**, the creation and operation of the North Carolina Rate Bureau is to promulgate rates and forms, and because the activities and functions bring together representatives of insurance companies that may be in competition, it is the policy of the NCRB, in the course of its activities and functions, to discourage and prohibit the disclosure of competitive information.

**Resolved**, that the following antitrust guidelines are adopted by the Governing Committee of the NCRB.

These guidelines apply to those individuals and alternates who serve on the NCRB Governing Committee, NCRB committees and subcommittees and NCRB task forces and any other individual in attendance at an NCRB meeting.

1. In performing the statutory duties of the North Carolina Rate Bureau, avoid any action or statement which would give the appearance of private motivation.
2. Conduct business at regularly scheduled, formal meetings where minutes are kept and counsel is present.
3. Do not hold "informal" meetings or "rump sessions" at which any agreements or understandings are reached or any decisions are made.
4. Do not authorize, agree to, engage in or even discuss any activity which might be interpreted as boycott, coercion or intimidation.
5. Specifically, do not authorize, agree to, engage in or even discuss any division of markets, allocation of customers or refusal to do business with any individual or business organization.
6. Do not discuss individual company results, or current or future marketing or pricing strategies or business plans.
7. When in doubt, consult counsel.

**NORTH CAROLINA RATE BUREAU**  
**CONFLICTS OF INTEREST STATEMENT**

**Whereas**, the North Carolina Rate Bureau affirms its confidence in the loyalty and integrity of its Governing Committee, Bureau employees, agents, consultants and member representatives including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces; and

**Whereas**, it is the policy of the Bureau that members of the governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces conduct their personal and business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities owed to the Bureau; and

**Now therefore**, it is resolved that the Governing Committee hereby adopts the following policy addressing conflicts of interest:

It is the Bureau's policy that the Governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces shall not permit private interests to conflict with the proper discharge of his or her duties, nor shall one's position or the knowledge gained therein be used to further such interests. In addition, each said person shall conduct his or her private affairs in such manner as to avoid giving the appearance of any such conflict.

Any person having a conflict of interest on a matter shall not vote, take action, or use his or her personal influence on the matter. However, he or she may be counted in determining the quorum for a meeting where action on the matter may be taken. The minutes of any such meeting shall reflect that a disclosure was made and the abstention from voting.

It is understood and acknowledged by the Governing Committee that, as a result of the Bureau's unique structure and relationship to its members, many representatives of the Bureau will have certain inherent and obvious interest unique to his or her position held outside of the Bureau structure. This Policy is not intended to require a disclosure of such obvious situations at every meeting. This Policy should however serve as a reminder to those individuals who find themselves in that situation that, when taking action on behalf of the Bureau, they must make decisions that they believe to be in the best interest of the Bureau and its member companies and put aside other interests they represent.



**NORTH CAROLINA RATE BUREAU**

**CODE OF ETHICS AND STANDARDS OF CONDUCT**

The undersigned, an individual committee member or a representative of a company member (on behalf of his/her company) on a committee of the North Carolina Rate Bureau ("Bureau") (a "member"), hereby agrees to conform to the following code of ethics and to abide by the following standards of conduct:

1. Each member's conduct shall be marked by integrity and dignity, and he or she shall expect and encourage such conduct by others.
2. Each member should understand and support the Bureau's mission, purposes, goals, policies, programs, services, strengths and needs and be able to communicate them to others. In the performance of his or her duties, each member shall obey all applicable state, local and federal laws, rules and regulations.
3. Each member agrees to be governed by a spirit of cooperation, helpfulness and frankness in his or her relationship with fellow members to the end that each shall be equipped, through cooperative measures and exchanges of ideas, to better perform and function, and to foster the advancement and prestige of the Bureau.
4. Each member shall respect the confidential and proprietary nature of information received in the performance of his, hers or its duties and shall not divulge any privileged, confidential or proprietary information of the Bureau (including without limitation privileged work product and attorney/client communication) unless legally discharged from such obligation. No member shall have authority to waive or compromise any claim of privilege or confidentiality unless authorized to do so. Individual representatives of a company shall not share privileged, confidential or proprietary information of the Bureau with persons within his/her company unless such persons are informed of the company's obligations under this agreement.
5. Each member agrees that he or she does not and shall not speak or act on behalf of the Bureau unless authorized to do so.
6. Each member agrees to observe the policies and procedures of the Bureau, including without limitation the Antitrust Compliance Policy and the Conflicts of Interest Statement.
7. Each member shall seek to avoid any perception that he or she is not acting in the Bureau's best interest.

NORTH CAROLINA RATE BUREAU  
HOMEOWNERS INSURANCE

TREND PACKAGE  
2017-2021 EXPERIENCE

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Exhibit 1 - Average Annual Rate of Change In Current Cost Indices  
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Exhibit 2 - Average Annual Loss Trends (Industry Experience) -- Owners Forms  
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Exhibit 3 - Average Annual Loss Trends (Industry Experience) -- Tenants  
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Page 3: Pure Premium

Exhibit 4 - Average Annual Loss Trends (Industry Experience) -- Condominium Unit Owners  
Page 1: Frequency  
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Exhibit 5 - Indicated and Selected Annual Loss Trends  
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Exhibit 6 - Average Annual Premium Trend

Exhibit 7 - Average Annual Exposure Trend

Exhibit 8 - Trend for Expenses  
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Page 2: Average Annual Rate of Change

***NORTH CAROLINA RATE BUREAU***

**CALCULATION OF AVERAGE ANNUAL RATE OF CHANGE IN CURRENT COST INDICES  
HOMEOWNERS -- OWNERS FORMS**

(1) Quarter Ending	(2) Average Boeckh Residential Index for N.C.	(3) Average Modified Consumer Price Index	(4) Average Current Cost Index (CCI)
9/30/2017	108.9	91.2	105.4
12/31/2017	109.6	90.6	105.8
3/31/2018	110.7	90.8	106.7
6/30/2018	111.9	90.7	107.7
9/30/2018	113.9	89.4	109.0
12/31/2018	114.7	89.4	109.6
3/31/2019	114.8	90.1	109.9
6/30/2019	114.4	89.8	109.5
9/30/2019	114.7	89.5	109.7
12/31/2019	114.9	89.2	109.8
3/31/2020	115.1	89.5	110.0
6/30/2020	115.5	88.3	110.1
9/30/2020	116.9	89.4	111.4
12/31/2020	119.7	88.9	113.5
3/31/2021	122.5	89.8	116.0
6/30/2021	128.2	91.0	120.8
9/30/2021	145.5	91.9	134.8
12/31/2021	142.5	93.8	132.8
3/31/2022	143.7	96.9	134.3
6/30/2022	154.7	97.3	143.2
9/30/2022	157.8	98.2	145.9
12/31/2022	156.6	97.5	144.8
3/31/2023	153.4	98.1	142.3
6/30/2023	151.4	97.4	140.6

**Average annual rate of change in the CCI**

(5) From quarter-ending 9/30/17 to quarter-ending 6/30/22	+5.6%
(6) From quarter-ending 9/30/18 to quarter-ending 6/30/23	+7.6%
(7) From quarter-ending 9/30/19 to quarter-ending 6/30/23	+9.7%
(8) From quarter-ending 9/30/20 to quarter-ending 6/30/23	+10.7%
(9) From quarter-ending 9/30/21 to quarter-ending 6/30/23	+4.3%

***Notes:***

- (3) Calculated based on information from the Bureau of Labor Statistics.
- (4) = 0.8\*(2) + 0.2\*(3), rounded to one decimal.
- (5) Calculated by fitting an exponential curve to the 20 values in Column (4) from 9/30/2017 to 6/30/2022.
- (6) Calculated by fitting an exponential curve to the 20 values in Column (4) from 9/30/2018 to 6/30/2023.
- (7) Calculated by fitting an exponential curve to the 16 values in Column (4) from 9/30/2019 to 6/30/2023.
- (8) Calculated by fitting an exponential curve to the 12 values in Column (4) from 9/30/2020 to 6/30/2023.
- (9) Calculated by fitting an exponential curve to the 8 values in Column (4) from 9/30/2021 to 6/30/2023.

**NORTH CAROLINA RATE BUREAU**


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**CALCULATION OF AVERAGE ANNUAL RATE OF CHANGE IN CURRENT COST INDICES  
HOMEOWNERS -- TENANTS AND CONDOMINIUM UNIT OWNERS**

(1)	(2)
<b>Quarter Ending</b>	<b>Average Modified Consumer Price Index</b>
9/30/2017	88.3
12/31/2017	87.5
3/31/2018	87.6
6/30/2018	87.5
9/30/2018	85.9
12/31/2018	85.9
3/31/2019	86.6
6/30/2019	86.0
9/30/2019	85.7
12/31/2019	85.1
3/31/2020	85.2
6/30/2020	83.7
9/30/2020	84.8
12/31/2020	84.4
3/31/2021	85.3
6/30/2021	86.6
9/30/2021	87.5
12/31/2021	89.6
3/31/2022	92.8
6/30/2022	93.1
9/30/2022	93.8
12/31/2022	93.1
3/31/2023	93.7
6/30/2023	93.1

**Average annual rate of change in the CCI**

(3) From quarter-ending 9/30/17 to quarter-ending 6/30/22	0.6%
(4) From quarter-ending 9/30/18 to quarter-ending 6/30/23	2.3%
(5) From quarter-ending 9/30/19 to quarter-ending 6/30/23	3.5%
(6) From quarter-ending 9/30/20 to quarter-ending 6/30/23	4.6%
(7) From quarter-ending 9/30/21 to quarter-ending 6/30/23	3.3%

**Notes:**

- (2) Calculated based on information from the Bureau of Labor Statistics.
- (3) Calculated by fitting an exponential curve to the 20 values in Column (4) from 9/30/2017 to 6/30/2022.
- (4) Calculated by fitting an exponential curve to the 20 values in Column (4) from 9/30/2018 to 6/30/2023.
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- (6) Calculated by fitting an exponential curve to the 12 values in Column (4) from 9/30/2020 to 6/30/2023.
- (7) Calculated by fitting an exponential curve to the 8 values in Column (4) from 9/30/2021 to 6/30/2023.

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL FREQUENCY TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- OWNERS FORMS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident</b>					<b>Other</b>		<b>Total</b>	
<b><u>Year</u></b>	<b><u>Fire</u></b>	<b><u>Wind</u></b>	<b><u>Water</u></b>	<b><u>Theft</u></b>	<b><u>Property</u></b>	<b><u>Liability</u></b>	<b><u>Non-Wind</u></b>	<b><u>Total</u></b>
2017	0.3580%	2.5379%	1.2746%	0.2405%	0.3694%	0.1109%	2.3534%	4.8913%
2018	0.3572%	1.9303%	1.5804%	0.1981%	0.5758%	0.1144%	2.8259%	4.7562%
2019	0.3188%	2.8261%	1.2781%	0.1663%	0.4100%	0.0797%	2.2529%	5.0790%
2020	0.3035%	3.6185%	1.3723%	0.1160%	0.4487%	0.0982%	2.3387%	5.9572%
2021	0.2942%	1.7263%	1.2437%	0.0987%	0.3952%	0.0712%	2.1030%	3.8293%
<b>Average Annual Rate of Change in Frequency</b>								
(10) From 2017 to 2021:	-5.4%	-1.4%	-1.9%	-20.7%	-1.1%	-9.9%	-4.1%	-2.6%
(11) From 2018 to 2021:	-6.1%	-0.9%	-6.3%	-21.7%	-9.9%	-11.4%	-8.1%	-4.8%
(12) From 2019 to 2021:	-3.9%	-21.8%	-1.4%	-23.0%	-1.8%	-5.5%	-3.4%	-13.2%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL SEVERITY TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- OWNERS FORMS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident</b>					<b>Other</b>		<b>Total</b>	
<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Property</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
					<u>Damage</u>			
2017	34,775	8,819	10,313	3,791	5,938	10,105	12,671	10,673
2018	40,661	8,055	10,385	3,952	6,197	9,287	12,864	10,912
2019	43,155	10,837	10,903	4,405	7,357	12,510	14,399	12,417
2020	43,613	10,468	11,529	4,473	6,515	11,096	14,363	11,997
2021	60,178	12,259	13,317	4,629	7,947	12,512	18,428	15,647
<b>Average Annual Rate of Change in Severity</b>								
(10) From 2017 to 2021:	+12.4%	+9.6%	+6.4%	+5.4%	+6.5%	+6.2%	+9.0%	+9.0%
(11) From 2018 to 2021:	+12.6%	+13.0%	+8.3%	+5.0%	+6.4%	+8.1%	+11.4%	+11.0%
(12) From 2019 to 2021:	+18.1%	+6.4%	+10.5%	+2.5%	+3.9%	+0.0%	+13.1%	+12.3%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL PURE PREMIUM TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- OWNERS FORMS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident</b>					<b>Other</b>		<b>Total</b>	
<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Property</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
					<u>Damage</u>			
2017	124.50	223.82	131.45	9.12	21.93	11.21	298.21	522.03
2018	145.26	155.50	164.13	7.83	35.68	10.63	363.53	519.03
2019	137.59	306.28	139.34	7.33	30.17	9.97	324.40	630.68
2020	132.37	378.79	158.22	5.19	29.23	10.90	335.91	714.70
2021	177.04	211.62	165.62	4.57	31.40	8.91	387.54	599.16
<b>Average Annual Rate of Change in Pure Premium</b>								
(10) From 2017 to 2021:	+6.3%	+8.1%	+4.3%	-16.4%	+5.3%	-4.2%	+4.6%	+6.1%
(11) From 2018 to 2021:	+5.7%	+12.0%	+1.6%	-17.8%	-4.1%	-4.3%	+2.3%	+5.7%
(12) From 2019 to 2021:	+13.4%	-16.9%	+9.0%	-21.0%	+2.0%	-5.5%	+9.3%	-2.5%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL FREQUENCY TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- TENANTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident</b>					<b>Other</b>		<b>Total</b>	
<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Property</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
2017	0.2358%	0.0395%	0.2026%	0.6550%	0.1907%	0.1657%	1.4498%	1.4893%
2018	0.2279%	0.0840%	0.2903%	0.5728%	0.2746%	0.1707%	1.5363%	1.6203%
2019	0.1982%	0.0370%	0.1989%	0.4777%	0.2138%	0.1431%	1.2317%	1.2687%
2020	0.1936%	0.0615%	0.1956%	0.3731%	0.2226%	0.1464%	1.1313%	1.1928%
2021	0.1806%	0.0227%	0.2183%	0.3491%	0.2356%	0.1293%	1.1129%	1.1356%
<b>Average Annual Rate of Change in Frequency</b>								
(10) From 2017 to 2021:	-6.7%	-13.2%	-2.4%	-15.5%	+2.2%	-6.3%	-8.0%	-8.1%
(11) From 2018 to 2021:	-7.0%	-28.9%	-8.3%	-15.9%	-4.1%	-7.8%	-10.0%	-10.7%
(12) From 2019 to 2021:	-4.5%	-21.7%	+4.8%	-14.5%	+5.0%	-4.9%	-4.9%	-5.4%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.



***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL SEVERITY TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- TENANTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident</b>					<b>Other</b>		<b>Total</b>	
<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Property</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
					<u>Damage</u>			
2017	7,337	3,006	3,624	2,615	2,070	9,540	4,243	4,211
2018	6,655	2,241	3,828	2,755	1,884	9,911	4,176	4,076
2019	7,323	2,576	3,470	2,661	1,849	11,519	4,430	4,376
2020	7,329	2,778	3,754	2,611	1,678	10,598	4,466	4,379
2021	8,411	2,409	3,991	2,995	1,984	12,336	4,941	4,890
<b>Average Annual Rate of Change in Severity</b>								
(10) From 2017 to 2021:	+3.8%	-2.3%	+1.7%	+2.2%	-2.0%	+6.0%	+3.8%	+3.8%
(11) From 2018 to 2021:	+7.3%	+3.0%	+2.1%	+2.3%	+0.6%	+5.9%	+5.3%	+5.6%
(12) From 2019 to 2021:	+7.2%	-3.3%	+7.2%	+6.1%	+3.6%	+3.5%	+5.6%	+5.7%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL PURE PREMIUM TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- TENANTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident Year</b>	<b>Fire</b>	<b>Wind</b>	<b>Water</b>	<b>Theft</b>	<b>Other Property Damage</b>	<b>Liability</b>	<b>Total Non-Wind</b>	<b>Total</b>
2017	17.30	1.19	7.34	17.12	3.95	15.81	61.52	62.71
2018	15.17	1.88	11.11	15.78	5.17	16.92	64.15	66.03
2019	14.52	0.95	6.90	12.71	3.95	16.48	54.56	55.51
2020	14.19	1.71	7.34	9.74	3.74	15.52	50.53	52.24
2021	15.19	0.55	8.71	10.46	4.68	15.95	54.99	55.54
<b>Average Annual Rate of Change in Pure Premium</b>								
(10) From 2017 to 2021:	-3.2%	-15.1%	-0.7%	-13.7%	+0.2%	-0.7%	-4.5%	-4.7%
(11) From 2018 to 2021:	-0.2%	-26.7%	-6.5%	-13.9%	-3.5%	-2.3%	-5.2%	-5.6%
(12) From 2019 to 2021:	+2.3%	-23.9%	+12.4%	-9.3%	+8.8%	-1.6%	+0.4%	+0.0%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL FREQUENCY TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- CONDOMINIUM UNIT OWNERS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident Year</b>	<b>Fire</b>	<b>Wind</b>	<b>Water</b>	<b>Theft</b>	<b>Other Property Damage</b>	<b>Liability</b>	<b>Total Non-Wind</b>	<b>Total</b>
2017	0.2654%	0.0906%	2.2780%	0.2566%	0.3711%	0.2264%	3.3975%	3.4881%
2018	0.2299%	0.1245%	2.8575%	0.2184%	0.5055%	0.2248%	4.0361%	4.1606%
2019	0.2803%	0.1603%	2.4489%	0.2264%	0.4969%	0.2019%	3.6544%	3.8147%
2020	0.2118%	0.1706%	2.4889%	0.1777%	0.5001%	0.2330%	3.6115%	3.7821%
2021	0.1936%	0.0720%	2.4506%	0.1476%	0.5111%	0.1877%	3.4906%	3.5626%
<b>Average Annual Rate of Change in Frequency</b>								
(10) From 2017 to 2021:	-6.9%	-1.4%	+0.1%	-12.3%	+6.5%	-3.3%	-0.6%	-0.5%
(11) From 2018 to 2021:	-7.6%	-14.6%	-4.3%	-13.2%	+0.4%	-3.9%	-4.4%	-4.6%
(12) From 2019 to 2021:	-16.9%	-33.0%	+0.0%	-19.3%	+1.4%	-3.6%	-2.3%	-3.4%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL SEVERITY TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- CONDOMINIUM UNIT OWNERS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident</b>					<b>Other</b>		<b>Total</b>	
<u>Year</u>	<u>Fire</u>	<u>Wind</u>	<u>Water</u>	<u>Theft</u>	<u>Property</u>	<u>Liability</u>	<u>Non-Wind</u>	<u>Total</u>
					<u>Damage</u>			
2017	20,121	3,808	6,016	2,362	6,111	4,928	6,780	6,703
2018	11,359	4,836	6,101	2,894	4,336	5,530	5,974	5,940
2019	9,300	4,917	6,592	2,658	4,428	4,974	6,172	6,120
2020	13,835	4,431	6,962	3,073	5,294	6,306	6,900	6,789
2021	12,834	3,566	8,304	2,433	5,706	5,446	7,773	7,688
<b>Average Annual Rate of Change in Severity</b>								
(10) From 2017 to 2021:	-6.8%	-2.2%	+8.1%	+1.2%	+0.6%	+3.4%	+4.3%	+4.2%
(11) From 2018 to 2021:	+7.9%	-9.7%	+10.3%	-3.7%	+10.5%	+1.9%	+9.4%	+9.2%
(12) From 2019 to 2021:	+17.5%	-14.8%	+12.2%	-4.3%	+13.5%	+4.6%	+12.2%	+12.1%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL PURE PREMIUM TRENDS  
 BASED ON NCRB INDUSTRY LOSS EXPERIENCE  
 HOMEOWNERS -- CONDOMINIUM UNIT OWNERS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<b>EXCLUDING HURRICANES</b>							
<b>Accident Year</b>	<b>Fire</b>	<b>Wind</b>	<b>Water</b>	<b>Theft</b>	<b>Other Property Damage</b>	<b>Liability</b>	<b>Total Non-Wind</b>	<b>Total</b>
2017	53.40	3.45	137.06	6.06	22.68	11.16	230.36	233.81
2018	26.11	6.02	174.34	6.32	21.92	12.43	241.12	247.14
2019	26.07	7.88	161.44	6.02	22.00	10.04	225.57	233.45
2020	29.31	7.56	173.27	5.46	26.48	14.69	249.21	256.77
2021	24.85	2.57	203.50	3.59	29.16	10.22	271.32	273.89
<b>Average Annual Rate of Change in Pure Premium</b>								
(10) From 2017 to 2021:	-13.2%	-3.5%	+8.2%	-11.2%	+7.2%	-0.1%	+3.7%	+3.6%
(11) From 2018 to 2021:	-0.3%	-22.9%	+5.5%	-16.4%	+11.0%	-2.0%	+4.6%	+4.1%
(12) From 2019 to 2021:	-2.4%	-42.9%	+12.3%	-22.8%	+15.1%	+0.9%	+9.7%	+8.3%

**Notes:**

- (2) to (9) Calculated based on loss experience used in the NCRB Homeowners rate analysis.
- (10) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2017 to 2021.
- (11) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2018 to 2021.
- (12) Calculated by fitting an exponential curve to the values in Columns (2) through (9) for accident years 2019 to 2021.

**NORTH CAROLINA RATE BUREAU**

INDICATED AND SELECTED ANNUAL LOSS TRENDS  
HOMEOWNERS -- OWNERS FORMS

	(A)	(B)	(C)
	INDICATED		
	ANNUAL RATES OF CHANGE		
	<u>Frequency</u>	<u>Severity</u>	<u>Pure Premium</u>
<b>Current Cost Indices</b>			
(1) From quarter-ending 9/30/17 to quarter-ending 6/30/22	n.a.	+5.6%	n.a.
(2) From quarter-ending 9/30/18 to quarter-ending 6/30/23	n.a.	+7.6%	n.a.
(3) From quarter-ending 9/30/19 to quarter-ending 6/30/23	n.a.	+9.7%	n.a.
(4) From quarter-ending 9/30/20 to quarter-ending 6/30/23	n.a.	+10.7%	n.a.
(5) From quarter-ending 9/30/21 to quarter-ending 6/30/23	n.a.	+4.3%	n.a.
<b>NCRB Annual Non-Wind/Non-Hurricane Loss Experience</b>			
(6) From 2017 to 2021	-4.1%	+9.0%	+4.6%
(7) From 2018 to 2021	-8.1%	+11.4%	+2.3%
(8) From 2019 to 2021	-3.4%	+13.1%	+9.3%
<b>NCRB Annual Non-Hurricane Loss Experience</b>			
(9) From 2017 to 2021	-2.6%	+9.0%	+6.1%
(10) From 2018 to 2021	-4.8%	+11.0%	+5.7%
(11) From 2019 to 2021	-13.2%	+12.3%	-2.5%
	<u>Frequency</u>	<u>Severity</u>	<u>Pure Premium</u>
(12) Selected Annual Loss Trend (Historical time period)			
(13) Selected Annual Loss Trend (Prospective time period)			

**Notes:**

(1) to (5): From Exhibit 1, Page 1

(6) to (11): From Exhibit 2, Pages 1 to 3

**NORTH CAROLINA RATE BUREAU**

INDICATED AND SELECTED ANNUAL LOSS TRENDS  
HOMEOWNERS -- TENANTS

	(A)	(B)	(C)
	INDICATED		
	ANNUAL RATES OF CHANGE		
	<u>Frequency</u>	<u>Severity</u>	<u>Pure Premium</u>
<b>Current Cost Indices</b>			
(1) From quarter-ending 9/30/17 to quarter-ending 6/30/22	n.a.	+0.6%	n.a.
(2) From quarter-ending 9/30/18 to quarter-ending 6/30/23	n.a.	+2.3%	n.a.
(3) From quarter-ending 9/30/19 to quarter-ending 6/30/23	n.a.	+3.5%	n.a.
(4) From quarter-ending 9/30/20 to quarter-ending 6/30/23	n.a.	+4.6%	n.a.
(5) From quarter-ending 9/30/21 to quarter-ending 6/30/23	n.a.	+3.3%	n.a.
<b>NCRB Annual Non-Wind/Non-Hurricane Loss Experience</b>			
(6) From 2017 to 2021	-8.0%	+3.8%	-4.5%
(7) From 2018 to 2021	-10.0%	+5.3%	-5.2%
(8) From 2019 to 2021	-4.9%	+5.6%	+0.4%
<b>NCRB Annual Non-Hurricane Loss Experience</b>			
(9) From 2017 to 2021	-8.1%	+3.8%	-4.7%
(10) From 2018 to 2021	-10.7%	+5.6%	-5.6%
(11) From 2019 to 2021	-5.4%	+5.7%	+0.0%
	<u>Frequency</u>	<u>Severity</u>	<u>Pure Premium</u>
(12) Selected Annual Loss Trend (Historical time period)			
(13) Selected Annual Loss Trend (Prospective time period)			

**Notes:**

(1) to (5): From Exhibit 1, Page 2

(6) to (11): From Exhibit 3, Pages 1 to 3

***NORTH CAROLINA RATE BUREAU***

INDICATED AND SELECTED ANNUAL LOSS TRENDS  
HOMEOWNERS -- CONDOMINIUM UNIT OWNERS

	(A)	(B)	(C)	
	INDICATED			
	ANNUAL RATES OF CHANGE			
	<u>Frequency</u>	<u>Severity</u>	<u>Pure Premium</u>	
<b>Current Cost Indices</b>				
(1)	From quarter-ending 9/30/17 to quarter-ending 6/30/22	n.a.	+0.6%	n.a.
(2)	From quarter-ending 9/30/18 to quarter-ending 6/30/23	n.a.	+2.3%	n.a.
(3)	From quarter-ending 9/30/19 to quarter-ending 6/30/23	n.a.	+3.5%	n.a.
(4)	From quarter-ending 9/30/20 to quarter-ending 6/30/23	n.a.	+4.6%	n.a.
(5)	From quarter-ending 9/30/21 to quarter-ending 6/30/23	n.a.	+3.3%	n.a.
<b>NCRB Annual Non-Wind/Non-Hurricane Loss Experience</b>				
(6)	From 2017 to 2021	-0.6%	+4.3%	+3.7%
(7)	From 2018 to 2021	-4.4%	+9.4%	+4.6%
(8)	From 2019 to 2021	-2.3%	+12.2%	+9.7%
<b>NCRB Annual Non-Hurricane Loss Experience</b>				
(9)	From 2017 to 2021	-0.5%	+4.2%	+3.6%
(10)	From 2018 to 2021	-4.6%	+9.2%	+4.1%
(11)	From 2019 to 2021	-3.4%	+12.1%	+8.3%
		<u>Frequency</u>	<u>Severity</u>	<u>Pure Premium</u>
(12)	Selected Annual Loss Trend (Historical time period)			
(13)	Selected Annual Loss Trend (Prospective time period)			

**Notes:**

(1) to (5): From Exhibit 1, Page 2

(6) to (11): From Exhibit 4, Pages 1 to 3



EXHIBIT 6

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL PREMIUM TREND  
HOMEOWNERS

(1)	(2)                      (3)                      (4)		
<u>Accident Year</u>	<u>Average Policy Size Relativity</u>		
	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
2017	1.161	2.519	4.371
2018	1.184	2.452	4.429
2019	1.221	2.390	4.491
2020	1.255	2.337	4.551
2021	1.294	2.320	4.630
<b><u>Average Annual Rate of Change</u></b>			
(5) From 2017 to 2021:	+2.8%	-2.1%	+1.4%
(6) From 2018 to 2021:	+3.0%	-1.9%	+1.5%
(7) From 2019 to 2021:	+2.9%	-1.5%	+1.5%
<b>(8) Selected Annual Rate of Change</b>			

**Notes:**

- (2) to (4) Calculated based on premium data used in the NCRB Homeowners rate analysis.
- (5) Calculated by fitting an exponential curve to the values in Columns (2) to (4) for accident years 2017 to 2021.
- (6) Calculated by fitting an exponential curve to the values in Columns (2) to (4) for accident years 2018 to 2021.
- (7) Calculated by fitting an exponential curve to the values in Columns (2) to (4) for accident years 2019 to 2021.

EXHIBIT 7

***NORTH CAROLINA RATE BUREAU***

CALCULATION OF AVERAGE ANNUAL EXPOSURE TREND  
HOMEOWNERS

(1)	(2)	(3)	(4)
	<u>Average Exposure per Policy</u>		
<u>Accident Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
2017	260,767	27,810	51,318
2018	269,061	26,998	52,329
2019	281,550	26,254	53,311
2020	292,797	25,623	54,031
2021	306,497	25,440	55,045
<b><u>Average Annual Rate of Change</u></b>			
(5) From 2017 to 2021:	+4.2%	-2.3%	+1.7%
(6) From 2018 to 2021:	+4.4%	-2.0%	+1.7%
(7) From 2019 to 2021:	+4.3%	-1.6%	+1.6%
<b>(8) Selected Annual Rate of Change</b>	[ ]	[ ]	[ ]

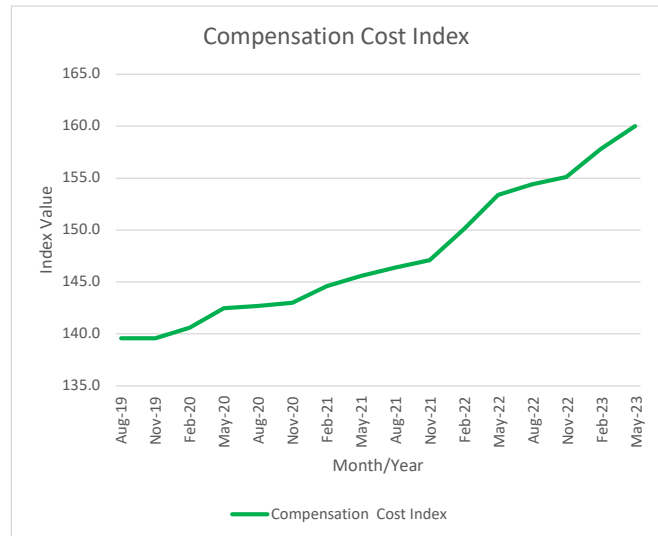
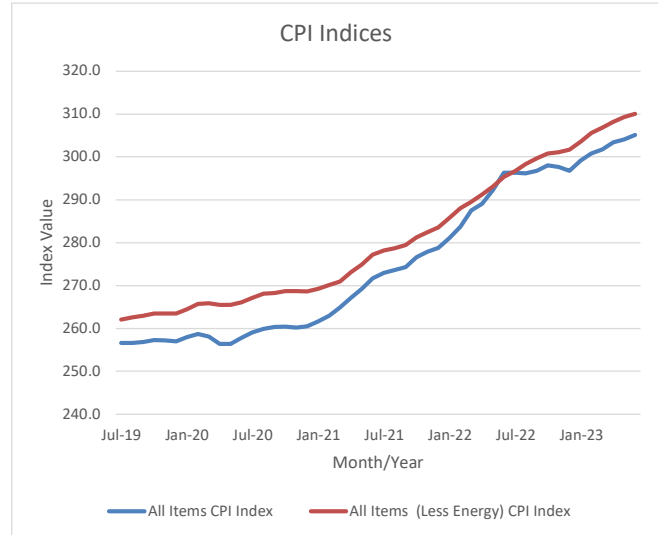
**Notes:**

- (2) to (4) Calculated based on premium data used in the NCRB Homeowners rate analysis.
- (5) Calculated by fitting an exponential curve to the values in Columns (2) to (4) for accident years 2017 to 2021.
- (6) Calculated by fitting an exponential curve to the values in Columns (2) to (4) for accident years 2018 to 2021.
- (7) Calculated by fitting an exponential curve to the values in Columns (2) to (4) for accident years 2019 to 2021.

**NORTH CAROLINA RATE BUREAU**

**DETERMINATION OF TREND FOR EXPENSES**

<u>Month</u>	<u>All Items CPI Index</u>	<u>All Items (Less Energy) CPI Index</u>	<u>Compensation Cost Index</u>
Jul-19	256.6	262.1	
Aug-19	256.6	262.6	139.6
Sep-19	256.8	263.0	
Oct-19	257.3	263.5	
Nov-19	257.2	263.5	139.6
Dec-19	257.0	263.5	
Jan-20	258.0	264.5	
Feb-20	258.7	265.7	140.6
Mar-20	258.1	265.9	
Apr-20	256.4	265.5	
May-20	256.4	265.5	142.5
Jun-20	257.8	266.1	
Jul-20	259.1	267.1	
Aug-20	259.9	268.1	142.7
Sep-20	260.3	268.3	
Oct-20	260.4	268.7	
Nov-20	260.2	268.7	143.0
Dec-20	260.5	268.6	
Jan-21	261.6	269.2	
Feb-21	263.0	270.1	144.6
Mar-21	264.9	271.0	
Apr-21	267.1	273.1	
May-21	269.2	274.9	145.6
Jun-21	271.7	277.2	
Jul-21	273.0	278.2	
Aug-21	273.6	278.7	146.4
Sep-21	274.3	279.4	
Oct-21	276.6	281.2	
Nov-21	277.9	282.4	147.1
Dec-21	278.8	283.6	
Jan-22	281.1	285.8	
Feb-22	283.7	288.0	150.1
Mar-22	287.5	289.5	
Apr-22	289.1	291.2	
May-22	292.3	293.1	153.4
Jun-22	296.3	295.4	
Jul-22	296.3	296.7	
Aug-22	296.2	298.3	154.4
Sep-22	296.8	299.7	
Oct-22	298.0	300.8	
Nov-22	297.7	301.1	155.1
Dec-22	296.8	301.7	
Jan-23	299.2	303.6	
Feb-23	300.8	305.6	157.8
Mar-23	301.8	306.9	
Apr-23	303.4	308.2	
May-23	304.1	309.3	160.0
Jun-23	305.1	310.1	



***NORTH CAROLINA RATE BUREAU***

DETERMINATION OF TREND FOR EXPENSES

	All Items CPI Index <sup>(a)</sup>	All Items (Less Energy) CPI Index <sup>(b)</sup>	Compensation Cost Index <sup>(c)</sup>	Combined <sup>(d)</sup>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	+5.35%	+4.77%	+3.74%	+4.40%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	+6.62%	+5.85%	+4.42%	+5.33%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	+6.31%	+6.22%	+5.27%	+5.77%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	+3.48%	+4.98%	+5.09%	+4.66%

(5) Average Annual Index <sup>(e)</sup>

Year Ended	All Items CPI Index <sup>(a)</sup>	All Items (Less Energy) CPI Index <sup>(b)</sup>	Compensation Cost Index <sup>(c)</sup>
12/31/2020	258.8	266.9	142.2
06/30/2021	263.2	270.4	144.0
12/31/2021	271.0	276.6	145.9
06/30/2022	282.0	285.5	149.3
12/31/2022	292.7	295.1	153.3
06/30/2023	299.7	303.5	156.8

(6) Current Cost Factor (Latest Index Value Divided by Average Annual Index)

Year Ended	All Items CPI Index <sup>(a)</sup>	All Items (Less Energy) CPI Index <sup>(b)</sup>	Compensation Cost Index <sup>(c)</sup>	Combined <sup>(d)</sup>
12/31/2020	1.179	1.162	1.125	1.148
06/30/2021	1.159	1.147	1.111	1.132
12/31/2021	1.126	1.121	1.097	1.110
06/30/2022	1.082	1.086	1.072	1.078
12/31/2022	1.042	1.051	1.044	1.045
06/30/2023	1.018	1.022	1.020	1.020

(7) Selected Annual Change =

**Notes:**

- <sup>(a)</sup> CPI - All Urban Consumers - All Items. Source: Bureau of Labor Statistics (Series ID: CUUR0000SA0).
- <sup>(b)</sup> CPI - All Urban Consumers - All Items Less Energy. Source: Bureau of Labor Statistics (Series ID: CUUR0000SA0LE).
- <sup>(c)</sup> Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service. Source: Bureau of Labor Statistics (Series ID: CIU2015240000001).
- <sup>(d)</sup> Weighted average determined as .25 (All Items) + .25 (All Items - Less Energy) + .50 (CCI).
- <sup>(e)</sup> Average year ended index for period shown.

NORTH CAROLINA RATE BUREAU  
HOMEOWNERS INSURANCE

EXPENSE PACKAGE  
2018-2022 EXPENSE EXPERIENCE

Table of Contents

Exhibit 1	Expenses and Dividends
Exhibit 2	Loss Adjustment Expense
Exhibit 3	Deviations

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**EXPENSE, DIVIDENDS, PROFIT AND CONTINGENCIES**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>3-Year Average</u>	<u>Selected</u>	<u>Prior Selection</u>
Commission and Brokerage	298,055,192	326,276,113	351,929,075	360,885,677	403,813,170			
Written Premium Including Deviations	2,464,248,017	2,636,750,707	2,842,077,401	3,041,658,055	3,416,118,045			
Ratio	0.121	0.124	0.124	0.119	0.118	0.120		0.121
Other Acquisition Expense	167,855,920	182,357,508	183,495,302	189,037,693	191,691,086			
Earned Premium at Current Manual Level <sup>(a)</sup>	2,811,982,365	2,915,009,033	3,026,388,529	3,141,008,404	3,438,471,586			
Ratio	0.060	0.063	0.061	0.060	0.056	0.059		0.066
General Expense	126,233,185	124,838,234	113,446,840	135,678,920	123,228,641			
Earned Premium at Current Manual Level <sup>(a)</sup>	2,811,982,365	2,915,009,033	3,026,388,529	3,141,008,404	3,438,471,586			
Ratio	0.045	0.043	0.037	0.043	0.036	0.039		0.046
Taxes, Licenses and Fees	68,245,754	73,902,704	81,197,007	85,874,580	96,287,242			
Written Premium Including Deviations	2,464,248,017	2,636,750,707	2,842,077,401	3,041,658,055	3,416,118,045			
Ratio	0.028	0.028	0.029	0.028	0.028	0.028		0.028
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>5-Year Average</u>	<u>Selected</u>	<u>Prior Selection</u>
Direct Written Premium (Statutory Page 14)	2,660,370,763	2,831,680,169	3,043,529,552	3,255,596,441	3,643,680,035			
Total Dividends	11,677,883	17,986,477	15,534,397	14,368,232	14,447,837			
Ratio of Dividends to Direct Written Premium	0.4%	0.6%	0.5%	0.4%	0.4%	0.5%		0.4%

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**NON-MODELED LOSS ADJUSTMENT EXPENSES**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>5-Year Average</u>
Allocated LAE	30,511,729	18,080,495	30,687,536	27,429,484	35,782,814	
Unallocated LAE	261,289,358	170,885,992	196,835,758	167,332,884	231,413,411	
Total LAE	291,801,087	188,966,487	227,523,294	194,762,368	267,196,225	
Incurred Losses	2,163,894,489	1,497,471,490	1,773,939,671	1,523,066,620	2,222,167,453	
Ratio: LAE/I.L.	0.135	0.126	0.128	0.128	0.120	0.127

Average Excluding Highest and Lowest Years: 0.127

Selected LAE Ratio:

Prior Selection: 0.139

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**DEVIATIONS**

<u>Year</u>	<u>Beach Plan Written Premium Adjusted to Manual</u>	<u>Voluntary Market Written Premium Adjusted to Manual</u>	<u>Beach Plan Direct Written Premium</u>	<u>Voluntary Market Direct Written Premium</u>	<u>Average Deviation</u>
2018	217,721,613	2,448,550,996	230,059,925	2,464,248,017	1.05%
2019	211,039,452	2,643,502,984	223,180,673	2,636,750,707	0.19%
2020	227,702,444	2,824,860,702	240,961,124	2,842,077,401	1.00%
2021	263,593,055	3,037,690,014	279,403,016	3,041,658,055	0.60%
2022	306,888,835	3,409,572,126	325,727,632	3,416,118,045	0.68%

5-Year Average: 0.70%

Selection:

Prior Selection: 0.00%



MINUTES OF THE VIRTUAL MEETING OF THE PROPERTY RATING SUBCOMMITTEE  
OF THE NORTH CAROLINA RATE BUREAU HELD NOVEMBER 1, 2023

MEMBERS PRESENT

Allstate Insurance Company  
American Bankers Insurance Company of Florida  
American Modern Home Insurance Company  
Foremost Insurance Company  
  
Horace Mann Insurance Company  
Nationwide Mutual Insurance Company  
NC Farm Bureau Mutual Insurance Company  
State Farm Mutual Automobile Insurance Company  
The Travelers Insurance Company  
United Services Automobile Association

OTHERS PRESENT

Milliman  
Consultant  
Insurance Services Office  
  
Young Moore and Henderson, P.A.  
  
Staff

REPRESENTED BY

Gary Wierzbicki  
Brian Gill \*\*  
Diane Matalka  
Matthew York  
Nathan Chouinard  
Chris Skorcz  
Sara Behrend  
Rich Phillips  
Jennifer Heizer  
Wendel Ridley  
Nick Kunkle

REPRESENTED BY

Paul Anderson  
George Zanjani  
Paul Ericksen  
Steve Conover  
David Markowitz  
Brian Beverly  
Mickey Spivey  
Lisa Leeaphorn  
Joanna Biliouris  
Jarred Chappell  
Keri Johnson  
Andy Montano  
Rebecca Williams  
Karen Ott

\*\* partial attendance

The meeting commenced at approximately 9:00 A.M., Mr. Wierzbicki presiding. Attention was directed to Antitrust Guidelines, Conflict of Interest Statement, and Code of Ethics and Standards of Conduct which were previously distributed.

1. Homeowners Rate Level Review

Attention was directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed with the agenda regarding the Homeowners Rate Level Review. Mr. Conover presented the Homeowners loss, premium, exposure, and expense trend package. The Committee previously selected exposure trends, but reviewed the selections in light of updated data.

Mr. Conover then reviewed the exhibits presenting the data on the various expenses, dividends, and deviations.

Attention was directed to materials prepared by Dr. Zanjani regarding the cost of capital and underwriting profit, including an array of underwriting profit provisions and their associated returns without and with investment income on surplus.

After discussion, a motion was seconded and passed to adopt the various trend selections, to adopt the selections on the various expenses, dividends, and deviations, and making an underwriting profit selection from the array presented.

2. Report of Staff

Mr. Montano provided an update on activity in the property and automobile lines, stating that 1) the 2023 Dwelling Rate Filing was submitted in July and the Commissioner issued a notice of hearing scheduling a hearing for April, 2024; 2) the Mobile Home rate review is in progress with an anticipated completion date in February or March, 2024; 3) the 2023 Private Passenger Auto rate filing submitted on February 1, 2023 was settled with a two-year implementation providing an overall rate increase of 4.5% in the first year to be effective December 1, 2023 and an overall rate increase in the second year of 4.5% to be effective December 1, 2024; 4) the statutory Private Passenger Auto filing due on February 1, 2024 will be a review only; 5) a Private Passenger Auto rate review for Other Than Clean risks ceded to the Reinsurance Facility will be performed, with any resulting filing expected to be submitted in April, 2024; and 6) the changes in Senate Bill 452 which are effective January 1, 2025 include the increase of minimum financial responsibility limits from 30/60/25 to 50/100/50, material changes to Underinsured Motorists coverage, expansion of the inexperienced operator surcharge period from 3 years to 8 years, expansion of the major convictions surcharge experience period from 3 years to 5 years, and the removal of the statutory requirement for separate statistical data reporting on optional enhanced endorsements.

3. Report of Counsel

Mr. Beverly noted that this Subcommittee met recently and received a comprehensive report from counsel such that another wide-ranging report was not warranted, but reminded the group of several additional provisions in recently passed SB 452 including the increased maximum limits for claims handled by the Insurance Guaranty Association, increases to coverage limits in the Beach Plan, and the 4% convenience fee that insurers are permitted to charge in connection with electronic transactions.

Mr. Spivey reported that the Commissioner of Insurance will no longer be the State Fire Marshal in light of recent legislative action, and provided an update on status of the "Murphy Report."

4. Adjournment

There being no other business, the meeting was adjourned.

Respectfully Submitted,

Andy Montano

Director, Personal Lines

AM:ko  
PRS-23-7  
12/11/2023



## Property Rating Subcommittee Meeting Agenda

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**Date:** November 16, 2023

**Time:** 9:00 AM (ET)

**Zoom Teleconference**

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Call in: 929.205.6099 / 877.853.5257 Meeting ID: 864 408 3402

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1. **Welcome**
2. **Roll Call**
3. **Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3).**
4. **Homeowners Preliminary Rate Level Indications**

ISO will present **Exhibit 4**, which includes a summary of the 2024 Homeowners Rate review indications. We have also included **Exhibit 5** which includes the detailed information pertaining to the 2024 Rate Review indications.

The Committee will be asked to make a recommendation to the Property Committee pertaining to the homeowner rate review.
4. **Report of Staff**

Staff will report on any recent developments.
5. **Report of Counsel**

Counsel will report on any recent developments.
6. **Other Business**
7. **Adjournment**

AM:ko  
PRS-23-8  
Attachments  
11/10/2023



**NORTH CAROLINA RATE BUREAU**

**ANTITRUST COMPLIANCE POLICY AND  
BOARD RESOLUTION**

**Whereas**, it is the established policy of the North Carolina Rate Bureau to comply fully with all laws and regulations applicable to its operations; and

**Whereas**, the creation and operation of the North Carolina Rate Bureau is to promulgate rates and forms, and because the activities and functions bring together representatives of insurance companies that may be in competition, it is the policy of the NCRB, in the course of its activities and functions, to discourage and prohibit the disclosure of competitive information.

**Resolved**, that the following antitrust guidelines are adopted by the Governing Committee of the NCRB.

These guidelines apply to those individuals and alternates who serve on the NCRB Governing Committee, NCRB committees and subcommittees and NCRB task forces and any other individual in attendance at an NCRB meeting.

1. In performing the statutory duties of the North Carolina Rate Bureau, avoid any action or statement which would give the appearance of private motivation.
2. Conduct business at regularly scheduled, formal meetings where minutes are kept and counsel is present.
3. Do not hold "informal" meetings or "rump sessions" at which any agreements or understandings are reached or any decisions are made.
4. Do not authorize, agree to, engage in or even discuss any activity which might be interpreted as boycott, coercion or intimidation.
5. Specifically, do not authorize, agree to, engage in or even discuss any division of markets, allocation of customers or refusal to do business with any individual or business organization.
6. Do not discuss individual company results, or current or future marketing or pricing strategies or business plans.
7. When in doubt, consult counsel.



**NORTH CAROLINA RATE BUREAU**  
**CONFLICTS OF INTEREST STATEMENT**

**Whereas**, the North Carolina Rate Bureau affirms its confidence in the loyalty and integrity of its Governing Committee, Bureau employees, agents, consultants and member representatives including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces; and

**Whereas**, it is the policy of the Bureau that members of the governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces conduct their personal and business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities owed to the Bureau; and

**Now therefore**, it is resolved that the Governing Committee hereby adopts the following policy addressing conflicts of interest:

It is the Bureau's policy that the Governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces shall not permit private interests to conflict with the proper discharge of his or her duties, nor shall one's position or the knowledge gained therein be used to further such interests. In addition, each said person shall conduct his or her private affairs in such manner as to avoid giving the appearance of any such conflict.

Any person having a conflict of interest on a matter shall not vote, take action, or use his or her personal influence on the matter. However, he or she may be counted in determining the quorum for a meeting where action on the matter may be taken. The minutes of any such meeting shall reflect that a disclosure was made and the abstention from voting.

It is understood and acknowledged by the Governing Committee that, as a result of the Bureau's unique structure and relationship to its members, many representatives of the Bureau will have certain inherent and obvious interest unique to his or her position held outside of the Bureau structure. This Policy is not intended to require a disclosure of such obvious situations at every meeting. This Policy should however serve as a reminder to those individuals who find themselves in that situation that, when taking action on behalf of the Bureau, they must make decisions that they believe to be in the best interest of the Bureau and its member companies and put aside other interests they represent.

## NORTH CAROLINA RATE BUREAU

### CODE OF ETHICS AND STANDARDS OF CONDUCT

The undersigned, an individual committee member or a representative of a company member (on behalf of his/her company) on a committee of the North Carolina Rate Bureau ("Bureau") (a "member"), hereby agrees to conform to the following code of ethics and to abide by the following standards of conduct:

1. Each member's conduct shall be marked by integrity and dignity, and he or she shall expect and encourage such conduct by others.
2. Each member should understand and support the Bureau's mission, purposes, goals, policies, programs, services, strengths and needs and be able to communicate them to others. In the performance of his or her duties, each member shall obey all applicable state, local and federal laws, rules and regulations.
3. Each member agrees to be governed by a spirit of cooperation, helpfulness and frankness in his or her relationship with fellow members to the end that each shall be equipped, through cooperative measures and exchanges of ideas, to better perform and function, and to foster the advancement and prestige of the Bureau.
4. Each member shall respect the confidential and proprietary nature of information received in the performance of his, hers or its duties and shall not divulge any privileged, confidential or proprietary information of the Bureau (including without limitation privileged work product and attorney/client communication) unless legally discharged from such obligation. No member shall have authority to waive or compromise any claim of privilege or confidentiality unless authorized to do so. Individual representatives of a company shall not share privileged, confidential or proprietary information of the Bureau with persons within his/her company unless such persons are informed of the company's obligations under this agreement.
5. Each member agrees that he or she does not and shall not speak or act on behalf of the Bureau unless authorized to do so.
6. Each member agrees to observe the policies and procedures of the Bureau, including without limitation the Antitrust Compliance Policy and the Conflicts of Interest Statement.
7. Each member shall seek to avoid any perception that he or she is not acting in the Bureau's best interest.



## Exhibit 4

# 2023 North Carolina Homeowners Rate Review

11/16/2023

# 2020 North Carolina Homeowners Rate Review

## Summary of the 2020 Rate Filing

Policy Form	Indicated Rate Change	Filed Rate Change	Settled Rate Change
Owners	+39.0%	+24.6%	+8.2%
Tenants	+23.6%	+21.6%	+2.0%
Condos	+51.4%	+25.0%	+5.0%
<b>Total</b>	<b>+38.7%</b>	<b>+24.5%</b>	<b>+7.9%</b>

- Based on 5 accident-years of data ending 12/31/2018
- The settlement with the Department capped changes for all forms resulting in an overall statewide increase of +7.9%
- The rates went into effect 6/1/2022



# 2023 North Carolina Homeowners Rate Review

## Summary of the 2023 Rate Review

Policy Form	2021 Earned Premium at Current Level	Indicated Rate Change *
Owners	\$2,800,629,255	+42.8%
Tenants	\$80,339,123	+34.6%
Condos	\$38,624,005	+45.0%
<b>Total</b>	<b>\$2,919,592,383</b>	<b>+42.6%</b>

- Based on 5 accident-years of data ending 12/31/2021
- Expected to be filed in January 2024 with an assumed effective date of 8/1/2024

\* Indications include a placeholder for contingencies

# 2023 North Carolina Homeowners Rate Review

## Comparison of Key Rate Components

Rate Component	Current Review	Prior Review
Profit	9.0%	9.0%
Contingencies*	1.0%	1.0%
Compensation for Assessment Risk	1.7%	2.9%
Dividends	0.5%	0.4%
Deviations	0.0%	0.0%
Fixed Expense Ratio	9.8%	11.2%
Variable Expense	14.8%	14.9%
Loss Adjustment Expense	12.7%	13.9%
Expense Trend	5.0%	2.2%
Net Cost of Reinsurance	\$445.59pp	\$177.25pp

\* Placeholder value

pp = cost per policy

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Owners

- Loss trend factors are based on:
  - +5.5% historical trend (+4.0% last review)
  - +6.5% prospective trend (+6.0% last review)
- Premium trend factors are based on current amount factors and:
  - +5.0% prospective trend (+1.1% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		1.484		1.094
2015		1.427		1.083
2016		1.372		1.075
2017	1.602	1.319	1.361	1.065
2018	1.519	1.269	1.334	1.046
2019	1.439		1.294	
2020	1.364		1.258	
2021	1.293		1.220	

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Tenants

- Loss trend factors are based on:
  - 1.0% historical trend (-1.0% last review)
  - +4.0% prospective trend (+0.5% last review)
- Premium trend factors are based on current amount factors and:
  - 0.0% prospective trend (-2.0% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		0.980		0.848
2015		0.990		0.865
2016		1.000		0.878
2017	1.127	1.010	0.921	0.898
2018	1.139	1.021	0.946	0.921
2019	1.150		0.971	
2020	1.162		0.993	
2021	1.174		1.000	

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Condos

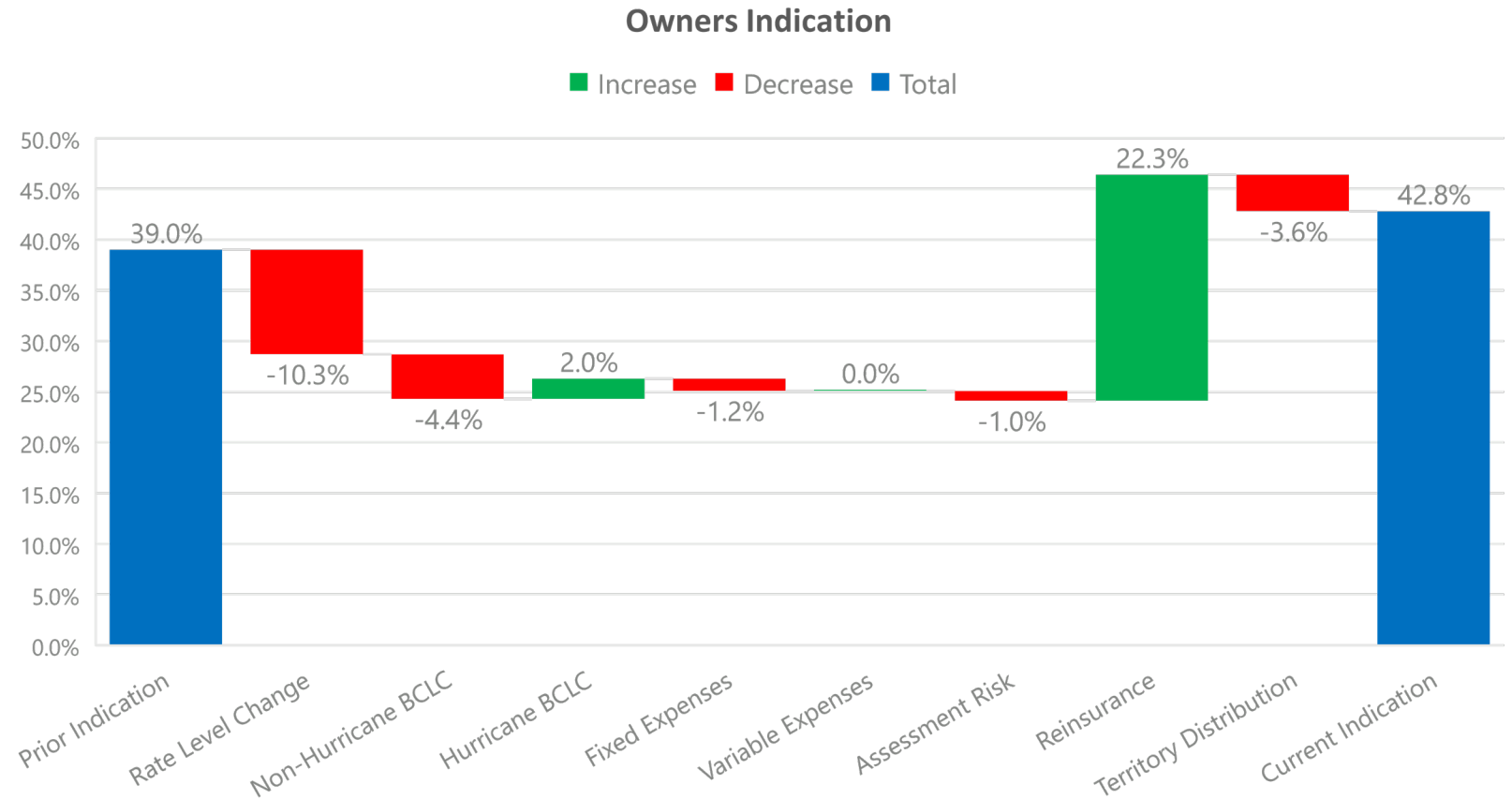
- Loss trend factors are based on:
  - +4.5% historical trend (+5.0% last review)
  - +4.5% prospective trend (+5.0% last review)
- Premium trend factors are based on current amount factors and:
  - +2.0% prospective trend (0.0% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		1.483		0.973
2015		1.413		0.986
2016		1.346		1.007
2017	1.427	1.281	1.148	1.011
2018	1.366	1.220	1.133	1.000
2019	1.307		1.118	
2020	1.251		1.103	
2021	1.197		1.084	

# 2023 North Carolina Homeowners Rate Review

## Breakdown of Owners Indication

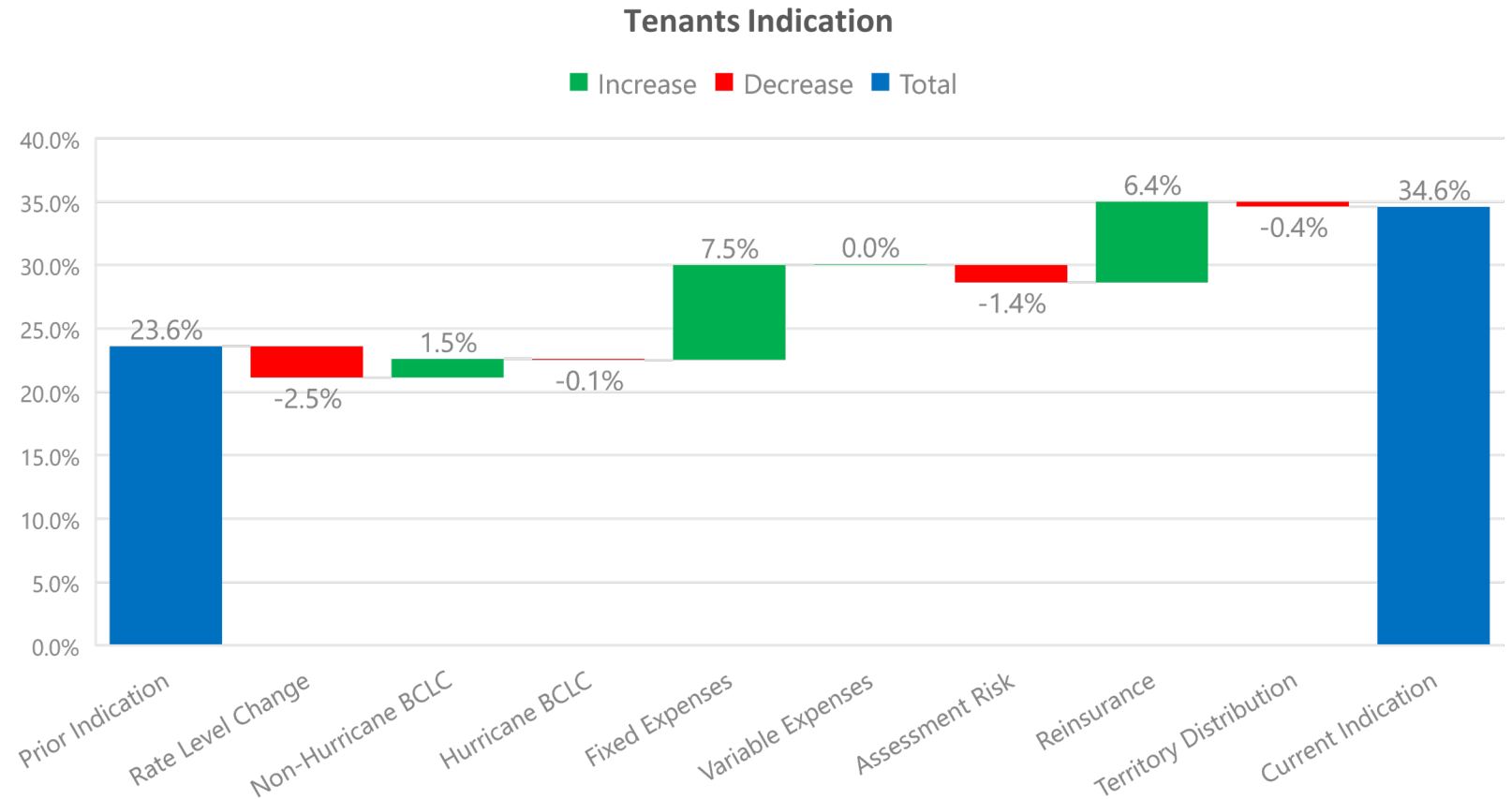
- The increase in premium trend is driving the decrease in the non-hurricane BCLC despite worsening experience
- The net cost of reinsurance is significantly higher than the previous review



# 2023 North Carolina Homeowners Rate Review

## Breakdown of Tenants Indication

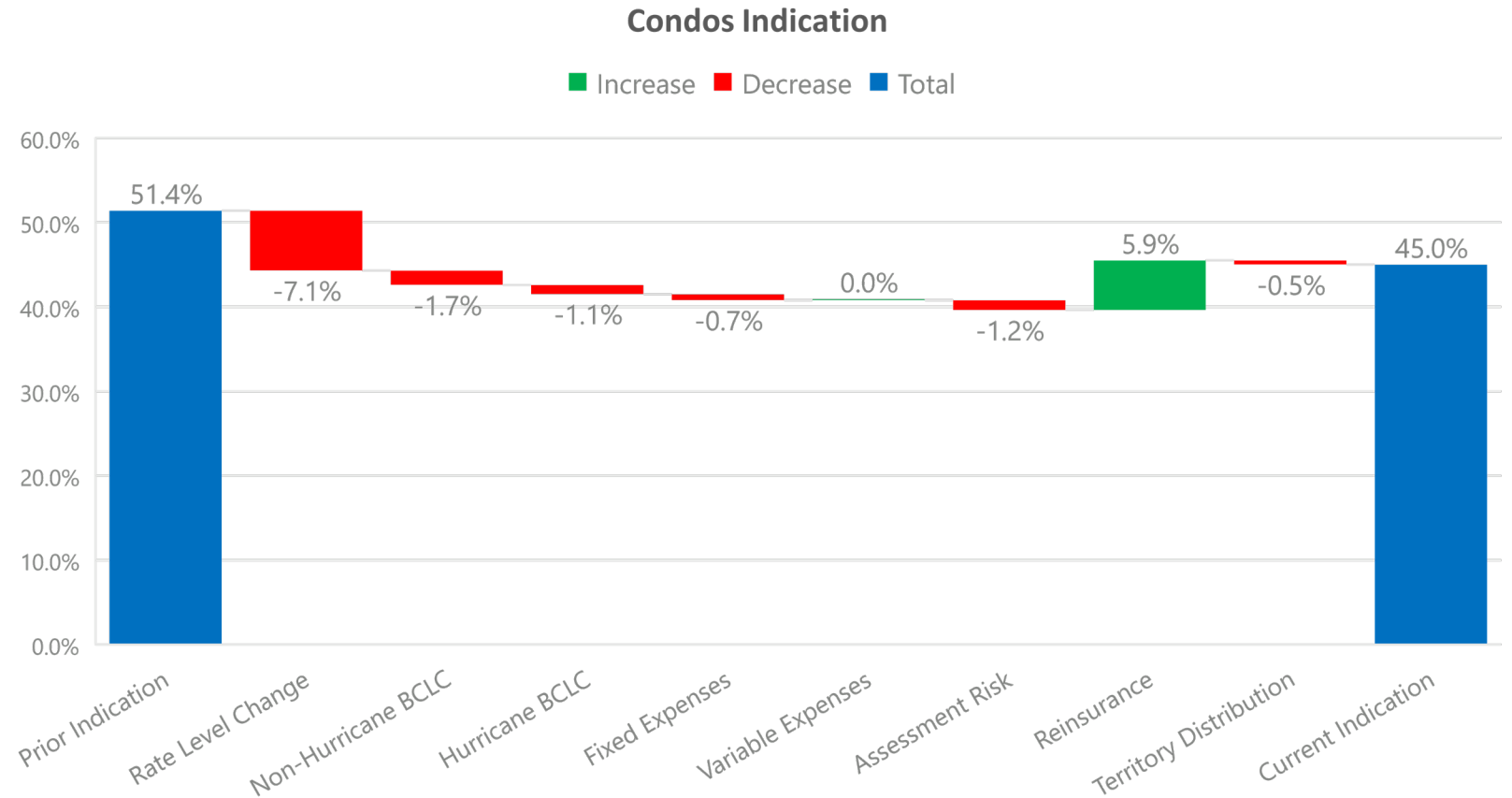
- The increase in the fixed expense loading is due to decreases in coverage limits being written (making fixed expenses a larger portion of total premium)
- The net cost of reinsurance is significantly higher than the previous review



# 2023 North Carolina Homeowners Rate Review

## Breakdown of Condos Indication

- The increase in premium trend is driving the decrease in the non-hurricane BCLC despite worsening experience
- The net cost of reinsurance is significantly higher than the previous review





# 2023 North Carolina Homeowners Rate Review

## Indicated Rate Level Changes by Region

Policy Form	Region	Indicated Rate Change
Owners	Beach	+73.5%
	Coast	+57.1%
	Inland	+35.8%
Tenants	Beach	+72.7%
	Coast	+59.0%
	Inland	+32.1%
Condos	Beach	+46.2%
	Coast	+50.1%
	Inland	+44.0%

# 2023 North Carolina Homeowners Rate Review

## Indicated Rate Level Changes by Territory

### Owners

Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change
110	+45.5%	260	+39.7%
120	+99.9%	270	+40.2%
130	+34.3%	280	+25.5%
140	+72.0%	290	+28.8%
150	+26.1%	300	+26.5%
160	+43.5%	310	+37.1%
170	+30.8%	320	+25.5%
180	+58.3%	330	+22.7%
190	+71.8%	340	+41.7%
200	+63.5%	350	+28.3%
210	+58.2%	360	+21.0%
220	+46.0%	370	+8.0%
230	+56.5%	380	+4.7%
240	+41.2%	390	+8.9%
250	+40.4%		

### Tenants

Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change
110	+38.7%	260	+17.4%
120	+85.4%	270	+37.1%
130	+41.3%	280	+25.3%
140	+65.6%	290	+39.3%
150	+50.0%	300	+26.9%
160	+50.4%	310	+29.7%
170	+19.3%	320	+27.7%
180	+39.5%	330	+22.8%
190	+44.1%	340	+32.3%
200	+38.3%	350	+25.9%
210	+31.5%	360	+25.6%
220	+31.7%	370	+19.8%
230	+54.0%	380	+14.6%
240	+28.4%	390	+29.8%
250	+49.3%		

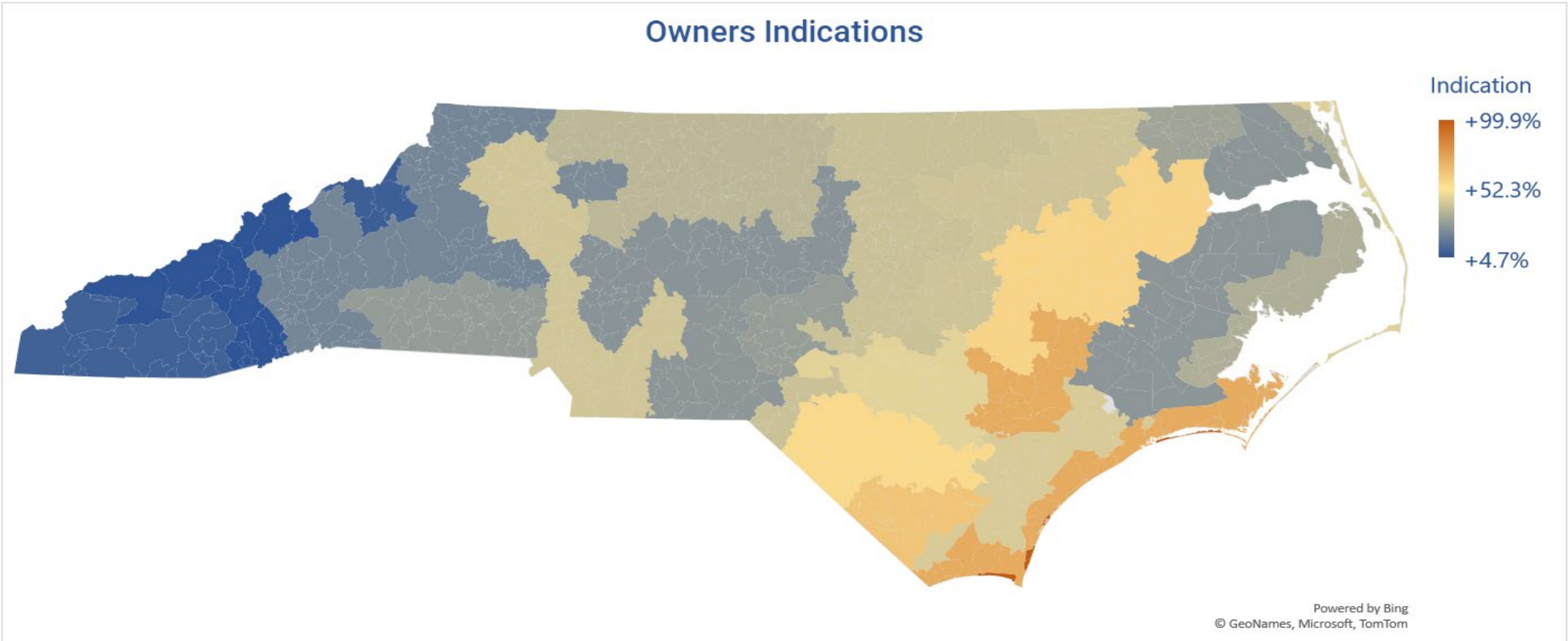
### Condominium Unit Owners

Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change
110	+20.4%	260	+35.6%
120	+49.9%	270	+41.6%
130	+32.0%	280	+39.9%
140	+53.2%	290	+22.2%
150	+28.2%	300	+38.8%
160	+48.8%	310	+41.3%
170*	???	320	+49.6%
180	+43.1%	330	+34.0%
190	+32.5%	340	+55.9%
200	+62.4%	350	+26.0%
210	+33.7%	360	+15.0%
220	+46.4%	370	+31.9%
230	+40.6%	380	+35.9%
240	+35.0%	390	+29.1%
250	+38.8%		

\* Condos Territory 170 has no data in this review

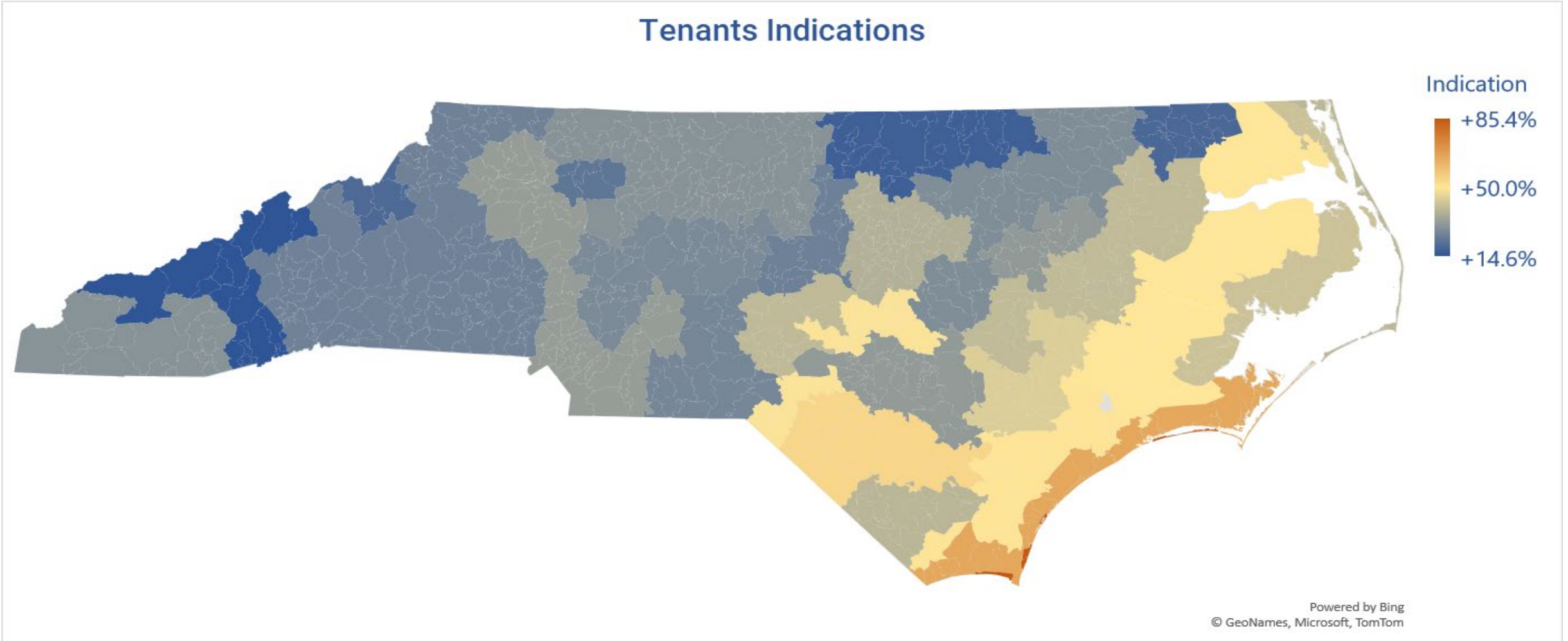
# 2023 North Carolina Homeowners Rate Review

## Indicated Rate Level Changes by Territory



# 2023 North Carolina Homeowners Rate Review

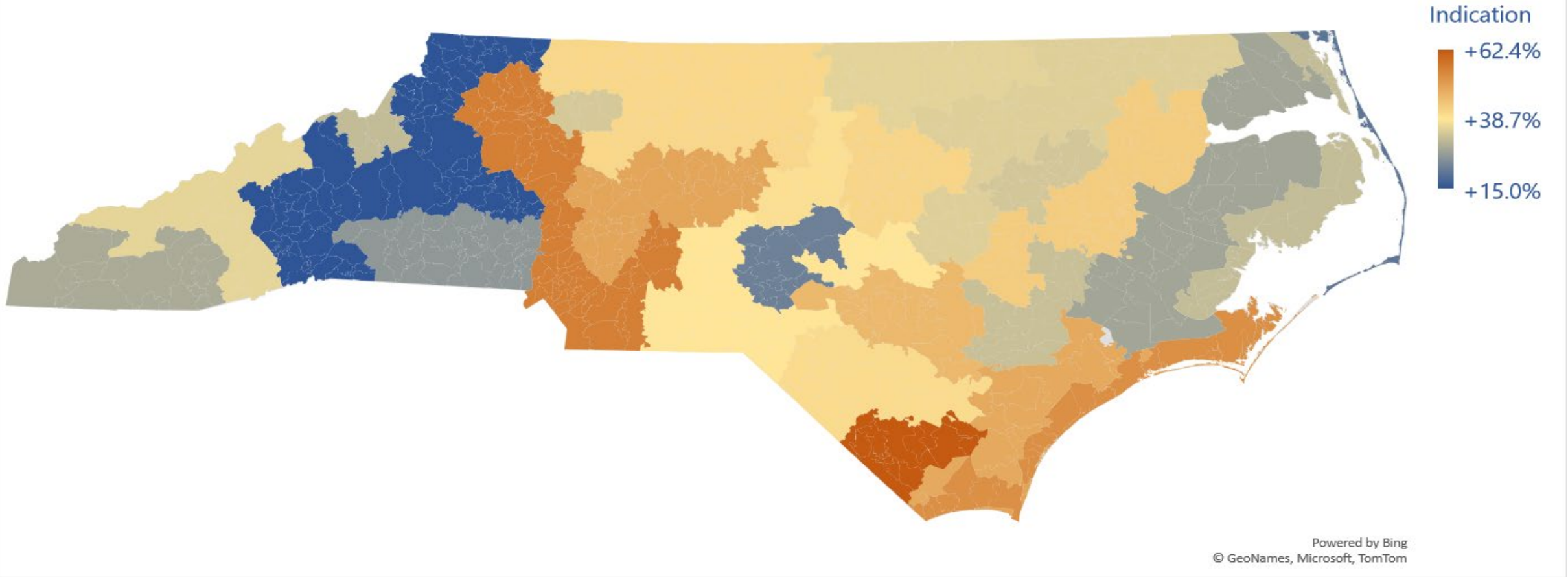
## Indicated Rate Level Changes by Territory



# 2023 North Carolina Homeowners Rate Review

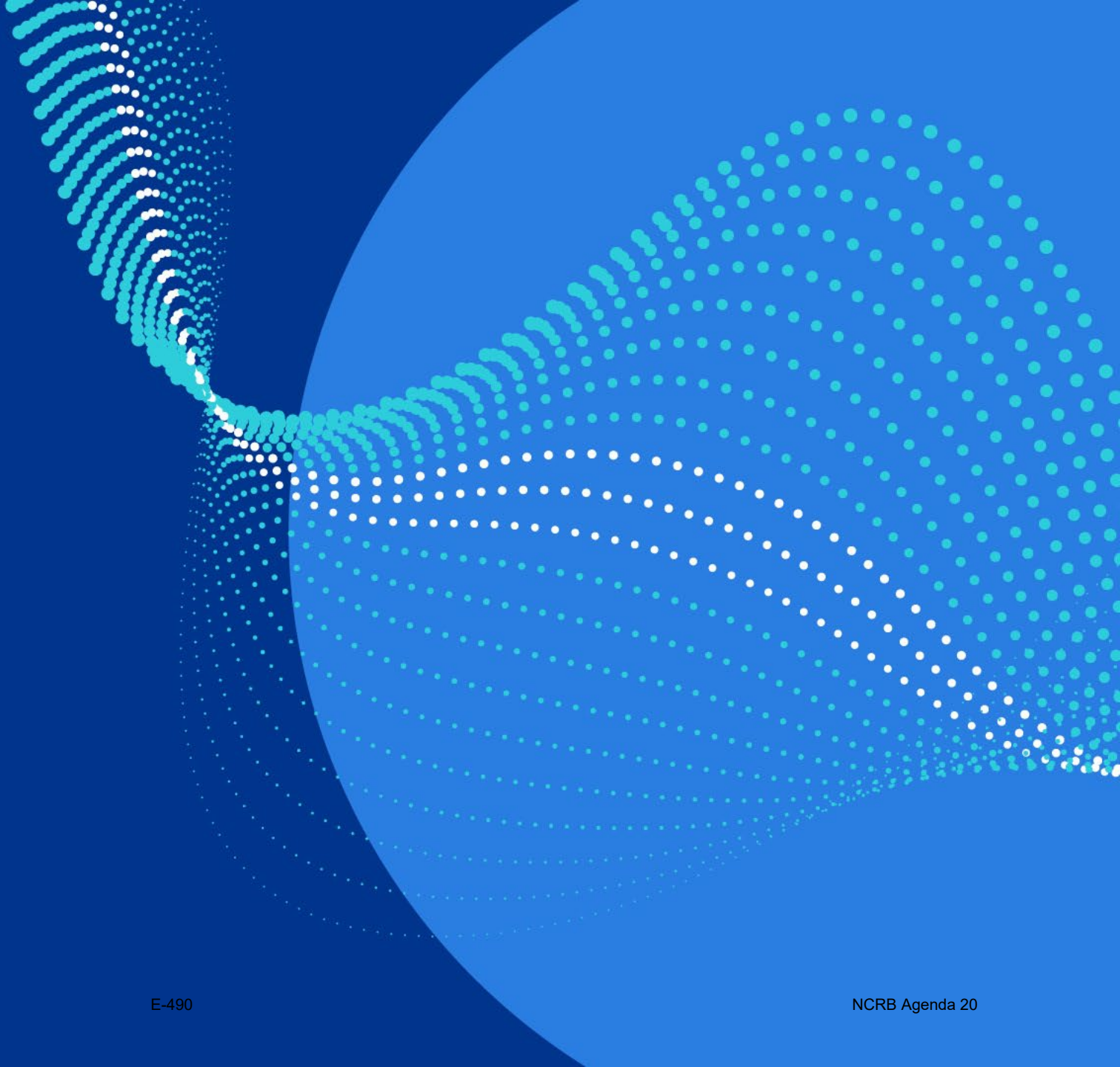
## Indicated Rate Level Changes by Territory

### Condominium Unit Owners Indications



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**NORTH CAROLINA  
HOMEOWNERS INSURANCE  
2023 REVIEW PACKAGE**

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**NOTE: This package includes a placeholder value for contingencies.**

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**STATEWIDE RATE LEVEL CHANGES**

<u>Form</u>	<u>2021 Earned Premium at Current Level</u>	<u>Indicated Change</u>
Owners	\$2,800,629,255	+42.8%
Tenants	\$80,339,123	+34.6%
<u>Condominium Unit Owners</u>	<u>\$38,624,005</u>	<u>+45.0%</u>
All Forms	\$2,919,592,383	+42.6%

**NOTE: These indications include a placeholder value for contingencies.**



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**INDICATED TERRITORY RATE LEVEL CHANGES**

Territory	Current Base Class Rate			Indicated Rate Level Change			Indicated Base Class Rate		
	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners
110	\$2,908	\$126	\$107	+45.5%	+38.7%	+20.4%	\$4,231	\$175	\$129
120	3,427	144	131	+99.9%	+85.4%	+49.9%	6,851	267	196
130	1,775	81	83	+34.3%	+41.3%	+32.0%	2,384	114	110
140	2,403	98	90	+72.0%	+65.6%	+53.2%	4,133	162	138
150	1,465	61	62	+26.1%	+50.0%	+28.2%	1,847	92	79
160	1,614	78	67	+43.5%	+50.4%	+48.8%	2,316	117	100
170	896	57	55	+30.8%	+19.3%	-0.7%	1,172	68	55
180	1,049	61	58	+58.3%	+39.5%	+43.1%	1,661	85	83
190	1,249	64	61	+71.8%	+44.1%	+32.5%	2,146	92	81
200	1,363	68	67	+63.5%	+38.3%	+62.4%	2,229	94	109
210	928	61	56	+58.2%	+31.5%	+33.7%	1,468	80	75
220	1,131	81	57	+46.0%	+31.7%	+46.4%	1,651	107	83
230	1,215	62	60	+56.5%	+54.0%	+40.6%	1,901	95	84
240	906	61	53	+41.2%	+28.4%	+35.0%	1,279	78	72
250	1,034	59	51	+40.4%	+49.3%	+38.8%	1,452	88	71
260	676	60	51	+39.7%	+17.4%	+35.6%	944	70	69
270	796	51	58	+40.2%	+37.1%	+41.6%	1,116	70	82
280	698	46	43	+25.5%	+25.3%	+39.9%	876	58	60
290	833	52	53	+28.8%	+39.3%	+22.2%	1,073	72	65
300	884	54	51	+26.5%	+26.9%	+38.8%	1,118	69	71
310	683	55	45	+37.1%	+29.7%	+41.3%	936	71	64
320	765	52	46	+25.5%	+27.7%	+49.6%	960	66	69
330	635	49	50	+22.7%	+22.8%	+34.0%	779	60	67
340	696	58	49	+41.7%	+32.3%	+55.9%	986	77	76
350	710	51	48	+28.3%	+25.9%	+26.0%	911	64	60
360	614	40	39	+21.0%	+25.6%	+15.0%	743	50	45
370	667	46	50	+8.0%	+19.8%	+31.9%	720	55	66
380	620	46	48	+4.7%	+14.6%	+35.9%	649	53	65
390	633	47	49	+8.9%	+29.8%	+29.1%	689	61	63
Statewide	\$922	\$56	\$55	+42.9%	+34.6%	+45.0%	\$1,318	\$76	\$80

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**TREND AND EXPENSE SELECTIONS**

**Trend Selections**

	<u>Owners</u>		<u>Tenants</u>		<u>Condominium Unit Owners</u>	
	<u>Historical</u>	<u>Prospective</u>	<u>Historical</u>	<u>Prospective</u>	<u>Historical</u>	<u>Prospective</u>
Frequency	-1.0%	0.0%	-6.0%	-1.0%	-1.0%	-1.0%
Severity	+6.5%	+6.5%	+5.0%	+5.0%	+5.5%	+5.5%
Pure Premium	+5.5%	+6.5%	-1.0%	+4.0%	+4.5%	+4.5%
Premium	--	+5.0%	--	0.0%	--	+2.0%
Exposure	--	+5.0%	--	0.0%	--	+2.0%

**All Forms**

Expenses	+5.0%
----------	-------

**Expense Selections**

Commission & Brokerage	12.0%
Other Acquisition Expense	5.9%
General Expense	3.9%
Taxes, Licenses & Fees	2.8%
Dividends	0.5%
Contingencies	1.0%
Profit	9.0%
Loss Adjustment Expense	12.7%
Deviations	0.0%
Compensation for Assessment Risk	1.7%

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	
	Incurring	Excess	Incurring	Adjusted	Loss	
	Losses Excluding	Losses	Adjusted for Excess	Incurring Losses	Trend	
Year	Hurricane <sup>(a)</sup>	Losses	[(1)-(2)] ×	Incurring Losses	Trend	
			Excess Factor	(3) × LAE Factor	Factor	
2017	940,083,838	176,136,465	835,758,426	935,213,679	1.602	
2018	927,950,061	2,502,100	1,012,440,069	1,132,920,437	1.519	
2019	1,153,435,354	308,642,199	924,203,712	1,034,183,954	1.439	
2020	1,346,984,674	442,620,933	989,373,933	1,107,109,431	1.364	
2021	1,157,196,353	94,005,310	1,163,131,001	1,301,543,590	1.293	
	(6)	(7)	(8)	(9)	(10)	(11)
	Earning	Premium	Trended	Average	Trended	
	House-Years	Trend	Average	Average	Base-Class	
Year	House-Years	Factor	Loss Cost	Rating	Loss Cost	Yearly
			[(4)×(5)] / [(6)×(7)]	Factor	(8) / (9)	Weights
2017	1,917,797	1.361	574.00	1.309	438.50	0.10
2018	1,904,023	1.334	677.53	1.336	507.13	0.15
2019	1,947,707	1.294	590.47	1.379	428.19	0.20
2020	2,007,113	1.258	598.07	1.415	422.66	0.25
2021	2,056,820	1.220	670.66	1.473	455.30	0.30
(12)	Weighted Trended Non-Hurricane Base-Class Loss Cost					447.81
(13)	Credibility (9,833,460 House-Years)					1.00
(14)	Trended Modeled Hurricane Base-Class Loss Cost					131.07
(15)	Fixed Expense Per Policy					81.14
(16)	Base-Class Loss Cost with Fixed Expense, (12) + (14) + (15)					660.02
(17)	1 - (Variable Expense + Profit + Contingencies + Dividends)					0.747
(18)	Base-Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (16) / (17)					883.56
(19)	Compensation for Assessment Risk per Policy					18.41
(20)	Net Cost of Reinsurance per Policy					415.20
(21)	Base-Class Rate Excluding Deviation (18) + (19) + (20)					1,317.17
(22)	Selected Deviation					0.00
(23)	Deviation Amount per Policy, [(21) / (1.0 - (22))] - (21)					0.00
(24)	Required Base-Class Rate per Policy, (21) + (22)					1,317.17
(25)	Current Average Base-Class Rate					922.47
(26)	Indicated Rate Level Change, (24) / (25) - 1					+42.8%

<sup>(a)</sup> Actual Hurricane losses have been excluded as follows:

Year	Hurricane Losses
2017	2,404,722
2018	1,877,022,997
2019	72,662,388
2020	175,154,653
2021	23,511,449

Excess Factor:	1.094
Trended LAE Factor:	1.119
Latest Year SW Model Losses:	484,449,875

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**

**INDICATED BASE-CLASS LOSS COST BY TERRITORY - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane	Five-Year		Credibility- Weighted	Modeled	Five-Year	Total	Indicated	Indicated	Indicated
	Base-Class	House-Years		Base-Class	Hurricane	Average	Base-Class	Relativity	Statewide	Base-Class
<u>Territory</u>	<u>Loss Cost</u>		<u>Credibility</u>	<u>Loss Cost</u>	<u>Loss Cost</u>	<u>Factor</u>	<u>Loss Cost</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost</u>	<u>Terr (8) / SW (8) × (9)</u>
							<u>(4) + (5)</u>			
110	318.26	96,997	1.00	318.26	1,177.25	2.232	1,495.51	2.576	578.88	1,491.34
120	419.32	103,375	1.00	419.32	1,446.48	1.923	1,865.80	3.214	578.88	1,860.71
130	378.75	62,392	1.00	378.75	490.94	1.826	869.69	1.498	578.88	867.25
140	386.60	433,556	1.00	386.60	812.73	1.744	1,199.33	2.066	578.88	1,196.09
150	376.90	237,911	1.00	376.90	299.99	1.616	676.89	1.166	578.88	675.04
160	426.32	194,307	1.00	426.32	349.87	1.459	776.19	1.337	578.88	774.04
170	503.85	21,674	0.60	482.35	101.03	1.614	583.38	1.005	578.88	581.83
180	472.20	252,725	1.00	472.20	199.77	1.528	671.97	1.157	578.88	669.83
190	562.31	65,089	1.00	562.31	272.80	1.443	835.11	1.438	578.88	832.51
200	581.34	29,048	0.60	528.84	303.18	1.635	832.02	1.433	578.88	829.62
210	485.84	99,442	1.00	485.84	145.37	1.467	631.21	1.087	578.88	629.31
220	607.96	274,217	1.00	607.96	141.03	1.510	748.99	1.290	578.88	746.83
230	625.77	69,441	1.00	625.77	194.49	1.447	820.26	1.413	578.88	818.04
240	496.64	395,728	1.00	496.64	98.80	1.588	595.44	1.026	578.88	593.99
250	585.18	162,824	1.00	585.18	106.36	1.560	691.54	1.191	578.88	689.52
260	444.74	132,762	1.00	444.74	47.68	1.940	492.42	0.848	578.88	490.94
270	447.69	1,383,907	1.00	447.69	74.18	1.953	521.87	0.899	578.88	520.47
280	347.20	214,584	1.00	347.20	54.50	2.255	401.70	0.692	578.88	400.63
290	407.85	168,168	1.00	407.85	79.27	1.871	487.12	0.839	578.88	485.73
300	503.67	66,892	1.00	503.67	61.25	1.569	564.92	0.973	578.88	563.31
310	449.57	1,300,328	1.00	449.57	34.93	1.670	484.50	0.834	578.88	482.83
320	457.04	649,673	1.00	457.04	37.47	1.623	494.51	0.852	578.88	493.26
330	372.81	35,438	0.70	395.99	23.46	1.786	419.45	0.722	578.88	417.99
340	473.36	1,497,871	1.00	473.36	38.74	1.948	512.10	0.882	578.88	510.62
350	472.69	470,106	1.00	472.69	26.31	1.663	499.00	0.859	578.88	497.31
360	402.13	977,497	1.00	402.13	14.36	1.900	416.49	0.717	578.88	415.10
370	409.95	55,587	0.90	413.96	10.13	2.128	424.09	0.730	578.88	422.62
380	366.97	179,713	1.00	366.97	8.94	2.063	375.91	0.647	578.88	374.57
390	404.78	202,208	1.00	404.78	7.91	2.230	412.69	0.711	578.88	411.62
Statewide	450.09	9,833,460	1.00	450.09	131.07	1.785	580.60	0.9999	578.84	578.90

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - OWNERS FORMS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation	Net Cost of	Indicated	Dollar	Indicated	Latest-Year	Indicated	Balanced
	Base Class	Fixed	Expense,	Base Class	Base Class	For	Reinsurance	Rate	Deviation	Required	Aggregate	Rate Level	Indicated
	Loss Cost	Expense	Dividends,	Rate	Rate	Risk	Reinsurance	Excluding	per Exposure	Base Class	Calculated	Change	Rate Level
Territory			Profit,		$[(1)+(2)\times(4)]/[1.0-(3)]$			Deviation		Rate	at Current Level	$(10)/(4)$	Change
			Contingency					$(5) + (6) + (7)$	$[(8)/(1.0 - \text{Dev. \%})] - (8)$	$(8) + (9)$			
110	1,491.34	0.022	0.253	2,908	2,082.08	58.02	2,083.43	4,223.53	0.00	4,223.53	105,759,930	1.452	1.455
120	1,860.71	0.022	0.253	3,427	2,591.84	68.38	4,176.48	6,836.70	0.00	6,836.70	112,071,547	1.995	1.999
130	867.25	0.045	0.253	1,775	1,267.90	35.42	1,076.04	2,379.36	0.00	2,379.36	34,452,945	1.340	1.343
140	1,196.09	0.034	0.253	2,403	1,710.56	47.95	2,363.88	4,122.39	0.00	4,122.39	329,199,525	1.716	1.720
150	675.04	0.061	0.253	1,465	1,023.30	29.23	790.00	1,842.53	0.00	1,842.53	97,019,563	1.258	1.261
160	774.04	0.061	0.253	1,614	1,168.00	32.20	1,110.36	2,310.56	0.00	2,310.56	82,038,164	1.432	1.435
170	581.83	0.100	0.253	896	898.84	17.88	252.99	1,169.71	0.00	1,169.71	5,021,369	1.305	1.308
180	669.83	0.090	0.253	1,049	1,023.08	20.93	613.23	1,657.24	0.00	1,657.24	67,739,546	1.580	1.583
190	832.51	0.080	0.253	1,249	1,248.23	24.92	867.83	2,140.98	0.00	2,140.98	18,594,146	1.714	1.718
200	829.62	0.065	0.253	1,363	1,229.20	27.20	968.15	2,224.55	0.00	2,224.55	9,909,044	1.632	1.635
210	629.31	0.106	0.253	928	974.13	18.52	473.07	1,465.72	0.00	1,465.72	22,715,143	1.579	1.582
220	746.83	0.085	0.253	1,131	1,128.47	22.57	496.38	1,647.42	0.00	1,647.42	81,739,944	1.457	1.460
230	818.04	0.082	0.253	1,215	1,228.47	24.24	645.41	1,898.12	0.00	1,898.12	19,983,603	1.562	1.565
240	593.99	0.100	0.253	906	916.45	18.08	342.19	1,276.72	0.00	1,276.72	100,347,589	1.409	1.412
250	689.52	0.090	0.253	1,034	1,047.63	20.63	380.01	1,448.27	0.00	1,448.27	45,997,179	1.401	1.404
260	490.94	0.110	0.253	676	756.76	13.49	172.37	942.62	0.00	942.62	28,635,677	1.394	1.397
270	520.47	0.093	0.253	796	795.85	15.88	302.17	1,113.90	0.00	1,113.90	375,054,061	1.399	1.402
280	400.63	0.092	0.253	698	622.28	13.93	237.83	874.04	0.00	874.04	58,795,201	1.252	1.255
290	485.73	0.093	0.253	833	753.95	16.62	300.24	1,070.81	0.00	1,070.81	45,906,432	1.285	1.288
300	563.31	0.104	0.253	884	877.17	17.64	220.85	1,115.66	0.00	1,115.66	15,838,170	1.262	1.265
310	482.83	0.127	0.253	683	762.48	13.63	158.02	934.13	0.00	934.13	253,675,880	1.368	1.371
320	493.26	0.116	0.253	765	779.12	15.26	163.72	958.10	0.00	958.10	139,864,771	1.252	1.255
330	417.99	0.128	0.253	635	668.37	12.67	96.29	777.33	0.00	777.33	6,433,349	1.224	1.227
340	510.62	0.107	0.253	696	783.26	13.89	187.04	984.19	0.00	984.19	351,365,881	1.414	1.417
350	497.31	0.123	0.253	710	782.65	14.17	111.77	908.59	0.00	908.59	94,517,118	1.280	1.283
360	415.10	0.124	0.253	614	657.61	12.25	71.17	741.03	0.00	741.03	196,497,518	1.207	1.210
370	422.62	0.102	0.253	667	656.83	13.31	48.82	718.96	0.00	718.96	13,395,792	1.078	1.080
380	374.57	0.113	0.253	620	595.22	12.37	40.54	648.13	0.00	648.13	39,737,451	1.045	1.047
390	411.62	0.103	0.253	633	638.31	12.63	37.03	687.97	0.00	687.97	48,322,717	1.087	1.089
Statewide	578.90	0.088	0.253	922	883.39	18.41	415.20	1,317.00	0.00	1,317.00	2,800,629,255	1.425	1.429

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE - TENANTS**

<u>Year</u>	(1) Incurred Losses Excluding <u>Hurricane</u> <sup>(a)</sup>	(2) Incurred Losses Including LAE <u>(1) × LAE Factor</u>	(3) Loss Trend <u>Factor</u>	(4) Earned <u>House-Years</u>	(5) Premium Trend <u>Factor</u>	(6) Trended Average Loss Cost <u>[(2)×(3)] / [(4)×(5)]</u>	(7) Average Rating <u>Factor</u>	(8) Trended Base Class Loss Cost <u>(6) / (7)</u>	(9) Yearly <u>Weights</u>
2017	24,565,094	28,004,207	1.127	395,287	0.921	86.69	3.459	25.06	0.10
2018	26,644,847	30,375,126	1.139	407,111	0.946	89.83	3.311	27.13	0.15
2019	23,342,483	26,610,431	1.150	424,286	0.971	74.28	3.184	23.33	0.20
2020	23,156,246	26,398,120	1.162	447,386	0.993	69.05	3.108	22.22	0.25
2021	25,412,527	28,970,281	1.174	461,761	1.000	73.66	3.087	23.86	0.30
(10)	Weighted Trended Non-Hurricane Base Class Loss Cost								23.95
(11)	Credibility (2,135,831 House-Years)								1.00
(12)	Trended Modeled Hurricane Base Class Loss Cost								2.31
(13)	Fixed Expense Per Policy								23.62
(14)	Base Class Loss Cost with Fixed Expenses (10) + (12) + (13)								49.88
(15)	1 - (Variable Expense + Profit + Contingencies + Dividends)								0.747
(16)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (14) / (15)								66.77
(17)	Compensation for Assessment Risk per Policy								1.13
(18)	Net Cost of Reinsurance per Policy								8.02
(19)	Base Class Rate Excluding Deviation (16) + (17) + (18)								75.92
(20)	Selected Deviation								0.00
(21)	Deviation Amount per Policy, [(19) / (1.0 - (20))] - (19)								0.00
(22)	Required Base Class Rate per Policy, (19) + (21)								75.92
(23)	Current Base Class Rate								56.40
(24)	Indicated Rate-Level Change, (22) / (23) - 1								+34.6%

<sup>(a)</sup> Actual Hurricane losses have been excluded as follows:

<u>Year</u>	<u>Hurricane Losses</u>
2017	24,640
2018	10,375,361
2019	151,246
2020	526,291
2021	85,772

Excess Factor:	N/A
Trended LAE Factor:	1.140
Latest Year SW Model Losses:	3,287,794

NORTH CAROLINA

HOMEOWNERS INSURANCE

**INDICATED BASE CLASS LOSS COST BY TERRITORY - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane Base-Class	Five-Year House-Years	Credibility	Credibility- Weighted Base-Class Loss Cost	Modeled Hurricane Base-Class Loss Cost	Five-Year Average Rating Factor	Total Base-Class Loss Cost (4) + (5)	Indicated Relativity Terr (7) / SW (7)	Indicated Statewide Base-Class Loss Cost	Indicated Base-Class Loss Cost Terr (8) / SW (8) × (9)
<u>Territory</u>	<u>Loss Cost</u>	<u>House-Years</u>	<u>Credibility</u>	<u>Loss Cost</u>	<u>Loss Cost</u>	<u>Factor</u>	<u>(4) + (5)</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost</u>	<u>Terr (8) / SW (8) × (9)</u>
110	9.96	1,713	0.10	22.84	35.10	3.235	57.94	2.182	26.26	57.30
120	15.44	5,983	0.20	22.50	46.00	3.060	68.50	2.580	26.26	67.75
130	21.62	2,442	0.10	24.01	15.30	3.877	39.31	1.481	26.26	38.89
140	17.92	67,945	0.90	18.56	22.91	2.917	41.47	1.562	26.26	41.02
150	20.04	23,444	0.50	22.16	8.09	3.418	30.25	1.139	26.26	29.91
160	23.72	31,943	0.60	23.94	10.94	2.887	34.88	1.314	26.26	34.51
170	15.00	2,341	0.10	23.34	2.46	3.603	25.80	0.972	26.26	25.52
180	21.19	64,865	0.90	21.50	4.98	2.846	26.48	0.997	26.26	26.18
190	31.16	7,780	0.30	26.34	6.31	3.408	32.65	1.230	26.26	32.30
200	25.48	2,333	0.10	24.39	7.45	3.584	31.84	1.199	26.26	31.49
210	23.66	18,469	0.40	24.03	3.44	3.049	27.47	1.035	26.26	27.18
220	45.17	60,401	0.80	40.99	3.08	2.687	44.07	1.660	26.26	43.59
230	45.24	10,496	0.30	30.56	4.52	2.902	35.08	1.321	26.26	34.69
240	27.68	48,554	0.80	27.00	2.48	3.240	29.48	1.110	26.26	29.15
250	41.11	20,697	0.50	32.69	2.71	3.137	35.40	1.333	26.26	35.00
260	26.57	17,023	0.40	25.19	1.24	3.243	26.43	0.995	26.26	26.13
270	21.33	520,478	1.00	21.33	1.67	3.053	23.00	0.866	26.26	22.74
280	14.95	64,540	0.90	15.88	1.26	3.396	17.14	0.646	26.26	16.96
290	29.17	22,089	0.50	26.72	1.79	3.572	28.51	1.074	26.26	28.20
300	29.68	5,829	0.20	25.35	1.44	3.575	26.79	1.009	26.26	26.50
310	25.17	314,460	1.00	25.17	0.85	3.060	26.02	0.980	26.26	25.73
320	23.31	91,942	1.00	23.31	0.91	3.323	24.22	0.912	26.26	23.95
330	12.61	2,747	0.10	23.10	0.59	3.845	23.69	0.892	26.26	23.42
340	28.81	490,175	1.00	28.81	0.86	3.060	29.67	1.118	26.26	29.36
350	22.25	61,042	0.90	22.45	0.65	3.301	23.10	0.870	26.26	22.85
360	15.86	143,954	1.00	15.86	0.35	3.768	16.21	0.611	26.26	16.04
370	10.36	2,658	0.10	22.88	0.26	4.367	23.14	0.872	26.26	22.90
380	13.55	13,646	0.40	19.98	0.23	4.128	20.21	0.761	26.26	19.98
390	21.72	15,842	0.40	23.25	0.20	3.495	23.45	0.883	26.26	23.19
Statewide	24.27	2,135,831	1.00	24.27	2.31	3.115	26.55	1.0000	26.26	26.26

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation	Net Cost of	Indicated	Dollar	Indicated	Latest-Year	Indicated	Balanced
Territory	Base Class	Fixed	Expense, Dividends, Profit, Contingency	Base Class Rate	Base Class Rate	For Assessment Risk	Reinsurance	Rate Excluding Deviation	Deviation per Exposure	Base Class Rate	Aggregate Calculated Earned Premium at Current Level	Rate Level Change	Indicated Rate Level Change
	Loss Cost	Expense		Rate	$[(1)+(2)\times(4)]/[1.0-(3)]$			$(5) + (6) + (7)$	$[(8)/(1.0 - \text{Dev. \%})] - (8)$	$(8) + (9)$		$(10) / (4)$	Change
110	57.30	0.180	0.253	126	107.07	2.51	65.46	175.04	0.00	175.04	135,745	1.389	1.387
120	67.75	0.166	0.253	144	122.70	2.87	141.80	267.37	0.00	267.37	364,930	1.857	1.854
130	38.89	0.234	0.253	81	77.44	1.62	35.59	114.65	0.00	114.65	164,959	1.415	1.413
140	41.02	0.257	0.253	98	88.63	1.96	71.92	162.51	0.00	162.51	3,919,870	1.658	1.656
150	29.91	0.353	0.253	61	68.87	1.22	21.53	91.62	0.00	91.62	997,489	1.502	1.500
160	34.51	0.327	0.253	78	80.34	1.56	35.56	117.46	0.00	117.46	1,593,311	1.506	1.504
170	25.52	0.359	0.253	57	61.56	1.14	5.39	68.09	0.00	68.09	109,517	1.195	1.193
180	26.18	0.424	0.253	61	69.67	1.22	14.34	85.23	0.00	85.23	2,505,697	1.397	1.395
190	32.30	0.337	0.253	64	72.11	1.28	18.99	92.38	0.00	92.38	371,285	1.443	1.441
200	31.49	0.302	0.253	68	69.65	1.36	23.17	94.18	0.00	94.18	111,350	1.385	1.383
210	27.18	0.397	0.253	61	68.80	1.22	10.31	80.33	0.00	80.33	818,058	1.317	1.315
220	43.59	0.339	0.253	81	95.11	1.62	10.12	106.85	0.00	106.85	3,010,245	1.319	1.317
230	34.69	0.409	0.253	62	80.39	1.24	14.00	95.63	0.00	95.63	400,678	1.542	1.540
240	29.15	0.373	0.253	61	69.48	1.22	7.75	78.45	0.00	78.45	2,205,771	1.286	1.284
250	35.00	0.398	0.253	59	78.29	1.18	8.76	88.23	0.00	88.23	858,105	1.495	1.493
260	26.13	0.379	0.253	60	65.42	1.20	3.91	70.53	0.00	70.53	726,973	1.176	1.174
270	22.74	0.473	0.253	51	62.73	1.02	6.27	70.02	0.00	70.02	16,798,879	1.373	1.371
280	16.96	0.471	0.253	46	51.71	0.92	5.11	57.74	0.00	57.74	2,189,474	1.255	1.253
290	28.20	0.397	0.253	52	65.39	1.04	6.11	72.54	0.00	72.54	929,776	1.395	1.393
300	26.50	0.381	0.253	54	63.02	1.08	4.56	68.66	0.00	68.66	235,706	1.271	1.269
310	25.73	0.438	0.253	55	66.69	1.10	3.65	71.44	0.00	71.44	11,566,604	1.299	1.297
320	23.95	0.426	0.253	52	61.72	1.04	3.75	66.51	0.00	66.51	3,505,032	1.279	1.277
330	23.42	0.391	0.253	49	57.00	0.98	2.29	60.27	0.00	60.27	111,669	1.230	1.228
340	29.36	0.415	0.253	58	71.53	1.16	4.16	76.85	0.00	76.85	18,414,785	1.325	1.323
350	22.85	0.438	0.253	51	60.49	1.02	2.78	64.29	0.00	64.29	2,343,906	1.261	1.259
360	16.04	0.488	0.253	40	47.60	0.80	1.91	50.31	0.00	50.31	4,660,765	1.258	1.256
370	22.90	0.366	0.253	46	53.19	0.92	1.10	55.21	0.00	55.21	108,773	1.200	1.198
380	19.98	0.388	0.253	46	50.64	0.92	1.23	52.79	0.00	52.79	564,121	1.148	1.146
390	23.19	0.449	0.253	47	59.29	0.94	0.85	61.08	0.00	61.08	615,650	1.300	1.298
Statewide	26.26	0.419	0.253	56	66.80	1.13	8.02	75.95	0.00	75.95	80,339,123	1.348	1.346



**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE - CONDOMINIUM  
UNIT OWNERS**

<u>Year</u>	(1) Incurred Losses Excluding <u>Hurricane</u> <sup>(a)</sup>	(2) Incurred Losses Including LAE <u>(1) × LAE Factor</u>	(3) Loss Trend <u>Factor</u>	(4) Earned <u>House-Years</u>	(5) Premium Trend <u>Factor</u>	(6) Trended Average Loss Cost <u>[(2)×(3)] / [(4)×(5)]</u>	(7) Average Rating <u>Factor</u>	(8) Trended Base Class Loss Cost <u>(6) / (7)</u>	(9) Yearly <u>Weights</u>
2017	18,382,617	20,772,357	1.427	79,499	1.148	324.79	7.139	45.50	0.10
2018	19,245,864	21,747,826	1.366	78,741	1.133	332.99	7.403	44.98	0.15
2019	18,865,078	21,317,538	1.307	81,709	1.118	305.00	7.799	39.11	0.20
2020	21,578,922	24,384,182	1.251	84,977	1.103	325.45	8.024	40.56	0.25
2021	22,947,430	25,930,596	1.197	84,715	1.084	338.00	8.331	40.57	0.30
(10)	Weighted Trended Non-Hurricane Base Class Loss Cost								41.43
(11)	Credibility (409,641 House-Years)								1.00
(12)	Trended Modeled Hurricane Base Class Loss Cost								2.55
(13)	Fixed Expense Per Policy								8.07
(14)	Base Class Loss Cost with Fixed Expenses (10) + (12) + (13)								52.05
(15)	1 - (Variable Expense + Profit + Contingencies + Dividends)								0.747
(16)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (14) / (15)								69.68
(17)	Compensation for Assessment Risk per Policy								1.10
(18)	Net Cost of Reinsurance per Policy								8.91
(19)	Base Class Rate Excluding Deviation (16) + (17) + (18)								79.69
(20)	Selected Deviation								0.00
(21)	Deviation Amount per Policy, [(19) / (1.0 - (20))] - (19)								0.00
(22)	Required Base Class Rate per Policy, (19) + (21)								79.69
(23)	Current Base Class Rate								54.96
(24)	Indicated Rate-Level Change, (22) / (23) -1								+45.0%

<sup>(a)</sup> Actual Hurricane losses have been excluded as follows:

<u>Year</u>	<u>Hurricane Losses</u>
2017	158,188
2018	14,622,226
2019	218,077
2020	879,094
2021	144,175

Excess Factor:	N/A
Trended LAE Factor:	1.130
Latest Year SW Model Losses:	1,950,547

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS LOSS COST BY TERRITORY - CONDOMINIUM UNIT OWNERS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane	Five-Year		Credibility- Weighted	Modeled	Five-Year	Total	Indicated	Indicated	Indicated
	Base-Class	House-Years	Credibility	Base-Class	Hurricane	Average	Base-Class	Relativity	Statewide	Base-Class
<u>Territory</u>	<u>Loss Cost</u>			<u>Loss Cost</u>	<u>Base-Class</u>	<u>Rating</u>	<u>Loss Cost</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost</u>	<u>Loss Cost</u>
					<u>Loss Cost</u>	<u>Factor</u>	<u>(4) + (5)</u>			<u>Terr (8) / SW (8) × (9)</u>
110	52.63	1,489	0.10	43.07	17.64	7.687	60.71	1.317	43.98	57.92
120	36.10	10,499	0.40	39.65	28.95	7.368	68.60	1.489	43.98	65.49
130	22.06	1,120	0.10	40.02	12.43	8.913	52.45	1.138	43.98	50.05
140	40.86	32,154	0.80	41.09	16.00	7.325	57.09	1.239	43.98	54.49
150	19.26	3,141	0.20	37.46	5.22	9.720	42.68	0.926	43.98	40.73
160	27.26	7,468	0.30	37.59	8.36	7.896	45.95	0.997	43.98	43.85
170	0.00	0	0.00	42.01	0.00	1.000	42.01	0.912	43.98	40.11
180	51.29	4,210	0.20	43.87	3.28	7.520	47.15	1.023	43.98	44.99
190	25.71	66	0.00	42.01	4.07	11.002	46.08	1.000	43.98	43.98
200	0.00	12	0.00	42.01	5.62	3.292	47.63	1.034	43.98	45.48
210	17.29	294	0.00	42.01	2.38	9.555	44.39	0.963	43.98	42.35
220	68.25	6,092	0.30	49.88	1.64	8.452	51.52	1.118	43.98	49.17
230	0.67	315	0.00	42.01	3.30	6.151	45.31	0.983	43.98	43.23
240	33.75	1,324	0.10	41.18	1.94	10.189	43.12	0.936	43.98	41.17
250	47.53	434	0.00	42.01	1.49	9.753	43.50	0.944	43.98	41.52
260	76.63	86	0.00	42.01	0.84	8.428	42.85	0.930	43.98	40.90
270	51.03	59,890	1.00	51.03	1.11	9.150	52.14	1.132	43.98	49.79
280	27.22	13,001	0.50	34.62	0.94	9.416	35.56	0.772	43.98	33.95
290	24.09	5,223	0.30	36.63	1.34	8.704	37.97	0.824	43.98	36.24
300	1.00	124	0.00	42.01	1.03	8.076	43.04	0.934	43.98	41.08
310	37.47	46,626	0.90	37.92	0.60	8.675	38.52	0.836	43.98	36.77
320	40.82	10,097	0.40	41.53	0.62	8.294	42.15	0.915	43.98	40.24
330	0.00	125	0.00	42.01	0.50	9.369	42.51	0.923	43.98	40.59
340	47.94	142,888	1.00	47.94	0.59	8.979	48.53	1.053	43.98	46.31
350	26.92	8,284	0.40	35.97	0.46	8.573	36.43	0.791	43.98	34.79
360	21.56	39,841	0.80	25.65	0.24	9.736	25.89	0.562	43.98	24.72
370	34.82	7,559	0.30	39.85	0.22	7.432	40.07	0.870	43.98	38.26
380	37.35	4,109	0.20	41.08	0.19	8.823	41.27	0.896	43.98	39.41
390	37.41	3,170	0.20	41.09	0.20	11.306	41.29	0.896	43.98	39.41
Statewide	42.01	409,641	1.00	42.01	2.55	8.644	46.08	1.0000	43.98	43.98

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation	Net Cost of	Indicated	Dollar	Indicated	Latest-Year	Indicated	Balanced
	Base Class	Fixed	Expense,	Base Class	Base Class	For	Reinsurance	Rate	Deviation	Required	Aggregate	Rate Level	Indicated
	Loss Cost	Expense	Profit,	Rate	Rate	Risk		Excluding	per Exposure	Base Class	Calculated	Change	Rate Level
Territory			Contingency		$[(1)+(2)\times(4)]/[1.0-(3)]$			(5) + (6) + (7)	$[(8)/(1.0 - \text{Dev. } \%) - (8)]$	(8) + (9)	at Current Level	(10) / (4)	Change
110	57.92	0.085	0.253	107	89.71	2.13	37.33	129.17	0.00	129.17	267,169	1.207	1.204
120	65.49	0.073	0.253	131	100.47	2.61	93.80	196.88	0.00	196.88	1,890,558	1.503	1.499
130	50.05	0.095	0.253	83	77.56	1.66	30.69	109.91	0.00	109.91	167,341	1.324	1.320
140	54.49	0.106	0.253	90	85.72	1.80	50.71	138.23	0.00	138.23	4,112,427	1.536	1.532
150	40.73	0.116	0.253	62	64.15	1.24	14.36	79.75	0.00	79.75	390,477	1.286	1.282
160	43.85	0.132	0.253	67	70.54	1.34	28.07	99.95	0.00	99.95	833,624	1.492	1.488
170	40.11	0.000	0.253	55	53.69	1.10	0.00	54.79	0.00	54.79	0	0.996	0.993
180	44.99	0.161	0.253	58	72.73	1.16	9.32	83.21	0.00	83.21	354,165	1.435	1.431
190	43.98	0.105	0.253	61	67.45	1.22	12.41	81.08	0.00	81.08	5,727	1.329	1.325
200	45.48	0.318	0.253	67	89.41	1.34	18.30	109.05	0.00	109.05	297	1.628	1.624
210	42.35	0.131	0.253	56	66.51	1.12	7.44	75.07	0.00	75.07	31,442	1.341	1.337
220	49.17	0.145	0.253	57	76.89	1.14	5.62	83.65	0.00	83.65	592,223	1.468	1.464
230	43.23	0.190	0.253	60	73.13	1.20	10.29	84.62	0.00	84.62	19,990	1.410	1.406
240	41.17	0.130	0.253	53	64.34	1.06	6.36	71.76	0.00	71.76	153,762	1.354	1.350
250	41.52	0.141	0.253	51	65.21	1.02	4.75	70.98	0.00	70.98	43,920	1.392	1.388
260	40.90	0.163	0.253	51	65.88	1.02	2.45	69.35	0.00	69.35	6,836	1.360	1.356
270	49.79	0.132	0.253	58	76.90	1.16	4.30	82.36	0.00	82.36	6,425,889	1.420	1.416
280	33.95	0.173	0.253	43	55.41	0.86	4.07	60.34	0.00	60.34	1,044,984	1.403	1.399
290	36.24	0.152	0.253	53	59.30	1.06	4.59	64.95	0.00	64.95	463,904	1.225	1.222
300	41.08	0.170	0.253	51	66.60	1.02	3.37	70.99	0.00	70.99	10,641	1.392	1.388
310	36.77	0.180	0.253	45	60.07	0.90	2.78	63.75	0.00	63.75	3,525,133	1.417	1.413
320	40.24	0.184	0.253	46	65.20	0.92	2.86	68.98	0.00	68.98	749,385	1.500	1.496
330	40.59	0.149	0.253	50	64.31	1.00	1.90	67.21	0.00	67.21	12,502	1.344	1.340
340	46.31	0.159	0.253	49	72.42	0.98	3.21	76.61	0.00	76.61	12,600,422	1.563	1.559
350	34.79	0.170	0.253	48	57.50	0.96	2.15	60.61	0.00	60.61	680,523	1.263	1.260
360	24.72	0.185	0.253	39	42.75	0.78	1.42	44.95	0.00	44.95	2,992,156	1.153	1.150
370	38.26	0.189	0.253	50	63.87	1.00	1.27	66.14	0.00	66.14	545,200	1.323	1.319
380	39.41	0.165	0.253	48	63.36	0.96	1.08	65.40	0.00	65.40	354,655	1.363	1.359
390	39.41	0.127	0.253	49	61.09	0.98	1.37	63.44	0.00	63.44	348,653	1.295	1.291
Statewide	43.98	0.148	0.253	55	69.73	1.10	8.91	79.74	0.00	79.74	38,624,005	1.454	1.450

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NET COST OF REINSURANCE

Territory	(1) Net Cost of Reinsurance per Policy*			(2) Net Cost of Reinsurance			(3) Latest Year House-Years			(4) Latest Year Trended Average Rating Factor			(5) Variable Expense, Dividends, Profit, Contingency
	Owners	Tenants	Condos	Owners	Tenants	Condos	Owners	Tenants	Condos	Owners	Tenants	Condos	All Forms
	110	2,083.43	65.46	37.33	69,041,637	52,684	75,477	19,664	348	325	2.256	3.096	8.328
120	4,176.48	141.80	93.80	124,480,366	268,475	1,096,146	19,920	844	1,982	2.003	3.003	7.893	0.253
130	1,076.04	35.59	30.69	19,031,262	54,150	50,104	13,294	533	232	1.781	3.821	9.420	0.253
140	2,363.88	71.92	50.71	295,131,724	2,148,623	1,876,114	95,180	13,815	6,431	1.756	2.895	7.702	0.253
150	790.00	21.53	14.36	47,668,083	263,058	73,254	50,078	4,974	671	1.613	3.288	10.174	0.253
160	1,110.36	35.56	28.07	51,433,945	542,491	282,777	42,444	7,344	1,638	1.461	2.781	8.234	0.253
170	252.99	5.39	0.00	1,292,061	7,732	0	4,377	531	0	1.562	3.618	1.000	0.253
180	613.23	14.34	9.32	36,080,258	440,041	46,098	51,716	15,052	848	1.523	2.729	7.806	0.253
190	867.83	18.99	12.41	11,770,021	82,284	943	12,777	1,735	11	1.421	3.344	9.252	0.253
200	968.15	23.17	18.30	6,415,378	28,339	66	5,712	502	1	1.553	3.262	4.806	0.253
210	473.07	10.31	7.44	10,549,462	103,238	3,382	20,405	4,488	59	1.463	2.988	10.316	0.253
220	496.38	10.12	5.62	32,685,302	280,886	47,264	58,532	14,274	1,301	1.506	2.604	8.657	0.253
230	645.41	14.00	10.29	9,671,468	67,595	2,776	13,950	2,261	55	1.438	2.858	6.566	0.253
240	342.19	7.75	6.36	34,540,085	209,263	14,935	84,717	11,255	278	1.595	3.213	11.312	0.253
250	380.01	8.76	4.75	15,401,428	95,158	3,311	35,094	4,745	96	1.546	3.065	9.724	0.253
260	172.37	3.91	2.45	6,653,215	35,365	266	27,514	3,899	17	1.878	3.108	8.547	0.253
270	302.17	6.27	4.30	129,729,713	1,542,796	385,920	289,980	107,174	12,611	1.982	3.073	9.523	0.253
280	237.83	5.11	4.07	18,253,904	181,749	80,006	45,184	13,973	2,699	2.274	3.406	9.760	0.253
290	300.24	6.11	4.59	15,079,263	81,590	32,521	36,128	5,022	1,062	1.861	3.560	8.934	0.253
300	220.85	4.56	3.37	3,605,051	14,873	569	13,709	1,277	27	1.594	3.418	8.377	0.253
310	158.02	3.65	2.78	53,471,147	573,403	176,565	269,318	69,791	9,479	1.682	3.013	8.958	0.253
320	163.72	3.75	2.86	27,282,152	188,788	37,743	136,352	20,661	2,051	1.636	3.262	8.610	0.253
330	96.29	2.29	1.90	889,178	3,904	384	7,358	608	27	1.680	3.748	10.039	0.253
340	187.04	4.16	3.21	86,055,296	985,432	668,505	311,223	103,988	29,736	1.979	3.053	9.374	0.253
350	111.77	2.78	2.15	13,558,237	95,412	24,700	97,769	14,247	1,744	1.661	3.226	8.812	0.253
360	71.17	1.91	1.42	20,755,871	166,418	88,021	202,815	31,111	8,243	1.925	3.745	10.089	0.253
370	48.82	1.10	1.27	893,457	1,936	11,194	11,808	550	1,561	2.075	4.299	7.572	0.253
380	40.54	1.23	1.08	2,367,558	11,281	6,445	37,513	2,923	871	2.084	4.196	9.196	0.253
390	37.03	0.85	1.37	2,575,560	8,282	7,877	42,289	3,836	659	2.202	3.415	11.704	0.253
Statewide	415.20	8.02	8.91	1,146,362,083	8,535,245	5,093,362	2,056,820	461,761	84,715	1.797	3.087	9.030	0.253

\* (1) = (2) / [(3) × (4) × (1 - (5))]

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**LOSS DEVELOPMENT - OWNERS**

Accident	Incurred Losses as of:				
<u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	844,827,247	849,947,157	848,563,383	847,029,814	846,425,656
2011	1,755,706,177	1,786,473,287	1,788,269,334	1,788,379,803	1,786,036,957
2012	767,820,086	802,546,261	809,113,473	809,978,312	808,547,706
2013	649,134,834	663,298,428	663,695,843	661,314,970	660,888,687
2014	731,767,411	749,309,026	754,463,865	752,895,068	752,746,479
2015	705,879,148	722,009,061	720,208,802	718,063,799	717,365,661
2016	1,001,403,324	1,053,522,882	1,062,623,648	1,060,255,624	1,061,909,080
2017	868,447,319	917,355,231	924,867,908	925,733,493	924,172,255
2018	2,170,667,031	2,378,872,450	2,411,659,319	2,426,174,384	
2019	1,088,001,981	1,144,370,547	1,156,653,610		
2020	1,394,304,605	1,492,142,768			
2021	1,065,866,675				

Accident	Link Ratios			
<u>Year</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.006	0.998	0.998	0.999
2011	1.018	1.001	1.000	0.999
2012	1.045	1.008	1.001	0.998
2013	1.022	1.001	0.996	0.999
2014	1.024	1.007	0.998	1.000
2015	1.023	0.998	0.997	0.999
2016	1.052	1.009	0.998	1.002
2017	1.056	1.008	1.001	0.998
2018	1.096	1.014	1.006	
2019	1.052	1.011		
2020	1.070			
Average	<u>27:15</u> 1.042	<u>39:27</u> 1.006	<u>51:39</u> 0.999	<u>63:51</u> 0.999

Loss Development Factors

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	0.999	0.998	1.004	1.046

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**LOSS DEVELOPMENT - TENANTS**

Accident	Incurred Losses as of:				
<u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	15,753,663	15,890,258	16,061,400	16,161,647	16,134,409
2011	19,865,370	19,803,831	20,112,453	20,096,662	20,097,442
2012	17,663,193	17,493,095	17,565,336	17,636,862	17,626,862
2013	18,987,119	18,718,007	18,945,666	19,096,379	19,089,408
2014	17,953,991	18,038,269	18,089,827	18,237,973	18,294,443
2015	22,211,635	22,546,751	22,788,160	22,986,355	23,029,985
2016	21,987,951	22,680,741	22,696,792	23,031,821	22,993,803
2017	21,245,316	22,200,191	22,425,235	22,439,833	22,510,718
2018	35,416,067	37,446,048	37,516,101	37,548,263	
2019	23,403,482	23,818,306	24,061,613		
2020	25,124,695	25,802,720			
2021	27,247,115				

Accident	Link Ratios			
<u>Year</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.009	1.011	1.006	0.998
2011	0.997	1.016	0.999	1.000
2012	0.990	1.004	1.004	0.999
2013	0.986	1.012	1.008	1.000
2014	1.005	1.003	1.008	1.003
2015	1.015	1.011	1.009	1.002
2016	1.032	1.001	1.015	0.998
2017	1.045	1.010	1.001	1.003
2018	1.057	1.002	1.001	
2019	1.018	1.010		
2020	1.027			
Average	<u>27:15</u> 1.016	<u>39:27</u> 1.008	<u>51:39</u> 1.006	<u>63:51</u> 1.000

Loss Development Factors

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	1.000	1.006	1.014	1.030

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**LOSS DEVELOPMENT - CONDOMINIUM UNIT OWNERS**

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	8,698,244	8,702,113	8,655,846	8,548,088	8,514,501
2011	10,323,496	10,146,480	10,183,056	10,041,300	10,080,425
2012	8,881,346	9,026,219	9,145,088	9,138,878	9,139,987
2013	8,555,175	8,518,694	8,353,273	8,337,353	8,394,147
2014	10,848,390	10,898,846	10,998,198	11,101,719	11,101,719
2015	13,062,053	13,255,398	13,613,585	13,507,492	13,511,678
2016	13,127,298	13,613,509	13,111,995	13,428,669	13,439,801
2017	16,232,249	16,330,402	16,156,298	16,201,236	16,191,839
2018	26,978,820	28,963,843	29,185,654	29,102,892	
2019	16,075,642	16,113,931	16,173,307		
2020	18,347,434	18,639,700			
2021	19,829,188				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.000	0.995	0.988	0.996
2011	0.983	1.004	0.986	1.004
2012	1.016	1.013	0.999	1.000
2013	0.996	0.981	0.998	1.007
2014	1.005	1.009	1.009	1.000
2015	1.015	1.027	0.992	1.000
2016	1.037	0.963	1.024	1.001
2017	1.006	0.989	1.003	0.999
2018	1.074	1.008	0.997	
2019	1.002	1.004		
2020	1.016			
Average	<u>27:15</u> 1.014	<u>39:27</u> 0.999	<u>51:39</u> 1.000	<u>63:51</u> 1.001

Loss Development Factors

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	1.001	1.001	1.000	1.014

MINUTES OF THE VIRTUAL MEETING OF THE PROPERTY RATING SUBCOMMITTEE  
OF THE NORTH CAROLINA RATE BUREAU HELD NOVEMBER 16, 2023

MEMBERS PRESENT

Allstate Insurance Company  
American Bankers Insurance Company of Florida  
American Modern Home Insurance Company  
Foremost Insurance Company  
Horace Mann Insurance Company  
Nationwide Mutual Insurance Company  
  
NC Farm Bureau Mutual Insurance Company  
State Farm Mutual Automobile Insurance Company  
The Travelers Insurance Company

OTHERS PRESENT

Milliman  
Consultant  
Insurance Services Office  
  
Young Moore and Henderson, P.A.  
  
Staff

REPRESENTED BY

Gary Wierzbicki  
Brian Gill  
Diane Matalka  
Nathan Chouinard  
Chris Skorcz  
Sara Behrend  
Kathy Owsiany  
Matt Beamon  
Jennifer Heizer  
Wendel Ridley

REPRESENTED BY

Paul Anderson  
George Zanjani  
Paul Ericksen  
Steve Conover  
David Markowitz  
Brian Beverly  
Mickey Spivey  
Lisa Leeaphorn  
Joanna Biliouris  
Jarred Chappell  
Keri Johnson  
Andy Montano  
Rebecca Williams  
Karen Ott

The meeting commenced at approximately 9:00 A.M., Mr. Wierzbicki presiding. Attention was directed to Antitrust Guidelines, Conflict of Interest Statement, and Code of Ethics and Standards of Conduct which were previously distributed.

1. Reserve Strengthening and Expense Cutting Activities Letters

Ms. Williams called attention to an exhibit that was sent to the Subcommittee prior to the meeting regarding Reserve Strengthening and Expense Cutting Activities. She stated that the statements were provided by the top ten homeowner writers in North Carolina to report any changes in reserve adequacy and activities affecting expense levels in the latest five years. Ms. Williams reviewed the exhibit in detail and noted that the statements are a regulatory requirement and are furnished to the Commissioner in the rate filing.

After review and discussion, the Subcommittee agreed that no adjustment was needed to the Homeowners rate review based on the letters.



2. Homeowners Rate Level Indications

Ms. Williams opened the discussion regarding contingencies, indicating that the Subcommittee has selected a 1% provision in prior years. Following discussion, a motion was made, seconded and passed to use a 1% contingency provision.

Attention was directed to an exhibit prepared by Insurance Services Office (ISO) and previously distributed with the agenda regarding the Homeowners preliminary rate level indications, which reflect the various selections made by the Subcommittee in previous meetings. Ms. Williams reviewed the exhibit in detail and summarized the 2020 Homeowners rate filing and the 2023 Homeowners rate review. She discussed a change in company mix from the 2020 Homeowners filing and its impact on the current review. She continued the review with a comparison of key rating components and trends, along with a breakdown of the indications and rate level changes by region and territory for Owners, Tenants and Condos. She noted that one territory has no exposures in the Condos review. After discussion, the Subcommittee reached consensus to direct the Rate Bureau's consultants to calculate the indication for that territory based on data for adjacent territories.

Following discussion, a motion was made, seconded and passed to recommend to the Property Committee that the overall indicated rate increase of 42.6% be filed (allowing for minor adjustments of the indication if necessary as the calculations are finalized).

3. Report of Staff

Mr. Montano provided an update on activity in the property and automobile lines, stating that 1) the 2023 Dwelling Rate Filing was submitted in July and the Commissioner issued a notice of hearing scheduling a hearing for April, 2024; 2) the Mobile Home rate review is in progress with an anticipated completion date in March, 2024; 3) the statutory Private Passenger Auto filing due on February 1, 2024 will be a review only; and 4) the changes to Private Passenger Automobile coverage contained in SB 452, which are effective January 1, 2025, include increasing the current minimum financial responsibility limits from 30/60/25 to 50/100/50, material changes to Underinsured Motorists coverage, expansion of the inexperienced operator surcharge period from 3 years to 8 years, expansion of the major convictions surcharge experience period from 3 years to 5 years, and removal of the statutory requirement for separate statistical data reporting on optional enhanced endorsements.

4. Report of Counsel

Mr. Beverly updated the Subcommittee on the case of Ha v. Nationwide, which involves the requirements for sending notice of cancellation under a homeowners policy. Mr. Beverly noted that case is still on appeal at the North Carolina Supreme Court.

5. Adjournment

There being no other business, the meeting was adjourned.

Respectfully Submitted,

Andy Montano

Director, Personal Lines

AM:ko

PRS-23-8

12/14/2023



## Property Committee Meeting Agenda

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**Date:** November 28, 2023

**Time:** 9:00 AM (ET)

**Zoom Teleconference**

Join the meeting from the link below. The link will provide the video and audio (if your computer does not allow audio/microphone please dial in separately using the teleconference info below, please do not do both for audio):

<https://ncrb.zoom.us/j/8644083402>

Call in: 929.205.6099 / 877.853.5257 Meeting ID: 864 408 3402

---

1. Welcome
2. Roll Call
3. Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)
4. **2024 Homeowners Preliminary Rate Level Indications**  
We will present the 2024 Homeowner Rate level indication to our committee. **Exhibit 4**, which includes the Home rate level indication summary and **Exhibit 5** which includes the detailed information.  
  
The Committee will be asked to make a recommendation to the Governing Committee on the 2024 Homeowner Rate level indications.
4. Report of Staff
5. Report of Counsel
6. Other Business
7. Adjournment

AM:ko  
PC-23-4  
Attachments  
11/16/2023



**NORTH CAROLINA RATE BUREAU**

**ANTITRUST COMPLIANCE POLICY AND  
BOARD RESOLUTION**

**Whereas**, it is the established policy of the North Carolina Rate Bureau to comply fully with all laws and regulations applicable to its operations; and

**Whereas**, the creation and operation of the North Carolina Rate Bureau is to promulgate rates and forms, and because the activities and functions bring together representatives of insurance companies that may be in competition, it is the policy of the NCRB, in the course of its activities and functions, to discourage and prohibit the disclosure of competitive information.

**Resolved**, that the following antitrust guidelines are adopted by the Governing Committee of the NCRB.

These guidelines apply to those individuals and alternates who serve on the NCRB Governing Committee, NCRB committees and subcommittees and NCRB task forces and any other individual in attendance at an NCRB meeting.

1. In performing the statutory duties of the North Carolina Rate Bureau, avoid any action or statement which would give the appearance of private motivation.
2. Conduct business at regularly scheduled, formal meetings where minutes are kept and counsel is present.
3. Do not hold "informal" meetings or "rump sessions" at which any agreements or understandings are reached or any decisions are made.
4. Do not authorize, agree to, engage in or even discuss any activity which might be interpreted as boycott, coercion or intimidation.
5. Specifically, do not authorize, agree to, engage in or even discuss any division of markets, allocation of customers or refusal to do business with any individual or business organization.
6. Do not discuss individual company results, or current or future marketing or pricing strategies or business plans.
7. When in doubt, consult counsel.



**NORTH CAROLINA RATE BUREAU**  
**CONFLICTS OF INTEREST STATEMENT**

**Whereas**, the North Carolina Rate Bureau affirms its confidence in the loyalty and integrity of its Governing Committee, Bureau employees, agents, consultants and member representatives including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces; and

**Whereas**, it is the policy of the Bureau that members of the governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces conduct their personal and business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities owed to the Bureau; and

**Now therefore**, it is resolved that the Governing Committee hereby adopts the following policy addressing conflicts of interest:

It is the Bureau's policy that the Governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces shall not permit private interests to conflict with the proper discharge of his or her duties, nor shall one's position or the knowledge gained therein be used to further such interests. In addition, each said person shall conduct his or her private affairs in such manner as to avoid giving the appearance of any such conflict.

Any person having a conflict of interest on a matter shall not vote, take action, or use his or her personal influence on the matter. However, he or she may be counted in determining the quorum for a meeting where action on the matter may be taken. The minutes of any such meeting shall reflect that a disclosure was made and the abstention from voting.

It is understood and acknowledged by the Governing Committee that, as a result of the Bureau's unique structure and relationship to its members, many representatives of the Bureau will have certain inherent and obvious interest unique to his or her position held outside of the Bureau structure. This Policy is not intended to require a disclosure of such obvious situations at every meeting. This Policy should however serve as a reminder to those individuals who find themselves in that situation that, when taking action on behalf of the Bureau, they must make decisions that they believe to be in the best interest of the Bureau and its member companies and put aside other interests they represent.

## NORTH CAROLINA RATE BUREAU

### CODE OF ETHICS AND STANDARDS OF CONDUCT

The undersigned, an individual committee member or a representative of a company member (on behalf of his/her company) on a committee of the North Carolina Rate Bureau ("Bureau") (a "member"), hereby agrees to conform to the following code of ethics and to abide by the following standards of conduct:

1. Each member's conduct shall be marked by integrity and dignity, and he or she shall expect and encourage such conduct by others.
2. Each member should understand and support the Bureau's mission, purposes, goals, policies, programs, services, strengths and needs and be able to communicate them to others. In the performance of his or her duties, each member shall obey all applicable state, local and federal laws, rules and regulations.
3. Each member agrees to be governed by a spirit of cooperation, helpfulness and frankness in his or her relationship with fellow members to the end that each shall be equipped, through cooperative measures and exchanges of ideas, to better perform and function, and to foster the advancement and prestige of the Bureau.
4. Each member shall respect the confidential and proprietary nature of information received in the performance of his, hers or its duties and shall not divulge any privileged, confidential or proprietary information of the Bureau (including without limitation privileged work product and attorney/client communication) unless legally discharged from such obligation. No member shall have authority to waive or compromise any claim of privilege or confidentiality unless authorized to do so. Individual representatives of a company shall not share privileged, confidential or proprietary information of the Bureau with persons within his/her company unless such persons are informed of the company's obligations under this agreement.
5. Each member agrees that he or she does not and shall not speak or act on behalf of the Bureau unless authorized to do so.
6. Each member agrees to observe the policies and procedures of the Bureau, including without limitation the Antitrust Compliance Policy and the Conflicts of Interest Statement.
7. Each member shall seek to avoid any perception that he or she is not acting in the Bureau's best interest.



# 2023 North Carolina Homeowners Rate Review

11/28/2023

# 2020 North Carolina Homeowners Rate Review

## Summary of the 2020 Rate Filing

Policy Form	Indicated Rate Change	Filed Rate Change	Settled Rate Change
Owners	+39.0%	+24.6%	+8.2%
Tenants	+23.6%	+21.6%	+2.0%
Condos	+51.4%	+25.0%	+5.0%
<b>Total</b>	<b>+38.7%</b>	<b>+24.5%</b>	<b>+7.9%</b>

- Based on 5 accident-years of data ending 12/31/2018
- The settlement with the Department capped changes for all forms resulting in an overall statewide increase of +7.9%
- The rates went into effect 6/1/2022

# 2023 North Carolina Homeowners Rate Review

## Summary of the 2023 Rate Review

Policy Form	2021 Earned Premium at Current Level	Indicated Rate Change
Owners	\$2,800,629,255	+42.8%
Tenants	\$80,339,123	+34.6%
Condos	\$38,624,005	+45.0%
<b>Total</b>	<b>\$2,919,592,383</b>	<b>+42.6%</b>

- Based on 5 accident-years of data ending 12/31/2021
- Expected to be filed in January 2024 with an assumed effective date of 8/1/2024



# 2023 North Carolina Homeowners Rate Review

## Comparison of Key Rate Components

Rate Component	Current Review	Prior Review
Profit	9.0%	9.0%
Contingencies	1.0%	1.0%
Compensation for Assessment Risk	1.7%	2.9%
Dividends	0.5%	0.4%
Deviations	0.0%	0.0%
Fixed Expense Ratio	9.8%	11.2%
Variable Expense	14.8%	14.9%
Loss Adjustment Expense	12.7%	13.9%
Expense Trend	5.0%	2.2%
Net Cost of Reinsurance	\$445.59pp	\$177.25pp

pp = cost per policy

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Owners

- Loss trend factors are based on:
  - +5.5% historical trend (+4.0% last review)
  - +6.5% prospective trend (+6.0% last review)
- Premium trend factors are based on current amount factors and:
  - +5.0% prospective trend (+1.1% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		1.484		1.094
2015		1.427		1.083
2016		1.372		1.075
2017	1.602	1.319	1.361	1.065
2018	1.519	1.269	1.334	1.046
2019	1.439		1.294	
2020	1.364		1.258	
2021	1.293		1.220	

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Tenants

- Loss trend factors are based on:
  - 1.0% historical trend (-1.0% last review)
  - +4.0% prospective trend (+0.5% last review)
- Premium trend factors are based on current amount factors and:
  - 0.0% prospective trend (-2.0% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		0.980		0.848
2015		0.990		0.865
2016		1.000		0.878
2017	1.127	1.010	0.921	0.898
2018	1.139	1.021	0.946	0.921
2019	1.150		0.971	
2020	1.162		0.993	
2021	1.174		1.000	

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Condos

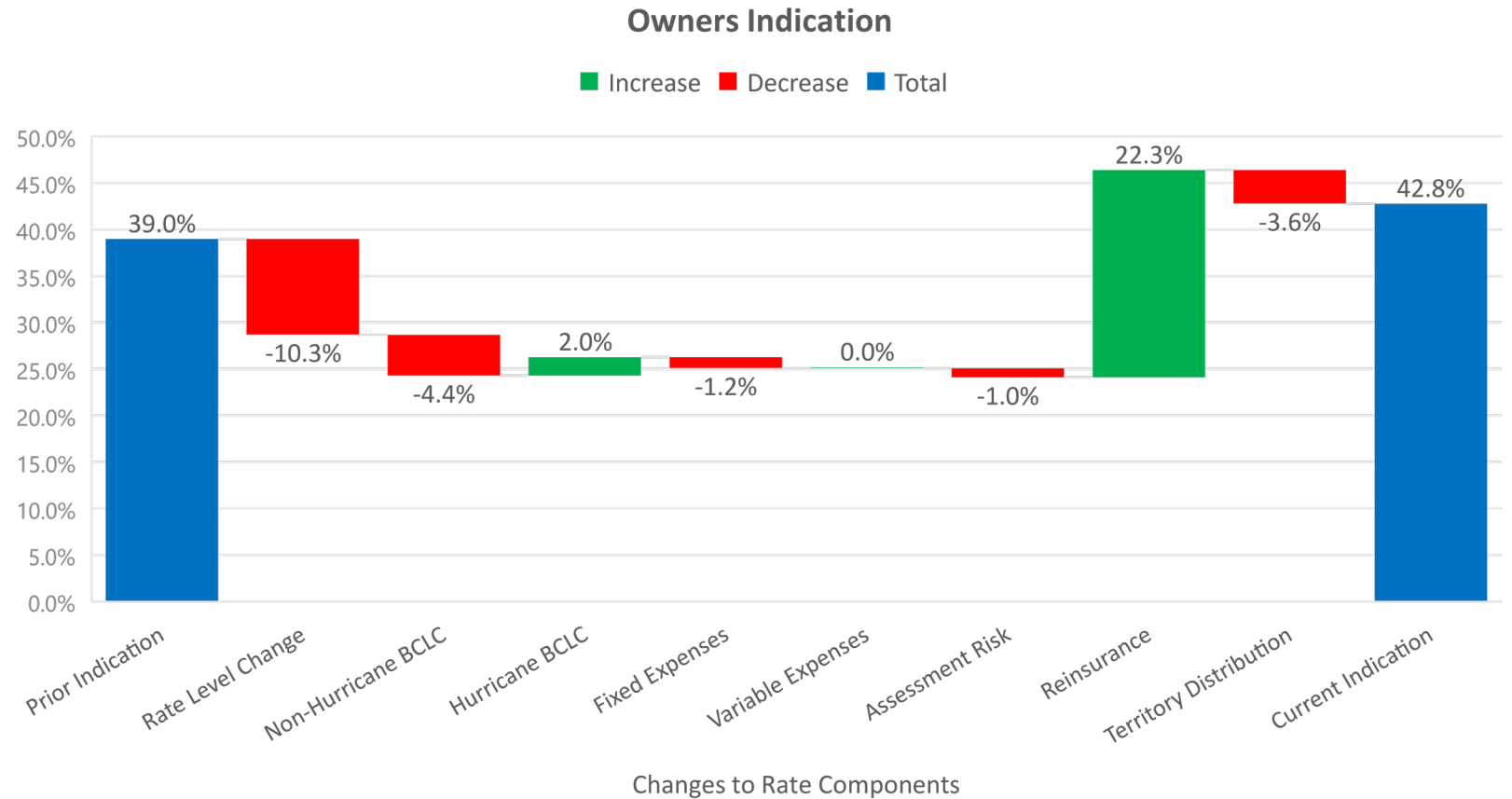
- Loss trend factors are based on:
  - +4.5% historical trend (+5.0% last review)
  - +4.5% prospective trend (+5.0% last review)
- Premium trend factors are based on current amount factors and:
  - +2.0% prospective trend (0.0% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		1.483		0.973
2015		1.413		0.986
2016		1.346		1.007
2017	1.427	1.281	1.148	1.011
2018	1.366	1.220	1.133	1.000
2019	1.307		1.118	
2020	1.251		1.103	
2021	1.197		1.084	

# 2023 North Carolina Homeowners Rate Review

## Breakdown of Owners Indication

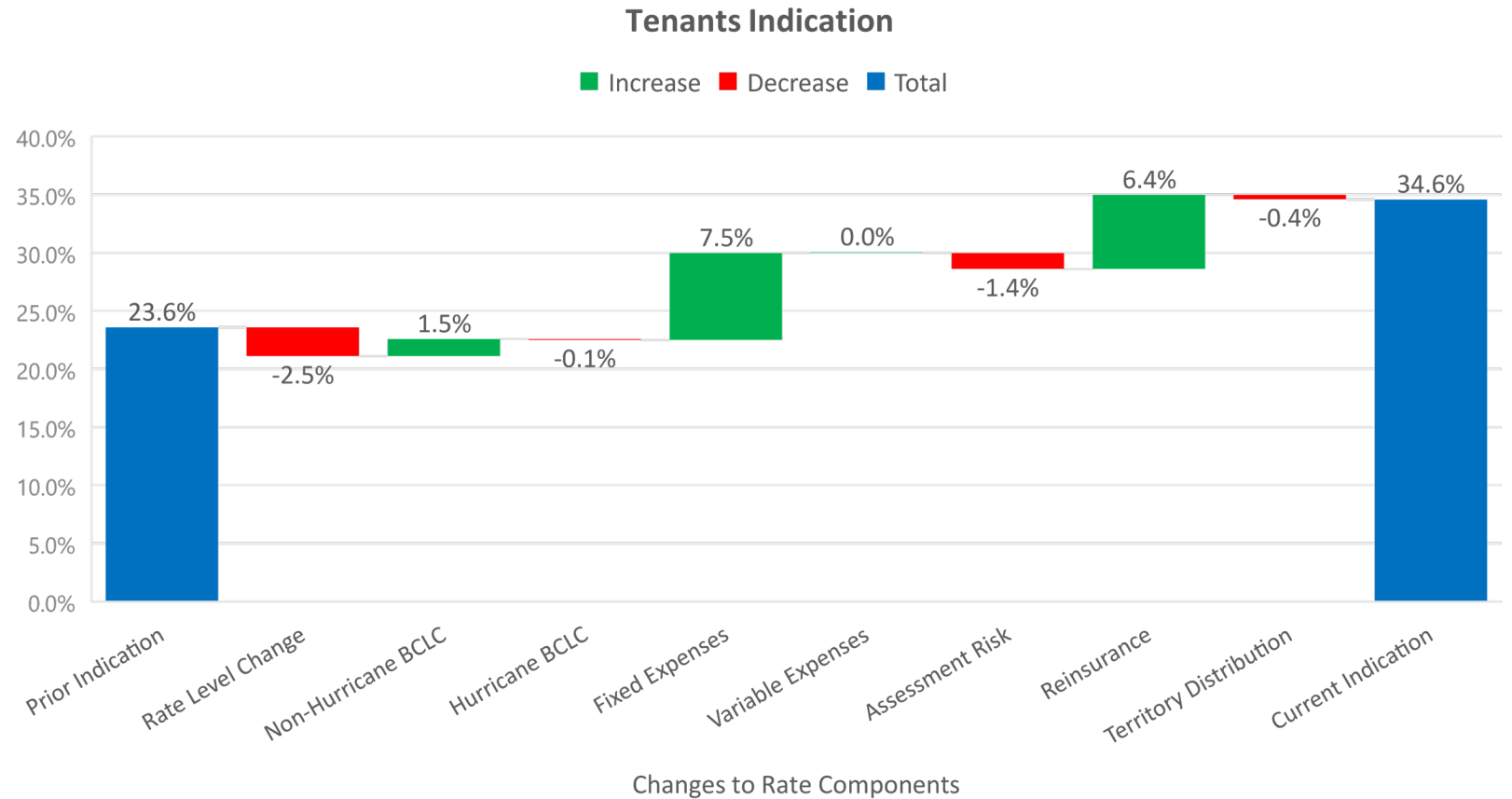
- The increase in premium trend is driving the decrease in the non-hurricane BCLC despite worsening experience
- The net cost of reinsurance is significantly higher than the previous review



# 2023 North Carolina Homeowners Rate Review

## Breakdown of Tenants Indication

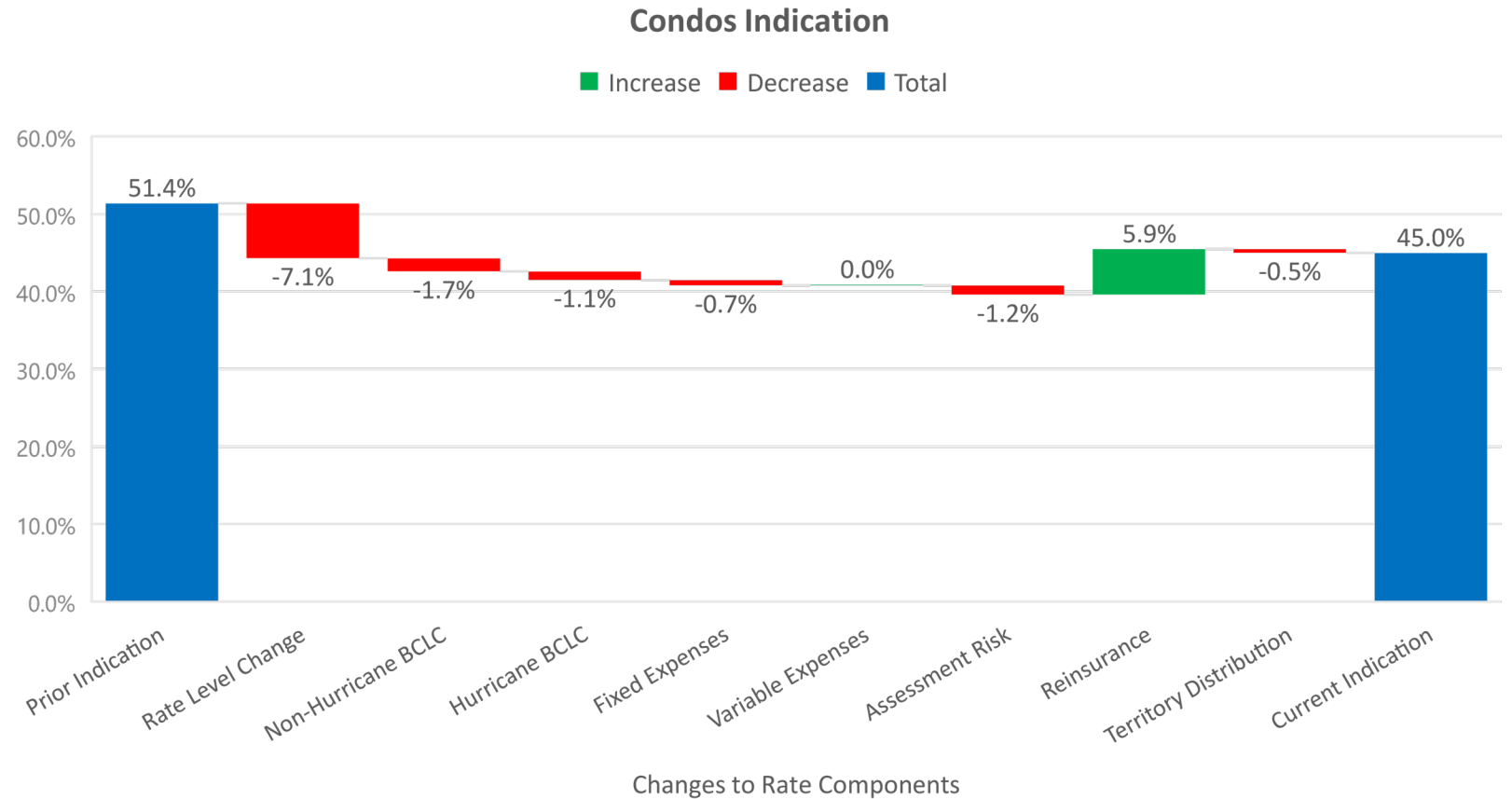
- The increase in the fixed expense loading is due to decreases in coverage limits being written (making fixed expenses a larger portion of total premium)
- The net cost of reinsurance is significantly higher than the previous review



# 2023 North Carolina Homeowners Rate Review

## Breakdown of Condos Indication

- The increase in premium trend is driving the decrease in the non-hurricane BCLC despite worsening experience
- The net cost of reinsurance is significantly higher than the previous review



# 2023 North Carolina Homeowners Rate Review

## Indicated Rate Level Changes by Region

Policy Form	Region	Indicated Rate Change
Owners	Beach	+73.5%
	Coast	+57.1%
	Inland	+35.8%
Tenants	Beach	+72.7%
	Coast	+59.0%
	Inland	+32.1%
Condos	Beach	+46.2%
	Coast	+50.1%
	Inland	+44.0%



# 2023 North Carolina Homeowners Rate Review

## Indicated Rate Level Changes by Territory

### Owners

Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change
110	+45.5%	260	+39.7%
120	+99.9%	270	+40.2%
130	+34.3%	280	+25.5%
140	+72.0%	290	+28.8%
150	+26.1%	300	+26.5%
160	+43.5%	310	+37.1%
170	+30.8%	320	+25.5%
180	+58.3%	330	+22.7%
190	+71.8%	340	+41.7%
200	+63.5%	350	+28.3%
210	+58.2%	360	+21.0%
220	+46.0%	370	+8.0%
230	+56.5%	380	+4.7%
240	+41.2%	390	+8.9%
250	+40.4%		

### Tenants

Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change
110	+38.7%	260	+17.4%
120	+85.4%	270	+37.1%
130	+41.3%	280	+25.3%
140	+65.6%	290	+39.3%
150	+50.0%	300	+26.9%
160	+50.4%	310	+29.7%
170	+19.3%	320	+27.7%
180	+39.5%	330	+22.8%
190	+44.1%	340	+32.3%
200	+38.3%	350	+25.9%
210	+31.5%	360	+25.6%
220	+31.7%	370	+19.8%
230	+54.0%	380	+14.6%
240	+28.4%	390	+29.8%
250	+49.3%		

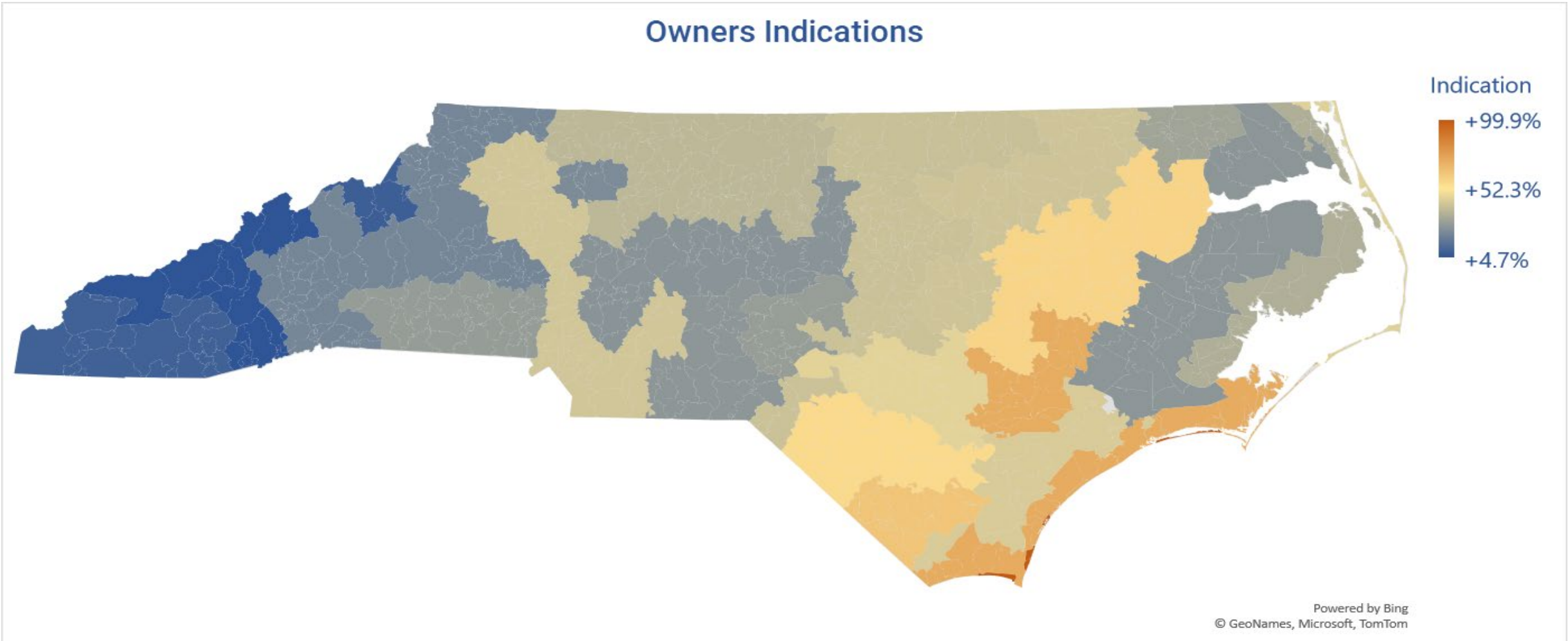
### Condominium Unit Owners

Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change
110	+20.4%	260	+35.6%
120	+49.9%	270	+41.6%
130	+32.0%	280	+39.9%
140	+53.2%	290	+22.2%
150	+28.2%	300	+38.8%
160	+48.8%	310	+41.3%
170*	???	320	+49.6%
180	+43.1%	330	+34.0%
190	+32.5%	340	+55.9%
200	+62.4%	350	+26.0%
210	+33.7%	360	+15.0%
220	+46.4%	370	+31.9%
230	+40.6%	380	+35.9%
240	+35.0%	390	+29.1%
250	+38.8%		

\* Condos Territory 170 has no data in this review

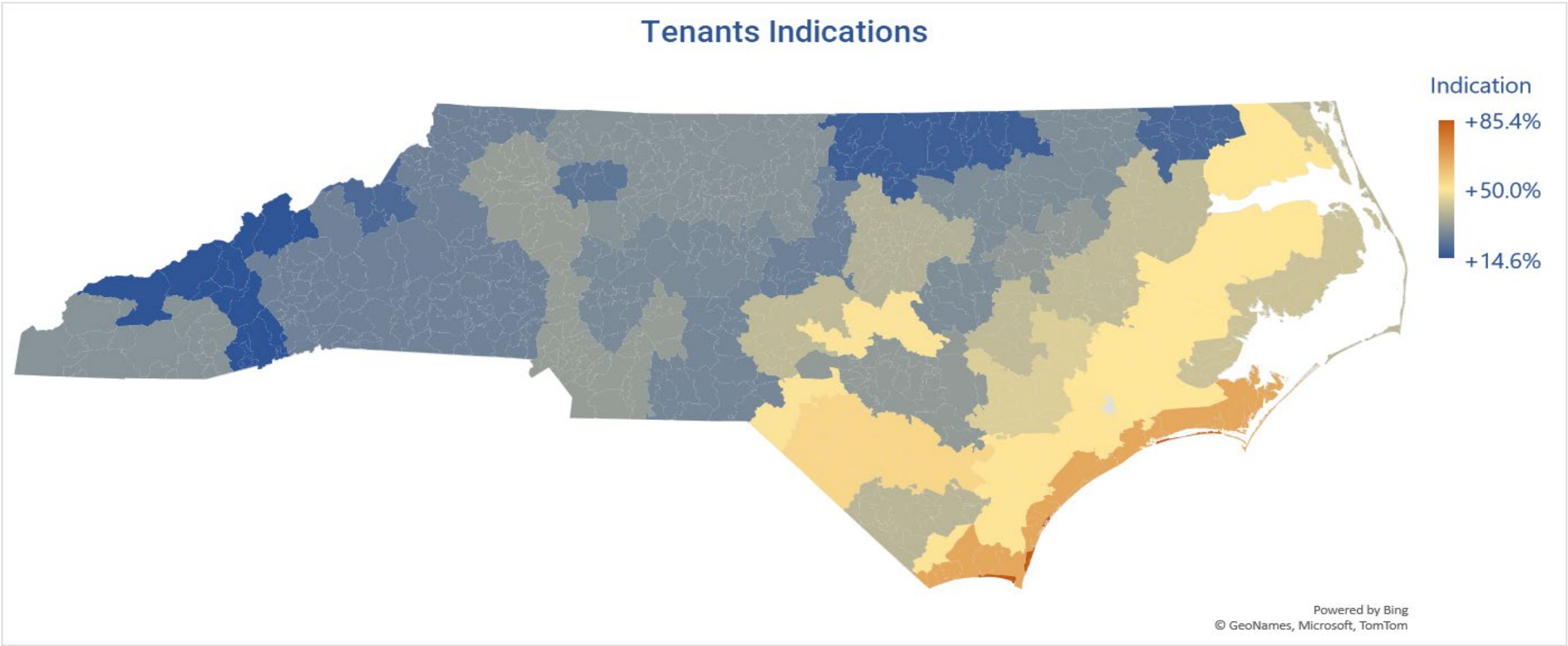
# 2023 North Carolina Homeowners Rate Review

Indicated Rate Level Changes by Territory



# 2023 North Carolina Homeowners Rate Review

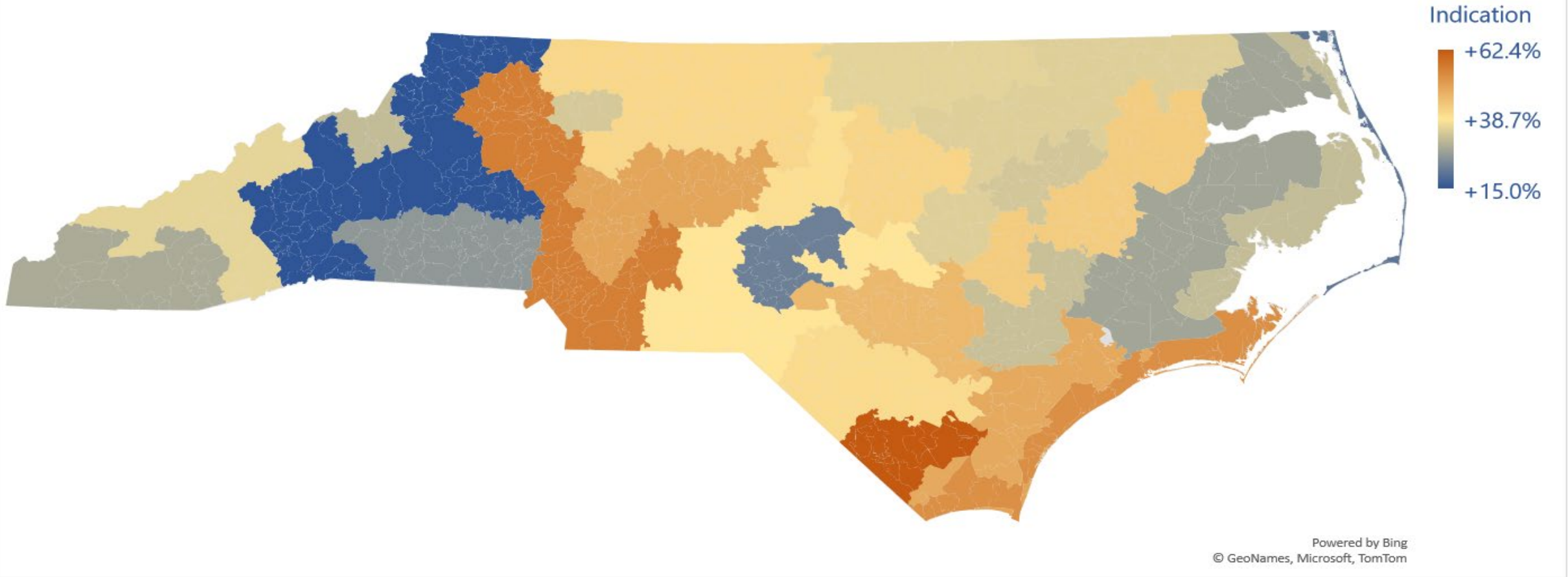
## Indicated Rate Level Changes by Territory



# 2023 North Carolina Homeowners Rate Review

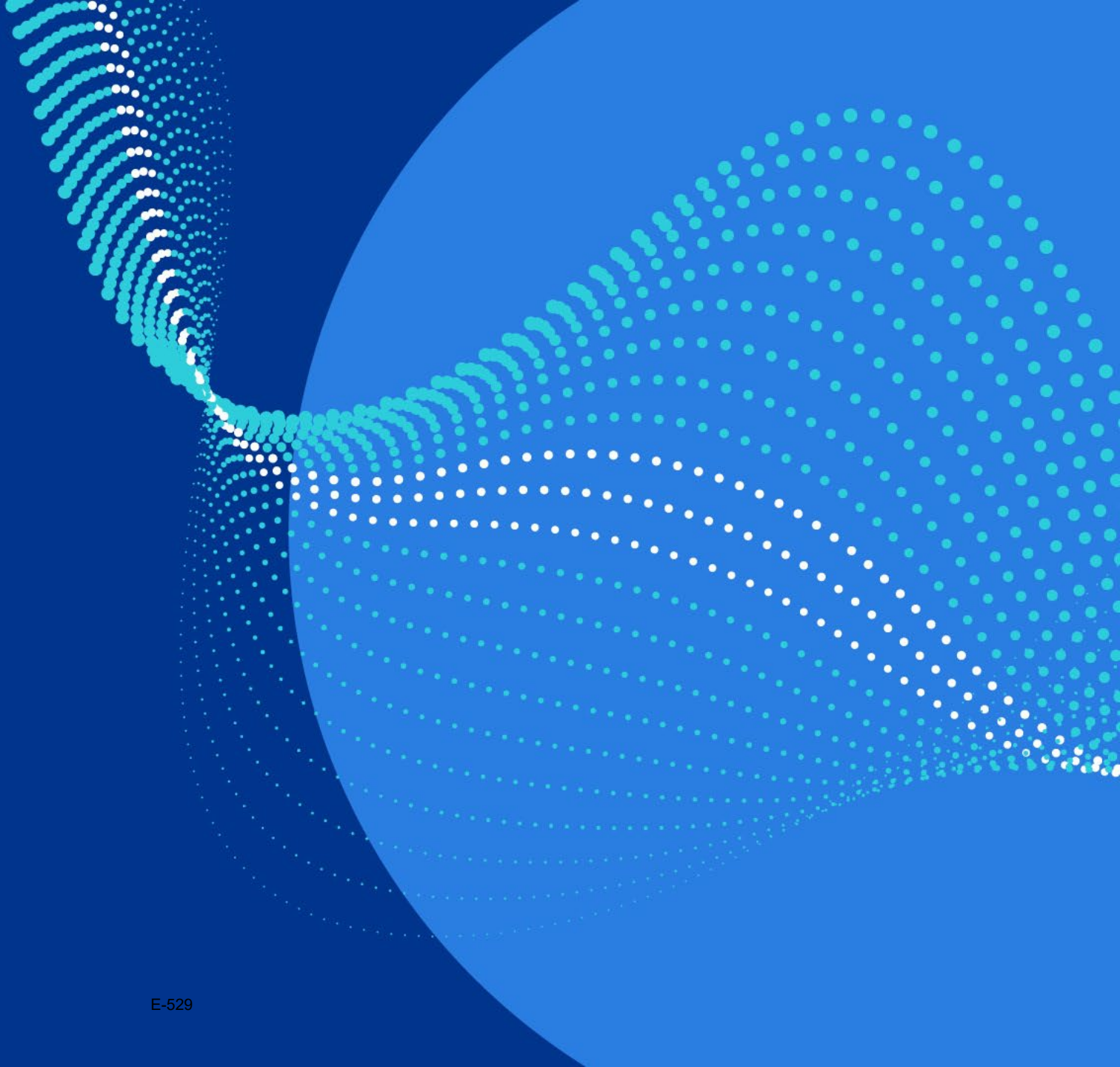
## Indicated Rate Level Changes by Territory

### Condominium Unit Owners Indications



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**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**2023 REVIEW PACKAGE**

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**NOTE: This package includes a placeholder value for contingencies.**

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**STATEWIDE RATE LEVEL CHANGES**

<u>Form</u>	<u>2021 Earned Premium at Current Level</u>	<u>Indicated Change</u>
Owners	\$2,800,629,255	+42.8%
Tenants	\$80,339,123	+34.6%
<u>Condominium Unit Owners</u>	<u>\$38,624,005</u>	<u>+45.0%</u>
All Forms	\$2,919,592,383	+42.6%

**NOTE: These indications include a placeholder value for contingencies.**

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**INDICATED TERRITORY RATE LEVEL CHANGES**

Territory	Current Base Class Rate			Indicated Rate Level Change			Indicated Base Class Rate		
	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners	Owners	Tenants	Condominium Unit Owners
110	\$2,908	\$126	\$107	+45.5%	+38.7%	+20.4%	\$4,231	\$175	\$129
120	3,427	144	131	+99.9%	+85.4%	+49.9%	6,851	267	196
130	1,775	81	83	+34.3%	+41.3%	+32.0%	2,384	114	110
140	2,403	98	90	+72.0%	+65.6%	+53.2%	4,133	162	138
150	1,465	61	62	+26.1%	+50.0%	+28.2%	1,847	92	79
160	1,614	78	67	+43.5%	+50.4%	+48.8%	2,316	117	100
170	896	57	55	+30.8%	+19.3%	-0.7%	1,172	68	55
180	1,049	61	58	+58.3%	+39.5%	+43.1%	1,661	85	83
190	1,249	64	61	+71.8%	+44.1%	+32.5%	2,146	92	81
200	1,363	68	67	+63.5%	+38.3%	+62.4%	2,229	94	109
210	928	61	56	+58.2%	+31.5%	+33.7%	1,468	80	75
220	1,131	81	57	+46.0%	+31.7%	+46.4%	1,651	107	83
230	1,215	62	60	+56.5%	+54.0%	+40.6%	1,901	95	84
240	906	61	53	+41.2%	+28.4%	+35.0%	1,279	78	72
250	1,034	59	51	+40.4%	+49.3%	+38.8%	1,452	88	71
260	676	60	51	+39.7%	+17.4%	+35.6%	944	70	69
270	796	51	58	+40.2%	+37.1%	+41.6%	1,116	70	82
280	698	46	43	+25.5%	+25.3%	+39.9%	876	58	60
290	833	52	53	+28.8%	+39.3%	+22.2%	1,073	72	65
300	884	54	51	+26.5%	+26.9%	+38.8%	1,118	69	71
310	683	55	45	+37.1%	+29.7%	+41.3%	936	71	64
320	765	52	46	+25.5%	+27.7%	+49.6%	960	66	69
330	635	49	50	+22.7%	+22.8%	+34.0%	779	60	67
340	696	58	49	+41.7%	+32.3%	+55.9%	986	77	76
350	710	51	48	+28.3%	+25.9%	+26.0%	911	64	60
360	614	40	39	+21.0%	+25.6%	+15.0%	743	50	45
370	667	46	50	+8.0%	+19.8%	+31.9%	720	55	66
380	620	46	48	+4.7%	+14.6%	+35.9%	649	53	65
390	633	47	49	+8.9%	+29.8%	+29.1%	689	61	63
Statewide	\$922	\$56	\$55	+42.9%	+34.6%	+45.0%	\$1,318	\$76	\$80



**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**TREND AND EXPENSE SELECTIONS**

**Trend Selections**

	<u>Owners</u>		<u>Tenants</u>		<u>Condominium Unit Owners</u>	
	<u>Historical</u>	<u>Prospective</u>	<u>Historical</u>	<u>Prospective</u>	<u>Historical</u>	<u>Prospective</u>
Frequency	-1.0%	0.0%	-6.0%	-1.0%	-1.0%	-1.0%
Severity	+6.5%	+6.5%	+5.0%	+5.0%	+5.5%	+5.5%
Pure Premium	+5.5%	+6.5%	-1.0%	+4.0%	+4.5%	+4.5%
Premium	--	+5.0%	--	0.0%	--	+2.0%
Exposure	--	+5.0%	--	0.0%	--	+2.0%

All Forms

Expenses	+5.0%
----------	-------

**Expense Selections**

Commission & Brokerage	12.0%
Other Acquisition Expense	5.9%
General Expense	3.9%
Taxes, Licenses & Fees	2.8%
Dividends	0.5%
Contingencies	1.0%
Profit	9.0%
Loss Adjustment Expense	12.7%
Deviations	0.0%
Compensation for Assessment Risk	1.7%

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	
	Incurring	Excess	Incurring	Adjusted	Loss	
	Losses Excluding	Losses	Adjusted for Excess	Incurring Losses	Trend	
Year	Hurricane <sup>(a)</sup>		[(1)-(2)] ×	Incurring Losses		
			Excess Factor	including LAE		
				(3) × LAE Factor		
2017	940,083,838	176,136,465	835,758,426	935,213,679	1.602	
2018	927,950,061	2,502,100	1,012,440,069	1,132,920,437	1.519	
2019	1,153,435,354	308,642,199	924,203,712	1,034,183,954	1.439	
2020	1,346,984,674	442,620,933	989,373,933	1,107,109,431	1.364	
2021	1,157,196,353	94,005,310	1,163,131,001	1,301,543,590	1.293	
	(6)	(7)	(8)	(9)	(10)	(11)
	Earning	Premium	Trended	Average	Trended	
	House-Years	Trend	Average	Average	Base-Class	
Year		Factor	Loss Cost	Rating	Loss Cost	Yearly
			[(4)×(5)] / [(6)×(7)]	Factor	(8) / (9)	Weights
2017	1,917,797	1.361	574.00	1.309	438.50	0.10
2018	1,904,023	1.334	677.53	1.336	507.13	0.15
2019	1,947,707	1.294	590.47	1.379	428.19	0.20
2020	2,007,113	1.258	598.07	1.415	422.66	0.25
2021	2,056,820	1.220	670.66	1.473	455.30	0.30
(12)	Weighted Trended Non-Hurricane Base-Class Loss Cost					447.81
(13)	Credibility (9,833,460 House-Years)					1.00
(14)	Trended Modeled Hurricane Base-Class Loss Cost					131.07
(15)	Fixed Expense Per Policy					81.14
(16)	Base-Class Loss Cost with Fixed Expense, (12) + (14) + (15)					660.02
(17)	1 - (Variable Expense + Profit + Contingencies + Dividends)					0.747
(18)	Base-Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (16) / (17)					883.56
(19)	Compensation for Assessment Risk per Policy					18.41
(20)	Net Cost of Reinsurance per Policy					415.20
(21)	Base-Class Rate Excluding Deviation (18) + (19) + (20)					1,317.17
(22)	Selected Deviation					0.00
(23)	Deviation Amount per Policy, [(21) / (1.0 - (22))] - (21)					0.00
(24)	Required Base-Class Rate per Policy, (21) + (22)					1,317.17
(25)	Current Average Base-Class Rate					922.47
(26)	Indicated Rate Level Change, (24) / (25) - 1					+42.8%

<sup>(a)</sup> Actual Hurricane losses have been excluded as follows:

Year	Hurricane Losses
2017	2,404,722
2018	1,877,022,997
2019	72,662,388
2020	175,154,653
2021	23,511,449

Excess Factor:	1.094
Trended LAE Factor:	1.119
Latest Year SW Model Losses:	484,449,875

NORTH CAROLINA

HOMEOWNERS INSURANCE

**INDICATED BASE-CLASS LOSS COST BY TERRITORY - OWNERS FORMS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane Base-Class	Five-Year House-Years		Credibility- Weighted Base-Class Loss Cost	Modeled Hurricane Base-Class Loss Cost	Five-Year Average Rating Factor	Total Base-Class Loss Cost (4) + (5)	Indicated Relativity Terr (7) / SW (7)	Indicated Statewide Base-Class Loss Cost	Indicated Base-Class Loss Cost Terr (8) / SW (8) × (9)
<u>Territory</u>	<u>Loss Cost</u>	<u>House-Years</u>	<u>Credibility</u>	<u>Loss Cost</u>	<u>Loss Cost</u>	<u>Factor</u>	<u>(4) + (5)</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost</u>	<u>Terr (8) / SW (8) × (9)</u>
110	318.26	96,997	1.00	318.26	1,177.25	2.232	1,495.51	2.576	578.88	1,491.34
120	419.32	103,375	1.00	419.32	1,446.48	1.923	1,865.80	3.214	578.88	1,860.71
130	378.75	62,392	1.00	378.75	490.94	1.826	869.69	1.498	578.88	867.25
140	386.60	433,556	1.00	386.60	812.73	1.744	1,199.33	2.066	578.88	1,196.09
150	376.90	237,911	1.00	376.90	299.99	1.616	676.89	1.166	578.88	675.04
160	426.32	194,307	1.00	426.32	349.87	1.459	776.19	1.337	578.88	774.04
170	503.85	21,674	0.60	482.35	101.03	1.614	583.38	1.005	578.88	581.83
180	472.20	252,725	1.00	472.20	199.77	1.528	671.97	1.157	578.88	669.83
190	562.31	65,089	1.00	562.31	272.80	1.443	835.11	1.438	578.88	832.51
200	581.34	29,048	0.60	528.84	303.18	1.635	832.02	1.433	578.88	829.62
210	485.84	99,442	1.00	485.84	145.37	1.467	631.21	1.087	578.88	629.31
220	607.96	274,217	1.00	607.96	141.03	1.510	748.99	1.290	578.88	746.83
230	625.77	69,441	1.00	625.77	194.49	1.447	820.26	1.413	578.88	818.04
240	496.64	395,728	1.00	496.64	98.80	1.588	595.44	1.026	578.88	593.99
250	585.18	162,824	1.00	585.18	106.36	1.560	691.54	1.191	578.88	689.52
260	444.74	132,762	1.00	444.74	47.68	1.940	492.42	0.848	578.88	490.94
270	447.69	1,383,907	1.00	447.69	74.18	1.953	521.87	0.899	578.88	520.47
280	347.20	214,584	1.00	347.20	54.50	2.255	401.70	0.692	578.88	400.63
290	407.85	168,168	1.00	407.85	79.27	1.871	487.12	0.839	578.88	485.73
300	503.67	66,892	1.00	503.67	61.25	1.569	564.92	0.973	578.88	563.31
310	449.57	1,300,328	1.00	449.57	34.93	1.670	484.50	0.834	578.88	482.83
320	457.04	649,673	1.00	457.04	37.47	1.623	494.51	0.852	578.88	493.26
330	372.81	35,438	0.70	395.99	23.46	1.786	419.45	0.722	578.88	417.99
340	473.36	1,497,871	1.00	473.36	38.74	1.948	512.10	0.882	578.88	510.62
350	472.69	470,106	1.00	472.69	26.31	1.663	499.00	0.859	578.88	497.31
360	402.13	977,497	1.00	402.13	14.36	1.900	416.49	0.717	578.88	415.10
370	409.95	55,587	0.90	413.96	10.13	2.128	424.09	0.730	578.88	422.62
380	366.97	179,713	1.00	366.97	8.94	2.063	375.91	0.647	578.88	374.57
390	404.78	202,208	1.00	404.78	7.91	2.230	412.69	0.711	578.88	411.62
Statewide	450.09	9,833,460	1.00	450.09	131.07	1.785	580.60	0.9999	578.84	578.90

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - OWNERS FORMS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation	Net Cost of	Indicated	Dollar	Indicated	Latest-Year	Indicated	Balanced
	Base Class	Fixed	Expense,	Base Class	Base Class	For	Reinsurance	Rate	Deviation	Required	Aggregate	Rate Level	Indicated
	Loss Cost	Expense	Dividends,	Rate	Rate	Risk	Reinsurance	Excluding	per Exposure	Base Class	Calculated	Change	Rate Level
Territory			Profit,		$[(1)+(2)\times(4)]/[1.0-(3)]$			Deviation		Rate	at Current Level	$(10)/(4)$	Change
			Contingency					$(5) + (6) + (7)$	$[(8)/(1.0 - \text{Dev. \%})] - (8)$	$(8) + (9)$			
110	1,491.34	0.022	0.253	2,908	2,082.08	58.02	2,083.43	4,223.53	0.00	4,223.53	105,759,930	1.452	1.455
120	1,860.71	0.022	0.253	3,427	2,591.84	68.38	4,176.48	6,836.70	0.00	6,836.70	112,071,547	1.995	1.999
130	867.25	0.045	0.253	1,775	1,267.90	35.42	1,076.04	2,379.36	0.00	2,379.36	34,452,945	1.340	1.343
140	1,196.09	0.034	0.253	2,403	1,710.56	47.95	2,363.88	4,122.39	0.00	4,122.39	329,199,525	1.716	1.720
150	675.04	0.061	0.253	1,465	1,023.30	29.23	790.00	1,842.53	0.00	1,842.53	97,019,563	1.258	1.261
160	774.04	0.061	0.253	1,614	1,168.00	32.20	1,110.36	2,310.56	0.00	2,310.56	82,038,164	1.432	1.435
170	581.83	0.100	0.253	896	898.84	17.88	252.99	1,169.71	0.00	1,169.71	5,021,369	1.305	1.308
180	669.83	0.090	0.253	1,049	1,023.08	20.93	613.23	1,657.24	0.00	1,657.24	67,739,546	1.580	1.583
190	832.51	0.080	0.253	1,249	1,248.23	24.92	867.83	2,140.98	0.00	2,140.98	18,594,146	1.714	1.718
200	829.62	0.065	0.253	1,363	1,229.20	27.20	968.15	2,224.55	0.00	2,224.55	9,909,044	1.632	1.635
210	629.31	0.106	0.253	928	974.13	18.52	473.07	1,465.72	0.00	1,465.72	22,715,143	1.579	1.582
220	746.83	0.085	0.253	1,131	1,128.47	22.57	496.38	1,647.42	0.00	1,647.42	81,739,944	1.457	1.460
230	818.04	0.082	0.253	1,215	1,228.47	24.24	645.41	1,898.12	0.00	1,898.12	19,983,603	1.562	1.565
240	593.99	0.100	0.253	906	916.45	18.08	342.19	1,276.72	0.00	1,276.72	100,347,589	1.409	1.412
250	689.52	0.090	0.253	1,034	1,047.63	20.63	380.01	1,448.27	0.00	1,448.27	45,997,179	1.401	1.404
260	490.94	0.110	0.253	676	756.76	13.49	172.37	942.62	0.00	942.62	28,635,677	1.394	1.397
270	520.47	0.093	0.253	796	795.85	15.88	302.17	1,113.90	0.00	1,113.90	375,054,061	1.399	1.402
280	400.63	0.092	0.253	698	622.28	13.93	237.83	874.04	0.00	874.04	58,795,201	1.252	1.255
290	485.73	0.093	0.253	833	753.95	16.62	300.24	1,070.81	0.00	1,070.81	45,906,432	1.285	1.288
300	563.31	0.104	0.253	884	877.17	17.64	220.85	1,115.66	0.00	1,115.66	15,838,170	1.262	1.265
310	482.83	0.127	0.253	683	762.48	13.63	158.02	934.13	0.00	934.13	253,675,880	1.368	1.371
320	493.26	0.116	0.253	765	779.12	15.26	163.72	958.10	0.00	958.10	139,864,771	1.252	1.255
330	417.99	0.128	0.253	635	668.37	12.67	96.29	777.33	0.00	777.33	6,433,349	1.224	1.227
340	510.62	0.107	0.253	696	783.26	13.89	187.04	984.19	0.00	984.19	351,365,881	1.414	1.417
350	497.31	0.123	0.253	710	782.65	14.17	111.77	908.59	0.00	908.59	94,517,118	1.280	1.283
360	415.10	0.124	0.253	614	657.61	12.25	71.17	741.03	0.00	741.03	196,497,518	1.207	1.210
370	422.62	0.102	0.253	667	656.83	13.31	48.82	718.96	0.00	718.96	13,395,792	1.078	1.080
380	374.57	0.113	0.253	620	595.22	12.37	40.54	648.13	0.00	648.13	39,737,451	1.045	1.047
390	411.62	0.103	0.253	633	638.31	12.63	37.03	687.97	0.00	687.97	48,322,717	1.087	1.089
Statewide	578.90	0.088	0.253	922	883.39	18.41	415.20	1,317.00	0.00	1,317.00	2,800,629,255	1.425	1.429

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE - TENANTS**

<u>Year</u>	(1) Incurred Losses Excluding <u>Hurricane</u> <sup>(a)</sup>	(2) Incurred Losses Including LAE <u>(1) × LAE Factor</u>	(3) Loss Trend <u>Factor</u>	(4) Earned <u>House-Years</u>	(5) Premium Trend <u>Factor</u>	(6) Trended Average Loss Cost <u>[(2)×(3)] / [(4)×(5)]</u>	(7) Average Rating <u>Factor</u>	(8) Trended Base Class Loss Cost <u>(6) / (7)</u>	(9) Yearly <u>Weights</u>
2017	24,565,094	28,004,207	1.127	395,287	0.921	86.69	3.459	25.06	0.10
2018	26,644,847	30,375,126	1.139	407,111	0.946	89.83	3.311	27.13	0.15
2019	23,342,483	26,610,431	1.150	424,286	0.971	74.28	3.184	23.33	0.20
2020	23,156,246	26,398,120	1.162	447,386	0.993	69.05	3.108	22.22	0.25
2021	25,412,527	28,970,281	1.174	461,761	1.000	73.66	3.087	23.86	0.30
(10)	Weighted Trended Non-Hurricane Base Class Loss Cost								23.95
(11)	Credibility (2,135,831 House-Years)								1.00
(12)	Trended Modeled Hurricane Base Class Loss Cost								2.31
(13)	Fixed Expense Per Policy								23.62
(14)	Base Class Loss Cost with Fixed Expenses (10) + (12) + (13)								49.88
(15)	1 - (Variable Expense + Profit + Contingencies + Dividends)								0.747
(16)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (14) / (15)								66.77
(17)	Compensation for Assessment Risk per Policy								1.13
(18)	Net Cost of Reinsurance per Policy								8.02
(19)	Base Class Rate Excluding Deviation (16) + (17) + (18)								75.92
(20)	Selected Deviation								0.00
(21)	Deviation Amount per Policy, [(19) / (1.0 - (20))] - (19)								0.00
(22)	Required Base Class Rate per Policy, (19) + (21)								75.92
(23)	Current Base Class Rate								56.40
(24)	Indicated Rate-Level Change, (22) / (23) - 1								+34.6%

<sup>(a)</sup> Actual Hurricane losses have been excluded as follows:

<u>Year</u>	<u>Hurricane Losses</u>
2017	24,640
2018	10,375,361
2019	151,246
2020	526,291
2021	85,772

Excess Factor:	N/A
Trended LAE Factor:	1.140
Latest Year SW Model Losses:	3,287,794

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS LOSS COST BY TERRITORY - TENANTS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane	Five-Year		Credibility- Weighted	Modeled	Five-Year	Total	Indicated	Indicated	Indicated
	Base-Class	House-Years		Base-Class	Base-Class	Average	Base-Class	Relativity	Statewide	Base-Class
<u>Territory</u>	<u>Loss Cost</u>		<u>Credibility</u>	<u>Loss Cost</u>	<u>Loss Cost</u>	<u>Rating</u>	<u>Loss Cost</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost</u>	<u>Loss Cost</u>
						<u>Factor</u>	<u>(4) + (5)</u>			<u>Terr (8) / SW (8) × (9)</u>
110	9.96	1,713	0.10	22.84	35.10	3.235	57.94	2.182	26.26	57.30
120	15.44	5,983	0.20	22.50	46.00	3.060	68.50	2.580	26.26	67.75
130	21.62	2,442	0.10	24.01	15.30	3.877	39.31	1.481	26.26	38.89
140	17.92	67,945	0.90	18.56	22.91	2.917	41.47	1.562	26.26	41.02
150	20.04	23,444	0.50	22.16	8.09	3.418	30.25	1.139	26.26	29.91
160	23.72	31,943	0.60	23.94	10.94	2.887	34.88	1.314	26.26	34.51
170	15.00	2,341	0.10	23.34	2.46	3.603	25.80	0.972	26.26	25.52
180	21.19	64,865	0.90	21.50	4.98	2.846	26.48	0.997	26.26	26.18
190	31.16	7,780	0.30	26.34	6.31	3.408	32.65	1.230	26.26	32.30
200	25.48	2,333	0.10	24.39	7.45	3.584	31.84	1.199	26.26	31.49
210	23.66	18,469	0.40	24.03	3.44	3.049	27.47	1.035	26.26	27.18
220	45.17	60,401	0.80	40.99	3.08	2.687	44.07	1.660	26.26	43.59
230	45.24	10,496	0.30	30.56	4.52	2.902	35.08	1.321	26.26	34.69
240	27.68	48,554	0.80	27.00	2.48	3.240	29.48	1.110	26.26	29.15
250	41.11	20,697	0.50	32.69	2.71	3.137	35.40	1.333	26.26	35.00
260	26.57	17,023	0.40	25.19	1.24	3.243	26.43	0.995	26.26	26.13
270	21.33	520,478	1.00	21.33	1.67	3.053	23.00	0.866	26.26	22.74
280	14.95	64,540	0.90	15.88	1.26	3.396	17.14	0.646	26.26	16.96
290	29.17	22,089	0.50	26.72	1.79	3.572	28.51	1.074	26.26	28.20
300	29.68	5,829	0.20	25.35	1.44	3.575	26.79	1.009	26.26	26.50
310	25.17	314,460	1.00	25.17	0.85	3.060	26.02	0.980	26.26	25.73
320	23.31	91,942	1.00	23.31	0.91	3.323	24.22	0.912	26.26	23.95
330	12.61	2,747	0.10	23.10	0.59	3.845	23.69	0.892	26.26	23.42
340	28.81	490,175	1.00	28.81	0.86	3.060	29.67	1.118	26.26	29.36
350	22.25	61,042	0.90	22.45	0.65	3.301	23.10	0.870	26.26	22.85
360	15.86	143,954	1.00	15.86	0.35	3.768	16.21	0.611	26.26	16.04
370	10.36	2,658	0.10	22.88	0.26	4.367	23.14	0.872	26.26	22.90
380	13.55	13,646	0.40	19.98	0.23	4.128	20.21	0.761	26.26	19.98
390	21.72	15,842	0.40	23.25	0.20	3.495	23.45	0.883	26.26	23.19
Statewide	24.27	2,135,831	1.00	24.27	2.31	3.115	26.55	1.0000	26.26	26.26

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - TENANTS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation	Net Cost of	Indicated	Dollar	Indicated	Latest-Year	Indicated	Balanced
	Base Class	Fixed	Expense,	Base Class	Base Class	For	Reinsurance	Rate	Deviation	Required	Aggregate	Rate Level	Indicated
	Loss Cost	Expense	Profit,	Rate	Rate	Risk		Excluding	per Exposure	Base Class	Calculated	Change	Rate Level
<u>Territory</u>	<u>Loss Cost</u>	<u>Expense</u>	<u>Contingency</u>	<u>Rate</u>	<u>[(1)+(2)×(4)]/[1.0-(3)]</u>	<u>Risk</u>	<u>Reinsurance</u>	<u>(5) + (6) + (7)</u>	<u>[(8)/(1.0- Dev. %)] - (8)</u>	<u>(8) + (9)</u>	<u>at Current Level</u>	<u>(10) / (4)</u>	<u>Change</u>
110	57.30	0.180	0.253	126	107.07	2.51	65.46	175.04	0.00	175.04	135,745	1.389	1.387
120	67.75	0.166	0.253	144	122.70	2.87	141.80	267.37	0.00	267.37	364,930	1.857	1.854
130	38.89	0.234	0.253	81	77.44	1.62	35.59	114.65	0.00	114.65	164,959	1.415	1.413
140	41.02	0.257	0.253	98	88.63	1.96	71.92	162.51	0.00	162.51	3,919,870	1.658	1.656
150	29.91	0.353	0.253	61	68.87	1.22	21.53	91.62	0.00	91.62	997,489	1.502	1.500
160	34.51	0.327	0.253	78	80.34	1.56	35.56	117.46	0.00	117.46	1,593,311	1.506	1.504
170	25.52	0.359	0.253	57	61.56	1.14	5.39	68.09	0.00	68.09	109,517	1.195	1.193
180	26.18	0.424	0.253	61	69.67	1.22	14.34	85.23	0.00	85.23	2,505,697	1.397	1.395
190	32.30	0.337	0.253	64	72.11	1.28	18.99	92.38	0.00	92.38	371,285	1.443	1.441
200	31.49	0.302	0.253	68	69.65	1.36	23.17	94.18	0.00	94.18	111,350	1.385	1.383
210	27.18	0.397	0.253	61	68.80	1.22	10.31	80.33	0.00	80.33	818,058	1.317	1.315
220	43.59	0.339	0.253	81	95.11	1.62	10.12	106.85	0.00	106.85	3,010,245	1.319	1.317
230	34.69	0.409	0.253	62	80.39	1.24	14.00	95.63	0.00	95.63	400,678	1.542	1.540
240	29.15	0.373	0.253	61	69.48	1.22	7.75	78.45	0.00	78.45	2,205,771	1.286	1.284
250	35.00	0.398	0.253	59	78.29	1.18	8.76	88.23	0.00	88.23	858,105	1.495	1.493
260	26.13	0.379	0.253	60	65.42	1.20	3.91	70.53	0.00	70.53	726,973	1.176	1.174
270	22.74	0.473	0.253	51	62.73	1.02	6.27	70.02	0.00	70.02	16,798,879	1.373	1.371
280	16.96	0.471	0.253	46	51.71	0.92	5.11	57.74	0.00	57.74	2,189,474	1.255	1.253
290	28.20	0.397	0.253	52	65.39	1.04	6.11	72.54	0.00	72.54	929,776	1.395	1.393
300	26.50	0.381	0.253	54	63.02	1.08	4.56	68.66	0.00	68.66	235,706	1.271	1.269
310	25.73	0.438	0.253	55	66.69	1.10	3.65	71.44	0.00	71.44	11,566,604	1.299	1.297
320	23.95	0.426	0.253	52	61.72	1.04	3.75	66.51	0.00	66.51	3,505,032	1.279	1.277
330	23.42	0.391	0.253	49	57.00	0.98	2.29	60.27	0.00	60.27	111,669	1.230	1.228
340	29.36	0.415	0.253	58	71.53	1.16	4.16	76.85	0.00	76.85	18,414,785	1.325	1.323
350	22.85	0.438	0.253	51	60.49	1.02	2.78	64.29	0.00	64.29	2,343,906	1.261	1.259
360	16.04	0.488	0.253	40	47.60	0.80	1.91	50.31	0.00	50.31	4,660,765	1.258	1.256
370	22.90	0.366	0.253	46	53.19	0.92	1.10	55.21	0.00	55.21	108,773	1.200	1.198
380	19.98	0.388	0.253	46	50.64	0.92	1.23	52.79	0.00	52.79	564,121	1.148	1.146
390	23.19	0.449	0.253	47	59.29	0.94	0.85	61.08	0.00	61.08	615,650	1.300	1.298
Statewide	26.26	0.419	0.253	56	66.80	1.13	8.02	75.95	0.00	75.95	80,339,123	1.348	1.346

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**CALCULATION OF INDICATED STATEWIDE RATE LEVEL CHANGE - CONDOMINIUM  
UNIT OWNERS**

<u>Year</u>	(1) Incurred Losses Excluding <u>Hurricane</u> <sup>(a)</sup>	(2) Incurred Losses Including LAE <u>(1) × LAE Factor</u>	(3) Loss Trend <u>Factor</u>	(4) Earned <u>House-Years</u>	(5) Premium Trend <u>Factor</u>	(6) Trended Average Loss Cost <u>[(2)×(3)] / [(4)×(5)]</u>	(7) Average Rating <u>Factor</u>	(8) Trended Base Class Loss Cost <u>(6) / (7)</u>	(9) Yearly <u>Weights</u>
2017	18,382,617	20,772,357	1.427	79,499	1.148	324.79	7.139	45.50	0.10
2018	19,245,864	21,747,826	1.366	78,741	1.133	332.99	7.403	44.98	0.15
2019	18,865,078	21,317,538	1.307	81,709	1.118	305.00	7.799	39.11	0.20
2020	21,578,922	24,384,182	1.251	84,977	1.103	325.45	8.024	40.56	0.25
2021	22,947,430	25,930,596	1.197	84,715	1.084	338.00	8.331	40.57	0.30
(10)	Weighted Trended Non-Hurricane Base Class Loss Cost								41.43
(11)	Credibility (409,641 House-Years)								1.00
(12)	Trended Modeled Hurricane Base Class Loss Cost								2.55
(13)	Fixed Expense Per Policy								8.07
(14)	Base Class Loss Cost with Fixed Expenses (10) + (12) + (13)								52.05
(15)	1 - (Variable Expense + Profit + Contingencies + Dividends)								0.747
(16)	Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev., (14) / (15)								69.68
(17)	Compensation for Assessment Risk per Policy								1.10
(18)	Net Cost of Reinsurance per Policy								8.91
(19)	Base Class Rate Excluding Deviation (16) + (17) + (18)								79.69
(20)	Selected Deviation								0.00
(21)	Deviation Amount per Policy, [(19) / (1.0 - (20))] - (19)								0.00
(22)	Required Base Class Rate per Policy, (19) + (21)								79.69
(23)	Current Base Class Rate								54.96
(24)	Indicated Rate-Level Change, (22) / (23) -1								+45.0%

<sup>(a)</sup> Actual Hurricane losses have been excluded as follows:

<u>Year</u>	<u>Hurricane Losses</u>
2017	158,188
2018	14,622,226
2019	218,077
2020	879,094
2021	144,175

Excess Factor:	N/A
Trended LAE Factor:	1.130
Latest Year SW Model Losses:	1,950,547



NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS LOSS COST BY TERRITORY - CONDOMINIUM UNIT OWNERS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non-Hurricane	Five-Year		Credibility- Weighted	Modeled	Five-Year	Total	Indicated	Indicated	Indicated
	Base-Class	House-Years		Base-Class	Hurricane	Average	Base-Class	Relativity	Statewide	Base-Class
<u>Territory</u>	<u>Loss Cost</u>		<u>Credibility</u>	<u>Loss Cost</u>	<u>Loss Cost</u>	<u>Factor</u>	<u>Loss Cost</u>	<u>Terr (7) / SW (7)</u>	<u>Loss Cost</u>	<u>Terr (8) / SW (8) × (9)</u>
							<u>(4) + (5)</u>			
110	52.63	1,489	0.10	43.07	17.64	7.687	60.71	1.317	43.98	57.92
120	36.10	10,499	0.40	39.65	28.95	7.368	68.60	1.489	43.98	65.49
130	22.06	1,120	0.10	40.02	12.43	8.913	52.45	1.138	43.98	50.05
140	40.86	32,154	0.80	41.09	16.00	7.325	57.09	1.239	43.98	54.49
150	19.26	3,141	0.20	37.46	5.22	9.720	42.68	0.926	43.98	40.73
160	27.26	7,468	0.30	37.59	8.36	7.896	45.95	0.997	43.98	43.85
170	0.00	0	0.00	42.01	0.00	1.000	42.01	0.912	43.98	40.11
180	51.29	4,210	0.20	43.87	3.28	7.520	47.15	1.023	43.98	44.99
190	25.71	66	0.00	42.01	4.07	11.002	46.08	1.000	43.98	43.98
200	0.00	12	0.00	42.01	5.62	3.292	47.63	1.034	43.98	45.48
210	17.29	294	0.00	42.01	2.38	9.555	44.39	0.963	43.98	42.35
220	68.25	6,092	0.30	49.88	1.64	8.452	51.52	1.118	43.98	49.17
230	0.67	315	0.00	42.01	3.30	6.151	45.31	0.983	43.98	43.23
240	33.75	1,324	0.10	41.18	1.94	10.189	43.12	0.936	43.98	41.17
250	47.53	434	0.00	42.01	1.49	9.753	43.50	0.944	43.98	41.52
260	76.63	86	0.00	42.01	0.84	8.428	42.85	0.930	43.98	40.90
270	51.03	59,890	1.00	51.03	1.11	9.150	52.14	1.132	43.98	49.79
280	27.22	13,001	0.50	34.62	0.94	9.416	35.56	0.772	43.98	33.95
290	24.09	5,223	0.30	36.63	1.34	8.704	37.97	0.824	43.98	36.24
300	1.00	124	0.00	42.01	1.03	8.076	43.04	0.934	43.98	41.08
310	37.47	46,626	0.90	37.92	0.60	8.675	38.52	0.836	43.98	36.77
320	40.82	10,097	0.40	41.53	0.62	8.294	42.15	0.915	43.98	40.24
330	0.00	125	0.00	42.01	0.50	9.369	42.51	0.923	43.98	40.59
340	47.94	142,888	1.00	47.94	0.59	8.979	48.53	1.053	43.98	46.31
350	26.92	8,284	0.40	35.97	0.46	8.573	36.43	0.791	43.98	34.79
360	21.56	39,841	0.80	25.65	0.24	9.736	25.89	0.562	43.98	24.72
370	34.82	7,559	0.30	39.85	0.22	7.432	40.07	0.870	43.98	38.26
380	37.35	4,109	0.20	41.08	0.19	8.823	41.27	0.896	43.98	39.41
390	37.41	3,170	0.20	41.09	0.20	11.306	41.29	0.896	43.98	39.41
Statewide	42.01	409,641	1.00	42.01	2.55	8.644	46.08	1.0000	43.98	43.98

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - CONDOMINIUM UNIT OWNERS**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Indicated	Trended	Variable	Current	Indicated Net	Compensation	Net Cost of	Indicated	Dollar	Indicated	Latest-Year	Indicated	Balanced
	Base Class	Fixed	Expense,	Base Class	Base Class	For	Reinsurance	Rate	Deviation	Required	Aggregate	Rate Level	Indicated
	Loss Cost	Expense	Profit,	Rate	Rate	Risk		Excluding	per Exposure	Base Class	Calculated	Change	Rate Level
<u>Territory</u>	<u>Loss Cost</u>	<u>Expense</u>	<u>Contingency</u>	<u>Rate</u>	<u>[(1)+(2)×(4)]/[1.0-(3)]</u>	<u>Risk</u>	<u>Reinsurance</u>	<u>(5) + (6) + (7)</u>	<u>[(8)/(1.0- Dev. %)] - (8)</u>	<u>(8) + (9)</u>	<u>at Current Level</u>	<u>(10) / (4)</u>	<u>Change</u>
110	57.92	0.085	0.253	107	89.71	2.13	37.33	129.17	0.00	129.17	267,169	1.207	1.204
120	65.49	0.073	0.253	131	100.47	2.61	93.80	196.88	0.00	196.88	1,890,558	1.503	1.499
130	50.05	0.095	0.253	83	77.56	1.66	30.69	109.91	0.00	109.91	167,341	1.324	1.320
140	54.49	0.106	0.253	90	85.72	1.80	50.71	138.23	0.00	138.23	4,112,427	1.536	1.532
150	40.73	0.116	0.253	62	64.15	1.24	14.36	79.75	0.00	79.75	390,477	1.286	1.282
160	43.85	0.132	0.253	67	70.54	1.34	28.07	99.95	0.00	99.95	833,624	1.492	1.488
170	40.11	0.000	0.253	55	53.69	1.10	0.00	54.79	0.00	54.79	0	0.996	0.993
180	44.99	0.161	0.253	58	72.73	1.16	9.32	83.21	0.00	83.21	354,165	1.435	1.431
190	43.98	0.105	0.253	61	67.45	1.22	12.41	81.08	0.00	81.08	5,727	1.329	1.325
200	45.48	0.318	0.253	67	89.41	1.34	18.30	109.05	0.00	109.05	297	1.628	1.624
210	42.35	0.131	0.253	56	66.51	1.12	7.44	75.07	0.00	75.07	31,442	1.341	1.337
220	49.17	0.145	0.253	57	76.89	1.14	5.62	83.65	0.00	83.65	592,223	1.468	1.464
230	43.23	0.190	0.253	60	73.13	1.20	10.29	84.62	0.00	84.62	19,990	1.410	1.406
240	41.17	0.130	0.253	53	64.34	1.06	6.36	71.76	0.00	71.76	153,762	1.354	1.350
250	41.52	0.141	0.253	51	65.21	1.02	4.75	70.98	0.00	70.98	43,920	1.392	1.388
260	40.90	0.163	0.253	51	65.88	1.02	2.45	69.35	0.00	69.35	6,836	1.360	1.356
270	49.79	0.132	0.253	58	76.90	1.16	4.30	82.36	0.00	82.36	6,425,889	1.420	1.416
280	33.95	0.173	0.253	43	55.41	0.86	4.07	60.34	0.00	60.34	1,044,984	1.403	1.399
290	36.24	0.152	0.253	53	59.30	1.06	4.59	64.95	0.00	64.95	463,904	1.225	1.222
300	41.08	0.170	0.253	51	66.60	1.02	3.37	70.99	0.00	70.99	10,641	1.392	1.388
310	36.77	0.180	0.253	45	60.07	0.90	2.78	63.75	0.00	63.75	3,525,133	1.417	1.413
320	40.24	0.184	0.253	46	65.20	0.92	2.86	68.98	0.00	68.98	749,385	1.500	1.496
330	40.59	0.149	0.253	50	64.31	1.00	1.90	67.21	0.00	67.21	12,502	1.344	1.340
340	46.31	0.159	0.253	49	72.42	0.98	3.21	76.61	0.00	76.61	12,600,422	1.563	1.559
350	34.79	0.170	0.253	48	57.50	0.96	2.15	60.61	0.00	60.61	680,523	1.263	1.260
360	24.72	0.185	0.253	39	42.75	0.78	1.42	44.95	0.00	44.95	2,992,156	1.153	1.150
370	38.26	0.189	0.253	50	63.87	1.00	1.27	66.14	0.00	66.14	545,200	1.323	1.319
380	39.41	0.165	0.253	48	63.36	0.96	1.08	65.40	0.00	65.40	354,655	1.363	1.359
390	39.41	0.127	0.253	49	61.09	0.98	1.37	63.44	0.00	63.44	348,653	1.295	1.291
Statewide	43.98	0.148	0.253	55	69.73	1.10	8.91	79.74	0.00	79.74	38,624,005	1.454	1.450

NORTH CAROLINA

HOMEOWNERS INSURANCE

CALCULATION OF NET COST OF REINSURANCE

Territory	(1) Net Cost of Reinsurance per Policy*			(2) Net Cost of Reinsurance			(3) Latest Year House-Years			(4) Latest Year Trended Average Rating Factor			(5) Variable Expense, Dividends, Profit, Contingency
	Owners	Tenants	Condos	Owners	Tenants	Condos	Owners	Tenants	Condos	Owners	Tenants	Condos	All Forms
	110	2,083.43	65.46	37.33	69,041,637	52,684	75,477	19,664	348	325	2.256	3.096	8.328
120	4,176.48	141.80	93.80	124,480,366	268,475	1,096,146	19,920	844	1,982	2.003	3.003	7.893	0.253
130	1,076.04	35.59	30.69	19,031,262	54,150	50,104	13,294	533	232	1.781	3.821	9.420	0.253
140	2,363.88	71.92	50.71	295,131,724	2,148,623	1,876,114	95,180	13,815	6,431	1.756	2.895	7.702	0.253
150	790.00	21.53	14.36	47,668,083	263,058	73,254	50,078	4,974	671	1.613	3.288	10.174	0.253
160	1,110.36	35.56	28.07	51,433,945	542,491	282,777	42,444	7,344	1,638	1.461	2.781	8.234	0.253
170	252.99	5.39	0.00	1,292,061	7,732	0	4,377	531	0	1.562	3.618	1.000	0.253
180	613.23	14.34	9.32	36,080,258	440,041	46,098	51,716	15,052	848	1.523	2.729	7.806	0.253
190	867.83	18.99	12.41	11,770,021	82,284	943	12,777	1,735	11	1.421	3.344	9.252	0.253
200	968.15	23.17	18.30	6,415,378	28,339	66	5,712	502	1	1.553	3.262	4.806	0.253
210	473.07	10.31	7.44	10,549,462	103,238	3,382	20,405	4,488	59	1.463	2.988	10.316	0.253
220	496.38	10.12	5.62	32,685,302	280,886	47,264	58,532	14,274	1,301	1.506	2.604	8.657	0.253
230	645.41	14.00	10.29	9,671,468	67,595	2,776	13,950	2,261	55	1.438	2.858	6.566	0.253
240	342.19	7.75	6.36	34,540,085	209,263	14,935	84,717	11,255	278	1.595	3.213	11.312	0.253
250	380.01	8.76	4.75	15,401,428	95,158	3,311	35,094	4,745	96	1.546	3.065	9.724	0.253
260	172.37	3.91	2.45	6,653,215	35,365	266	27,514	3,899	17	1.878	3.108	8.547	0.253
270	302.17	6.27	4.30	129,729,713	1,542,796	385,920	289,980	107,174	12,611	1.982	3.073	9.523	0.253
280	237.83	5.11	4.07	18,253,904	181,749	80,006	45,184	13,973	2,699	2.274	3.406	9.760	0.253
290	300.24	6.11	4.59	15,079,263	81,590	32,521	36,128	5,022	1,062	1.861	3.560	8.934	0.253
300	220.85	4.56	3.37	3,605,051	14,873	569	13,709	1,277	27	1.594	3.418	8.377	0.253
310	158.02	3.65	2.78	53,471,147	573,403	176,565	269,318	69,791	9,479	1.682	3.013	8.958	0.253
320	163.72	3.75	2.86	27,282,152	188,788	37,743	136,352	20,661	2,051	1.636	3.262	8.610	0.253
330	96.29	2.29	1.90	889,178	3,904	384	7,358	608	27	1.680	3.748	10.039	0.253
340	187.04	4.16	3.21	86,055,296	985,432	668,505	311,223	103,988	29,736	1.979	3.053	9.374	0.253
350	111.77	2.78	2.15	13,558,237	95,412	24,700	97,769	14,247	1,744	1.661	3.226	8.812	0.253
360	71.17	1.91	1.42	20,755,871	166,418	88,021	202,815	31,111	8,243	1.925	3.745	10.089	0.253
370	48.82	1.10	1.27	893,457	1,936	11,194	11,808	550	1,561	2.075	4.299	7.572	0.253
380	40.54	1.23	1.08	2,367,558	11,281	6,445	37,513	2,923	871	2.084	4.196	9.196	0.253
390	37.03	0.85	1.37	2,575,560	8,282	7,877	42,289	3,836	659	2.202	3.415	11.704	0.253
Statewide	415.20	8.02	8.91	1,146,362,083	8,535,245	5,093,362	2,056,820	461,761	84,715	1.797	3.087	9.030	0.253

\* (1) = (2) / [(3) × (4) × (1 - (5))]

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**LOSS DEVELOPMENT - OWNERS**

Accident	Incurred Losses as of:				
<u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	844,827,247	849,947,157	848,563,383	847,029,814	846,425,656
2011	1,755,706,177	1,786,473,287	1,788,269,334	1,788,379,803	1,786,036,957
2012	767,820,086	802,546,261	809,113,473	809,978,312	808,547,706
2013	649,134,834	663,298,428	663,695,843	661,314,970	660,888,687
2014	731,767,411	749,309,026	754,463,865	752,895,068	752,746,479
2015	705,879,148	722,009,061	720,208,802	718,063,799	717,365,661
2016	1,001,403,324	1,053,522,882	1,062,623,648	1,060,255,624	1,061,909,080
2017	868,447,319	917,355,231	924,867,908	925,733,493	924,172,255
2018	2,170,667,031	2,378,872,450	2,411,659,319	2,426,174,384	
2019	1,088,001,981	1,144,370,547	1,156,653,610		
2020	1,394,304,605	1,492,142,768			
2021	1,065,866,675				

Accident	Link Ratios			
<u>Year</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.006	0.998	0.998	0.999
2011	1.018	1.001	1.000	0.999
2012	1.045	1.008	1.001	0.998
2013	1.022	1.001	0.996	0.999
2014	1.024	1.007	0.998	1.000
2015	1.023	0.998	0.997	0.999
2016	1.052	1.009	0.998	1.002
2017	1.056	1.008	1.001	0.998
2018	1.096	1.014	1.006	
2019	1.052	1.011		
2020	1.070			
Average	<u>27:15</u> 1.042	<u>39:27</u> 1.006	<u>51:39</u> 0.999	<u>63:51</u> 0.999

Loss Development Factors

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	0.999	0.998	1.004	1.046

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**  
**LOSS DEVELOPMENT - TENANTS**

Accident	Incurred Losses as of:				
<u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	15,753,663	15,890,258	16,061,400	16,161,647	16,134,409
2011	19,865,370	19,803,831	20,112,453	20,096,662	20,097,442
2012	17,663,193	17,493,095	17,565,336	17,636,862	17,626,862
2013	18,987,119	18,718,007	18,945,666	19,096,379	19,089,408
2014	17,953,991	18,038,269	18,089,827	18,237,973	18,294,443
2015	22,211,635	22,546,751	22,788,160	22,986,355	23,029,985
2016	21,987,951	22,680,741	22,696,792	23,031,821	22,993,803
2017	21,245,316	22,200,191	22,425,235	22,439,833	22,510,718
2018	35,416,067	37,446,048	37,516,101	37,548,263	
2019	23,403,482	23,818,306	24,061,613		
2020	25,124,695	25,802,720			
2021	27,247,115				

Accident	Link Ratios			
<u>Year</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.009	1.011	1.006	0.998
2011	0.997	1.016	0.999	1.000
2012	0.990	1.004	1.004	0.999
2013	0.986	1.012	1.008	1.000
2014	1.005	1.003	1.008	1.003
2015	1.015	1.011	1.009	1.002
2016	1.032	1.001	1.015	0.998
2017	1.045	1.010	1.001	1.003
2018	1.057	1.002	1.001	
2019	1.018	1.010		
2020	1.027			
Average	<u>27:15</u> 1.016	<u>39:27</u> 1.008	<u>51:39</u> 1.006	<u>63:51</u> 1.000

Loss Development Factors

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	1.000	1.006	1.014	1.030

**NORTH CAROLINA**

**HOMEOWNERS INSURANCE**

**LOSS DEVELOPMENT - CONDOMINIUM UNIT OWNERS**

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2010	8,698,244	8,702,113	8,655,846	8,548,088	8,514,501
2011	10,323,496	10,146,480	10,183,056	10,041,300	10,080,425
2012	8,881,346	9,026,219	9,145,088	9,138,878	9,139,987
2013	8,555,175	8,518,694	8,353,273	8,337,353	8,394,147
2014	10,848,390	10,898,846	10,998,198	11,101,719	11,101,719
2015	13,062,053	13,255,398	13,613,585	13,507,492	13,511,678
2016	13,127,298	13,613,509	13,111,995	13,428,669	13,439,801
2017	16,232,249	16,330,402	16,156,298	16,201,236	16,191,839
2018	26,978,820	28,963,843	29,185,654	29,102,892	
2019	16,075,642	16,113,931	16,173,307		
2020	18,347,434	18,639,700			
2021	19,829,188				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2010	1.000	0.995	0.988	0.996
2011	0.983	1.004	0.986	1.004
2012	1.016	1.013	0.999	1.000
2013	0.996	0.981	0.998	1.007
2014	1.005	1.009	1.009	1.000
2015	1.015	1.027	0.992	1.000
2016	1.037	0.963	1.024	1.001
2017	1.006	0.989	1.003	0.999
2018	1.074	1.008	0.997	
2019	1.002	1.004		
2020	1.016			
Average	<u>27:15</u> 1.014	<u>39:27</u> 0.999	<u>51:39</u> 1.000	<u>63:51</u> 1.001

Loss Development Factors

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1.000	1.001	1.001	1.000	1.014

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MINUTES OF THE VIRTUAL MEETING OF THE PROPERTY COMMITTEE  
OF THE NORTH CAROLINA RATE BUREAU HELD NOVEMBER 28, 2023

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MEMBERS PRESENT

Allstate Insurance Company  
Amica Mutual Insurance Company  
Erie Insurance Exchange  
Hartford Fire Insurance Company  
Nationwide Mutual Insurance Company

NC Farm Bureau Mutual Insurance Company  
Penn National Insurance Company  
State Farm Mutual Automobile Insurance Company  
The Members Insurance Company  
Travelers Indemnity Company  
United Services Automobile Association

OTHERS PRESENT

ISO

Milliman  
Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Gary Wierzbicki  
Andy Connors  
Darrin Birtciel  
Steve Cummings  
Alex Garate  
Cindy Bass  
Holly Reston  
Alston King  
Todd Sivills  
Jason Ivers  
Wendel Ridley  
Albert Soto

REPRESENTED BY

Steve Conover  
Paul Ericksen  
David Markowitz  
Paul Anderson  
Brian Beverly  
Lisa Leeaphorn  
Mickey Spivey  
Joanna Biliouris  
Stephanie Gunn  
Keri Johnson  
Andy Montano  
Karen Ott  
Rebecca Williams

The meeting commenced at approximately 9:00 A.M., Mr. Wierzbicki presiding. Attention was directed to Antitrust Guidelines, Conflict of Interest Statement, and Code of Ethics and Standards of Conduct which were previously distributed.

1. 2024 Homeowners Preliminary Rate Review

Attention was directed to an exhibit prepared by Insurance Services Office and previously distributed with the agenda regarding the Homeowners Rate Level Indication. Ms. Williams reviewed the exhibit in detail, and summarized the 2020 Homeowners rate filing and the 2023 Homeowners rate review. She discussed a change in company mix from the 2020 Homeowners filing and its impact on the current review. She

continued the review with a comparison of key rating components and trends, along with a breakdown of the indications and rate level changes by region and territory for Owners, Tenants and Condos.

Ms. Williams stated that the overall rate indication is an increase of 42.6% and that the Property Rating Subcommittee recommends filing the full indication with a proposed filing date in January 2024 and a proposed effective date of August 1, 2024.

Following discussion, a motion was made, seconded and passed to recommend to the Governing Committee to adopt and file the indications as presented with flexibility for any adjustments that become necessary as the filing is finalized.

## 2. Report of Staff

Mr. Montano reported on Rate Bureau activities stating that 1) the 2023 Private Passenger Auto rate filing submitted on February 1, 2023 was settled with a two year settlement providing an overall rate level increase of 4.5% to be effective December 1, 2023 and an overall rate level increase of 4.5% to be effective December 1, 2024; 2) the 2024 Private Passenger Automobile Rate filing will be filed as a rate review only; 3) the impacts of Senate Bill 452 on private passenger automobile coverage are currently being reviewed by staff and counsel; 4) the 2022 ISO Homeowners Program is currently under review and if adopted would have an anticipated effective date sometime in 2024; and 5) the Mobile Home rate review for MHC and MHF is in progress with any filing date anticipated in March 2024.

## 3. Report of Counsel

Mr. Beverly reported that the Reinsurance Facility will begin an Other Than Clean rate review in April 2024 to be effective in October 2024 and that the recently filed Commercial Auto Rates will be effective April 1, 2024.

Mr. Beverly further reported on the impact of Senate Bill 452 on the Private Passenger Automobile line, stating that based on this legislation 1) minimum financial responsibility limits will be increased from 30/60/25 to 50/100/50 effective January 1, 2025; 2) Underinsured Motorists coverage is materially changed and staff and counsel are currently developing new language for the auto policy to reflect those changes; 3) the Beach Plan's maximum policy limits are increased to \$1,000,000 from \$750,000 on habitational property and to \$4,000,000 from \$3,000,000 on commercial property effective November 1, 2023; 4) the NC Insurance Guaranty Association's maximum limits on covered claims has been



increased to \$500,000 from \$300,000 effective October 1, 2023; and 5) certain SDIP review periods were expanded.

Mr. Beverly updated the Committee on the case of Ha v. Nationwide, which involves the requirements for sending notice of cancellation under a homeowners policy. Mr. Beverly noted that case is still on appeal at the North Carolina Supreme Court.

Mr. Beverly also reported that there have been several lawsuits filed in the Charlotte area by a roofing company purportedly contesting the Assignment of Benefits provision in the property forms and encouraged companies to be aware of any new lawsuits regarding the Assignment of Benefits provision.

Mr. Spivey reported that the North Carolina legislature commissioned a study on the current auto insurance system in North Carolina by Professor Jonathan Murphy, and that his report is being referred to as the Murphy Report. He further stated that the report recommends changes to the North Carolina system with regard to the Reinsurance Facility. Mr. Spivey stated that the Commissioner will testify on the report on December 11, 2023 before the House Oversight and Reform Committee.

#### 4. Adjournment

There being no other business, the meeting was adjourned.

Respectfully Submitted,

Andy Montano

Director, Personal Lines

AM:ko  
PC-23-4  
12/xx/2023



## Governing Committee Meeting Agenda

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**Date: December 5, 2023**

**Time: 9:00 AM (ET)**

**Web Conference**

Join Zoom Meeting

<https://ncrb.zoom.us/j/5292338249?pwd=NXNOL2t5QjFKVmhIMmdwQlByRTEydz09>

Meeting ID: 529 233 8249

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1. **Welcome**
2. **Roll Call**
3. **Antitrust, Conflict of Interest, Code of Ethics and Standards of Conduct Statements (Exhibits 1, 2, 3)**
4. **Report of Staff**
  - Organization Update
  - Operations Update
5. **Report of Counsel**
6. **Report of Committees**
  - Property Committee  
Bureau staff will present the 2024 Homeowners Rate Review (**Exhibit 4**). The committee will be asked to consider a recommendation from the Property Committee related to the Homeowners Rate Review.
  - Auto Committee  
Bureau staff will provide an update on Automobile Committee activities.
7. **Compensation Committee – Executive Session**

The Compensation Committee will present a recommendation regarding 2024 compensation and benefits during an executive session. The committee will be called upon to take action with respect to the recommendation.
8. **2024 Budget Discussion**

The 2024 NCRB Budget recommendation will be presented (**Exhibit 5**). The committee will be called upon to take-action on the recommendation.
9. **2024 Meeting Schedule**

January 23, 2024	9:00 am	Private Passenger Automobile Rate Review
April 11, 2024	9:00 am	Miscellaneous Matters
July 23, 2024	9:00 am	Workers Compensation Rate Review
October (TBD), 2024	8:30 am	Annual Meeting
December 3, 2024	9:00 am	2025 Budget Discussion

Note: Web conferences may be called on an as-needed basis.

**10. Other Business**

**11. Adjournment**

JC:ko  
Attacchments  
GC-23-14  
11/30/2023



## NORTH CAROLINA RATE BUREAU

### ANTITRUST COMPLIANCE POLICY AND BOARD RESOLUTION

**Whereas**, it is the established policy of the North Carolina Rate Bureau to comply fully with all laws and regulations applicable to its operations; and

**Whereas**, the creation and operation of the North Carolina Rate Bureau is to promulgate rates and forms, and because the activities and functions bring together representatives of insurance companies that may be in competition, it is the policy of the NCRB, in the course of its activities and functions, to discourage and prohibit the disclosure of competitive information.

**Resolved**, that the following antitrust guidelines are adopted by the Governing Committee of the NCRB.

These guidelines apply to those individuals and alternates who serve on the NCRB Governing Committee, NCRB committees and subcommittees and NCRB task forces and any other individual in attendance at an NCRB meeting.

1. In performing the statutory duties of the North Carolina Rate Bureau, avoid any action or statement which would give the appearance of private motivation.
2. Conduct business at regularly scheduled, formal meetings where minutes are kept and counsel is present.
3. Do not hold "informal" meetings or "rump sessions" at which any agreements or understandings are reached or any decisions are made.
4. Do not authorize, agree to, engage in or even discuss any activity which might be interpreted as boycott, coercion or intimidation.
5. Specifically, do not authorize, agree to, engage in or even discuss any division of markets, allocation of customers or refusal to do business with any individual or business organization.
6. Do not discuss individual company results, or current or future marketing or pricing strategies or business plans.
7. When in doubt, consult counsel.



**NORTH CAROLINA RATE BUREAU**  
**CONFLICTS OF INTEREST STATEMENT**

**Whereas**, the North Carolina Rate Bureau affirms its confidence in the loyalty and integrity of its Governing Committee, Bureau employees, agents, consultants and member representatives including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces; and

**Whereas**, it is the policy of the Bureau that members of the governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces conduct their personal and business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities owed to the Bureau; and

**Now therefore**, it is resolved that the Governing Committee hereby adopts the following policy addressing conflicts of interest:

It is the Bureau's policy that the Governing Committee, Bureau employees, agents and consultants and member representatives, including those individuals and alternates who serve on and attend Bureau committees, subcommittees and task forces shall not permit private interests to conflict with the proper discharge of his or her duties, nor shall one's position or the knowledge gained therein be used to further such interests. In addition, each said person shall conduct his or her private affairs in such manner as to avoid giving the appearance of any such conflict.

Any person having a conflict of interest on a matter shall not vote, take action, or use his or her personal influence on the matter. However, he or she may be counted in determining the quorum for a meeting where action on the matter may be taken. The minutes of any such meeting shall reflect that a disclosure was made and the abstention from voting.

It is understood and acknowledged by the Governing Committee that, as a result of the Bureau's unique structure and relationship to its members, many representatives of the Bureau will have certain inherent and obvious interest unique to his or her position held outside of the Bureau structure. This Policy is not intended to require a disclosure of such obvious situations at every meeting. This Policy should however serve as a reminder to those individuals who find themselves in that situation that, when taking action on behalf of the Bureau, they must make decisions that they believe to be in the best interest of the Bureau and its member companies and put aside other interests they represent.

## NORTH CAROLINA RATE BUREAU

### CODE OF ETHICS AND STANDARDS OF CONDUCT

The undersigned, an individual committee member or a representative of a company member (on behalf of his/her company) on a committee of the North Carolina Rate Bureau ("Bureau") (a "member"), hereby agrees to conform to the following code of ethics and to abide by the following standards of conduct:

1. Each member's conduct shall be marked by integrity and dignity, and he or she shall expect and encourage such conduct by others.
2. Each member should understand and support the Bureau's mission, purposes, goals, policies, programs, services, strengths and needs and be able to communicate them to others. In the performance of his or her duties, each member shall obey all applicable state, local and federal laws, rules and regulations.
3. Each member agrees to be governed by a spirit of cooperation, helpfulness and frankness in his or her relationship with fellow members to the end that each shall be equipped, through cooperative measures and exchanges of ideas, to better perform and function, and to foster the advancement and prestige of the Bureau.
4. Each member shall respect the confidential and proprietary nature of information received in the performance of his, hers or its duties and shall not divulge any privileged, confidential or proprietary information of the Bureau (including without limitation privileged work product and attorney/client communication) unless legally discharged from such obligation. No member shall have authority to waive or compromise any claim of privilege or confidentiality unless authorized to do so. Individual representatives of a company shall not share privileged, confidential or proprietary information of the Bureau with persons within his/her company unless such persons are informed of the company's obligations under this agreement.
5. Each member agrees that he or she does not and shall not speak or act on behalf of the Bureau unless authorized to do so.
6. Each member agrees to observe the policies and procedures of the Bureau, including without limitation the Antitrust Compliance Policy and the Conflicts of Interest Statement.
7. Each member shall seek to avoid any perception that he or she is not acting in the Bureau's best interest.



# 2023 North Carolina Homeowners Rate Review

E-555

12/5/2023

Exhibit 4

# 2020 North Carolina Homeowners Rate Review

## Summary of the 2020 Rate Filing

Policy Form	Indicated Rate Change	Filed Rate Change	Settled Rate Change
Owners	+39.0%	+24.6%	+8.2%
Tenants	+23.6%	+21.6%	+2.0%
Condos	+51.4%	+25.0%	+5.0%
<b>Total</b>	<b>+38.7%</b>	<b>+24.5%</b>	<b>+7.9%</b>

- Based on 5 accident-years of data ending 12/31/2018
- The settlement with the Department capped changes for all forms resulting in an overall statewide increase of +7.9%
- The rates went into effect 6/1/2022



# 2023 North Carolina Homeowners Rate Review

## Summary of the 2023 Rate Review

Policy Form	2021 Earned Premium at Current Level	Indicated Rate Change
Owners	\$2,800,629,255	+42.8%
Tenants	\$80,339,123	+34.6%
Condos	\$38,624,005	+45.0%
<b>Total</b>	<b>\$2,919,592,383</b>	<b>+42.6%</b>

- Based on 5 accident-years of data ending 12/31/2021
- Expected to be filed in January 2024 with an assumed effective date of 8/1/2024

# 2023 North Carolina Homeowners Rate Review

## Comparison of Key Rate Components

Rate Component	Current Review	Prior Review
Profit	9.0%	9.0%
Contingencies	1.0%	1.0%
Compensation for Assessment Risk	1.7%	2.9%
Dividends	0.5%	0.4%
Deviations	0.0%	0.0%
Fixed Expense Ratio	9.8%	11.2%
Variable Expense	14.8%	14.9%
Loss Adjustment Expense	12.7%	13.9%
Expense Trend	5.0%	2.2%
Net Cost of Reinsurance	\$445.59pp	\$177.25pp

pp = cost per policy

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Owners

- Loss trend factors are based on:
  - +5.5% historical trend (+4.0% last review)
  - +6.5% prospective trend (+6.0% last review)
- Premium trend factors are based on current amount factors and:
  - +5.0% prospective trend (+1.1% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		1.484		1.094
2015		1.427		1.083
2016		1.372		1.075
2017	1.602	1.319	1.361	1.065
2018	1.519	1.269	1.334	1.046
2019	1.439		1.294	
2020	1.364		1.258	
2021	1.293		1.220	

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Tenants

- Loss trend factors are based on:
  - -1.0% historical trend (-1.0% last review)
  - +4.0% prospective trend (+0.5% last review)
- Premium trend factors are based on current amount factors and:
  - 0.0% prospective trend (-2.0% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		0.980		0.848
2015		0.990		0.865
2016		1.000		0.878
2017	1.127	1.010	0.921	0.898
2018	1.139	1.021	0.946	0.921
2019	1.150		0.971	
2020	1.162		0.993	
2021	1.174		1.000	

# 2023 North Carolina Homeowners Rate Review

## Comparison of Trend Factors – Condos

- Loss trend factors are based on:
  - +4.5% historical trend (+5.0% last review)
  - +4.5% prospective trend (+5.0% last review)
- Premium trend factors are based on current amount factors and:
  - +2.0% prospective trend (0.0% last review)

Year	Loss Trend		Premium Trend	
	Current	Prior	Current	Prior
2014		1.483		0.973
2015		1.413		0.986
2016		1.346		1.007
2017	1.427	1.281	1.148	1.011
2018	1.366	1.220	1.133	1.000
2019	1.307		1.118	
2020	1.251		1.103	
2021	1.197		1.084	

# 2023 North Carolina Homeowners Rate Review

## Breakdown of Owners Indication

- The increase in premium trend is driving the decrease in the non-hurricane BCLC despite worsening experience
- The net cost of reinsurance is significantly higher than the previous review

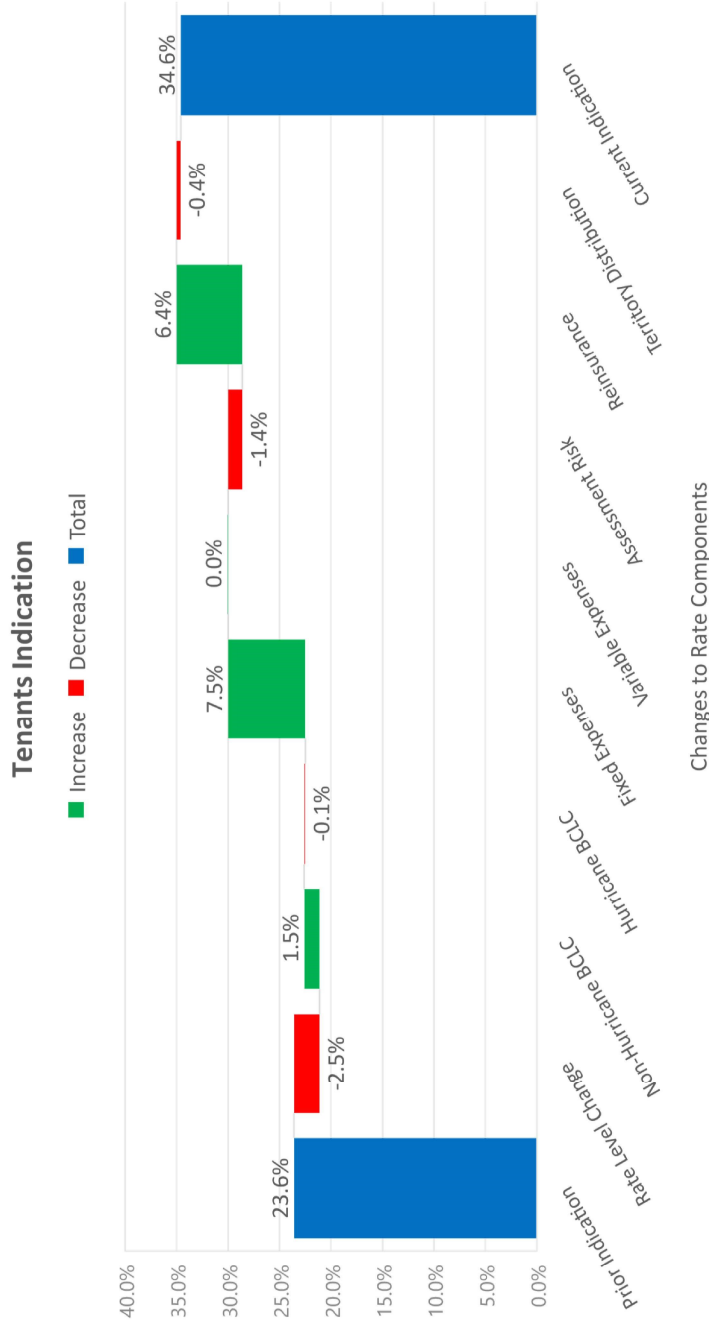


Changes to Rate Components

# 2023 North Carolina Homeowners Rate Review

## Breakdown of Tenants Indication

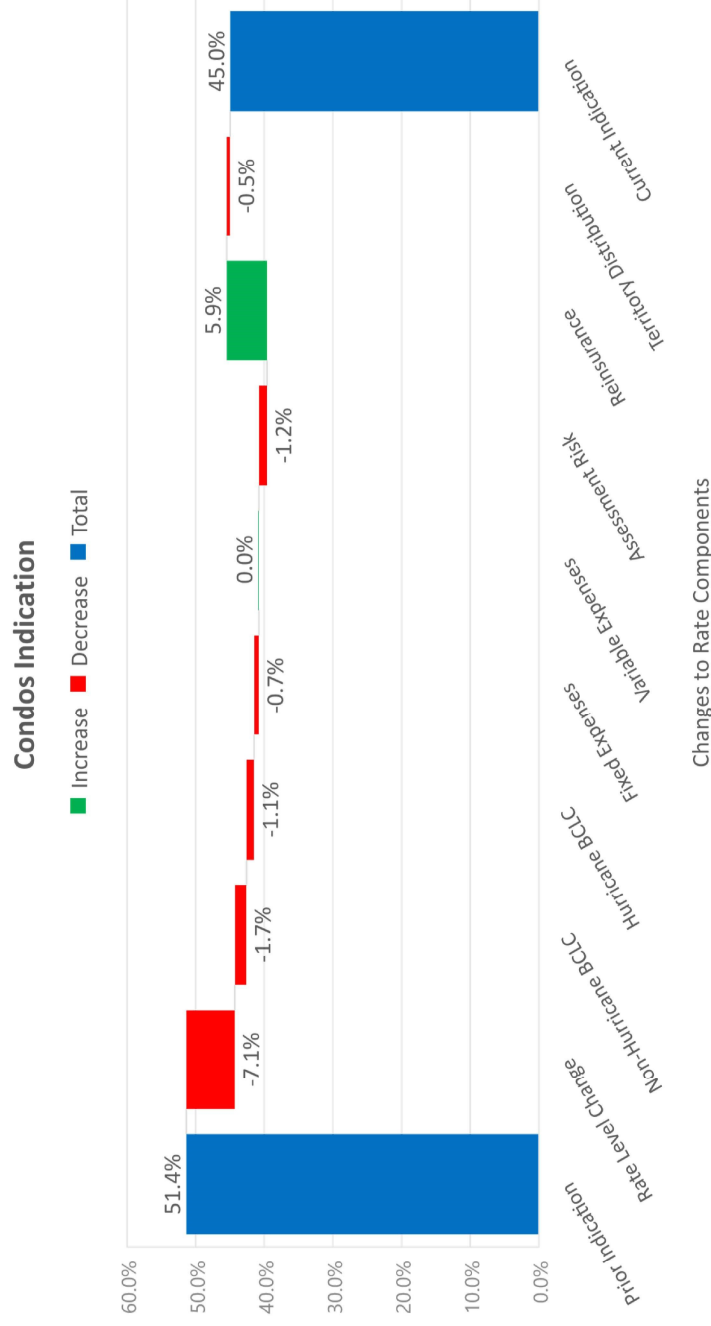
- The increase in the fixed expense loading is due to decreases in coverage limits being written (making fixed expenses a larger portion of total premium)
- The net cost of reinsurance is significantly higher than the previous review



# 2023 North Carolina Homeowners Rate Review

## Breakdown of Condos Indication

- The increase in premium trend is driving the decrease in the non-hurricane BCLC despite worsening experience
- The net cost of reinsurance is significantly higher than the previous review



E-564



# 2023 North Carolina Homeowners Rate Review

## Indicated Rate Level Changes by Region

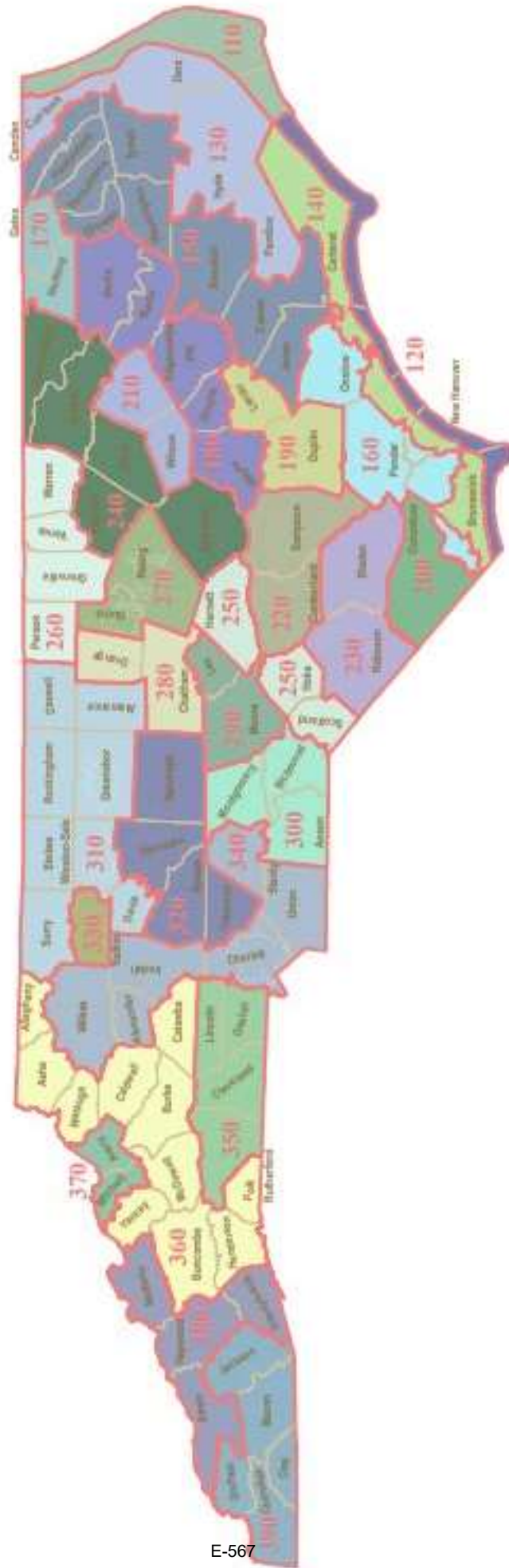
Policy Form	Region	Indicated Rate Change
Owners	Beach	+73.5%
	Coast	+57.1%
	Inland	+35.8%
Tenants	Beach	+72.7%
	Coast	+59.0%
	Inland	+32.1%
Condos	Beach	+46.2%
	Coast	+50.1%
	Inland	+44.0%



# 2023 North Carolina Homeowners Rate Review

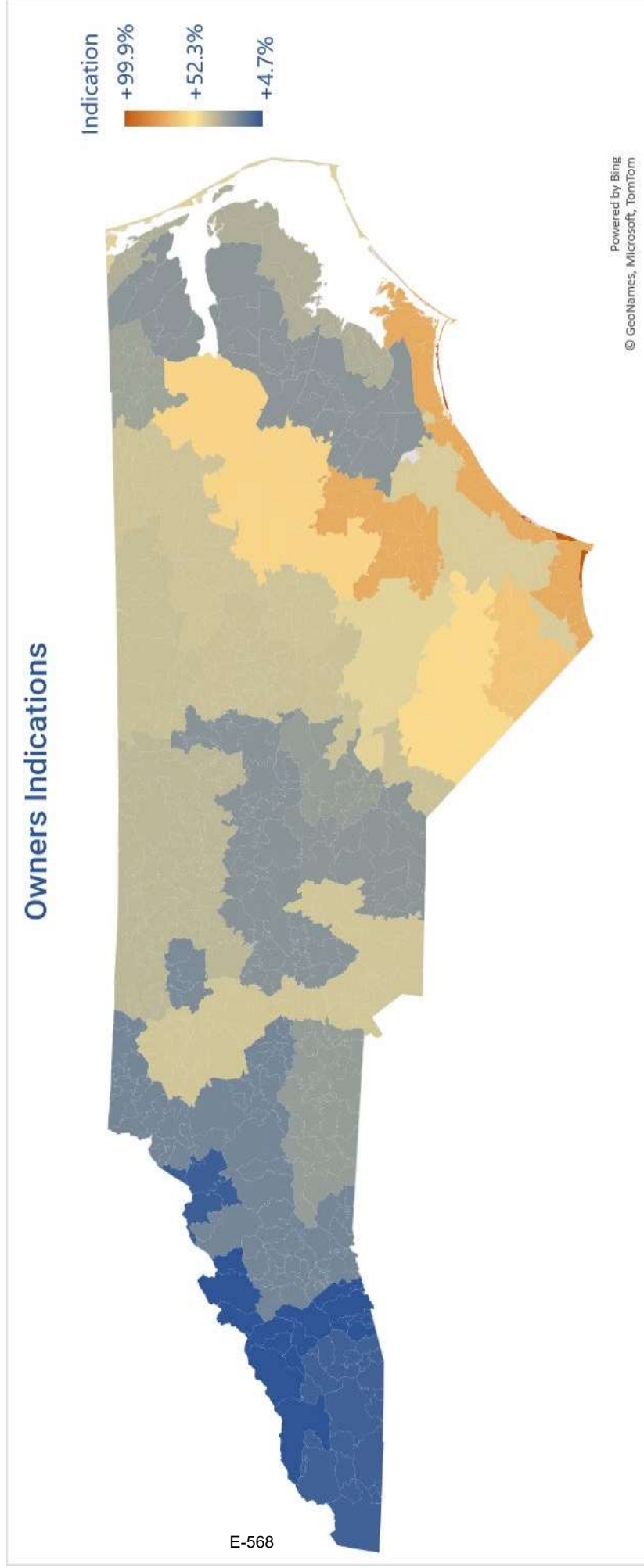
## Indicated Rate Level Changes by Territory

Owners			Tenants			Condominium Unit Owners		
Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change	Territory	Indicated Rate Level Change	Territory
110	+45.5%	260	+39.7%	110	+38.7%	260	+20.4%	110
120	+99.9%	270	+40.2%	120	+85.4%	270	+49.9%	120
130	+34.3%	280	+25.5%	130	+41.3%	280	+32.0%	130
140	+72.0%	290	+28.8%	140	+65.6%	290	+53.2%	140
150	+26.1%	300	+26.5%	150	+50.0%	300	+28.2%	150
160	+43.5%	310	+37.1%	160	+50.4%	310	+48.8%	160
170	+30.8%	320	+25.5%	170	+19.3%	320	+27.7%	170*
180	+58.3%	330	+22.7%	180	+39.5%	330	+22.8%	180
190	+71.8%	340	+41.7%	190	+44.1%	340	+32.3%	190
200	+63.5%	350	+28.3%	200	+38.3%	350	+25.9%	200
210	+58.2%	360	+21.0%	210	+31.5%	360	+25.6%	210
220	+46.0%	370	+8.0%	220	+31.7%	370	+19.8%	220
230	+56.5%	380	+4.7%	230	+54.0%	380	+14.6%	230
240	+41.2%	390	+8.9%	240	+28.4%	390	+29.8%	240
250	+40.4%			250	+49.3%		+38.8%	250



# 2023 North Carolina Homeowners Rate Review

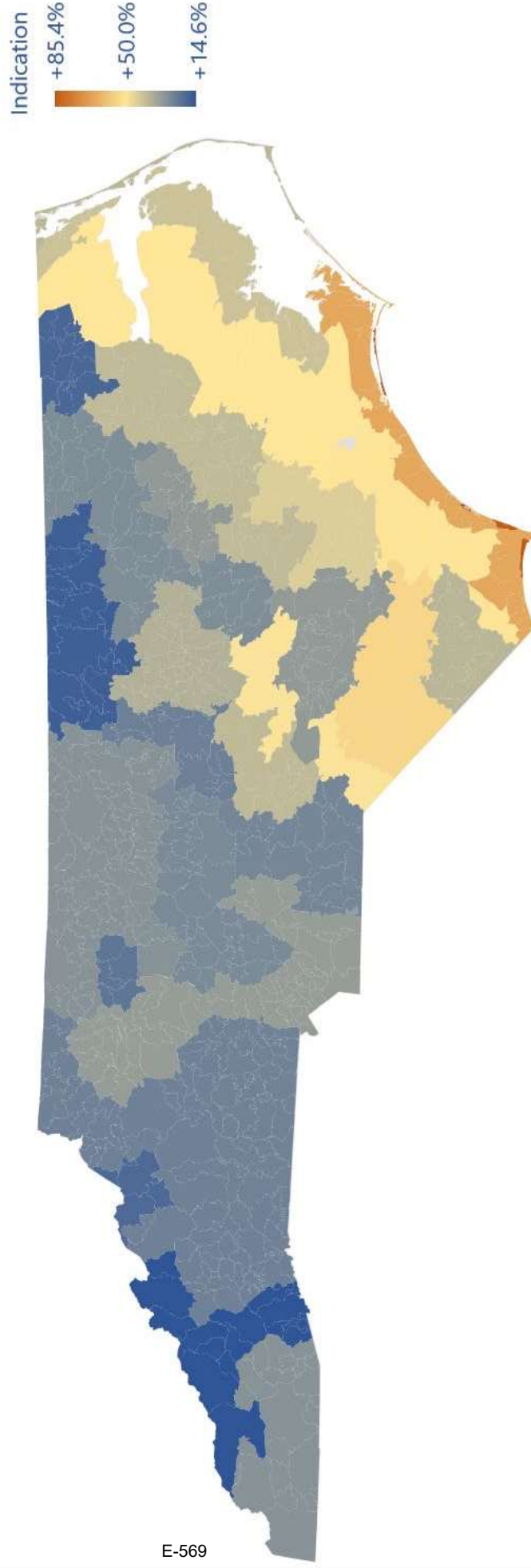
## Indicated Rate Level Changes by Territory



# 2023 North Carolina Homeowners Rate Review

## Indicated Rate Level Changes by Territory

### Tenants Indications



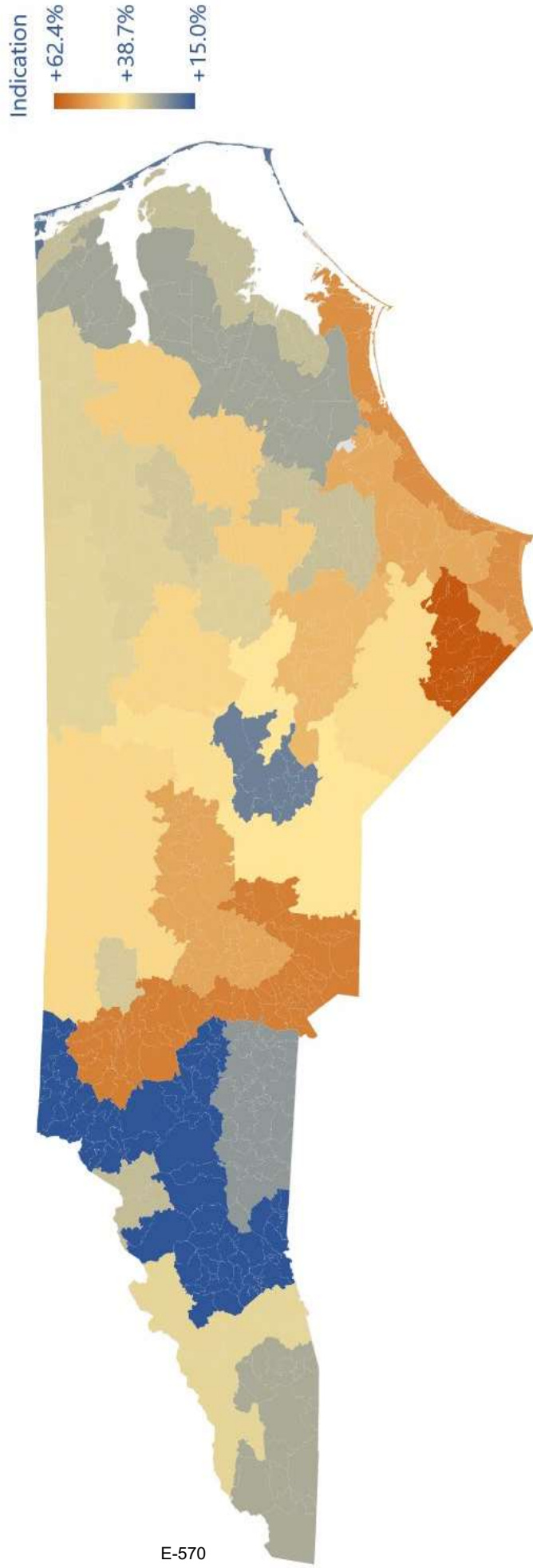
E-569

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# 2023 North Carolina Homeowners Rate Review

## Indicated Rate Level Changes by Territory

### Condominium Unit Owners Indications









MINUTES OF THE GOVERNING COMMITTEE MEETING OF THE NORTH CAROLINA RATE BUREAU  
HELD DECEMBER 5, 2023

COMMITTEE MEMBERS PRESENT

Accident Fund Insurance Company  
Allstate Insurance Company

Builders Mutual Insurance Company  
Hartford Fire Insurance Company  
Liberty Mutual Insurance Company  
Nationwide Mutual Insurance Company

NC Farm Bureau Mutual Insurance Company  
Progressive Casualty Insurance Company  
State Farm Mutual Insurance Company  
The Members  
The Travelers Indemnity Company  
United Services Automobile Association

PUBLIC MEMBER

OTHERS PRESENT

American Home Assurance Company  
Young Moore and Henderson, P.A.

Staff

REPRESENTED BY

Montel Taylor  
Rick Pierce  
\*Steve Hall  
Dave Boyce  
Steve Cummings  
Mark Sweder  
Alex Garate  
Betty Wooldridge  
Matt Beamon  
Michelle Burkett  
Jeff Clinch  
Jason Ivers  
Molly Bowtruczuk  
Jerry Achatz

Dascheil Propes

REPRESENTED BY

Wavel Howell  
Mickey Spivey  
Brian Beverly  
Lisa Leeaphorn  
Joanna Biliouris  
Shelley Chandler  
Jarred Chappell  
Terry Collins  
Edith Davis  
Vicki Godbold  
Andy Montano  
Rebecca Williams  
Jodi Webb  
Allison Smart  
Stephen Toumey  
Karen Ott

\*attended a portion of the meeting

The meeting convened as scheduled, Mr. Pierce of Allstate Insurance Company, Chair of the Governing Committee, presiding. Attention was directed to the Rate Bureau's Antitrust, Conflict of Interest and Code of Ethics and Standards of Conduct Statements.



1. Report of Staff

Ms. Biliouris provided an update on the organization, including 1) reorganization of staff to support expanded expertise and efficiency; 2) introduction of a new performance evaluation process for staff; 3) an active legislative session resulting in activity impacting all lines of insurance; 4) planning for hiring and retaining associates; and 5) settlement of rate filings for Dwelling, Mobile Home and Auto, approval of Workers Comp loss cost and rate filings, and hopes to start negotiations soon on the Dwelling Rate filing that was submitted to the Commissioner in July 2023.

Ms. Biliouris reported that the final plans to relocate to a new office space are underway, and she noted that the property manager had requested documentation of the General Manager's authority to sign the lease. After discussion, a motion was made, seconded and passed to affirm that the authority of the General Manager under the Rate Bureau's constitution to procure and maintain office space includes the authority to sign a lease of that office space.

Mr. Chappell provided a status of filings, noting that 1) the Homeowner rate review is on today's agenda; 2) the 2023 Private Passenger Auto rate filing submitted on February 1, 2023 was settled with a two year implementation providing an overall rate level increase of 4.5% to be effective December 1, 2023 and an overall rate level increase of 4.5% to be effective December 1, 2024; 3) the Private Passenger Automobile filing due on or before February 1, 2024 will be a review only; 4) Mobile Home rate reviews for MH(C) and MH(F) are in progress, with any resulting filings expected to be ready by March 2024.

Mr. Chappell reported on Rate Bureau operations, stating that 1) the Spectrum system rebuild has begun with a new vendor; 2) additional personnel are being added in Workers Comp and personal lines, including a summer intern and a Business Project coordinator; 3) the personal lines web portal is being updated; and 4) a customer service survey was created to gather feedback on customer interactions

2. Report of Counsel

Mr. Spivey reported on recent activities, stating that 1) work is ongoing on the private passenger automobile changes enacted in Senate Bill 452; 2) the Dwelling filing that was submitted to the Commissioner of Insurance in July 2023 remains pending and discovery is proceeding; 3) the case of Ha v. Nationwide, which involves the validity of notice of cancellation under a homeowners policy, is still on appeal at the North Carolina Supreme Court; 4) there have been a number of lawsuits filed in the Charlotte area by a roofing company contesting the Assignment of Benefits provision in the Homeowners Policy; and 5) the NC legislature commissioned a study on the current auto insurance system in North Carolina, and the resulting report by Professor Jonathan Murphy recommended making changes similar to those enacted in South Carolina in 1999.

3. Report of Committees

a. Property Committee

Mr. Montano called attention to an exhibit that was previously distributed with the agenda regarding the Homeowners rate review. He stated that the Property Committee recommends filing the full rate level indication. Mr. Montano summarized the indications and stated that the review is based on five accident years of data ending December 31, 2021. He noted the key rating components and trends, along with a breakdown of the indications and rate level changes by region and by territory for Owners, Tenants and Condos. It was also noted that the review included three newer years of exposures than had been included in the prior filing, that the data include a new company that is writing coverage at the beach and cost, and that reinsurance costs are significantly higher in this review than in the prior filing.

Following discussion, a motion was made, seconded and passed to adopt and file the indications as presented with flexibility for any minor adjustments necessary as the filing is finalized.

Mr. Chappell asked whether the committee wanted to form a negotiating team for property matters, and USAA, Nationwide Mutual, and NC Farm Bureau Mutual volunteered to serve.

b. Automobile Committee

Mr. Montano reported on recent legislation impacting private passenger automobile, stating that, effective January 1, 2025, 1) minimum financial responsibility limits will be increased from 30/60/25 to 50/100/50; 2) Underinsured Motorists coverage is materially changed; 3) certain SDIP surcharge periods were expanded; and 4) the Auto Committee and Personal Auto Policy Subcommittee are working on those changes.

Mr. Montano noted that the Private Passenger Automobile Other Than Clean risks in the Reinsurance Facility will be reviewed and any filing would typically have an effective date of October 1, 2024.

4. Executive Session

The Governing Committee went into executive session. Following the executive session, the meeting reconvened in general session and Mr. Pierce announced that the Compensation Committee's recommendation had been adopted and approved.

5. 2024 Budget Discussion

Ms. Biliouris summarized the process to prepare the 2024 budget, the historical expense information, and the major costs for the upcoming year, including replacing the accounting system, electronic security, office relocation and hiring associates. She noted that the 2024 proposed budget is approximately 1% higher than the 2023 approved budget and the 2024 proposed budget for the Rate Bureau is \$20,071,584.

Ms. Biliouris reviewed the goals and objectives for 2024, stating that they include 1) succession planning for key positions; 2) successful office relocation; 3) enhanced technology and security; 4) improve effectiveness and efficiency of shared services; and 5) achieve each of the organization's goals and objectives.

Ms. Biliouris also outlined the budget drivers that will support the Bureau's goals and objectives.

Ms. Biliouris reviewed the relocation expenses in detail.

Mr. Chappell reviewed the Rate Bureau operational objectives for 2024, including 1) maintaining adequate rates and up-to-date rules, manuals, and forms for all lines; 2) increase efficiencies to make it easier for member companies to work with staff; 3) continue to improve operational effectiveness and control costs; 4) continue to improve communications with all Bureau committees and task forces; 5) optimize vendor management strategy to contain costs and enhance deliverables; and 6) support a secure and effective hybrid work environment.

Mr. Chappell continued discussion of anticipated Rate Bureau activities for 2024, including filing activity, technology, and various personal lines projects.

Attention was directed to the 2024 proposed budget summary which was included with the agenda and previously distributed. Ms. Davis noted that NCRB operations areas of change included advisory and computer system development, additional staffing, and relocation expenses. Ms. Davis reviewed the proposed 2024 NC Rate Bureau budget in detail and highlighted the allocation of shared services. It was noted that the organizations are currently working on an accounting software replacement and that additional staff is needed to support organizational growth and complexity.

After discussion, a motion was made, seconded and passed to approve the 2024 Rate Bureau budget as presented.

6. 2024 Meeting Schedule

Mr. Pierce directed attention to the Governing Committee meeting schedule for 2024, which was included in the agenda. He noted that the next meeting will be January 23, 2024. Mr. Pierce noted that the 2024 Annual Meeting will be held at the Washington Duke Inn in Durham, NC in October 2024.

7. Adjournment

There being no further business, the meeting was adjourned.

Respectfully Submitted,



Jarred Chappell  
Chief Operating Officer  
North Carolina Rate Bureau

JC:ko  
GC-23-14  
1/2/2024

Rate Bureau payments to consultants with respect to the current and previous filings:

2024 Homeowners Rate Filing

Insurance Services Office: \$256,748

Young Moore and Henderson, P.A.: \$44,764

Milliman USA: \$29,530

Aon (including IP license fees): \$310,556

George Zanjani: \$8,325

2020 Homeowners Rate Filing

Insurance Services Office: \$972,530

Young Moore and Henderson, P.A.: \$461,230

Milliman USA: \$137,657

Aon (including IP license fees): \$288,135

Financial Strategy Associates: \$4,125

George Zanjani: \$10,328

**NORTH CAROLINA****HOMEOWNERS INSURANCE****STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
AS PER 11 NCAC 10.1105**

The following are changes in methodology or presentation used in this filing as compared to the methodologies or presentation used in the November 9, 2020 filing:

1. In this filing, the compensation for assessment risk analysis was performed by Aon using simulated event-level hurricane losses based on the most recent exposure year. This methodology is essentially the same as the methodology used by Milliman in homeowners filings prior to the 2020 Homeowner filing. Due to the lack of such data (simulated event-level hurricane losses as described above), the compensation for assessment risk provision in the 2020 Homeowner filing was prepared and presented by Milliman using such data for the previous year and adjusting those data to the then-current year based on the impact of changes in the underlying exposures and the hurricane models. Further, in this filing, the calculated compensation for assessment risk provision was reduced by 50% to reflect that some insurance companies no longer retain exposure to assessments by the Beach Plan and FAIR Plan by virtue of obtaining coverage for such assessments in their respective reinsurance agreements.

See also the pre-filed testimony of P. Anderson, P. Ericksen, M. Mao, and G. Zanjani.

**NORTH CAROLINA**  
**HOMEOWNERS INSURANCE**

**SECTION F - INFORMATION REQUIRED BY N.C. GENERAL STATUTE 58-36-15 (d2) and (d3)**

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**For Section F See Part 2 of 2**



# Notice to Manualholders

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## PERSONAL LINES

### HOMEOWNERS POLICY PROGRAM MANUAL – MULTISTATE RULES

#### NOTICE HO-MU-2011-RU-001

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## CAUTION

Refer to state Notices for announcement of the use of this revision in individual jurisdictions.

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## INSTRUCTIONS TO MANUALHOLDERS

Revised manual pages are enclosed. If your company has adopted this revision, you should insert these pages into your manual.

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## EFFECTIVE DATE

Refer to individual state Notices for effective date language.

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## CHANGE(S)

This notice presents the 2011 revisions to the Homeowners Policy Program Manual – General Rules. The following rules were revised:

- Rule **102**. Description Of Coverages has been revised to more closely reflect coverages provided by the individual Homeowners policy forms.
- Rule **104**. Eligibility, Paragraph **H**. Residence Held In Trust has been revised to provide that a Homeowners policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or condominium unit when legal title to the dwelling or unit is held in trust and one of the occupants is the grantor/settlor of the trust.
- Rule **106**. Protection Classification Information has been revised to refer manual users to the ISO Community Mitigation Classification (CMC) Manual when determining the ISO public protection classification information.
- Rule **210**. Refer To Company has been revised to introduce a facultative reinsurance rule.
- Rule **409**. Replacement Cost Loss Settlement For Certain Non-building Structures has been revised to indicate that replacement cost loss settlement applies to certain inground or semi-inground swimming pools, therapeutic baths and hot tubs, and to introduce a new rating factor for this option.
- Rule **410**. Building Code Effectiveness Grading has been revised to include references to the Community Mitigation Classification Manual.
- Rule **503**. Business Property – Increased Limit, Paragraph **B**. Off-premises, has been revised to reflect an increase in coverage for property away from the residence premises used primarily for business purposes from \$500 to \$1,500.
- Rule **511**. Supplemental Loss Assessment Coverage has been revised to add "supplemental" to the title of the rule.
- Rule **515**. Personal Property has been revised to reflect the introduction of Paragraph **C**. Increased Limit – Self-storage Facilities and the new description of limits for Electronic Apparatus in Paragraph **E**. Increased Special Limits Of Liability.
- Rule **521**. Limited Water Back-up And Sump Discharge Or Overflow Coverage has been revised to reflect that increased limits of coverage are now available.
- Rule **526**. Residence Held In Trust has been revised to reflect changes as a result of the introduction of new Trust Endorsement **HO 06 15**.

- Rule **610**. Personal Injury Coverage has been revised to accommodate a new Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 24 10** and to specify that Personal Injury Coverage Endorsement **HO 24 82** provides coverage with a limit of liability on an "any one offense" basis.
- Rule **611**. Incidental Low Power Recreational Motor Vehicles has been revised to delete text in Paragraph **A.** that is reflected in the policy and recognize the newly added reference to coverage not applying to motorized scooters in Incidental Low Power Recreational Motor Vehicle Endorsement **HO 24 13**.
- Rule **616**. Optional Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages has been revised to reflect changes in the standards for lead safe level and remove reference to Rating Information For Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Endorsement **HO 05 83**.

The following rules are being introduced :

- Rule **531**. Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction is being introduced to accommodate new Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction Endorsement **HO 06 07**.
- Rule **617**. Canine Liability Exclusion is being introduced to accommodate new Canine Liability Exclusion Endorsement **HO 24 77**.

The following rule was withdrawn:

- Rule **529**. Modified Other Insurance And Service Agreement Condition was withdrawn to complement the withdrawal of Unit-owners Modified Other Insurance And Service Agreement Condition Endorsement **HO 17 34**.

Additional Rules were previously filed and implemented on an individual state basis for eventual multistate application. Now that the Additional Rules apply in most states, they are being relocated to the following General Rules:

- Rule **305**. Loss History Rating Plan
- Rule **529**. Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage
- Rule **530**. Identity Fraud Expense Coverage

Exceptions to the General Rules were previously filed and implemented on an individual state basis for eventual multistate application. Now that the exceptions apply in most states, they are being relocated to the following General Rules:

- Rule **303**. Ordinance Or Law Coverage, Paragraph **2**.
- Rule **406**. Deductibles, multistate text in Paragraphs **A.** through **C.3**.
- Rule **505**. Earthquake Coverage, Paragraphs **D.6.** and **D.7**.
- Rule **513**. Ordinance Or Law Increased Amount Of Coverage, Paragraph **B**.

The following rules have been revised to make minor editorial revisions:

- Rule **101**. Limits Of Liability And Coverage Relationships
- Rule **204**. Multiple Company Insurance
- Rule **407**. Additional Amount Of Insurance
- Rule **518**. Sinkhole Collapse Coverage
- Rule **527**. Student Away From Home
- Rule **528**. Home Business Insurance Coverage
- Rule **605**. Other Structures Rented To Others – Residence Premises

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## COMPANION REVISION

We are simultaneously revising our forms, which are being distributed under a separate Notice.



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## REVISED PAGE(S)

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HO-1 thru HO-43

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## PAGE CHECKLIST

Included in this distribution is a page checklist displaying the latest page numbers and edition dates.

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## REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- Refer to individual state notices for the approval/implementation circular references.
- LI-HO-2010-076 (04/16/2010) Homeowners 2011 Multistate Rules Revision To Be Submitted

Filing Reference(s):

- HO-2010-RRU10

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**HOMEOWNERS POLICY PROGRAM MANUAL  
PAGE CHECKLIST – MULTISTATE**

THIS MANUAL PAGE CHECKLIST DISPLAYS THE LATEST PAGE INFORMATION AS OF **5-11**.

**NOTE: ALWAYS USE THE EDITION NUMBER TO DETERMINE THE LATEST PAGE.**

IF YOUR MANUAL PAGES DO NOT COINCIDE WITH THIS LISTING, CONTACT THE CUSTOMER SUPPORT CENTER FOR THE NECESSARY MATERIAL TO UPDATE YOUR MANUAL.

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GENERAL RULES**

**PART I  
COVERAGE AND DEFINITION TYPE RULES**

**RULE 100.  
INTRODUCTION**

**A. About The Homeowners Manual**

The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the company for each coverage shall govern in all cases not specifically provided for in this Manual.

**B. Manual Structure**

**1. Contents**

The Manual is divided into two primary sections, multistate general rules and state rules and rates.

**2. General Rules**

These rules are grouped into the following categories:

- a. Part I – Coverage And Definition Type Rules,
- b. Part II – Servicing Type Rules,
- c. Part III – Base Premium Computation Rules,
- d. Part IV – Adjusted Base Premium Computation Rules,
- e. Part V Section I – Property – Additional Coverages And Increased Limits Rules,
- f. Part VI Section II – Liability – Additional Coverages And Increased Limits Rules, and
- g. Part VII Section II – Liability – Other Exposures Increased Limits Rules.

**3. State Rules And Rates**

These rules are grouped into the following categories:

- a. Exceptions and Additional Rules,
- b. Special State Requirements,
- c. Territory Definitions,
- d. Base Class Premium Tables,
- e. Classification and Key Factor Tables, and
- f. Rates, Charges and Credits.

Also, where ISO does not publish any state pages containing premiums, rates, charges and credits expressed in dollars and cents, each company using this Manual should furnish its manualholders with the state rate pages containing this information.

**4. Form References**

The Manual refers to Forms **HO 00 02, HO 00 03, HO 00 04, HO 00 05, HO 00 06** and **HO 00 08**. These Form references are identified as follows:

- a. Homeowners 2 Broad Form **HO 00 02,**
- b. Homeowners 3 Special Form **HO 00 03,**
- c. Homeowners 4 Contents Broad Form **HO 00 04,**
- d. Homeowners 5 Comprehensive Form **HO 00 05,**
- e. Homeowners 6 Unit-Owners Form **HO 00 06** and
- f. Homeowners 8 Modified Coverage Form **HO 00 08.**

**RULE 101.  
LIMITS OF LIABILITY AND COVERAGE  
RELATIONSHIPS**

**A. Limits**

The limits of liability required under the Homeowners Policy are as follows:

**1. Section I – Property Damage**

<b>Coverage A – Dwelling</b>	
<b>HO 00 02, HO 00 03, HO 00 05 or HO 00 08</b> <b>HO 00 04 or HO 00 06</b>	Refer to Rule 301. in the state classification pages. For <b>HO 00 06</b> refer to Rule 507.A.
<b>Coverage B – Other Structures</b>	
<b>HO 00 02, HO 00 03, HO 00 05 or HO 00 08</b>	10% of <b>A</b> (One- and two-family dwelling) 5% of <b>A</b> (Three- and four-family dwelling)
<b>Coverage C – Personal Property</b>	
<b>HO 00 02, HO 00 03, HO 00 05 or HO 00 08</b>  <b>HO 00 04 or HO 00 06</b>	50% of <b>A</b> (One- and two-family dwelling) 30% of <b>A</b> (Three-family dwelling) 25% of <b>A</b> (Four-family dwelling) Refer to Rule 301. in the state classification pages.
<b>Coverage D – Loss Of Use</b>	
<b>HO 00 02, HO 00 03 or HO 00 05</b> <b>HO 00 04</b> <b>HO 00 06</b> <b>HO 00 08</b>	30% of <b>A</b>  30% of <b>C</b> 50% of <b>C</b> 10% of <b>A</b>

**Table 101.A.1. Property Damage Limits**

**HOMEOWNERS POLICY PROGRAM MANUAL  
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**RULE 101.  
LIMITS OF LIABILITY AND COVERAGE  
RELATIONSHIPS (Cont'd)**

**2. Section II – Liability (All Forms)**

<b>Coverage E – Personal Liability And Coverage F – Medical Payments*</b>
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Refer to Rule <b>301.</b> in the state classification pages.
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* Unless otherwise stated, Coverage <b>E</b> limits apply on an "occurrence" basis; Coverage <b>F</b> limits apply on an "each person" basis.
---

**Table 101.A.2. Liability Limits**

**B. All Forms**

The limit of liability for Coverages **C** or **D** of Section **I** and **E** or **F** of Section **II** may be increased.

**C. Form HO 00 02, HO 00 03 Or HO 00 05**

Under Coverage **B** of Section **I**, an additional amount of insurance may be written on a specific structure.

Under Coverage **C** of Section **I**, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one- and two-family dwelling; 20% of the limit of a three-family dwelling; and 15% of the limit of a four-family dwelling.

**D. Form HO 00 06**

The limit of liability for Coverage **A** of Section **I** may be increased.

**E. Form HO 00 08**

**1. Section I**

The following are the only Section **I** options available with this form:

- a. \$100 Section **I** Deductible,
- b. Higher Optional Deductibles,
- c. On- and Off-premises Theft Coverage Increase,
- d. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing, and
- e. Reduced Coverage **C** Limits.

**2. Section II**

All options available for Form **HO 00 02** are available for Form **HO 00 08**.



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**RULE 102.  
DESCRIPTION OF COVERAGES**

The following is a general description of the coverages provided by the individual Homeowners Policy forms. The policy should be consulted for exact contract conditions.

**A. Section I – Property – Perils Insured Against**

Perils	HO 00 02	HO 00 03	HO 00 04 And HO 00 06	HO 00 05	HO 00 08
Fire or Lightning	Yes	Yes*	Yes	Yes**	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes	Yes*	Yes	Yes**	Yes
Vandalism or malicious mischief	Yes	Yes*	Yes	Yes**	Yes
Theft	Yes	Yes*	Yes	Yes**	Yes
Volcanic eruption	Yes	Yes*	Yes	Yes**	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge or overflow of water or steam, Sudden and accidental tearing apart of a heating system or appliance for heating water, Freezing, Sudden and accidental damage from artificially generated electrical current.	Yes	Yes*	Yes	Yes**	No
Additional risks with certain exceptions	No	Yes***	No	Yes****	No
* Special Coverage (Coverages <b>A</b> and <b>B</b> ), Named Peril (Coverage <b>C</b> )					
** Special Coverage (Coverages <b>A</b> , <b>B</b> and <b>C</b> )					
*** Special Coverage (Coverages <b>A</b> , <b>B</b> and <b>D</b> )					
**** Special Coverage (Coverages <b>A</b> , <b>B</b> , <b>C</b> and <b>D</b> )					

**Table 102.A. Perils Insured Against**

**B. Section II – Liability – All Forms**

**1. Coverage E – Personal Liability**

Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

**2. Coverage F – Medical Payments To Others**

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

**RULE 103.  
MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under both Sections **I** and **II** of the Homeowners Policy.

**RULE 104.  
ELIGIBILITY**

**A. All Forms Except HO 00 04 And HO 00 06**

A Homeowners Policy may be issued:

- To the owner-occupant(s) of a one-, two-, three- or four-family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs **F**. and **H**.). A one-family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a two-, three- or four-family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
- To the purchaser-occupant(s) who has entered into a long-term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement – **HO 04 41**; or

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**RULE 104.  
ELIGIBILITY (Cont'd)**

3. To the occupant of a dwelling under a life estate arrangement when the Coverage **A** amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement **HO 04 41**; or
4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.
5. When two or more apartment units in a two-, three- or four-family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**. A separate Homeowners Policy **HO 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**.

**B. Form HO 00 04**

A Homeowners Policy may be issued to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Policy under Paragraph **A**.

provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraph **F.**). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

**C. Form HO 00 06**

A Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Paragraphs **F.** and **H.**). The unit may not be occupied by more than one additional family or two boarders or roomers.

**D. Seasonal Dwelling**

Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling.

**E. Mobile Home, Trailer Home Or House Trailer**

A Homeowners Policy:

1. Shall not be issued to cover such structures under Coverage **A** – Dwelling, but
2. May be issued to cover personal property in such structures as noted in Paragraph **B**.

**F. Permitted Business Occupancies**

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rules **509.** and **510.** for Section **I** Coverage and Rules **607.** and **608.** for Section **II** Coverage. When it is conducted from an Other Residence, only Section **II** Coverage is available. Refer to Rules **607.** and **608.**

**G. Farm Property**

A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company, except as noted in following Paragraphs **1.** and **2.:**

**1. Section I – Property – Livestock Collision**

Coverage may be provided for loss due to collision which results in the death of covered livestock owned by an insured and kept either on or away from the residence premises as specified in Rule **520.**

**2. Section II – Liability Coverage**

Certain farm liability exposures may be covered. Refer to Rules **614.** and **615.**

**H. Residence Held In Trust (All Forms Except HO 00 04)**

A Homeowners Policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or a condominium unit when legal title to the dwelling or unit is held in trust and:

1. One of the occupants of the dwelling or condominium unit is the grantor/settlor of the trust;
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph **F.**; and
3. No trustee of the trust is:
  - a. A partnership or joint venture;
  - b. A corporation;
  - c. A limited liability company;

## HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

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### **RULE 104. ELIGIBILITY (Cont'd)**

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- d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
- e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this Paragraph e. does not apply to an individual who is a relative of the grantor/settlor of the trust.

Refer to Rule **526**. for the rule of application.

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### **RULE 105. SECONDARY RESIDENCE PREMISES**

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#### **A. Application**

Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.

#### **B. Premium Adjustment**

When coverage is provided on the initial and secondary residence premises under separate policies in the same company, the following premium adjustments should be made:

1. Reduce the Base Premium for the policy covering the secondary residence by the company credit;
2. Refer to state company rates for credit; and
3. Add the charge for Other Insured Location Occupied by Insured, developed from Rule **602.**, to the policy covering the initial residence.

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### **RULE 106. PROTECTION CLASSIFICATION INFORMATION**

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Determine the ISO Public Protection classification; refer to ISO's Community Mitigation Classifications (CMC) Manual, applicable to the municipality or classified area where the insured property is located.

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### **RULE 107. CONSTRUCTION DEFINITIONS**

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#### **A. Frame**

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.

#### **B. Masonry Veneer**

Exterior walls of combustible construction veneered with brick or stone.

#### **C. Masonry**

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground).

#### **D. Superior Construction**

##### **1. Non-Combustible**

Exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

##### **2. Masonry Non-Combustible**

Exterior walls constructed of masonry materials (as described in Paragraph C.) and floors and roof of metal or other non-combustible materials.

##### **3. Fire Resistive**

Exterior walls and floors and roof constructed of masonry or other fire resistive materials.

#### **E. Mixed (Masonry/Frame)**

A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class as masonry.

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### **RULE 108. SEASONAL DWELLING DEFINITION**

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A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

**HOMEOWNERS POLICY PROGRAM MANUAL  
GENERAL RULES**

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**RULE 109.  
SINGLE AND SEPARATE BUILDINGS DEFINITION**

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**A. Single Building**

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

**B. Separate Building**

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:
  - a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or
  - b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

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**RULES 110. – 200.  
RESERVED FOR FUTURE USE**

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# HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

## PART II SERVICING TYPE RULES

### RULE 201. POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms and endorsements then in effect for the company.
- B. Three years prepaid at three times the annual premium.
- C. Three years in annual installments. Each annual installment shall be the annual premium then in effect for the company. Use Deferred Premium Payment Endorsement **HO 04 18**.
- D. Less than one year or less than three years on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the company.

### RULE 202. CHANGES OR CANCELLATIONS

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirement.

### RULE 203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect
  1. In-force policy forms, endorsements or premiums, until the policy is renewed, or
  2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

### RULE 204. MULTIPLE COMPANY INSURANCE

#### A. Application

##### 1. Section I Property

- a. When the companies agree to do so, insurance under Section I may be divided among two or more companies on a percentage basis.
- b. The same form, Section I endorsements and deductibles, must apply to all policies.
- c. All Section I Coverages must be divided.
- d. Scheduled Personal Property Coverages may be divided.

##### 2. Section II Liability

Insurance under Section II shall not be divided among two or more companies.

#### B. Endorsement

Use Multiple Company Insurance Endorsement **HO 04 78**.

#### C. Premium

1. Compute the premium for the Total Coverage **A** limit of liability and additional Section I Coverages, if any, from the manual of each company.
2. Each company subtracts the credit for deleting Section II Coverage from the premium computed as instructed in Paragraph 1.
3. Refer to state company rates for the Section II credit.
4. Allocate to each company their percentage participation of the net total premium under Paragraph 2.
5. The company retaining the Section II Coverages receives, in addition to the percentage share of its premium under Paragraph 4., the amount subtracted from its premium under Paragraph 2. plus any premium for additional Section II limits and exposures.

#### D. Example

1. The example following Paragraph 4. illustrates two companies equally sharing the Section I Property Coverages and Limits, with one company, Company B, retaining all the Section II Liability Coverages and Limits.
2. Company A and B each enter:
  - a. On their respective policy Declarations, the actual limits for Section I Coverages **A, B, C** and **D** for which they are responsible; and
  - b. On Multiple Company Insurance Endorsement **HO 04 78**, the total limits that apply to each of the Section I Coverages.

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GENERAL RULES**

**RULE 204.  
MULTIPLE COMPANY INSURANCE (Cont'd)**

3. Company B also enters, on its policy Declarations, the total limits that apply to Section II Coverages E and F.
4. Premiums shown are for illustration only and are not actual premiums.

Each Company's:	Company A	Company B
Percentage share	50%	50%
Premium for \$100,000 Cov. A	\$ 620	\$ 606
Section II Credit	18	18
Net Premium for \$100,000 Cov. A	602	588
Net Premium for \$50,000 Cov. A	301	294
Premium for:		
Section II Coverage	-	18
Watercraft Option	-	36
Each Company's Policy Premium	301	348

**Table 204.D.4. Example**

**RULE 205.  
MINIMUM PREMIUM**

- A. For prepaid policies a minimum **annual** premium shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than the minimum premium for each annual period.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.
- D. Refer to state company rates for the minimum premium.

**RULE 206.  
TRANSFER OR ASSIGNMENT**

Subject to the consent of the company, all the rules of this Manual and any necessary adjustment of premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

**RULE 207.  
WAIVER OF PREMIUM**

- A. When a policy is endorsed after the inception date, an amount of additional or return premium may be waived.
- B. Refer to state company rates for premium.

**RULE 208.  
WHOLE DOLLAR PREMIUM RULE**

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**RULE 209.  
RESTRICTION OF INDIVIDUAL POLICIES**

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

**RULE 210.  
REFER TO COMPANY**

Refer to company for:

- A. Rating or classifying any risk for which there is no manual rate.
- B. Situations where a portion of the property and/or liability coverage is reinsured on a facultative basis.

The following rating procedure is available for the determination of the applicable premium:

1. Manual rules and rates shall apply to the portion of the property and/or liability limit(s) of liability retained by the company.
2. For any portion of the limit(s) of liability obtained by means of facultative reinsurance, the premium shall be the facultative cost for such insurance increased by a charge up to but not exceeding 50% of the facultative cost.

With respect to premium developed in accordance with this Paragraph 2., the company is responsible for maintaining complete files, including all details relating to selection of the premium charge.

Whenever a risk is rated on a refer-to-company basis, each company is responsible for complying with regulatory or statutory rate filing or disclosure requirements.

**Note**

Rates shall not be inadequate, excessive or unfairly discriminatory.

**HOMEOWNERS POLICY PROGRAM MANUAL  
GENERAL RULES**

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**RULE 211.  
ADDITIONAL INTEREST**

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- A.** In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is **not** provided to such persons or organizations under Additional Insured Endorsement **HO 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph **D**.
- B.** Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C.** No additional charge is made for use of this endorsement.
- D.** Use Additional Interest Residence Premises Endorsement **HO 04 10**.

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**RULES 212. – 300.  
RESERVED FOR FUTURE USE**

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**HOMEOWNERS POLICY PROGRAM MANUAL  
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**PART III  
BASE PREMIUM COMPUTATION RULES**

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**RULE 301.  
BASE PREMIUM COMPUTATION**

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The Base Premium is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).

**A. All Forms Except HO 00 04 And HO 00 06**

**1. One And Two Family Dwelling**

- a. From the company Base Class Premium Table, select the **HO 00 03** premium for the territory that applies.
- b. From the Classification Tables in this Manual, select the Form and Protection – Construction Classification Factors that apply.
- c. Multiply the company Base Class Premium by the Form Factor and round to the nearest whole dollar.
- d. Multiply this result by the Protection – Construction Classification Factor and round, again, to the nearest whole dollar to arrive at the Key Premium.
- e. From the Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph C. of this rule.
- f. Multiply the Key Premium from Paragraph d. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

**2. Three And Four Family Dwelling**

Multiply the One and Two Family Dwelling Base Premium by the three and four family factor from the Classification Tables in this Manual to arrive at the Base Premium.

**B. Form HO 00 04 Or HO 00 06**

1. From the company Base Class Premium Table, select the **HO 00 04** or **HO 00 06** premium for the territory that applies.
2. From the Form **HO 00 04** or **HO 00 06** Classification Table in this Manual, select the Protection – Construction Classification Factor that applies.
3. Multiply the company Base Class Premium by the Protection – Construction Classification Factor and round to the nearest whole dollar to arrive at the Key Premium.
4. From the Form **HO 00 04** or **HO 00 06** Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph C. of this rule.
5. Multiply the Key Premium from Paragraph 3. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

**C. Interpolation Example**

1. When the desired limit of liability is **less** than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:

- a. \$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.
- b. For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r} 2.937 \\ - 2.837 \\ \hline .100 \div 5 = .02 \end{array}$$

- c. Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r} .02 \\ \times 3 \\ \hline .06 + 2.837 = 2.897 \end{array}$$

- d. The result, 2.897, is the Key Factor for this example.
2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this Manual.

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**RULE 302.  
LOSS SETTLEMENT OPTIONS**

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**A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only**

**1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

**2. Coverage Description**

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

**3. Premium Computation**

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option.



**HOMEOWNERS POLICY PROGRAM MANUAL  
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**RULE 302.  
LOSS SETTLEMENT OPTIONS (Cont'd)**

**4. Endorsement**

Use Functional Replacement Cost Loss Settlement Endorsement **HO 05 30**.

**B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only**

**1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

**2. Coverage Description**

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

**3. Premium Computation**

The premium is computed by multiplying the Base Premium by the appropriate factor from the following table:

Coverage A Limit Of Liability Equals Less Than ____% Of Replacement Value	Factor
80%, but not less than 50%	1.05
Less than 50%	1.10

**Table 302.B.3. Factors**

**4. Endorsement**

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81**.

**C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only**

**1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

**2. Coverage Description**

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage **A** limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

**3. Premium Computation**

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
50%	1.60
60%	1.33
70%	1.14

**Table 302.C.3.a. Factors**

- b. Develop a Base Premium in accordance with Rule **301**. for the amount of insurance computed in preceding Paragraph **a**.

- c. Multiply the premium determined in preceding Paragraph **b**. by the appropriate factor from the following table:

% Of Replacement Value	Factor
50%	.96
60%	.97
70%	.98

**Table 302.C.3.c. Factors**

**4. Endorsement**

Use Special Loss Settlement Endorsement **HO 04 56**.

**RULE 303.  
ORDINANCE OR LAW COVERAGE – ALL FORMS  
EXCEPT HO 00 08**

**A. Basic Limit**

The policy automatically provides up to 10% of the Coverage **A** limit of liability (or for Form **HO 00 04**, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

**B. Increased Amount Of Coverage**

**1. Description**

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted in Paragraph **2**. to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

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**RULE 303.  
ORDINANCE OR LAW COVERAGE – ALL FORMS  
EXCEPT HO 00 08 (Cont'd)**

**2. Premium Determination**

**a. Forms HO 00 02, HO 00 03 And HO 00 05**

To develop the Base Premium multiply the premium computed in accordance with Rule 301. by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors
Increase In Amount	Total Amount	
15%	25%	1.03
40%	50%	1.07
65%	75%	1.11
90%	100%	1.15
For each add'l 25% increment, add:		.04

**Table 303.B.2.a. Factors**

**b. Forms HO 00 04 And HO 00 06**

See Rule 513. for rating instructions.

**3. Endorsement**

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement **HO 04 77**.

**RULE 304.  
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04  
AND HO 00 06**

**A. Coverage Description**

1. Coverage **C** – Personal Property under Forms **HO 00 04** and **HO 00 06** is insured against perils named in the form. The policy may be endorsed to insure Coverage **C** against additional risks of physical loss subject to certain exclusions.
2. This option may only be used when:
  - a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another; or
  - b. For Form **HO 00 06**, the condominium or cooperative unit is owner occupied and not rented to others.

**B. Premium Computation**

Multiply the Form **HO 00 04** or **HO 00 06** Base Premium developed in accordance with Rule 301. by 1.40.

**C. Endorsement**

1. Use Special Personal Property Coverage Endorsement **HO 05 24** for use with **HO 00 04** only.
2. Use Unit-Owners – Coverage **C** – Special Coverage Endorsement **HO 17 31** for use with **HO 00 06** only.

**RULE 305.  
LOSS HISTORY RATING PLAN**

**A. Introduction**

The Loss History Rating Plan recognizes the loss history of an insured or applicant, for both property and liability coverages, in determining the appropriate premium for a new or renewal policy.

**B. Eligibility**

A loss shall be considered eligible for rating under this Plan if:

1. The loss occurred during the three years immediately preceding the date of application for a new policy or the preparation of the renewal policy;
2. The loss occurred with respect to a risk eligible for coverage under the Homeowners Policy Program or Mobilehome Supplement to the Homeowners Policy Program;
3. The loss was sustained with respect to the property or liability of an insured under the policy being rated; and
4. The combined claim payments generated for the loss equal or exceed \$500.

**C. Exceptions**

The following shall not be considered eligible for rating under the Plan:

1. A loss resulting from windstorm or hail.
2. A loss resulting from earthquake, mine subsidence or sinkhole collapse.
3. A loss for which payment occurred only with respect to Medical Payments To Others or similar coverage.
4. A loss to a dwelling currently owned by an insured or applicant which occurred prior to ownership.

**D. Refund Of Increased Premium**

If, after an increased premium is generated based on the requirements of this Plan, it is determined that a loss does not meet the requirements of this Plan, the insurer shall refund the increased portion of the premium attributable to such loss as generated by the Plan.

**E. Administration Of Loss History Rating Plan**

Information necessary to determine the loss history of the named insured or applicant shall be obtained from any one or combination of the following:

1. An application signed by the applicant.
2. A loss history or claims history database.
3. A company's internal records.

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**RULE 305.  
LOSS HISTORY RATING PLAN (Cont'd)**

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**F. Premium Computation**

Multiply the Base Premium by the appropriate factor from the following table:

<b>Number Of Eligible Losses</b>	<b>Factor</b>
0	1.000
1	1.200
2	1.300
3	1.400
4 or More	1.500

**Table 305.F. Premium Computation**

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**RULES 306. – 400.  
RESERVED FOR FUTURE USE**

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**HOMEOWNERS POLICY PROGRAM MANUAL  
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**PART IV  
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 401.  
SUPERIOR CONSTRUCTION**

The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry Base Premium for a comparable dwelling or apartment unit by a factor of .85.

**RULE 402.  
TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT  
HO 00 04 And HO 00 06**

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

**Townhouse And Row House Factors**

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1–8	9 & Over
<b>1 Or 2 Family Dwelling</b>		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
9 & Over	Refer to company	
<b>3 Or 4 Family Dwelling</b>		
5 – 8	1.15	1.20
9 & Over	Refer to company	

\* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

**Table 402. Townhouse And Row House Factors**

**RULE 403.  
PERSONAL PROPERTY (COVERAGE C)  
REPLACEMENT COST LOSS SETTLEMENT**

**A. Introduction**

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

**B. Loss Settlement Option**

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis.

**C. Endorsement**

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

**D. Scheduled Personal Property**

1. When the Scheduled Personal Property Endorsement **HO 04 61** is attached to a policy with Endorsement **HO 04 90**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

2. Since the loss settlement condition in Endorsement **HO 04 61** will pay the insured the least of the:

- a. Actual cash value of the property sustaining loss;
- b. The amount for which the property could be repaired or replaced; or
- c. The amount of insurance of the property sustaining loss;

the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

**E. Scheduled Personal Property (With Agreed Value Loss Settlement)**

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement **HO 04 60** is attached to a policy with Endorsement **HO 04 90**, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

**F. Premium Determination**

Multiply the Base Premium including any premium adjustment for Coverage **C** limits by a factor of:

- 1. 1.15 for all forms except **HO 00 04** and **HO 00 06**.
- 2. 1.35 for Forms **HO 00 04** or **HO 00 06**.

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**RULE 404.  
PROTECTIVE DEVICES**

A. Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium – computed by multiplying the Base Premium by the selected factors from the following table:

**Protective Devices Factors**

Type Of Installation*	Factor
Central Station Reporting Burglar Alarm	.95 to 1.00
Central Station Reporting Fire Alarm	.95 to 1.00
Police Station Reporting Burglar Alarm	.97 to 1.00
Fire Department Reporting Fire Alarm	.97 to 1.00
Local Burglar and/or Fire Alarm	.98
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.87 to 1.00
Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.92 to 1.00
* Refer to company for eligibility, types of systems and devices, installations, and available credits.	

**Table 404.A. Protective Devices Factors**

B. Use Premises Alarm Or Fire Protection System Endorsement **HO 04 16**.

**RULE 405.  
INFLATION GUARD – ALL FORMS EXCEPT HO 00 04  
AND HO 00 06**

**A. Coverage Description**

The policy may be endorsed to provide annual increases of the Section I Limits of Liability as selected by the insured.

**B. Premium Computation**

1. The premium is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Amount Of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
Each Add'l 4% over 8% add:	.02

**Table 405.B.1. Inflation Guard Factors**

2. The premium for a 3 year policy is 3.2 times the annual policy premium.

**C. Endorsement**

Use Inflation Guard Endorsement **HO 04 46**.

**RULE 406.  
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule **505**.

**A. Base Deductible**

\$500 Deductible.

**B. Optional Lower Deductibles**

**1. Additional Premium Charge**

- a. The options in Paragraphs **2.** and **3.** are subject to a minimum and maximum additional premium charge.
- b. Refer to the state company rates for these charges.

**2. \$100 And \$250 All Perils Deductibles**

To compute the premium for these options, multiply the Base Premium by the factor selected from the state exception pages.

**3. \$100 All Perils/\$250 Theft Deductible**

This option applies to all forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage Endorsement and **HO 00 06** with Unit-owners Coverage **C** (Special Coverage) Endorsement.

- a. The \$250 Theft Deductible applies to Coverage **C** – Personal Property and is available only when:
  - (1) A \$100 deductible applies to All Other Perils; or
  - (2) A higher deductible applies to the peril of Windstorm or Hail and a \$100 deductible applies to All Other Perils.

**HOMEOWNERS POLICY PROGRAM MANUAL  
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**RULE 406.  
DEDUCTIBLES (Cont'd)**

- b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by the factor selected from the state exception pages.
  
- c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors in the state exception pages for the Windstorm or Hail Deductibles.

**C. Optional Higher Deductibles**

**1. All Perils Deductible**

To compute the premium for this deductible type, multiply the Base Premium by the factor selected from the state exception pages.

**2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)**

**a. Deductible Amounts**

This option provides for higher Theft deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

**b. Endorsement**

An endorsement is not required.

**c. Declarations Instructions**

Separately enter, on the policy Declarations, the deductible amounts that apply to Theft and All Other Section I Perils.

**d. Deductible Application**

In the event of a theft loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**e. Use Of Factors**

The factors for Form **HO 00 04** and Form **HO 00 06** Theft Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Theft Deductible.

**f. Deductible Factors**

**(1) Form HO 00 04**

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the state exception pages.

**(2) City And Other Than City Territories (Form HO 00 04 Only)**

Refer to state Territory Pages, Paragraph **2.A.** for a listing of City Territories and **2.B.** for Other Than City Territories.

**(3) Form HO 00 06**

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the state exception pages.

**3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)**

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with the deductible applicable to All Other Section I Perils.

**a. Percentage Deductibles**

**(1) Deductible Amounts**

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, 5%, 7.5% and 10% of the Coverage **A** limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

**(2) Endorsement**

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12.**

**(3) Declarations Instructions**

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

**(a)** Deductible – Windstorm or Hail 1% of Coverage **A** limit and \$500 for All Other Perils.

**(b)** Deductible – Windstorm or Hail 2% of the Coverage **A** limit, \$500 for Theft of Personal Property and \$100 for All Other Perils.

**(4) Deductible Application**

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**HOMEOWNERS POLICY PROGRAM MANUAL  
GENERAL RULES**

**RULE 406.  
DEDUCTIBLES (Cont'd)**

**(5) Use Of Factors**

The factors for the Windstorm or Hail Deductibles incorporate the factors for the All Peril Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

**(6) Deductible Factors**

To compute the premium for this provision, multiply the Base Premium by the factor selected from the state exception pages.

**b. Higher Fixed-dollar Deductibles**

**(1) Deductible Amounts**

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000, \$5,000, \$7,500 and \$10,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

**(2) Endorsement**

An endorsement is not required.

**(3) Declarations Instructions**

Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm or Hail and \$500 for All Other Perils.

**(4) Deductible Application**

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**(5) Use Of Factors**

The factors for the Windstorm or Hail Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

**(6) Deductible Factors**

To compute the premium for this provision, multiply the Base Premium by the factor selected from the state exception pages.

**RULE 407.  
ADDITIONAL AMOUNTS OF INSURANCE – FORMS  
HO 00 02, HO 00 03 AND HO 00 05**

**A. Introduction**

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

**B. Coverage Description**

The policy may be endorsed to provide additional insurance for Coverage **A** only or for Coverages **A**, **B**, **C**, and **D** when loss, to property insured under Coverage **A** – Dwelling, exceeds the limit of liability shown in the policy Declarations.

**C. Options Available**

When either of the following options is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

**1. Specified Additional Amount Of Insurance For Coverage A Only**

- a. An additional amount of insurance equal to 25% or 50% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to property insured under Coverage **A** – Dwelling exceeds the Coverage **A** limit of liability shown in the Declarations.

The additional amount **cannot** be applied to any other coverage nor does it increase the Coverage **A** limit.

- b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

<b>Additional Amount Options</b>	<b>Factor</b>
25%	1.03
50%	1.06

**Table 407.C.1.b. Additional Amounts Of Insurance Factors**

- c. Use Specified Additional Amount Of Insurance For Coverage **A** Endorsement **HO 04 20**.

**HOMEOWNERS POLICY PROGRAM MANUAL  
GENERAL RULES**

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**RULE 407.  
ADDITIONAL AMOUNTS OF INSURANCE – FORMS  
HO 00 02, HO 00 03 AND HO 00 05 (Cont'd)**

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**2. Additional Limits Of Liability For Coverages  
A, B, C, And D**

- a. This option differs from Paragraph C.1., in that the Coverage **A** limit of liability is increased, after a loss, to the amount necessary to repair or replace the damaged or destroyed property. The limits of liability for Coverages **B**, **C**, and **D** will also be increased by the same percentage applied to the Coverage **A** limit.

When the loss to such property, exceeds the Coverage **A** limit, the policy is endorsed, retroactive to the date of loss, to the limit needed to settle the loss.

- b. The premium is computed by multiplying the Base Premium by a factor of 1.15.
- c. Use Additional Limits of Liability for Coverages **A**, **B**, **C**, and **D** Endorsement **HO 04 11**.

**D. Endorsement Exception**

Do not use either endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage of replacement value is attached to the policy.

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**RULE 408.  
ACTUAL CASH VALUE LOSS SETTLEMENT  
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING  
– ALL FORMS EXCEPT HO 00 04**

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**A. Introduction**

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

**B. Coverage Description**

The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.

**C. Premium Determination**

To develop a premium for this option, multiply the Base Premium by a factor of .99.

**D. Endorsement**

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HO 00 04**) Endorsement **HO 04 93**.

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**RULE 409.  
REPLACEMENT COST LOSS SETTLEMENT FOR  
CERTAIN NON-BUILDING STRUCTURES – FORMS  
HO 00 02, HO 00 03 AND HO 00 05**

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**A. Introduction**

The policy provides actual cash value loss settlement for non-building structures covered under Coverage **B**, or specifically scheduled under this policy.

**B. Coverage Description**

The policy may be endorsed to provide repair or replacement cost loss settlement for the following types of non-building structures only if they are located on the residence premises:

1. Reinforced masonry walls;
2. Metal or fiberglass fences;
3. Fences made of plastic/resin materials such as polyvinylchloride;
4. Patios, walks (not made of wood or wood products);
5. Driveways; or
6. Inground or semi-inground:
  - a. Swimming pools;
  - b. Therapeutic baths; or
  - c. Hot tubs;

with walls and floors made of reinforced masonry, cement, metal or fiberglass. However, replacement cost loss settlement does not apply to equipment and accessories attached to or made to be attached to the superstructure of the pool, therapeutic bath or hot tub.

**C. Premium Computation**

The premium is computed by multiplying the Base Premium by a factor from the following table:

Types Of Non-building Structures	Factors
Inground or semi-inground swimming pools, therapeutic baths or hot tubs	1.05
All Other	1.02

**Table 409.C. Types Of Non-building Structures**

**D. Endorsement**

Use Replacement Cost Loss Settlement For Certain Non-building Structures On The Residence Premises Endorsement **HO 04 43**.

**E. Endorsement Exception**

This loss settlement condition does not apply to covered property insured under Coverage **B** – Other Structures Away From The Residence Premises Endorsement **HO 04 91** and Specific Structures Away From The Residence Premises Endorsement **HO 04 92**.



## HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

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### RULE 410. BUILDING CODE EFFECTIVENESS GRADING

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This rule does not apply to Mobile or Trailer homes.

#### A. General Information

1. The Building Code Effectiveness Grading Schedule (BCEGS) develops a grade of 1 to 10 for a community based on the adequacy of its building code and the effectiveness of its enforcement of that code. Policies which cover the perils of Windstorm or Hail or Earthquake may be eligible for special rating treatment, subject to the criteria in the following paragraphs. The BCEGS factor applies, where applicable, in addition to the Public Protection Classification factors.
2. In some communities, two BCEGS classifications may be assigned. One classification for personal lines indicated next to "PERS" will apply to personal lines properties. The other classification indicated next to "COML" will apply to commercial lines properties. The ISO Community Mitigation Classifications will indicate the application of each classification.
3. Refer to the ISO Community Mitigation Classifications (CMC) Manual for the BCEGS classifications for a community, and their effective dates.

#### B. Community Grading

1. The BCEGS classification applies to any building that has an original certificate of occupancy dated the year of the effective date of the community grading, or later. A rating factor has been developed for each community classification.
2. If a community is regraded subsequent to its initial grading, the factor for the revised grade applies to buildings that have an original certificate of occupancy dated the year of the effective date of the revised grading, or later.
3. Where certificates of occupancy are not issued, equivalent documentation acceptable to the company may be used.
4. If, due to an addition or alteration, the original building is changed to comply with the latest building code, the factor for the community classification applicable at the time the reconstruction is completed will apply to such building.
5. The BCEGS classification may apply to Windstorm Or Hail or Earthquake, or to both. Specific information is provided in the ISO Community Mitigation Classifications (CMC) Manual. If the grade in the manual does not apply to one of the perils, the factor should not be applied for that peril.

#### C. Individual Grading

Where buildings have been built in full conformance with the natural hazard mitigation elements of one of the nationally recognized building codes even though the community grade is greater than 1, exception rating procedures may apply.

1. Any building may be classified as a 1 for Windstorm/Hail upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with one of the three nationally recognized building codes with respect to mitigation of the windstorm or hail hazard. This classification is effective only from the date of the certification.
2. Any building may be classified as a 1 for Earthquake upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with the earthquake mitigation elements of one of the three nationally recognized building codes. This classification is effective only from the date of the certification.

#### D. Ungraded Risks

Buildings which do **not** meet the criteria in Paragraph **B.** or **C.** for classification assignment are rated and coded as ungraded risks. Do **not** classify as a 10.

#### E. Premium Credit Computation

##### 1. Community Grading

###### a. Windstorm Or Hail

Compute the premium credit as follows:

- (1) Multiply the Base Class Premium by the appropriate factor in Paragraph **E.1.c.(1)** located in the state exceptions; and
- (2) Multiply the result from preceding Paragraph (1) by the Key Factor for the desired amount of insurance.

###### b. Earthquake

When Earthquake Endorsement **HO 04 54** is attached to the policy, multiply the Earthquake Base Premium by the appropriate factor in Paragraph **E.1.c.(2)** located in the state exceptions.

###### c. Credit Factors

Refer to state exceptions for state-specific factors.

##### 2. Individual Grading

For any building classified as a 1 based upon certification as set forth in Paragraph **C.**, use the appropriate factor listed under Paragraph **E.1.c.** located in the state exceptions.

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**RULES 411. – 500.  
RESERVED FOR FUTURE USE**

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**HOMEOWNERS POLICY PROGRAM MANUAL  
GENERAL RULES**

**PART V  
SECTION I – PROPERTY – ADDITIONAL COVERAGES  
AND INCREASED LIMITS RULES**

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**RULE 501.  
BUILDING ADDITIONS AND ALTERATIONS AT OTHER  
RESIDENCES**

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**A. Coverage Description**

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

**B. Premium Computation**

To develop the premium per \$1,000 of insurance, multiply the **HO 00 04** Key Factor for "Each Add'l \$1,000" by the **HO 00 04** Key Premium.

**C. Endorsement**

Use Building Additions And Alterations Other Residence Endorsement **HO 04 49**.

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**RULE 502.  
BUILDING ADDITIONS AND ALTERATIONS –  
INCREASED LIMIT – HO 00 04**

---

**A. Coverage C Increase**

The limit of liability of 10% of Coverage **C** may be increased.

**B. Premium Computation**

To develop the premium per \$1,000 of insurance, multiply the **HO 00 04** Key Factor for "Each Add'l \$1,000" by the **HO 00 04** Key Premium.

**C. Endorsement**

Use Building Additions And Alterations Increased Limit Form **HO 00 04** Endorsement **HO 04 51**.

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**RULE 503.  
BUSINESS PROPERTY – INCREASED LIMIT**

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**A. On-premises**

1. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500.
2. Refer to state company rates for each \$2,500 increase.
3. The limit of liability in excess of \$2,500 does not apply to:
  - a. Business property in storage or held as a sample or for sale or delivery after sale;
  - b. Business property pertaining to a business actually conducted on the residence premises.

4. The property described in Paragraphs **3.a.** and **3.b.** are covered under the following optional endorsements:

- a. Permitted Incidental Occupancies;
- b. Home Day Care; or
- c. Home Business Insurance Coverage.

**B. Off-premises**

When the on-premises limit is increased, the off-premises limit of \$1,500 is automatically increased, at no additional charge, to an amount that is 60% of the total on-premises limit of liability.

**C. Endorsement**

Use Increased Limits On Business Property Endorsement **HO 04 12**.

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**RULE 504.  
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD  
OR ACCESS DEVICE, FORGERY AND COUNTERFEIT  
MONEY**

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**A. Coverage Increase**

The limit of \$500 may be increased. An additional rate is to be charged.

**B. Premium**

Refer to state company rates for an additional charge.

**C. Endorsement**

Use Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage Increased Limit Endorsement **HO 04 53**.

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**RULE 505.  
EARTHQUAKE COVERAGE**

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**A. Coverage Description**

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section **I** Coverages for the same limits provided in the policy. Use Earthquake Endorsement **HO 04 54**.

**B. Deductible**

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability are included in this rule.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A**, **B**, and **C**.

Earthquake rates are displayed for the 5% and 10% deductible in the state company rates. Credit factors for deductible percentage amounts of 15%, 20% and 25% are provided in Paragraph **E**. Premium for Higher Deductibles of this rule.

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**RULE 505.  
EARTHQUAKE COVERAGE (Cont'd)**

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**C. Loss Assessment Coverage**

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates. Use Loss Assessment Coverage For Earthquake Endorsement **HO 04 36** for all forms.

**D. Base Premium**

Develop the base premium as follows:

1. From the state company rates determine whether Construction Table **A**, **B**, and/or **C** applies for the appropriate deductible.
2. Determine the Earthquake territory according to the ZIP code of the residence premises from the State Territory Definitions pages in this manual.
3. For Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, add the results of the following three steps:
  - a. Multiply the Coverage **A** limit by the rate found in Column A of the table;
  - b. If the Coverage **C** limit is increased, multiply the rate found in Column D by the amount of the increase; and
  - c. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.
4. For Form **HO 00 04**, add the results of the following two steps;
  - a. Multiply the Coverage **C** limit by the rate found in Column B of the table; and
  - b. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.
5. For Form **HO 00 06**, add the results of the following three steps:
  - a. Multiply the Coverage **C** limit by the rate found in Column C of the table;
  - b. Multiply the Coverage **A** limit by the rate found in Column E of the table; and
  - c. If the Coverage **D** limit is increased, multiply the rate found in Column F by the amount of the increase.

6. Building Or Non-building Structure Items – All Forms:

Multiply the rate in Column G of the table by the appropriate limit of liability for the following Building or Non-building Structure items, as applicable, and add to the applicable premium determined in Paragraph **3.**, **4.** or **5.**:

- a. Other Structures – Structures Rented To Others Residence Premises;
  - b. Other Structures On The Residence Premises – Increased Limits;
  - c. Specific Structures Away From The Residence Premises;
  - d. Building Additions And Alterations – Other Residence; and
  - e. Building Additions And Alterations Increased Limit Form **HO 00 04**.
7. Ordinance Or Law – Basic And Increased Limit – All Forms:

When the basic Ordinance or Law Coverage limit is increased the earthquake premium is developed based on the increased limit of insurance.

- a. For Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, multiply the rate determined in Paragraph **3.a.** by the appropriate factor selected from Rule **303.B.2.a.**
- b. For Forms **HO 00 04** and **HO 00 06**, the premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit. The rate for each additional \$1,000 of insurance is determined as follows:
  - (1) For Form **HO 00 04**, multiply the rate in Column G of the table by .30.
  - (2) For Form **HO 00 06**, multiply the rate in Column E of the table by .30.and add to the applicable premium determined in Paragraph **4.** or **5.**

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**RULE 505.  
EARTHQUAKE COVERAGE (Cont'd)**

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**E. Premium For Higher Deductibles**

Multiply the Earthquake base premium determined in Paragraph **D.** for the 10% deductible by the appropriate factor from the following table:

Deductible Percentage	Factor		
	Frame	Masonry	Superior
15%	.80	.85	.75
20%	.65	.70	.60
25%	.50	.60	.45

**Table 505.E. Higher Deductibles Factor**

**F. Building Code Effectiveness Grading**

Refer to Rule **410.** for information which may affect Earthquake rating.

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**RULE 506.  
FIRE DEPARTMENT SERVICE CHARGE**

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The limit of \$500 may be increased subject to the rules and rates of the company.

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**RULE 507.  
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06**

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**A. Basic Limits**

The policy automatically provides a basic Coverage **A** limit of \$5,000 on a named perils basis. If increased limits are not desired, enter "\$5,000" under Coverage **A** – Dwelling in the Policy Declarations.

**B. Increased Limits**

The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional \$1,000 of insurance, multiply the **HO 00 06** Key Factor for "Each Add'l \$1,000" by the **HO 00 06** Key Premium.

**C. Special Coverage**

The Section **I** Perils Insured Against may be broadened to cover additional risks of loss. The additional premium is developed as shown in the state company rates.

**D. Endorsement**

Use Unit-Owners Coverage **A** – Special Coverage Endorsement **HO 17 32.**

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**RULE 508.  
FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS**

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**A. Coverage C And Section II Liability**

1. There is no coverage for Coverage **C** – Personal Property and Section **II** Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft.
2. The Coverage **C** minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$10,000.

**B. Premium Computation**

Multiply the Coverage **C** Base Premium (reflecting the credit or surcharge for optional deductibles) by a factor of .25.

**C. Endorsement**

Use Unit-Owners Rental To Others Endorsement **HO 17 33.**

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**RULE 509.  
HOME DAY CARE COVERAGE**

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**A. Coverage Description**

Coverage for a home day care business is limited under Section **I** and excluded under Section **II**. The policy may be endorsed to provide expanded Section **I** Coverage and Section **II** Coverage on a home day care business in the dwelling or in an other structure on the residence premises. Use Home Day Care Coverage Endorsement **HO 04 97** for Sections **I** and **II** Coverage.

**B. Other Structures**

If the home day care business is located in an other structure, Coverage **B** does not apply to that structure. See Paragraph **D.** for charge for specific insurance on the structure.

**C. Personal Property**

The home day care endorsement also covers personal property pertaining to this business within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A.**

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**RULE 509.  
HOME DAY CARE COVERAGE (Cont'd)**

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**D. Premium Computation**

**1. Section I**

- a. If the home day care business is located in the dwelling, no additional charge is made.
- b. If the business is located in an other structure, charge the amount per \$1,000 of specific insurance on the structure.
- c. Refer to state company rates for rate to be charged.

**2. Section II**

Refer to Rule **607**. in the state company rates to develop the premium for the increased Coverages **E** and **F** exposure.

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**RULE 510.  
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE PREMISES**

---

**A. Coverage Description**

Coverage for a permitted incidental occupancy is limited under Section **I** and excluded under Section **II**. The policy may be endorsed to provide expanded Section **I** Coverage and Section **II** Coverage on a permitted incidental occupancy in the dwelling or in an other structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement **HO 04 42** for Sections **I** and **II** Coverage.

**B. Permitted Incidental Occupancies**

Examples of such occupancies are Offices, Schools or Studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

**C. Other Structures**

If the permitted incidental occupancy is located in an other structure, Coverage **B** does not apply to that structure. See Paragraph **E**. for charge for specific insurance on the structure.

**D. Personal Property**

The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A**.

**E. Premium Computation**

**1. Section I**

- a. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.

- b. If the permitted incidental occupancy is located in an other structure, charge the amount per \$1,000 of specific insurance on the structure.

- c. Refer to state company rates for rate to be charged.

**2. Section II**

Refer to Rule **608**. in the state company rates to develop the premium for the increased Coverages **E** and **F** exposure.

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**RULE 511.  
SUPPLEMENTAL LOSS ASSESSMENT COVERAGE**

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**A. Residence Premises**

**1. Coverage Description**

The policy automatically provides, under Section **I** Additional Coverage and Section **II** Additional Coverage, a limit of \$1,000 each for assessments relating to the residence premises, excluding assessments resulting from the peril of earthquake. (Refer to Rule **505**. Earthquake Coverage for the Earthquake rule of application.)

**2. Higher Limits**

The policy may be endorsed to provide a single additional amount of insurance to be applied to one or more assessments arising out of a single loss covered under:

- a. Either Section **I** Additional Coverage or Section **II** Additional Coverage; or
- b. Both Section **I** and Section **II** Additional Coverages.

**3. Premium**

Refer to the state company rates for the additional charge.

**B. Additional Locations**

**1. Coverage Description**

- a. The policy may be endorsed to provide loss assessment coverage pertaining to additional locations for the insured's share of loss assessments arising out of a single loss covered as noted in Paragraph **A.2**.

- b. No more than two additional locations can be written in addition to the residence premises.

**2. Premium**

Refer to the state company rates for the additional rates which apply to each location covered.

**C. Endorsement**

Use Supplemental Loss Assessment Coverage Endorsement **HO 04 35**.

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**RULE 512.  
LOSS OF USE – INCREASED LIMIT**

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- A. When the limit of liability for Coverage **D** is increased, charge the rate per \$1,000 of additional insurance.
- B. Refer to state company rates for rate to be charged.

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**RULE 513.  
ORDINANCE OR LAW INCREASED AMOUNT OF  
COVERAGE – HO 00 04 AND HO 00 06**

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**A. Coverage Increase**

- 1. The basic amount of coverage may be initially increased to 100% of the Form **HO 00 04** Building Additions and Alterations limit or 50% of the Form **HO 00 06** Coverage **A** limit.
- 2. The amount may be further increased in 25% increments above those listed in Paragraph 1.

**B. Premium Determination**

- 1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
- 2. The premium for each additional \$1,000 of insurance is developed by multiplying the **HO 00 04** or **HO 00 06**, whichever is appropriate, Key Factor for "Each Add'l \$1,000" by .30 and then multiplying that amount by the appropriate Key Premium.

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**RULE 514.  
OTHER STRUCTURES**

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**A. On-Premises Structures**

When insurance is written on a specific structure on the residence premises the rates per \$1,000 of insurance shall apply separately to each structure.

**1. Specific Structure – Increased Limits**

**a. Premium**

Refer to state company rates.

**b. Endorsement**

Use Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48**.

**2. Structure On The Residence Premises Rented To Others**

**a. Premium**

Use the sum of:

- (1) The rate per \$1,000 of insurance shown in the state company rates, and
- (2) The premium for the increased Coverages **E** and **F** exposure, as developed from the Section **II** rules of this Manual.

- b. Use Structures Rented to Others – Residence Premises Endorsement **HO 04 40**.

**B. Structures Off The Residence Premises**

**1. Forms HO 00 02, HO 00 03 And HO 00 05**

**a. Coverage Description**

- (1) The policy automatically provides Coverage **B** – Other Structures on a blanket basis to structures located on the residence premises.
- (2) This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

**b. Premium**

Refer to state company rates for rate to be charged.

**c. Endorsement**

Use Other Structures Away From The Residence Premises **HO 04 91**.

**2. All Forms**

**a. Premium**

- (1) When insurance is written on a specific structure located away from the residence premises, the rate per \$1,000 of insurance shall apply separately to each location.
- (2) Refer to state company rates for rate to be charged.

**b. Endorsement**

Use Specific Structures Away From Residence Premises Endorsement **HO 04 92**.

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**RULE 515.  
PERSONAL PROPERTY**

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**A. Increased Limit**

- 1. The limit of liability for Coverage **C** may be increased.
- 2. Charge the additional company rate per \$1,000 of insurance.
- 3. Refer to state company rates for additional charge.

**B. Increased Limits – Other Residences**

- 1. Coverage for personal property usually located at other residences is limited in the policy form to 10% of Coverage **C** or \$1,000, whichever is greater. This limit may be increased.

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**RULE 515.  
PERSONAL PROPERTY (Cont'd)**

2. Charge the additional company rate per \$1,000.
3. Refer to state company rates for additional charge.
4. Use Increased Limits On Personal Property In Other Residences Endorsement **HO 04 50**.

**C. Increased Limit – Self-storage Facilities**

1. Coverage for personal property located in self-storage facilities is limited in the policy form to 10% of Coverage **C**, or \$1,000, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000.
3. Refer to state company rates for the additional charge.
4. Use Increased Amount Of Insurance For Personal Property Located In A Self-storage Facility Endorsement **HO 06 14**.

**D. Reduction In Limit**

1. The limit of liability for Coverage **C** may be reduced in accordance with Rule **101.C**.
2. Refer to state company rates for credit.

**E. Increased Special Limits Of Liability**

1. The Special Limits of Liability in the policy form for the categories of property noted in the following table may be increased to the maximum limits shown:

Personal Property	Limit In Form	Maximum Limit Allowed
1. Jewelry, Watches and Furs	\$ 1,500	\$ 6,500*
2. Money	200	1,000
3. Securities	1,500	3,000
4. Silverware, Goldware and Pewterware	2,500	10,000**
5. Firearms	2,500	6,500***
6. Portable Electronic Equipment in or upon a motor vehicle	1,500	6,000**
* Not exceeding \$1,000 for any one article		
** Increase must be in increments of \$500		
*** Increase must be in increments of \$100		

**Table 515.E.1. Special Limits**

2. Refer to state company rates for additional charges.
3. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 04 65** – for all forms except as noted in Paragraph **4**.
4. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 04 66** for Form **HO 00 05**, Form **HO 00 04** with Endorsement **HO 05 24** and Form **HO 00 06** with Endorsement **HO 17 31**.

**F. Refrigerated Personal Property**

1. The policy may be endorsed to provide \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.
2. A deductible of \$100 applies.
3. Refer to state company rates for the additional charge.
4. Use Refrigerated Property Coverage Endorsement **HO 04 98**.

**G. Theft Coverage Increase – HO 00 08**

**1. On-premises**

The \$1,000 limit for On-premises Theft Coverage may be increased to an aggregate limit of \$3,000 or \$5,000.

**2. Off-premises**

When On-premises Theft Coverage is increased, a limit of \$1,000 may be provided for Off-premises Theft Coverage.

**3. Premium**

Refer to state company rates for additional charge.

**4. Endorsement**

Use Theft Coverage Increase Endorsement **HO 04 30**.

**RULE 516.  
PERSONAL PROPERTY – SCHEDULED**

**A. Introduction**

Coverage may be provided on scheduled personal property subject to the rules and rates of the Company.

**B. Loss Settlement**

1. Endorsement **HO 04 61** provides for standard loss settlement for all classes of property except Fine Arts; and agreed value loss settlement for Fine Arts.
2. Endorsement **HO 04 60** provides for agreed value loss settlement for the following classes:
  - a. Cameras
  - b. Furs
  - c. Golfer's Equipment
  - d. Jewelry
  - e. Musical Instruments
  - f. Silverware
  - g. Stamps and Rare Coins

This endorsement may also be used for scheduled articles of Fine Arts.

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**RULE 516.  
PERSONAL PROPERTY – SCHEDULED (Cont'd)**

---

**C. Endorsements**

1. Use Scheduled Personal Property Endorsement **HO 04 61** for standard loss settlement or agreed value loss settlement for fine arts.
2. Use Scheduled Personal Property (with Agreed Value Loss Settlement) Endorsement **HO 04 60** for agreed value loss settlement.

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**RULE 517.  
RENTAL TO OTHERS - EXTENDED THEFT COVERAGE  
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH  
HO 05 24 OR HO 00 06 WITH HO 17 31**

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**A. Coverage Description**

The policy may be endorsed to insure against loss by theft to covered property when all or part of the residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders.

**B. Premium**

Refer to the state company rates for additional charge.

**C. Endorsement**

Use Extended Theft Coverage For Residence Premises Occasionally Rented To Others Endorsement **HO 05 41**.

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**RULE 518.  
SINKHOLE COLLAPSE COVERAGE – ALL FORMS  
EXCEPT HO 00 04 AND HO 00 06**

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**A. Coverage Description**

The policy may be endorsed to provide Sinkhole Collapse Coverage.

**B. Premium Determination**

1. Refer to state company rates; and
2. Multiply the rate per \$1,000 by:
  - a. Coverage **A** amount of insurance;
  - b. Increased Limits for Coverages **C** and **D**;
  - c. Loss Assessment Coverage, increased limits and additional locations;
  - d. Ordinance Or Law Coverage, basic amount and, if applicable, increased amount of coverage; or
  - e. Other Building or Structure options, for example: Other Structures Rented To Others (Residence Premises) Endorsement **HO 04 40**; Other Structures (Increased Limits) Endorsement **HO 04 48**; Specific Structures Away From The Residence Premises Endorsement **HO 04 92**; and Building Additions And Alterations (Other Residence) Endorsement **HO 04 49**.

**C. Endorsement**

Use Sinkhole Collapse Endorsement **HO 04 99**.

---

**RULE 519.  
SPECIAL COMPUTER COVERAGE ALL FORMS  
EXCEPT HO 00 05, HO 00 04 WITH HO 05 24 OR  
HO 00 06 WITH HO 17 31**

---

**A. Coverage Description**

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

**B. Premium**

Refer to state company rates for additional charge.

**C. Endorsement**

Use Special Computer Coverage Endorsement **HO 04 14**.

---

**RULE 520.  
LIVESTOCK COLLISION COVERAGE**

---

**A. Coverage Description**

When the policy is endorsed with either Incidental Farming Personal Liability Endorsement **HO 24 72** or Farmers Personal Liability Endorsement **HO 24 73**, the policy may also be endorsed to cover loss resulting in death of covered livestock resulting from:

1. Collision or overturn of a vehicle on which the livestock are being transported; or
2. Livestock running into or being struck by a vehicle.

**B. Coverage Exclusion**

Coverage is excluded if a vehicle owned or operated by an insured or an insured's employee:

1. Collides with the vehicle on which the livestock are being transported; or
2. Strikes the livestock.

**C. Premium**

1. Each horse, mule or head of cattle under one year of age at the time of loss will be counted as 1/2 head.
2. No deductible applies to this coverage.
3. The limit per head of livestock is \$400.
4. Refer to state company rates for charge.

**D. Endorsement**

Use Livestock Collision Coverage Endorsement **HO 04 52**.



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**RULE 521.  
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR  
OVERFLOW COVERAGE**

---

**A. Coverage Description**

The policy forms exclude coverage for loss resulting from water or waterborne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

When the optional Limited Water Back-up And Sump Discharge Or Overflow Coverage endorsement is attached to the policy, coverage is provided with respect to direct physical loss, not caused by the negligence of an "insured", to property covered under Section I, caused by water or waterborne material which originates from within the dwelling where the named insured resides and backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment. The basic limit is \$5,000. Unless increased limits are selected, the basic limit must be entered on the coverage endorsement or the policy Declarations.

**B. Increased Limits**

The limit may be increased to \$10,000, \$15,000, \$20,000 or \$25,000. The limit selected is entered on the coverage endorsement or the policy Declarations.

**C. Premium**

Refer to state company rates for the additional charge.

**D. Endorsement**

Use Limited Water Back-up And Sump Discharge Or Overflow Coverage Endorsement **HO 04 95**.

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**RULE 522.  
LANDLORDS FURNISHINGS**

---

**A. Basic Limit**

Forms **HO 00 02**, **HO 00 03** and **HO 00 05** automatically cover, on a named perils basis (except Theft), landlord furnishings in an apartment on the residence premises regularly rented or held for rental. The basic limit per apartment unit is \$2,500.

**B. Increased Limits**

The basic limit of \$2,500 may be increased in increments of \$500 up to a total of \$10,000 per apartment. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.

**C. Premium**

Refer to state company rates for additional charge.

**D. Endorsement**

Use Landlord's Furnishings Endorsement **HO 05 46**.

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**RULE 523.  
ASSISTED LIVING CARE COVERAGE**

---

**A. Introduction**

The policy provides coverage to named insureds and resident relatives who are members of the insured's household.

**B. Coverage Description**

1. The policy may be endorsed to provide personal property, additional living expense and personal liability coverage to a person regularly residing in an Assisted Living Care facility, provided such person:
  - a. Is related to an insured by blood, marriage or adoption; and
  - b. Is not a member of that insured's household.
2. An assisted living care facility is a facility that provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities. It is **not** a hospice, prison or rehabilitation facility.
3. The endorsement provides the following basic limits of coverage:
  - a. \$10,000 for Coverage **C** – Personal Property with limitations ranging from \$100 to \$500 for certain items of property;
  - b. \$6,000, at \$500 per month, for Additional Living Expenses; and
  - c. \$100,000 for Coverage **E** – Personal Liability.

**C. Premium**

Refer to state company rates for additional charge.

**D. Endorsement**

Use Assisted Living Care Coverage Endorsement **HO 04 59**.

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**RULE 524.  
OTHER MEMBERS OF A NAMED INSURED'S  
HOUSEHOLD**

---

**A. Introduction**

The policy provides coverage to named insureds, resident relatives who are members of the insured's household and persons under the age of 21 who are in the care of an insured.

**B. Coverage Description**

1. The policy may be endorsed to provide coverage to a person who is a member of the named insured's household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder or tenant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.
2. All coverages and provisions under Sections I and II of the policy that apply to insureds also apply to the persons described in Paragraph 1. except Coverages A, B and D (Fair Rental Value only).

**C. Premium**

Refer to state company rates for additional charge.

**D. Endorsement**

Use Other Members Of Your Household Endorsement **HO 04 58**.

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**RULE 525.  
MOTORIZED GOLF CART – PHYSICAL LOSS  
COVERAGE**

---

**A. Coverage Description**

The policy may be endorsed to provide coverage for physical loss to a motorized golf cart, including permanently installed accessories, equipment and parts, owned by an insured.

Also covered, for an amount equal to 10% of the limit of the highest scheduled cart, are accessories, equipment or parts designed or made solely for the cart that are **not** permanently installed provided such property is at an insured's residence or in or upon the cart off the insured's residence at the time of loss.

Coverage for loss caused by collision is optional and only applies if declared on the schedule of the endorsement.

**B. Eligibility**

To be eligible for coverage, the motorized golf cart shall be of the type designed to carry up to four people on a golf course for the purpose of playing golf and shall not have been built, or modified after manufacture, to exceed a speed of 25 m.p.h. on level ground.

Read the endorsement for all conditions of coverage.

**C. Limit Of Liability**

The limit of liability shall be selected by the insured. However, that limit should be representative of the actual cash value of the motorized golf cart including any permanently installed accessories, etc.

**D. Deductible**

A deductible amount of \$500 applies separately to each involved golf cart and, separately to Section I Property Coverages if not in or upon a golf cart at the time of loss.

The \$500 deductible replaces any other deductible in the policy with respect to property covered under the endorsement.

**E. Premium**

Rate each cart separately using the premium per \$500 of insurance. Refer to the state company rates for additional charge.

**F. Endorsement**

Use Owned Motorized Golf Cart – Physical Loss Coverage Endorsement **HO 05 28**.

---

**RULE 526.  
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT  
HO 00 04**

---

**A. Coverage**

A Homeowners Policy may be endorsed to insure a trustee, and if applicable, a trust:

1. Under Section I – Property Coverages, for any insurable interest in the dwelling or other structure held in trust; and
2. Under Section II – Liability Coverages, for bodily injury or property damage liability arising out of the ownership, maintenance or use of an insured location held in trust.

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**RULE 526.  
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT  
HO 00 04 (Cont'd)**

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**B. Endorsement**

1. Use Trust Endorsement **HO 06 15**.
2. The following must be shown in the endorsement:
  - a. The name and address of the Trust; and
  - b. The name and address of the trustee(s).
3. The Trust may also be listed as an Insured if the Trust can be recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction.

**C. Premium**

Refer to state company rates for the additional charge.

---

**RULE 527.  
STUDENT AWAY FROM HOME**

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**A. Introduction**

The policy provides coverage for a full-time student, who was a resident of the named insured's household before moving out to attend school and is under the age of:

1. 24 and a relative of the named insured; or
2. 21 and in the care of the named insured or a resident relative.

**B. Coverage Description**

The policy may be endorsed to provide coverage for other types of students who were residents of the named insured's household before moving out to attend school. For example, part-time students or students 24 or older.

**C. Premium Determination**

Refer to state company rates for additional charge.

**D. Endorsement**

Use Additional Insured – Student Living Away From The Residence Premises Endorsement **HO 05 27**.

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**RULE 528.  
HOME BUSINESS INSURANCE COVERAGE**

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**A. Eligibility**

1. The Home Business Insurance Coverage endorsement may be used in conjunction with a Homeowners Policy to cover the Section I and Section II exposures of a permitted business.

2. To be eligible for coverage under this endorsement, a risk must meet at least the following criteria:

**a. The home business:**

- (1) Must be owned by the named insured or by a partnership, joint venture or other organization comprised only of the named insured and resident relatives;
- (2) Must be operated from the residence premises that is declared on the Homeowners Declarations and used principally for residential purposes;
- (3) May be operated from the home and/or other structure on the residence premises;
- (4) May have up to three employees; and
- (5) May not involve the:

- (a) Manufacture, sale or distribution of food products;
- (b) Manufacture of personal care products such as shampoo, hair color, soap, perfume or other like items applied to the body or consumed; or
- (c) Sale or distribution of personal care products **manufactured by the insured** such as shampoo, hair color, soap, perfume or other like items applied to the body or consumed;

- b. For all business classifications described in Paragraph **C**. that follows, the Gross Annual Receipts of the home business may not exceed \$250,000.
3. Certain businesses may be **ineligible** for coverage under this endorsement. Refer to company for its underwriting instructions.
4. When a permitted business that is operated from the residence premises is afforded coverage under either the Permitted Incidental Occupancy or Home Day Care Coverage endorsement, that business may not be afforded coverage under the Home Business endorsement.

**B. Classifications**

The four principal classifications of business accommodated in this rule follow. Refer to company for the businesses that are eligible within each of these classifications and name and describe the business in the Schedule that is part of the endorsement:

**1. Office**

Use this classification when the business involves professional or administrative activities for its customers. It could apply to businesses like accounting, resume writing, telephone answering, etc.

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**RULE 528.  
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

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**2. Service**

Use this classification when the business provides repair or other services for its customers. It could apply to businesses like bicycle repair, clock/jewelry repair, housecleaning, videotaping, etc.

**3. Sales**

Use this classification when the business involves product sales, other than crafts made in the home or other structure and sold from the home or other locations. It could apply to businesses involving the sale of books and magazines, costume jewelry, plants and flowers, stationery/other paper products, etc.

**4. Crafts**

Use this classification when the business involves selling, from the home, other structure or other locations, crafts made in the home or other structure. It could apply to crafts like ceramics, dolls, flower arrangements, quilts, etc.

**C. Coverages**

**1. Section I – Property**

The Home Business endorsement:

- a. Provides coverage for the property of the described business and for property of others in the care of the business up to the Coverage C limit of liability entered on the Homeowners Declarations. Therefore, the Coverage C limit should reflect the values of the personal and business property to be insured;
- b. Provides coverage for:
  - (1) Accounts receivable (\$5,000 limit);
  - (2) Loss of business income/extra expense (actual cost for a maximum of 12 months); and
  - (3) Valuable papers (\$2,500 limit); and
- c. Increases the Coverage C Special Limits of Liability on:
  - (1) Money to \$1,000;
  - (2) Credit Cards to \$1,000; and
  - (3) Business property away from the residence premises to \$5,000.

**2. Section II – Business Liability**

- a. The Home Business endorsement provides coverage for such business liability exposures as premises operations, products-completed operations, advertising injury, and personal injury. The limits of liability for these coverages are on an annual aggregate basis and are determined in the following manner:

- (1) For Products-completed Operations Hazard Liability, the limit is the **same as** the Coverage E limit shown in the Homeowners Declarations;
- (2) For All Other Business Liability, the limit is **twice the sum** of the combined Coverage E and Coverage F limits shown in the Homeowners Declarations; and
- (3) For the Coverage F Sublimit of Liability, the limit is the **same as** the Coverage F limit shown in the Homeowners Declarations.

- b. The limit of liability for Additional Coverage C Damage To Property Of Others is increased to \$2,500.

**3. Professional Liability**

No professional liability coverage is provided in the Home Business endorsement.

**4. Computer-related Damage Or Injury Exclusion And Coverage Options**

**a. Exclusions**

- (1) Coverage for loss or damage caused by, resulting from, or arising out of the failure of computers and electronic componentry to properly recognize a particular date or time may be excluded. Under Section I, the exclusion applies to any date or time, including the Year 2000 and beyond. Under Section II, the exclusion applies only to the Year 2000 and beyond, but does not apply to bodily injury that occurs on the covered premises from which the business is conducted.
- (2) Use Sections I and II Exclusions for Computer-related Damage Or Injury Endorsement **HO 07 58**.

**b. Sections I And II Limited Coverage**

When Endorsement **HO 07 58** is attached to the policy, the policy may be further endorsed to provide:

- (1) Section I coverage for Business Income and Extra Expense when computer system, appliances, equipment, or protective devices used for business fail to operate because of the Year 2000 and renders the business structure unfit for habitation; or renders an off-premises computer used in the business operations at the structure deficient and inoperative; and

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HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

(2) Section II coverage for claims or suits alleging bodily injury away from the residence premises and property damage, personal injury, or advertising injury arising out of a computer failure as defined in the endorsement. Such coverage is subject to the Coverage E and F limits of liability stated in the schedule of the Home Business Insurance Coverage endorsement.

(3) Use Sections I and II – Limited Coverage For Year 2000 Computer-related And Other Electronic Problems Endorsement **HO 07 59**.

**c. Premium**

Refer to company.

**D. Home Business Premium Computation**

**1. Development Of The Home Business Premium**

Add the Section I and Section II premium components developed according to Paragraphs 2. and 3. that follow, to arrive at the Home Business premium.

**2. Section I – Property**

a. From the state company rates, select the Base Class Premium that applies to the residence premises with the home business and multiply it by the appropriate factor in the following table:

Gross Annual Receipts*	HO 00 02, 3, 5 & 8	HO 00 04	HO 00 06
Up to \$50,000	Refer to state exceptions for State-specific factors.		
\$ 50,001 to \$100,000			
100,001 to 175,000			
175,001 to 250,000			
* New business, use \$50,001 to \$100,000 classification			

**Table 528.D.2.a. Factors**

b. Multiply the result computed in Paragraph a. by the rating factors in the Homeowners manual for the following risk categories:

- (1) Protection-construction (Rule 301. Classification Table) – apply the factor that applies to **HO 00 04** regardless of the Homeowners form attached to the policy; and
- (2) Superior Construction (Rule 401.) and Protection Devices (Rule 404.) – apply these factors only if they are applied to the dwelling building or other structure for the residential exposure; and

(3) Townhouse or Row House Construction (Rule 402.) in the following manner:

(a) For All Forms except **HO 00 04** and **HO 00 06**, apply the same factor used for the residential exposure; or

(b) For Forms **HO 00 04** and **HO 00 06**:

(i) Apply the factor for the number of individual family units within a fire division that best describes the building that contains the residential and business property; or

(ii) If such building has nine or more individual family units within a fire division, apply the factor for the five through eight units' classification.

c. When a home business is operated from one or more other structures on the residence premises and declared in the Schedule, multiply the limit of liability for each structure by the "premium per \$1,000" shown in Rule 514. Paragraph A.1.a. in the Homeowners state company rates.

**3. Section II – Business Liability**

**a. Basic Limits Premium**

Select the company basic limits premium that applies to the Office, Service, Sales or Crafts classification from the Home Business state company rates,

**b. Coverage E – Increased Limits**

(1) When the Coverage E limit is increased for Homeowners Insurance, the Home Business limits shall also be increased as illustrated in following Paragraph (2).

(2) Multiply the company's basic limits premium determined in Paragraph a. by the appropriate factor from the following table:

Increased Limits Of Liability				
Homeowners		Home Business		
Coverage E Personal Liability	Coverage F Med. Pay'ts To Others	Products-Completed Operations	All Other Liability	In-creased Limit Factor
\$ 200,000	\$ 1,000	\$ 200,000	\$ 402,000	1.15
300,000	1,000	300,000	602,000	1.24
400,000	1,000	400,000	802,000	1.30
500,000	1,000	500,000	1,002,000	1.35

**Table 528.D.3.b.(2) Factors**

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**RULE 528.  
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

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**c. Coverage F – Increased Limits**

- (1) When the Coverage F limit is increased for Homeowners Insurance, the Home Business Coverage F limit shall also be increased.
- (2) Select the premium for the desired increased limit from the Home Business state company rates.
- (3) Add the premium determined in Paragraph (2) to the premium developed in Paragraph a. or b. to compute the Section II premium component.

**E. Endorsement**

Use Home Business Insurance Coverage Endorsement **HO 07 01**.

**F. Options**

The following options may only be used when the Home Business Coverage endorsement is attached to the policy:

**1. Additional Insured**

**a. Managers Or Lessors Of Premises Leased To An Insured**

**(1) Coverage**

Covers persons or organizations designated on the endorsement for their liability as owners of designated premises leased to the named insured.

**(2) Premium**

Refer to state company rates.

**(3) Endorsement**

Use Additional Insured – Managers Or Lessors Of Premises Leased To An Insured Endorsement **HO 07 50**.

**b. Vendors**

**(1) Coverage**

Provides coverage for liability arising out of the vendor's sale or distribution of the named insured's products.

**(2) Premium**

Refer to company.

**(3) Endorsement**

Use Additional Insured – Vendors Endorsement **HO 07 51**.

**2. Loss Payable Condition**

**a. Coverage**

Enables the naming of a loss payee, lender's loss payee, or loss payable under a contract-of-sale arrangement.

**b. Premium**

No charge is made for this endorsement.

**c. Endorsement**

Use Loss Payable Provisions Endorsement **HO 07 52**.

**3. Personal And Advertising Injury Exclusion**

**a. Coverage**

Excludes all Personal and Advertising Injury Coverage.

**b. Premium**

Refer to company.

**c. Endorsement**

Use Exclusion – Personal And Advertising Injury Endorsement **HO 07 53**.

**4. Liquor Liability Exclusion And Exception For Scheduled Activities**

**a. Coverage**

This endorsement excludes liability coverage for:

- (1) Manufacturing, selling or distributing alcoholic beverages or;
- (2) Serving or furnishing alcoholic beverages with a charge whether or not such activity requires a license and;
- (3) Serving or furnishing of alcoholic beverages without a charge, if a license is required for such activity.

This exclusion does not apply to bodily injury or property damage arising out of the selling, serving or furnishing of alcoholic beverages for an activity or function described in the Schedule of this endorsement.

**b. Premium**

Refer to company.

**c. Endorsement**

Use Liquor Liability Exclusion And Exception For Scheduled Activities Endorsement **HO 07 54**.

**5. Special Coverage – Spoilage Of Perishable Stock**

**a. Coverage**

Provides special coverage for the perishable stock specifically listed in the Schedule of Endorsement **HO 07 55**. The limit of liability is also listed in the endorsement.

**b. Premium**

Refer to state company rates.

**c. Endorsement**

Use Special Coverage – Spoilage Of Perishable Stock Endorsement **HO 07 55**.

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**RULE 528.  
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

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**6. Valuable Papers And Records Endorsements**

**a. Increased Limits**

**(1) Coverage**

The Home Business Insurance Coverage endorsement provides a basic limit of \$2,500 for Valuable Papers and Records Coverage. This limit may be increased. The amount is specified in the Schedule of Endorsement **HO 07 56**.

**(2) Premium**

Refer to state company rates.

**(3) Endorsement**

Use Valuable Papers And Records Coverage Increased Limits Endorsement **HO 07 56**.

**b. Special Coverage**

**(1) Coverage**

Extends the basic \$2,500 limit of liability for Valuable Papers and Records Coverage from:

**(a) Named-perils in Forms HO 00 02, HO 00 03, HO 00 04 and HO 00 06;** and

**(b) Special Coverage in Forms HO 00 05, HO 00 04 with HO 05 24 and HO 00 06 with HO 17 31;**

to expanded special coverage. Increased Limits for expanded special coverage are also available.

**(2) Premium**

Refer to state company rates.

**(3) Endorsement**

Use Special Coverage Valuable Papers And Records Endorsement **HO 07 57**.

**7. Off-premises Property Coverage – Increased Limits**

**a. Endorsement**

Coverage for business property, other than money and securities, that is away from the residence premises at the time of loss may be increased from \$5,000 to \$10,000. Check the appropriate box in the schedule of the Home Business endorsement.

**b. Premium**

Refer to state company rates.

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**RULE 529.  
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA  
COVERAGE**

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**A. Coverage Description – Basic Limits**

When the optional Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

**1. Section I – Fungi, Wet Or Dry Rot, Or Bacteria**

\$10,000, on an aggregate basis, to pay for loss and associated costs to covered real or personal property, owned by an insured, that is damaged by fungi or wet or dry rot, or bacteria on the "residence premises" as defined in the coverage endorsements. If the basic limit is selected, it is entered on the coverage endorsements or the policy Declarations.

This coverage applies only to the policy period in which the loss or costs occur.

**2. Section II – Fungi, Wet Or Dry Rot, Or Bacteria**

\$50,000, on an aggregate basis, to pay for damages because of bodily injury or property damage involving the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungi, wet or dry rot, or bacteria. If the basic limit is selected, it is entered on the coverage endorsements or the policy Declarations.

**B. Increased Limits**

**1. Section I – Fungi, Wet Or Dry Rot, Or Bacteria**

**a.** Limits may be increased to \$25,000 or \$50,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

**b.** Refer to Paragraph **C.** for premium computation instructions.

**2. Section II – Fungi, Wet Or Dry Rot, Or Bacteria**

**a.** Limits may be increased to \$100,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

**b.** Refer to Paragraph **C.** for premium computation instructions.

**C. Premium Computation**

**1. Basic Limits**

There is no premium adjustment.

**2. Increased Limits**

Refer to state company rates for an additional charge.

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**RULE 529.  
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA  
COVERAGE (Cont'd)**

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**D. Endorsements**

Use Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage Endorsement:

1. **HO 04 26** – For use with Forms **HO 00 02**, **HO 00 04** and **HO 00 06**.
2. **HO 04 27** – For use with Forms **HO 00 03** and **HO 00 05**.
3. **HO 04 28** – For use with Form **HO 00 04** with Special Personal Property Endorsement and Form **HO 00 06** with Unit-owners Coverage **C** Special Coverage Endorsement or Unit-owners Coverage **A** Special Coverage Endorsement.

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**RULE 530.  
IDENTITY FRAUD EXPENSE COVERAGE**

---

**A. Coverage Description**

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available to pay for expenses incurred by an insured as a direct result of any one identity fraud first discovered or learned of during the policy period. Such expenses include the costs for notarizing fraud affidavits or similar documents; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for reapplying for a loan when the application is rejected solely because the lender received incorrect credit information and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

**B. Limits Of Liability**

Up to \$15,000 coverage will be provided for the identity fraud of an insured discovered or first learned of during the policy period.

**C. Premium Computation**

Refer to state company rates for additional charge.

**D. Endorsement**

Use Identity Fraud Expense Coverage Endorsement **HO 04 55**.

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**RULE 531.  
LIMITED COVERAGE FOR THEFT OF PERSONAL  
PROPERTY LOCATED IN A DWELLING UNDER  
CONSTRUCTION**

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**A. Introduction**

The policy does not cover theft of personal property in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is finished and occupied.

**B. Coverage Description**

The policy may be endorsed to provide theft coverage for personal property in a dwelling that is under construction but not occupied provided the dwelling is fully enclosed with windows and doors and has operational locks.

The time period for which coverage will be provided should be specified in the endorsement.

**C. Premium Computation**

Refer to state company rates for the charge applicable per 30-day period of coverage. The premium for this coverage shall be fully earned.

**D. Endorsement**

Use Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction Endorsement **HO 06 07**.

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**RULES 532. – 600.  
RESERVED FOR FUTURE USE**

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**PART VI  
SECTION II – LIABILITY – ADDITIONAL COVERAGES  
AND INCREASED LIMITS RULES**

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**RULE 601.  
RESIDENCE PREMISES – BASIC AND INCREASED  
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

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**A. Residence Premises**

1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 301. in the state classification section. The premium for these limits is included in the Base Premium.
2. Refer to the state company rates Rule 601. for increased limits rates.
3. If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy, unless otherwise stated.

**B. Other Exposures**

1. There is an additional charge for Other Exposures listed in the following rules.
2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise stated.
3. For increased limits for Other Exposures, refer to Rules 701. and 702.
4. If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

**C. Rates And Factors Not Shown**

1. Rates and factors for limits between the lowest and highest limits shown in this Manual may be developed by interpolation.
2. For rates and factors for limits above the highest shown, refer to company.

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**RULE 602.  
OTHER INSURED LOCATION OCCUPIED BY INSURED**

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**A. Introduction**

1. Section II Coverage may be provided on locations, other than the residence premises, where an insured resides, but which are insured for Section I Coverage under another insurance program or by another company.
2. Make the appropriate charge for each other insured location shown in the Declarations of this policy. If the insured location is in another state, refer to the Manual for that state.

**B. Premium**

Refer to the state company rates.

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**RULE 603.  
RESIDENCE EMPLOYEES**

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- A. There is no additional charge for up to two residence employees.
- B. Refer to the state company rates to determine the premium when there are more than two residence employees.
- C. Charges do not apply to employees working less than half of the customary full time or to whom workers' compensation exclusion applies as stated in Section II of the policy.

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**RULE 604.  
ADDITIONAL RESIDENCE RENTED TO OTHERS**

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**A. Introduction**

1. The policy may be endorsed to provide coverage when an additional residence is rented to others.
2. If the additional residence rented to others is in another state, refer to the Manual for that state.

**B. Premium**

Refer to state company rates.

**C. Endorsement**

Use Additional Residence Rented To Others Endorsement **HO 24 70**.

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**RULE 605.  
OTHER STRUCTURES RENTED TO OTHERS –  
RESIDENCE PREMISES**

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**A. Coverage Description**

1. The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes.
2. Refer to Rule 514.A.2. for rating Section I Coverage.

**B. Premium**

Refer to state company rates.

**C. Endorsement**

Use Structures Rented To Others – Residence Premises Endorsement **HO 04 40**.

**HOMEOWNERS POLICY PROGRAM MANUAL  
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**RULE 606.  
COMPUTER-RELATED DAMAGE OR INJURY  
EXCLUSION AND COVERAGE OPTIONS**

---

**A. Exclusions**

1. When the policy covers an insured's business pursuits, home day care or other permitted business occupancies, coverage for loss caused by, resulting from or arising out of the failure of computers and electronic componentry to properly recognize a particular date or time may be excluded. Under Section I, the exclusion applies to any date or time, including the Year 2000 and beyond. Under Section II, the exclusion applies only to the Year 2000 and beyond, but does not apply to bodily injury that occurs on the covered premises from which the business is conducted.
2. Use Sections I and II Exclusions for Computer-Related Damage Or Injury Endorsement **HO 04 13**.

**B. Section II Liability Limited Coverage**

1. When **HO 04 13** is attached to the policy, the policy may be further endorsed to provide liability coverage for claims or suits alleging bodily injury away from the covered premises and property damage on or away from the covered premises arising out of a computer failure as defined in the endorsement. Such coverage is subject to the Coverages E and F limits of liability stated in the declarations or, if applicable, the schedule of the Home Day Care endorsement.
2. Use Section II – Limited Coverage for Year 2000 Computer-Related And Other Electronic Problems Endorsement **HO 04 15**.

**C. Premium**

Refer to company.

3. The annual aggregate limit of liability (Coverages E and F combined) for this endorsement is the same as the dollar amount of Coverage E shown in the Declarations. The Coverage F sub-limit for this endorsement is the same as the dollar amount of Coverage F shown in the Declaration.

**C. Premium**

1. Refer to state company rates.
2. This premium is for an annual aggregate limit of \$100,000 with a Coverage F sub-limit of \$1,000 per-person/per-accident. If other Section II exposures are written for higher dollar limits, use the Coverage E increased limit factors to raise the aggregate limit, and the Coverage F charges to raise the Coverage F sub-limit.
3. This premium is for 1 through 3 persons, other than insureds, receiving day care services. If the day care business involves the care of more than 3 persons, other than insureds, refer to company.
4. If the business is located in an other structure on the residence premises, also refer to Rule 509. for rating the property exposure.

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**RULE 608.  
PERMITTED INCIDENTAL OCCUPANCIES –  
RESIDENCE PREMISES AND OTHER RESIDENCES**

---

**A. Coverage Description**

The policy may be endorsed to provide coverage for the increased exposure arising from a permitted incidental occupancy on the residence premises or in an other residence occupied by the insured.

**1. Residence Premises**

Use Permitted Incidental Occupancies – Residence Premises Endorsement **HO 04 42**.

**2. Other Residence**

Use Permitted Incidental Occupancies – Other Residence Endorsement **HO 24 43**.

**B. Premium**

Refer to state company rates.

---

**RULE 607.  
HOME DAY CARE COVERAGE**

---

**A. Coverage Description**

The policy may be endorsed to provide coverage for the increased exposure arising from a home day care business on the residence premises.

**B. Endorsement**

1. Use Home Day Care Coverage Endorsement **HO 04 97** for Sections I and II Coverage.
2. This endorsement provides for an annual aggregate limit of liability for Coverages E and F combined. Coverage F is subject to a sub-limit of liability which applies per-person/per-accident and does not increase the aggregate limit of liability.

---

**RULE 609.  
BUSINESS PURSUITS**

---

**A. Coverage Description**

The policy may be endorsed to provide coverage for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.

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### **RULE 609. BUSINESS PURSUITS (Cont'd)**

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#### **B. Premium**

1. Refer to the state company rates for eligible business activities and rates.
2. Refer to company for eligibility and rates for business activities not listed.

#### **C. Endorsement**

Use Business Pursuits Endorsement **HO 24 71**.

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### **RULE 610. PERSONAL INJURY COVERAGE**

---

#### **A. Introduction**

Liability coverage for personal injury arising out of specified offenses, such as false arrest, malicious prosecution, wrongful eviction, slander or libel may be added to the policy. The limit of liability for this coverage may be provided on either an "any one offense" basis or on an annual aggregate limit basis.

#### **B. Premium**

Refer to state company rates.

#### **C. Endorsement**

Use Personal Injury Coverage Endorsement **HO 24 82** for providing coverage with the limit of liability on an "any one offense" basis.

Use Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 24 10** for providing coverage with the limit of liability on an annual aggregate limit basis.

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### **RULE 611. INCIDENTAL LOW POWER RECREATIONAL MOTOR VEHICLES**

---

#### **A. Coverage Description**

1. The policy may be endorsed to provide liability coverage with respect to certain types of recreational motor vehicles.
2. Coverage does not apply with respect to the following vehicles owned by a named insured if the occurrence takes place off the insured location:
  - a. Motorized bicycles;
  - b. Motorized golf carts;
  - c. Mopeds; or
  - d. Motorized scooters.

#### **B. Premium**

Refer to state company rates.

#### **C. Endorsement**

Use Incidental Low Power Recreational Motor Vehicle Liability Coverage Endorsement **HO 24 13**.

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### **RULE 612. OUTBOARD MOTORS AND WATERCRAFT**

---

#### **A. Introduction**

Coverage is included in the policy form, at no additional charge, for certain watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power. Coverage is also included for watercraft powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump, of 50 horse power or less when not owned by an insured or more than 50 horse power when not owned by or rented to an insured.

#### **B. Coverage Description**

1. The policy may be endorsed to provide coverage for the following types of craft:
  - a. Watercraft, up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower; or powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump.  
  
Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
  - b. Sailboats 26 feet or more in overall length, with or without auxiliary power.
2. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
3. For watercraft not described in preceding Paragraphs **A.** and **B.1.**, coverage is not permitted under the Homeowners Policy.
4. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the watercraft from that residence, apply the premium for that state.

#### **C. Premium**

Refer to the state company rates.

#### **D. Endorsement**

Use Watercraft Endorsement **HO 24 75**.

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**RULE 613.  
OWNED SNOWMOBILE**

---

**A. Coverage Description**

1. The policy may be endorsed to provide coverage when a snowmobile is used off of the insured location.
2. Rate each snowmobile owned by the named insured or any other insured separately. This charge is the minimum annual premium for each snowmobile for any period within a policy year.

**B. Premium**

Refer to state company rates.

**C. Endorsement**

Use Owned Snowmobile Endorsement **HO 24 64**.

---

**RULE 614.  
FARMERS PERSONAL LIABILITY**

---

**A. Eligibility**

1. The policy may be endorsed to provide coverage when the insured has a farm away from the residence premises and farming is not the insured's primary occupation.
2. This coverage may be extended to include employer's liability including medical payments, for farm employees of any insured.
3. The following may not be covered:
  - a. Farms where the principal purpose of the farm is:
    - (1) To supply commodities for manufacturing or processing by the insured for sale to others, such as creameries and dairies (but not dairy farms).
    - (2) To operate freezing or dehydrating plants, and poultry factories.

The word "processing" does not apply to the slaughtering and dressing of livestock, or to such operations as bunching vegetables or crating berries.

- b. Farms where the principal purpose of the farm is the raising and using of horses for racing purposes.
- c. Incorporated farms.

**B. Endorsement**

Use Farmers Personal Liability Endorsement **HO 24 73**.

---

**C. Premium And Rating Instructions**

**1. Farms Owned By Insured And Operated By Insured Or Insured's Employees**

Refer to the state company rates for rates for the following exposures:

- a. Initial Farm Premises with or without buildings, including all additional farm acreage (with or without buildings).
- b. For **each** additional farm premises with buildings, an additional rate applies.

**2. Farms Owned By Insured And Rented To Others**

Refer to the state company rates for rates for the following exposures:

- a. All Farm Premises **without** buildings.
- b. **Each** farm premises **with** buildings.

**3. Farm Employees**

Refer to the state company rates for rates for the following exposures:

- a. Part time employees working 40 days or fewer per year. Total the number of days worked by all employees in this category and apply the rate to that total.
- b. Part time employees working over 40 days but not more than 180 days per year.
- c. Full time employees (over 180 days per year).

Farm employees employed in violation of law may be excluded subject to the rules and rates filed by or on behalf of the Company. Use Exclusion Of Farm Employees Illegally Employed Endorsement **HO 24 96**.

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**RULE 615.  
INCIDENTAL FARMING PERSONAL LIABILITY**

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**A. On The Residence Premises**

**1. Coverage Description**

- a. The policy may be endorsed to provide coverage for the liability of the insured when farming is conducted on the residence premises and is incidental to the use of the premises as a dwelling, and the income derived from the farming operations is not the insured's primary source of income. However, coverage is not available if the location specified in the endorsement is used for racing purposes.

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**RULE 615.  
INCIDENTAL FARMING PERSONAL LIABILITY (Cont'd)**

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- b. The policy may also be endorsed to provide coverage when the residence premises is used for the sheltering and grazing of animals. However, coverage is not available if the residence premises is used for racing purposes.

**2. Premium**

Refer to state company rates.

**B. Away From The Residence Premises**

**1. Coverage Description**

The policy may be endorsed to provide coverage for the liability of the insured whose incidental farming activities are conducted at the locations specified in the endorsement which are away from the residence premises. Such incidental farming activities may include the boarding or grazing of the insured's animals, or use of the land as garden space if the income derived from such activities is not the insured's primary source of income. However, coverage is not available if the locations specified in the endorsement are used for racing purposes.

**2. Premium**

Refer to state company rates.

**C. Endorsement**

Use Incidental Farming Personal Liability Endorsement **HO 24 72**.

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**RULE 616.  
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES**

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**A. Coverage Outline**

**1. Basic Limits**

When the optional Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

**a. Section I – Property Remediation For Escaped Liquid Fuel Coverage**

\$10,000 to pay for loss to covered real or personal property, owned by an insured, that is damaged by liquid fuel that escapes from a fuel system on the residence premises as defined in the coverage endorsements. Covered real property includes land, other than farm land, owned by an insured, on which a building or structure is located.

In addition to the primary residence identified in the policy Declarations, the defined term "residence premises" also includes other locations owned by an insured but only if such locations have a fuel system, is specifically insured under Section II of the policy and is declared on the schedule in the aforementioned coverage endorsements. Enter the address of such locations on these endorsements or the policy Declarations. The other locations may be owner-occupied or rented to others.

This Property Remediation Coverage applies only for the policy period in which the insured first discovers or first learns of the escaped fuel, even if the escape began before that policy period.

**b. Section II – Limited Lead And Escaped Liquid Fuel Liability Coverages**

\$50,000 to pay for damages because of bodily injury or property damage involving fuel that escapes from a fuel system or involving the contamination or exposure of lead from any location insured under the policy.

**2. Premium Credit**

- a. Refer to state company rates for the premium credit.
- b. Subtract the premium credit from the total policy premium.

**3. Fuel System**

- a. "Fuel System" is defined in the coverage endorsements. Briefly, it includes one or more fuel storage containers, tanks, or vessels with a total combined capacity of 100 or more U.S. gallons at any one location and any related equipment such as a furnace, a water heater, fittings and pipes connecting a furnace or water heater to the fuel storage tank, and filler pipes and flues connected to a fuel storage tank.
- b. When the total combined storage capacity of liquid fuel at any insured location is less than 100 U.S. gallons, the:
  - (1) Property Remediation Coverage does not apply to that location; and
  - (2) Policy limits and provisions apply for Escaped Liquid Fuel Liability to that location.

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**RULE 616.**

**OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES (Cont'd)**

**4. Endorsements**

a. Use Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages Endorsement:

(1) **HO 05 80** – For all forms other than **HO 00 04** and **HO 00 06**.

(2) **HO 05 81** – For Form **HO 00 04**.

(3) **HO 05 82** – For Form **HO 00 06**.

b. These endorsements provide complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the limits of liability that apply to the Property Remediation Coverage and the Limited Liability Coverage on the endorsement. Also enter, on this endorsement, the address of any other location, other than the primary residence, to be insured for Property Remediation Coverage.

c. Do not use these endorsements when Farmers Personal Liability Endorsement **HO 24 73** is part of the policy.

**B. Higher Limits**

**1. Section I – Property Remediation Coverage**

a. Limits may be increased to \$25,000, \$50,000 or \$100,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

b. Refer to Paragraph **D. Rating Basis**, for premium computation instructions.

**2. Section II – Escaped Fuel And Lead Liability Coverage**

a. Limits may be increased to \$100,000 or \$300,000. The limit selected is entered on the coverage endorsements or the policy Declarations.

b. Refer to Paragraph **D. Rating Basis**, for premium computation instructions.

**C. Application Of Limits Of Liability**

1. For Property Remediation Coverage, the limit selected is the most coverage that will be provided during the policy period regardless of the number of locations insured for Property Remediation Coverage, the number of escapes of liquid fuel from a fuel system an insured first discovers or learns of during the policy period, or the number of claims made.

2. For Limited Lead And Escaped Liquid Fuel Liability Coverage, the limit selected is an aggregate limit and is the most coverage that will be provided during the policy period regardless of the number of persons injured, the number of persons whose property is damaged, the number of insureds, the number of locations insured under this policy or the number of bodily injury or property damage claims made.

**D. Rating Basis**

**1. Property Remediation For Escaped Liquid Fuel Coverage**

a. From the Liquid Fuel Risk Selection Table located in Paragraph **4.**, select:

(1) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured for Property Remediation Coverage; and

(2) The corresponding Risk Class Number for each description identified.

b. Use the lowest Risk Class Number selected for all such locations.

**2. Limited Lead And Escaped Liquid Fuel Liability Coverages**

**a. Liquid Fuel Hazard**

(1) From the Liquid Fuel Risk Selection Table located in Paragraph **4.**, select:

(a) The liquid fuel risk description that best describes each location, **with or without** a dwelling building, insured under Section **II** of the policy; and

(b) The corresponding Risk Class Number for each description identified.

(2) Use the lowest Risk Class Number selected for all such locations.

**b. Lead Hazard**

(1) From the Lead Risk Selection Table in Paragraph **5.**, select:

(a) The lead risk description that best describes each location **with a dwelling building**, insured under Section **II** of the policy; and

(b) The corresponding Risk Class Number for each description identified.

(2) Use the lowest Risk Class Number selected for all such locations.

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OPTIONAL PROPERTY REMEDIATION FOR ESCAPED  
LIQUID FUEL AND LIMITED LEAD AND ESCAPED  
LIQUID FUEL LIABILITY COVERAGES (Cont'd)**

**3. Premium Selection**

From the state company rates, select the appropriate additional premium charges that correspond to the lowest Risk Class Numbers determined in Paragraphs 1. and 2.

**4. Liquid Fuel Risk Selection Table**

Description	Risk Class No.
(1) Liquid fuel storage containers, tanks, or vessels with a total combined storage capacity, at any one location, of 100 U.S. gallons or more are on covered real property, the location of the residence premises, or on any other insured location; and (a) <b>One or more</b> fuel storage containers, tanks, or vessels are partially or completely buried <b>below ground</b> (inside or outside of a building or structure); (b) Are all completely <b>above ground</b> (inside or outside of a building or structure); or	100
(2) No single location insured under this policy has an escaped fuel hazard described in preceding Items (1)(a) or (b).	*300
* This risk class number is only used when lead and escaped fuel liability increased limits is selected.	

**Table 616.D.4. Liquid Fuel Risk Selection**

**5. Lead Risk Selection Table**

Location Has A Dwelling Built	All Such Locations Are Certified Lead Safe+	Risk Class Number
Before 1980	No or Unknown	500
Before 1980	Yes	600
In 1980 or later	Not Applicable	700
+ See Paragraph 6. for Lead Safe description.		

**Table 616.D.5. Lead Risk Selection**

**6. Lead Safe**

**a. Description**

For the purpose of using the Lead Risk Selection Table, a location certified lead safe means that an authorized person has conducted a risk assessment in all insured locations with dwellings to determine the amount of lead, if any, in paint, dust, bare soil and drinking water and has certified that such locations meet the criteria noted in Paragraph b. Standards, that follows. The insurer may require a copy of the inspection report including laboratory results.

**b. Standards**

- (1) The lead content of exterior and interior paint or other surface coating applied to dwelling buildings, other structures and fixtures is less than:
  - (a) 1.0 milligram per square centimeter based on testing by XRF analysis; or
  - (b) .5% of lead by weight based on testing by atomic absorption lab analysis.
- (2) The amount of lead in interior dust particles in the dwelling building is less than:
  - (a) 40 micrograms per square foot on floors;
  - (b) 250 micrograms per square foot on interior window sills; or
  - (c) 400 micrograms per square foot on window troughs (wells).
- (3) The lead concentration in bare soil is less than 400 parts per million in any area expected to be used by children.
- (4) The lead concentration in drinking water is less than 0.015 milligrams per liter.

**c. Authorized Person**

For the purposes of this rule, an authorized person means:

- (1) A lead inspector, lead technician, lead risk assessor or another similarly titled person who is trained under an accredited training program and certified by an approving authority; or
  - (2) A person otherwise found acceptable to the insurer;
- to perform lead risk assessments in residential buildings.

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**RULE 617.  
CANINE LIABILITY EXCLUSION**

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**A. Introduction**

The policy may be endorsed, subject to written agreement between the named insured and the insurer, to exclude Coverage **E** (Personal Liability) and Coverage **F** (Medical Payments To Others) on a policy with respect to liability arising out of direct physical contact with a specifically described canine, that is owned by or in the care, custody or control of an insured.

**B. Application Of Exclusion**

1. The named insured must acknowledge, in writing, the Canine Liability Exclusion endorsement.
2. The Canine Liability Exclusion endorsement shall remain in effect:
  - a. For the term of the policy; and
  - b. For each renewal, reinstatement, substitute, modified, replacement or amended policy; until discontinued by the insurer.

**C. Endorsement**

Use Canine Liability Exclusion Endorsement **HO 24 77**.

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**RULES 618. – 700.  
RESERVED FOR FUTURE USE**

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**PART VII  
SECTION II – LIABILITY – OTHER EXPOSURES  
INCREASED LIMITS**

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**RULE 701.  
OTHER EXPOSURES – PERSONAL LIABILITY  
INCREASED LIMITS**

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Apply the appropriate factor shown in the following table to the basic limits premium for each exposure.

<b>Limit</b>	<b>Factor</b>
\$200,000	1.15
300,000	1.24
400,000	1.30
500,000	1.35

**Table 701. Personal Liability Increased Limits**

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**RULE 702.  
OTHER EXPOSURES – MEDICAL PAYMENTS TO  
OTHERS INCREASED LIMITS**

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Refer to the state company rates for increased limit rates.



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**RATING EXAMPLES APPENDIX**

**IMPORTANT NOTE**

The following are examples of a method to calculate premiums using the current edition of the ISO multistate Homeowners Policy Program Manual General Rules. Any factors, loss costs, or rates contained in the examples are for illustrative purposes only.

In these examples when reference is made to applying the loss cost multiplier the resulting product is then rounded to the nearest whole dollar. This may be different from company-specific procedures.

**A. Example #1 Tenant (HO 00 04)**

**1. Policywriting And Rating Information (Policy Inception Date Is January 1)**

**a. Term Of Policy**

One Year

**b. Address Where The Residence Premises Is Located**

1234 Some Street, Anytown USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

**c. Policy Limits Of Insurance**

Coverage **C** – \$10,000

Coverage **E** – \$100,000

Coverage **F** – \$1,000

**d. Protection – Construction Classification Information**

The Protection Class for Anytown is 2.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

**e. Type Of Construction**

The dwelling has exterior walls constructed of brick and floors and roof of combustible construction.

Refer to Rule **107**. to determine the type of construction.

**f. Building Code Effectiveness Grade**

The building was constructed in 2000. The Building Code Effectiveness Grade (BCEG) as determined in 1998 for this particular community is 8.

Refer to the CMC Manual to determine the building code effectiveness grade for the community where the residence premises is located.

Refer to Rule **410**. to determine the windstorm or hail rating factor for that Building Code Effectiveness Grade.

**g. Section I – Deductible**

\$1,000 Theft and \$250 All Other Perils

Refer to Rule **406**. to determine the applicable rating factor for the deductible amounts selected.

**h. Optional Coverages Selected**

**(1) Special Personal Property Coverage**

Refer to Rule **304**. to determine the rating factor for this coverage.

**(2) Personal Property Replacement Cost Loss Settlement**

Refer to Rule **403**. to determine the applicable rating factor for this option.

**i. Protective Devices Discounts Applicable To The Policy**

The dwelling has automatic sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

**j. Higher Limits Requested**

**(1) Building Additions And Alterations – Increased Limits**

The policy automatically provides a limit of liability of \$1,000. The insured has requested a total Building Additions and Alterations limit of \$10,000.

Refer to Rule **502**. to determine the additional premium for this higher limit.

**(2) Ordinance Or Law Increased Amount Of Coverage**

The policy automatically provides up to 10% of the limit of liability that applies to Building Additions and Alterations to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. The insured has requested that coverage be increased to 100% of the Building Additions and Alterations limit.

Refer to Rule **513**. to determine the additional premium for this higher limit.

**(3) Personal Property**

The policy automatically provides a special limit of liability for jewelry of \$1,500. However, the insured has requested a total jewelry limit of \$5,000.

Refer to Rule **515**. to determine the additional premium for this higher limit.

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**k. Policy Forms**

- Homeowners 4 – Contents Broad Form
- Special Provisions Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Special Personal Property Coverage – Form **HO 00 04** Only Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Ordinance Or Law Increased Amount Of Coverage Endorsement
- Building Additions And Alterations Increased Limits Form **HO 00 04** Endorsement
- Coverage **C** Special Limits of Liability Endorsement

**2. Premium Determination For The Tenant (HO 00 04) Example**

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

Step	Explanation
1. Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an <b>HO 00 04</b> policy.
2. Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
3. Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
4. Determine the Protection-Construction Factor	Refer to Rule <b>301.B.1.</b> of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 2 and type of construction is masonry. The factor is .87.
5. Determine the Key Premium	The Key Premium is determined by the product of Steps 3. and 4. Round to the nearest whole dollar.
6. Determine the Key Factor	Refer to Rule <b>301.B.2.</b> of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage <b>C</b> . For this example, the factor is .540.
7. Determine the Base Premium	The Base Premium is determined by the product of Steps 5. and 6. Round to the nearest whole dollar.
8. Determine the Base Premium including Special Personal Property Coverage	Refer to General Rule <b>304.</b> to determine the rating factor for special personal property coverage. For this example, the factor is 1.40. Multiply the Base Premium in Step 7. by 1.40. Round to the nearest whole dollar. Endorsement <b>HO 05 24</b> must be attached to the policy.
9. Determine the Adjusted Base Premium for the deductible amounts selected	Refer to General Rule <b>406.</b> to determine the rating factor for \$1,000 Theft and \$250 All Other Perils Deductible for Coverage <b>C</b> Limit up to \$25,000 for a city territory. For this example, the factor is .84. Multiply the Base Premium in Step 8. by .84. Round to the nearest whole dollar.
10. Determine the Adjusted Base Premium including the Personal Property (Coverage <b>C</b> ) Replacement Loss Settlement	Refer to General Rule <b>403.</b> to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.35. Multiply the Adjusted Base Premium in Step 9. by 1.35. Round to the nearest whole dollar. Endorsement <b>HO 04 90</b> must be attached to the policy.

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Step	Explanation
11. Determine the Adjusted Base Premium including Protective Devices	Refer to General Rule <b>404.</b> (Table <b>404.A.</b> ) to determine the rating factor for protective devices. For this example, the apartment has automatic sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector and the factor is .92. Multiply the Adjusted Base Premium in Step <b>10.</b> by .92. Round to the nearest whole dollar. Endorsement <b>HO 04 16</b> must be attached to the policy.
12. Determine the Adjusted Base Premium to reflect the credit for Building Code Effectiveness.	Refer to Rule <b>410.E.1.c.</b> in the state exception pages to determine the rating factor for Windstorm Or Hail. For this example, the Windstorm or Hail Factor for Form <b>HO 00 04</b> with a Grade of 3 is .03. To determine the Building Code Effectiveness Grade credit: <b>a.</b> Multiply the Base Class Premium from Step <b>3.</b> by the factor in Table <b>410.E.1.c.(1)(b).</b> <b>b.</b> Multiply the result from preceding Paragraph <b>a.</b> by the Key Factor for the desired amount of insurance for Coverage <b>C.</b> For this example, the factor is .540. Round to the nearest whole dollar. Subtract this credit from the Adjusted Base Premium developed in Step <b>11.</b>
13. Determine the additional premium for increased limits of liability for Building Additions and Alterations	Refer to General Rule <b>502.</b> <b>a.</b> Determine the premium for each additional \$1,000 of insurance by multiplying the <b>HO 00 04</b> Key Factor for "Each Add'l \$1,000" found in Rule <b>301.B.2.</b> of the state classification pages by the <b>HO 00 04</b> Key Premium in Step <b>5.</b> <b>b.</b> Multiply the premium for each additional \$1,000 of insurance determined in preceding Paragraph <b>a.</b> by the number of additional thousands for the increased limit of insurance. For this example, there is a \$9,000 increase in the limit for Building Additions and Alterations. Round to the nearest whole dollar. Add this additional premium to the premium determined in Step <b>12.</b> Endorsement <b>HO 04 51</b> must be attached to the policy.
14. Determine the additional premium including Ordinance Or Law Increased Amount of Coverage.	Refer to General Rule <b>513.</b> <b>a.</b> Determine the premium for each additional \$1,000 of insurance by multiplying the <b>HO 00 04</b> Key Factor for "Each Add'l \$1,000" found in Rule <b>301.B.2.</b> of the state classification pages by .30 and then multiply that amount by the <b>HO 00 04</b> Key Premium in Step <b>5.</b> <b>b.</b> Multiply the result from Paragraph <b>a.</b> by the number of additional thousands for the increased limit of insurance. For this example, there is a \$9,000 increase in the limit for Ordinance Or Law. Round to the nearest whole dollar. Add this additional premium to the premium determined in Step <b>13.</b> Endorsement <b>HO 04 77</b> must be attached to the policy.
15. Determine the additional premium for increased special limits of liability for Coverage <b>C</b> (Jewelry)*	Refer to General Rule <b>515.D.</b> to determine the loss cost per \$1,000 of increased special limits of liability. For this example, the loss cost per \$1,000 of Coverage <b>C</b> – Jewelry is \$10.35. <b>a.</b> Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate per \$1,000. <b>b.</b> Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$3,500 increase in the limit for Coverage <b>C.</b> Add this additional premium to the premium determined in Step <b>14.</b> Endorsement <b>HO 04 66</b> must be attached to the policy.

\* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.

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**3. Sample Calculation Of Policy Premium**

**a. Basic Coverage**

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$32.77
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$33
4.	Protection-construction Factor	.87
5.	Key Premium	\$29
6.	Key Factor	.540
7.	Base Premium	\$16
8.	Special Personal Property Coverage Factor	1.40
	Base Premium including Special Personal Property Coverage	\$22

**b. Adjusted Base Premium**

9.	Higher Theft Deductible Factor	.84
	Adjusted Base Premium for Higher Theft Deductible	\$18
10.	Personal Property Replacement Cost Loss Settlement Factor	1.35
	Adjusted Base Premium including Personal Property (Coverage C) Replacement Cost Loss Settlement	\$24
11.	Protective Devices Factor	.92
	Adjusted Base Premium including Protective Devices	\$22
12.	Building Code Effectiveness Grade credit	$\$33 \times .03 \times .540 = \$1$
	Adjusted Base Premium including BCEG credit	\$21

**c. Additional Premium**

13.	Additional premium for increased limits of liability for Building Additions and Alterations	$\$29 \times .028 \times 9 = \$7$
14.	Additional premium for increased limits of liability for Ordinance Or Law	$(0.28 \times .30 \times \$29) \times 9 = \$2$
15.	Rate for each additional \$1,000 for increased special limits of liability for Coverage C – Jewelry	$\$10.35 \times 1.00 = \$10$
	Additional premium for increased special limits of liability for Coverage C – Jewelry	$\$10 \times 3.5 = \$35$
<b>Whole Dollar Total Premium</b>		<b>\$65</b>

**B. Example #2 Condominium Unit-owner (HO 00 06)**

**1. Policywriting And Rating Information (Policy Inception Date Is January 1)**

**a. Term Of Policy**

One Year

**b. Address Where The Residence Premises Is Located**

1234 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

**c. Policy Limits Of Insurance**

Coverage A – \$15,500

Coverage C – \$50,000

Coverage D – \$25,000

Coverage E – \$200,000

Coverage F – \$2,000

**d. Protection – Construction Classification Information**

The Protection Class for Anytown is 2.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

**e. Type Of Construction**

The dwelling has exterior walls and floors and roof constructed of fire-resistive materials.

Refer to Rule 107. to determine the type of construction.

Refer to Rule 401. to determine the rating factor for superior construction.

**f. Building Code Effectiveness Grade**

The building was constructed in 2004. The Building Code Effectiveness Grade (BCEG) as determined in 2002 for this particular community is 8.

Refer to the CMC Manual to determine the building code effectiveness grade for the community where the residence premises is located.

Refer to Rule 410. to determine the windstorm or hail rating factor for that Building Code Effectiveness Grade.

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**g. Section I – Deductible**

\$1,000 Theft and \$500 All Other Perils

Refer to Rule **406**. to determine the applicable rating factor for the deductible amounts selected.

**h. Optional Coverages Selected**

**(1) Special Personal Property Coverage**

Refer to Rule **304**. to determine the rating factor for this coverage.

**(2) Personal Property Replacement Cost Loss Settlement**

Refer to Rule **403**. to determine the applicable rating factor for this option.

**(3) Unit-owners Coverage A – Special Coverage**

Refer to Rule **507**. to determine the additional premium for this option.

**i. Protective Devices Discount Applicable To The Policy**

The dwelling has a local fire alarm.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

**j. Higher Limits Requested**

**(1) Coverage A – Increased Limit**

The basic policy provides a limit of \$5,000 for Coverage **A**. However, the insured has requested that his limits be increased by \$10,500 to \$15,500.

Refer to Rule **507**. to determine the additional premium for this higher limit.

**(2) Personal Liability/Medical Payment Increased Limits**

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F**. However, the insured has requested that his limits be increased to \$200,000 for Coverage **E** limit and \$2,000 for Coverage **F**.

Refer to Rule **601**. to determine the additional premium for these higher limits.

**k. Policy Forms**

- Homeowners 6 – Unit-owners Form
- Special Provisions Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Unit Owners – Coverage **C** – Special Coverage Endorsement
- Unit Owners – Coverage **A** – Special Coverage Endorsement

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**2. Premium Determination For The Condominium Unit-owner (HO 00 06) Example**

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

Step	Explanation
1. Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an <b>HO 00 06</b> policy.
2. Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
3. Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
4. Determine the Protection-construction Factor	Refer to Rule <b>301.C.1.</b> in the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 2 and type of construction is masonry. The factor is .87.
5. Determine the Key Premium	The Key Premium is determined by the product of Steps 3. and 4. Round to the nearest whole dollar.
6. Determine the Key Factor	Refer to Rule <b>301.C.2.</b> of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage <b>C</b> . For this example, the factor is 2.020.
7. Determine the Base Premium	The Base Premium is determined by the product of Steps 5. and 6. Round to the nearest whole dollar.
8. Determine the Base Premium including Special Personal Property Coverage	Refer to General Rule <b>304.</b> to determine the rating factor for special personal property coverage. For this example, the factor is 1.40. Multiply the Base Premium in Step 7. by 1.40. Round to the nearest whole dollar. Endorsement <b>HO 17 31</b> must be attached to the policy.
9. Determine the Adjusted Base Premium for the deductible amounts selected	Refer to General Rule <b>406.</b> to determine the rating factor for \$1,000 Theft and \$500 All Other Perils Deductible for Coverage <b>C</b> Limit \$40,001 and over. For this example, the factor is .90. Multiply the Base Premium in Step 8. by .90. Round to the nearest whole dollar.
10. Determine the Adjusted Base Premium for a condominium unit in a building of superior construction	Refer to General Rule <b>401.</b> to determine the rating factor for superior construction. For this example, the factor is .85. Multiply the Adjusted Base Premium in Step 9. by .85. Round to the nearest whole dollar.
11. Determine the Adjusted Base Premium including Personal Property (Coverage <b>C</b> ) Replacement Cost Loss Settlement	Refer to General Rule <b>403.</b> to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.35. Multiply the Adjusted Base Premium in Step 10. by 1.35. Round to the nearest whole dollar. Endorsement <b>HO 04 90</b> must be attached to the policy.
12. Determine the Adjusted Base Premium including Protective Devices	Refer to General Rule <b>404.</b> (Table <b>404.A.</b> ) to determine the rating factor for protective devices. For this example, the unit has a local fire alarm and the factor is .98. Multiply the Adjusted Base Premium in Step 11. by .98. Round to the nearest whole dollar. Endorsement <b>HO 04 16</b> must be attached to the policy.



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Step	Explanation
13.	<p>Determine the Adjusted Base Premium to reflect the credit for Building Code Effectiveness</p> <p>Refer to Rule <b>410.E.1.c.</b> in the state exception pages to determine the rating factor for Windstorm Or Hail. For this example, the Windstorm Or Hail Factor for Form <b>HO 00 06</b> with a Building Code Effectiveness Grade of 8 is .01.</p> <p>To determine the Building Code Effectiveness Grade credit:</p> <p><b>a.</b> Multiply the Base Class Premium from Step <b>3.</b> by the factor in Table <b>410.E.1.c.(1)(c).</b></p> <p><b>b.</b> Multiply the result from preceding Paragraph <b>a.</b> by the Key Factor for the desired amount of insurance for Coverage <b>C.</b> For this example, the factor is 2.020. Round to the nearest whole dollar.</p> <p>Subtract this credit from the Adjusted Base Premium developed in Step <b>12.</b></p>
14.	<p>Determine the additional premium for increased limits of Coverage <b>A</b></p> <p>Refer to General Rule <b>507.B.</b></p> <p><b>a.</b> Determine the premium for each additional \$1,000 of insurance by multiplying the <b>HO 00 06</b> Key Premium from Step <b>5.</b> by the <b>HO 00 06</b> Key Factor for "Each Add'l \$1,000" found in Rule <b>301.C.2.</b> of the state classification pages.</p> <p><b>b.</b> Multiply the premium for each additional \$1,000 of insurance determined in preceding Paragraph <b>a.</b> by the number of additional thousands for the increased limit of insurance. For this example, there is a \$10,500 increase in the limit for Coverage <b>A.</b> Multiply the premium determined in Paragraph <b>a.</b> by 10.5. Round to the nearest whole dollar.</p> <p>Add this additional premium to the premium determined in Step <b>13.</b></p>
15.	<p>Determine the additional premium for extending special coverage to Coverage <b>A</b> (Dwelling)*</p> <p>Refer to General Rule <b>507.C.</b></p> <p><b>a.</b> The loss cost per policy for \$5,000 of Coverage <b>A</b> in the basic form is \$1.15. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p><b>b.</b> The loss cost for each additional \$1,000 of Coverage <b>A</b> is \$.58. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Multiply this rate for each additional \$1,000 of Coverage <b>A</b> by the number of additional thousands for the increased limit of insurance. For this example, there is a \$10,500 increase in the limit of Coverage <b>A.</b> Multiply the rate per \$1,000 by 10.5. Add this to the amount determined in Paragraph <b>a.</b> for the total premium for this extended coverage. Round to the nearest whole dollar.</p> <p>Add this additional premium to the premium determined in Step <b>14.</b></p> <p>Endorsement <b>HO 17 32</b> must be attached to the policy.</p>
16.	<p>Determine the additional premium Coverage <b>E</b> increased limit*</p> <p>Refer to General Rule <b>601.</b> to determine the loss cost for \$200,000 of Coverage <b>E</b> – Liability. For this example, the loss cost is \$1.48. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add this additional premium to the premium determined in Step <b>15.</b></p>
17.	<p>Determine the additional premium for Coverage <b>F</b> increased limit*</p> <p>Refer to General Rule <b>601.</b> to determine the loss cost for \$2,000 of Coverage <b>F</b> – Medical Payments. For this example, the loss cost is \$1.73. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add this additional premium to the premium determined in Step <b>16.</b></p>
<p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p>	

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**3. Sample Calculation Of Policy Premium**

**a. Basic Coverage**

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$33.22
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$33
4.	Protection-construction Factor	.87
5.	Key Premium	\$29
6.	Key Factor	2.020
7.	Base Premium	\$59
8.	Special Personal Property Coverage Factor	1.40
	Base Premium including Special Personal Property Coverage	\$83

**b. Adjusted Base Premium**

9.	Theft Deductible Factor	.90
	Adjusted Base Premium for Deductible Option Selected	\$75
10.	Superior Construction Factor	.85
	Adjusted Base Premium for Superior Construction	\$64
11.	Personal Property (Coverage C) Replacement Cost Loss Settlement Factor	1.35
	Adjusted Base Premium including Personal Property (Coverage C) Replacement Cost Loss Settlement	\$86
12.	Protective Device Factor	.98
	Adjusted Base Premium including Protective Device	\$84
13.	Building Code Effectiveness Grade credit	$\$33 \times .01 \times 2.020 = \$1$
	Adjusted Base Premium including BCEG credit	\$83

**c. Additional Premiums**

14.	Additional premium for increased limits of liability for Coverage A – Dwelling	$\$29 \times .026 \times 10.5 = \$8$
15.	Rate for \$5,000 of Coverage A in the basic form	$\$1.15 \times 1.00 = \$1$
	Rate for each additional \$1,000 of Coverage A	$\$.58 \times 1.00 = \$1$
	Rate for additional Coverage A limit	$\$1 \times 10.5 = \$11$
	Additional premium for special coverage of Coverage A – Dwelling	$\$1 + \$11 = \$12$
16.	Additional premium for increased limits of liability for Coverage E – Personal Liability	$\$1.48 \times 1.00 = \$1$
17.	Additional premium for increased limits of liability for Coverage F – Medical Payment To Others	$1.73 \times 1.00 = \$2$
	<b>Whole Dollar Total Premium</b>	<b>\$106</b>

**C. Example #3 Homeowners 2 – Broad Form (HO 00 02)**

**1. Policywriting And Rating Information (Policy Inception Date Is January 1)**

**a. Term Of Policy**

One Year

**b. Address Where The Residence Premises Is Located**

1234 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

**c. Policy Limits Of Insurance**

Coverage A – \$400,000

Coverage B – \$20,000

Coverage C – \$80,000

Coverage D – \$120,000

Coverage E – \$100,000

Coverage F – \$1,000

**d. Protection – Construction Classification Information**

The Protection Class for Anytown is 5.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

**e. Type Of Construction**

The dwelling has exterior walls made of stucco on wood.

Refer to Rule 107. to determine the type of construction.

**f. Four Family Dwelling**

The residence is a four family dwelling.

Refer to Rule 301. in the state classification pages to determine the rating factor for a four family dwelling.

**g. Building Code Effectiveness Grade**

The building was constructed in 1930. Therefore, there is no Building Code Effectiveness Grade for this building.

**h. Section I – Deductible**

\$250 All Perils. This is the base deductible.

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**i. Optional Coverages Selected**

**(1) Functional Replacement Cost Loss Settlement**

Refer to Rule **302**.

The standard replacement cost of this dwelling would be \$550,000. The insured has requested loss settlement on a functional replacement cost basis. The replacement cost using functionally equivalent building material is \$500,000. To receive full functional replacement costs coverage, the insured has insured the dwelling for 80% of the functional replacement cost which is \$400,000.

**(2) Personal Property Replacement Cost Loss Settlement**

Refer to Rule **403**. to determine the applicable rating factor for this option.

**j. Discounts Applicable To The Policy**

**(1) Protective Devices**

The dwelling has a central station reporting burglar alarm.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

**(2) Inflation Guard**

The insured has requested annual 4% increases in the Section I limits.

Refer to Rule **405**. to determine the applicable rating factor for an annual increase of this amount.

**(3) Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing**

The insured has requested loss settlement on an actual cash value basis for the surface of his roof when damage is caused by the peril of Windstorm or Hail.

Refer to Rule **408**. to determine the rating factor for this option.

**(4) Assisted Living Care**

The insured's mother lives in an assisted living care facility and has requested a Coverage **C** limit of \$15,000. This is a \$5,000 increase over the basic limit of \$10,000 provided.

Refer to Rule **523**. to determine the additional premium for this option.

**k. Lower Personal Property Limits Requested**

The policy automatically provides a Coverage **C** limit of \$100,000 (25% of the Coverage **A** limit). The insured has requested that this amount be lowered to \$80,000.

Refer to Rule **515**. to determine the decreased premium for this lower limit.

**l. Policy Forms**

- Homeowners 2 – Broad Form
- Special Provisions Endorsement
- Functional Replacement Cost Loss Settlement Endorsement
- Premises Alarm or Fire Protection System Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Inflation Guard Endorsement
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing Endorsement
- Assisted Living Care Coverage Endorsement

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**2. Premium Determination For The Homeowners 2 – Broad Form (HO 00 02) Example**

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

<b>Step</b>		<b>Explanation</b>
<b>1.</b>	Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an <b>HO 00 03</b> policy.
<b>2.</b>	Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
<b>3.</b>	Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps <b>1.</b> and <b>2.</b> It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
<b>4.</b>	Determine the Form Factor	Refer to Rule <b>301.A.1.</b> of the state classification pages to determine the form factor. Multiply the Company Base Class Premium in Step <b>3.</b> by the form factor. For this example, the form factor is .95. Round to the nearest whole dollar.
<b>5.</b>	Determine the Protection-construction Factor	Refer to Rule <b>301.A.1.</b> of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 5 and type of construction is frame. For this example, the factor is 1.00.
<b>6.</b>	Determine the Key Premium	The Key Premium is determined by the product of Steps <b>4.</b> and <b>5.</b> Round to the nearest whole dollar.
<b>7.</b>	Determine the Key Factor for Functional Replacement Cost Loss Settlement	Refer to Rule <b>301.A.2.</b> of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage <b>A.</b> In accordance with General Rule <b>302.A.,</b> the insured has requested a Coverage <b>A</b> limit that is 80% of the functional replacement cost of the building. For this example, the factor is 2.576. Endorsement <b>HO 05 30</b> must be attached to the policy.
<b>8.</b>	Determine the Base Premium	The Base Premium is determined by the product of Steps <b>6.</b> and <b>7.</b> Round to the nearest whole dollar.
<b>9.</b>	Determine the Base Premium for a Four Family Dwelling	Refer to Rule <b>301.A.1.b.</b> in the state classification pages to determine the rating factor for a Three or Four Family Dwelling. For this example, the factor is 1.30. Multiply the Base Premium in Step <b>8.</b> by 1.30. Round to the nearest whole dollar.

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Step	Explanation
<b>10.</b> Determine the Base Premium for the lower amounts of insurance for Coverage <b>C*</b>	<p>Refer to General Rule <b>515.</b> to determine the loss cost for lower limits of liability for Coverage <b>C.</b> For this example, the loss cost per \$1,000 of Coverage <b>C</b> is \$.58.</p> <p>To determine the credit:</p> <ol style="list-style-type: none"> <li><b>a.</b> Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</li> <li><b>b.</b> Multiply this rate for each fewer \$1,000 of insurance by the number of fewer thousands for the lower limits of insurance. For this example, there is a \$20,000 decrease in the limit for Coverage <b>C.</b></li> </ol> <p>Subtract this premium from the premium determined in Step <b>9.</b></p>
<b>11.</b> Determine the Adjusted Base Premium including the Personal Property (Coverage <b>C</b> ) Replacement Cost Loss Settlement	<p>Refer to General Rule <b>403.</b> to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step <b>10.</b> by 1.15. Round to the nearest whole dollar.</p> <p>Endorsement <b>HO 04 90</b> must be attached to the policy.</p>
<b>12.</b> Determine the Adjusted Base Premium including Protective Devices	<p>Refer to General Rule <b>404.</b> (Table <b>404.A.</b>) to determine the rating factor for protective devices. For this example, the dwelling has a central station reporting burglar alarm and the factor is .95. Multiply the Base Premium in Step <b>11.</b> by .95. Round to the nearest whole dollar.</p> <p>Endorsement <b>HO 04 16</b> must be attached to the policy.</p>
<b>13.</b> Determine the Adjusted Base Premium including Inflation Guard	<p>Refer to General Rule <b>405.</b> (Table <b>405.B.1.</b>) to determine the rating factor for inflation guard. For this example, there is an annual 4% increase in Section I limits and the factor is 1.02. Multiply the Adjusted Base Premium in Step <b>12.</b> by 1.02. Round to the nearest whole dollar.</p> <p>Endorsement <b>HO 04 46</b> must be attached to the policy.</p>
<b>14.</b> Determine the Adjusted Base Premium including Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	<p>Refer to General Rule <b>408.</b> to determine the rating factor for loss settlement on an actual cash value basis for losses to the roof surface when damage is caused by the peril of windstorm or hail. For this example, the factor is .99. Multiply the Adjusted Base Premium in Step <b>13.</b> by the factor of .99. Round to the nearest whole dollar.</p> <p>Endorsement <b>HO 04 93</b> must be attached to the policy.</p>
<b>15.</b> Determine the additional premium for Assisted Living Care Coverage*	<p>Refer to General Rule <b>523.</b> to determine the loss cost per unit and the loss cost per \$1,000 of increased limits of liability. For this example, the loss cost per unit is \$45.00 and the loss cost for \$1,000 of Coverage <b>C</b> is \$4.03.</p> <ol style="list-style-type: none"> <li><b>a.</b> Apply the appropriate loss cost multiplier(s) to the loss costs to determine the company's rates.</li> <li><b>b.</b> Multiply the rate per unit by the number of units. For this example, there is one unit.</li> <li><b>c.</b> Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$5,000 increase in the basic limit for Coverage <b>C.</b></li> </ol> <p>Add the rates determined in Paragraphs <b>b.</b> and <b>c.</b> to determine the additional premium for this coverage.</p> <p>Add this additional premium to the premium determined in Step <b>14.</b></p>
<p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p>	

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**3. Sample Calculation Of Policy Premium  
a. Basic Coverage**

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$283.64
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$284
4.	Form Factor for <b>HO 00 02</b>	.95
	Base Class Premium for Form <b>HO 00 02</b>	\$270
5.	Protection-construction Factor	1.00
6.	Key Premium	\$270
7.	Key Factor	2.576
8.	Base Premium	\$696
9.	Four Family Dwelling Factor	1.30
	Base Premium for a Four Family Dwelling	\$905

**b. Adjusted Base Premium**

10.	Rate per \$1,000 of insurance for lower limits of Coverage <b>C</b>	\$ .58 x 1.00 = \$1
	Credit for lower limits of Coverage <b>C</b>	\$1 x 20 = \$20
	Adjusted Base Premium including lower limits of Coverage <b>C</b>	\$885
11.	Personal Property Replacement Loss Cost Settlement Factor	1.15
	Adjusted Base Premium including Personal Property Replacement Cost Loss Settlement	\$1,018
12.	Protective Devices Factor	.95
	Adjusted Base Premium including Protective Devices	\$967
13.	Inflation Guard Factor	1.02
	Adjusted Base Premium including Inflation Guard	\$986
14.	ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing Factor	.99
	Adjusted Base Premium including ACV Loss Settlement Windstorm or Hail Losses to Roof	\$976

**c. Additional Premium**

15.	Rate per unit for Assisted Living Care	\$45 x 1.00 = \$45
	Rate for each additional \$1,000 of Coverage <b>C</b>	\$4.03 x 1.00 = \$4
	Rate for additional Coverage <b>C</b> limit	\$4 x 5 = \$20
	Additional Premium for Assisted Living Care	\$45 + \$20 = \$65
	<b>Whole Dollar Total Premium</b>	<b>\$1,041</b>

**D. Example #4 Homeowners 3 – Special Form (HO 00 03)**

**1. Policywriting And Rating Information (Policy Inception Date Is January 1)**

**a. Term Of Policy**

One Year

**b. Address Where The Residence Premises Is Located**

2345 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

**c. Policy Limits Of Insurance**

Coverage **A** – \$290,000

Coverage **B** – \$29,000

Coverage **C** – \$145,000

Coverage **D** – \$100,000

Coverage **E** – \$200,000

Coverage **F** – \$2,000

**d. Protection – Construction Classification Information**

The Protection Class for Anytown is 1.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

**e. Type Of Construction**

The dwelling has exterior walls constructed of brick and stone and the floors and roof consist of combustible construction.

Refer to Rule **107.** to determine the type of construction.

**f. Building Code Effectiveness Grade**

The building was constructed in 1940. Therefore, there is no Building Code Effectiveness Grade for this building.

**g. Section I – Deductible**

Windstorm or Hail 5% of the Coverage **A** limit and \$250 All Other Perils

Refer to Rule **406.** to determine the applicable rating factor for the deductible amounts selected.

Anytown is located in a coastal area which is eligible for coverage by a wind pool.

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**h. Optional Coverage Selected**

**(1) Permitted Incidental Occupancies Residence Premises**

The insured operates a permitted business from a separate building on his residence premises and has requested \$40,000 of coverage for the building.

Refer to Rules **510.** and **608.** to determine the additional premium for this option.

**(1) Other Structure Rented To Others**

The insured also owns another similar building structure that he rents out and wants to specifically insure for \$40,000.

Refer to Rules **514.** and **605.** to determine the additional premium for this option.

**i. Higher Limits Requested**

**(1) Ordinance Or Law – Increased Amount Of Coverage**

The policy automatically provides up to 10% of the Coverage **A** limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. However, the insured has requested that the limit be increased to 25% of the Coverage **A** limit.

Refer to Rule **303.** to determine the applicable rating factor for this higher limit.

**(2) Loss Of Use – Increased Limit**

The policy provides a Coverage **D** limit of \$87,000. However, the insured has requested a \$13,000 increase to this limit for a total Coverage **D** limit of \$100,000.

Refer to Rule **512.** to determine the additional premium for this higher limit.

**(3) Section II – Increased Limits**

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F**. However, the insured has requested that his limits be increased to \$200,000 for Coverage **E** and \$2,000 for Coverage **F**.

Refer to Rules **601., 701.** and **702.** to determine the additional premium for these higher limits.

**j. Policy Forms**

- Homeowners 3 – Special Form
- Special Provisions Endorsement
- Ordinance Or Law – Increased Amount Of Coverage Endorsement
- Windstorm Or Hail Percentage Deductible Endorsement
- Permitted Incidental Occupancies – Residence Premises Endorsement
- Structures Rented To Others – Residence Premises Endorsement

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**2. Premium Determination For The Homeowners 3 – Special Form (HO 00 03) Example**

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

<b>Step</b>		<b>Explanation</b>
<b>1.</b>	Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss cost for an <b>HO 00 03</b> policy.
<b>2.</b>	Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
<b>3.</b>	Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps <b>1.</b> and <b>2.</b> It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
<b>4.</b>	Determine the Form Factor	Refer to Rule <b>301.A.1.</b> of the state classification pages to determine the form factor. Multiply the Company Base Class Premium from Step <b>3.</b> by the form factor. For this example, the form factor is 1.00. Round to the nearest whole dollar.
<b>5.</b>	Determine the Protection-construction Factor	Refer to Rule <b>301.A.1.</b> of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 1 and type of construction is masonry. For this example, the factor is .86.
<b>6.</b>	Determine the Key Premium	The Key Premium is determined by the product of Steps <b>4.</b> and <b>5.</b> Round to the nearest whole dollar.
<b>7.</b>	Determine the Key Factor	Refer to <b>301.A.2.</b> of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage <b>A.</b> For this example, the factor is 1.807.
<b>8.</b>	Determine the Base Premium	The Base Premium is determined by the product of Steps <b>6.</b> and <b>7.</b> Round to the nearest whole dollar.
<b>9.</b>	Determine the Base Premium including Ordinance or Law – Increased Amount of Coverage	Refer to General Rule <b>303.</b> to determine the rating factor for increased amount of ordinance or law coverage. For this example, the factor is 1.03. Multiply the Base Premium in Step <b>8.</b> by 1.03. Round to the nearest whole dollar. Endorsement <b>HO 04 77</b> must be attached to the policy.
<b>10.</b>	Determine the Adjusted Base Premium for the deductible option selected	Refer to General Rule <b>406.</b> to determine the rating factor for a 5% Windstorm or Hail and \$250 All Other Perils Deductible for a Coverage <b>A</b> Limit of 200,001 & Over. For this example, the factor is .92.  Since the property insured in this example is located in an area serviced by a wind pool, additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy. That is, the credit amount for the deductible must be compared to 90% of the total wind exclusion credit.  For this example, the deductible credit amount is \$67. The total wind exclusion credit is calculated by first taking the wind exclusion loss cost of \$392 found in Rule <b>A2.</b> multiplied by the loss cost multiplier and rounding to whole dollars to determine the company wind exclusion rate. The company wind exclusion rate is then multiplied by the key factor of 1.807 (which was determined in Step <b>7.</b> ) and rounded to whole dollars to arrive at the total wind exclusion credit.  Since the deductible credit amount is less than 90% of the total wind exclusion credit, multiply the Base Premium in Step <b>9.</b> by .92. Round to the nearest whole dollar.  Note: If the credit amount for the deductible was greater than 90% of the total wind exclusion credit, then 90% of the total wind exclusion credit would have been subtracted from the Base Premium in Step <b>9.</b>  Endorsement <b>HO 03 12</b> must be attached to the policy.



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Step	Explanation
11. Determine the additional premium including the Coverage D increased limit *	Refer to General Rule <b>512</b> . to determine the loss cost for the Coverage <b>D</b> increased limit of liability. For this example, the loss cost per \$1,000 is \$2.30. <b>a.</b> Apply the appropriate loss cost multiplier to the loss cost to determine the company's rates. <b>b.</b> Multiply the rate for each additional \$1,000 of insurance by the number of additional thousands for the increased limit of insurance. For this example, there is a \$13,000 increase in the limit of Coverage <b>D</b> . Add this additional premium to the premium determined in Step <b>10</b> .
12. Determine the additional premium for the Coverage E increased limit for the base policy*	Refer to General Rule <b>601</b> . to determine the loss cost for the Coverage <b>E</b> increased limit of liability. For this example, the loss cost for \$200,000 of Coverage <b>E</b> – Liability is \$1.90. Apply the appropriate loss cost multiplier to this loss cost to determine the company's rate. Add this additional premium to the premium determined in Step <b>11</b> .
13. Determine the additional medical payments premium for the base policy	Refer to General Rule <b>601</b> . to determine the loss cost to increase the Coverage <b>F</b> – Medical Payments limit to \$2,000. For this example the loss cost is \$1.73. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step <b>12</b> .
14. Determine the additional property premium for the Permitted Incidental Occupancies on the Residence Premises*	Refer to General Rule <b>510</b> . to determine the loss cost for a permitted incidental occupancy on the residence premises. For this example, the Section I loss cost per \$1,000 for business in an other structure is \$3.45. <b>a.</b> Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. <b>b.</b> Multiply the rate for each additional \$1,000 of insurance by the requested amount of insurance on the structure. For this example, the insured requested \$40,000 of coverage for the other structure. Add this additional premium to the premium determined in Step <b>13</b> . Endorsement <b>HO 04 42</b> must be attached to the policy.
15. Determine the additional liability premium for the Permitted Incidental Occupancy on the Residence Premises*	Refer to General Rule <b>608</b> . to determine the loss cost for a permitted incidental occupancy on the residence premises. For this example, the loss cost per residence is \$9.82. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Refer to General Rule <b>701</b> . to determine the increased limit factor to increase the Coverage <b>E</b> – Liability limit to \$200,000. For this example, the increased limit factor is 1.15. Multiply the company rate determined above by 1.15 to determine the additional premium for the permitted incidental occupancy on the residence premises. Add this additional premium to the premium determined in Step <b>14</b> .
16. Determine the additional medical payments premium for the Permitted Incidental Occupancy on the Residence Premises*	Refer to General Rule <b>702</b> . to determine the loss cost to increase the Coverage <b>F</b> – Medical Payments limit to \$2,000. For this example the loss cost is \$2.88. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step <b>15</b> .
17. Determine the additional property premium for the Structure Rented to Others on the Residence Premises*	Refer to General Rule <b>514</b> . to determine the loss cost for other structures rented to others. For this example, the loss cost per \$1,000 for a structure on the residence premises rented to others is \$3.45. <b>a.</b> Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. <b>b.</b> Multiply the rate for each additional \$1,000 of insurance by the requested amount of insurance on the structure. For this example, the insured requested \$40,000 of coverage for the other structure. Add the additional premium to the premium determined in Step <b>16</b> . Endorsement <b>HO 04 40</b> must be attached to the policy.
* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.	

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Step	Explanation
<b>18.</b> Determine the additional premium for the Structure Rented to Others on the Residence Premises*	<p><b>a.</b> Refer to General Rule <b>605.</b> to determine the loss cost for other structures rented to others on the residences premises. For this example, the loss cost per structure is \$10.75. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p><b>b.</b> Refer to General Rule <b>701.</b> to determine the increased limit factor to increase the Coverage <b>E</b> – Liability limit to \$200,000. For this example the increased limit factor is 1.15. Multiply the company rate determined in Paragraph <b>a.</b> by 1.15 to determine the additional liability premium.</p> <p><b>c.</b> Refer to General Rule <b>702.</b> to determine the loss cost to increase Coverage <b>F</b> – Medical Payments limit to \$2,000. For this example the loss cost is \$.58. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this company rate to the rate determined in Paragraph <b>b.</b> to determine the additional premium for the structure rented to others on the residence premises.</p> <p>Add this additional premium to the premium determined in Step <b>17.</b></p>
<p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p>	

**3. Sample Calculation Of Policy Premium**

**a. Basic Coverage**

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$524.01
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$524
4.	Form Factor	1.00
	Base Class Premium for Form <b>HO 00 03</b>	\$524
5.	Protection-construction Factor	.86
6.	Key Premium	\$451
7.	Key Factor	1.807
8.	Base Premium	\$815
9.	Ordinance or Law – Increased Coverage Factor	1.03
	Base Premium including Ordinance Or Law – Increased Amount of Coverage	\$839

**b. Adjusted Premium**

10.	Deductible Factor	.92
	Adjusted Base Premium for Deductible Option Selected	\$772

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**c. Additional Premium**

11.	Rate for each additional \$1,000 of insurance for the Increased Limit of Coverage <b>D</b> – Loss of Use	\$2.30 x 1.00 = \$2
	Additional premium for increased limit of Coverage <b>D</b> – Loss of Use	\$2 x 13 = \$26
12.	Additional premium for increased limit for Coverage <b>E</b> – Liability	\$1.90 x 1.00 = \$2
13.	Additional premium including increased limit for Coverage <b>F</b> – Medical Payments To Others	\$1.73 x 1.00 = \$2
14.	Rate per \$1,000 for a permitted incidental occupancy on the residence premises	\$3.45 x 1.00 = \$3
	Additional premium for a permitted incidental occupancy on the residence premises	\$3 x 40 = \$120
15.	Basic rate for a permitted incidental occupancy on the residence premises including liability limit	\$9.82 x 1.00 = \$10
	Coverage <b>E</b> Increased Limits factor	1.15
	Additional premium for a permitted incidental occupancy on the residence premises including liability limit	\$10 x 1.15 = \$12
16.	Additional medical payments premium for a permitted incidental occupancy on the residence premises	\$2.88 x 1.00 = \$3
17.	Property rate per \$1,000 for an other structure rented to others on the residence premises	\$3.45 x 1.00 = \$3
	Additional property premium for an other structure rented to others on the residence premises	\$3 x 40 = \$120
18.	Liability basic rate for an other structure rented to others on the residence premises	\$10.75 x 1.00 = \$11
	Coverage <b>E</b> Increased Limits factor	1.15
	Additional liability premium for an other structure rented to others on the residence premises	\$11 x 1.15 = \$13
	Additional medical payments premium for an other structure rented to others on the residence premises	\$.58 x 1.00 = \$1
	Additional premium for an other structure rented to others on the residence premises	\$13 + \$1 = \$14
<b>Whole Dollar Total Premium</b>		<b>\$1,071</b>

**E. Example #5 Homeowners 5 – Comprehensive Form (HO 00 05)**

**1. Policywriting And Rating Information (Policy Inception Date Is January 1)**

**a. Term Of Policy**

One Year

**b. Address Where The Residence Premises Is Located**

2345 Some Street, Anytown, USA

Refer to the Territory Pages to determine the Territory Code for the location of the residence premises.

**c. Policy Limits Of Insurance**

Coverage **A** – \$500,000

Coverage **B** – \$50,000

Coverage **C** – \$300,000

Coverage **D** – \$150,000

Coverage **E** – \$500,000

Coverage **F** – \$5,000

**d. Protection – Construction Classification Information**

The Protection Class for Anytown is 1.

Refer to the Protection Class listings in the Community Mitigation Classification (CMC) Manual to determine the protection class for the community where the residence premises is located.

**e. Type Of Construction**

The dwelling has exterior walls constructed of brick and floors and roof of combustible construction.

Refer to Rule 107. to determine the type of construction.

**f. Building Code Effectiveness Grade**

The building was constructed in 1950. Therefore there is no Building Code Effectiveness Grade for this building.

**g. Section I – Deductible**

\$2,500 All Perils

Refer to Rule 406. to determine the applicable rating factor for the deductible amounts selected.

**h. Loss History**

The insured had a prior loss six months ago.

Refer to the Loss History rule to determine the applicable rating factor for one prior loss.

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**i. Optional Coverage(s) Selected**

**(1) Windstorm Or Hail Exclusion**

The insured lives in an area serviced by a Wind Pool and coverage for the windstorm or hail peril is excluded.

Refer to the Windstorm Or Hail Exclusion rule to determine the credit for excluding this peril.

**(2) Personal Property Replacement Cost Loss Settlement**

Refer to Rule **403**. to determine the applicable rating factor for this option.

**(3) Protective Devices**

The dwelling has a central station reporting burglar alarm.

Refer to Rule **404**. to determine the applicable rating factor for this type of protective device.

**(4) Additional Limits Of Liability For Coverages A, B, C And D**

Refer to Rule **407**. to determine the rating factor for this option.

**(5) Replacement Cost Loss Settlement For Certain Non-building Structures**

The insured has requested loss settlement on a replacement cost basis for his fence, patio, walkways and driveways.

Refer to Rule **409**. to determine the rating factor for this option.

**(6) Student Away From Residence Premises**

The insured's daughter is a part time student living away at school so he has requested that she be listed on the policy as an additional insured.

Refer to Rule **527**. to determine the additional premium for this option.

**(7) Section II Coverage At Other Location Occupied By Insured**

The insured has requested that (premises) liability coverage also be extended to his one family vacation property in another state.

Refer to Rule **602**. to determine the additional premium for this option.

**(8) Watercraft Liability Coverage**

The insured requested that his liability coverage also be extended to his boat which is 26 feet long and has a 200 horsepower inboard-outdrive motor. However, he only uses the boat for four months during the year.

Refer to Rule **612**. to determine the additional premium for this option.

**j. Higher Limits Requested**

**(1) Ordinance Or Law Increased Amount Of Coverage**

The policy automatically provides up to 10% of the Coverage **A** limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. However, the insured has requested the limit be increased to 50% of the Coverage **A** limit.

Refer to Rule **303**. to determine the applicable rating factor for this option.

**(2) Section I – Coverage C – Increased Limits**

The basic policy provides a limit of \$250,000 for Coverage **C**. However, the insured has requested a \$50,000 increase to this limit for a total Coverage **C** limit of \$300,000.

Refer to Rule **515**. to determine the additional premium for this higher limit.

**(3) Section II – Increased Limits**

The basic policy provides a limit of \$100,000 for Coverage **E** and \$1,000 for Coverage **F**. However, the insured has requested that his limits be increased to \$500,000 for Coverage **E** and \$5,000 for Coverage **F**.

Refer to Rules **601.**, **701.** and **702.** to determine the additional premium for these higher limits.

**k. Policy Forms**

- Homeowners 5 – Comprehensive Form
- Special Provisions Endorsement
- Windstorm Or Hail Exclusion Endorsement
- Ordinance or Law – Increased Amount Of Coverage Endorsement
- Personal Property Replacement Cost Loss Settlement Endorsement
- Premises Alarm Or Fire Protection System Endorsement
- Additional Limits of Liability For Coverages **A, B, C** and **D** Endorsement
- Replacement Cost Loss Settlement For Certain Non-building Structures On the Residence Premises Endorsement
- Additional Insured – Student Away From Residence Premises Endorsement
- Watercraft Endorsement

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**2. Premium Determination For The Homeowners 5 – Comprehensive Form (HO 00 05 Example)**

The steps here correspond to the Sample Calculation of Policy Premium chart that follows:

Step	Explanation
1. Determine the Territory Base Class Loss Cost	Refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs by territory that have been adopted by the company to determine the loss costs for an <b>HO 00 03</b> policy.
2. Determine the Company Loss Cost Multiplier	Refer to company to determine the appropriate loss cost multiplier.
3. Determine the Company Base Class Premium	The Base Class Premium is determined by the product of Steps 1. and 2. It is then rounded to the nearest whole dollar. Company specific procedures with respect to rounding the Base Class Premium apply here.
4. Determine the Form Factor	Refer to Rule <b>301.A.1.</b> of the state classification pages to determine the form factor that applies. Multiply the Company Base Class Premium from Step 3. by the form factor. For this example, the form factor is 1.15. Round to the nearest whole dollar.
5. Determine the Protection-construction Factor	Refer to Rule <b>301.A.1.</b> of the state classification pages to determine the rating factor based on the protection class and type of construction. For this example, the protection class is 1 and type of construction is masonry. The factor is .86.
6. Determine the Key Premium	The Key Premium is determined by the product of Steps 4. and 5. Round to the nearest whole dollar.
7. Determine the Key Premium reflecting the credit for the Windstorm or Hail Exclusion*	Refer to the Windstorm or Hail Exclusion rule to determine the loss cost for the Windstorm or Hail Exclusion credit. For this example, the loss cost is \$392. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Subtract this credit from the Key Premium determined in Step 6. Endorsement <b>HO 04 94</b> must be attached to the policy.
8. Determine the Key Factor	Refer to Rule <b>301.A.2.</b> of the state classification pages and select the Key Factor for the desired amount of insurance for Coverage <b>A</b> . For this example, the factor is 3.276.
9. Determine the Base Premium	The Base Premium is determined by the product of Steps 7. and 8. Round to the nearest whole dollar.
10. Determine the Base Premium including Ordinance or Law – Increased Amount of Coverage	Refer to General Rule <b>303.</b> to determine the rating factor for the increased amount of ordinance or law coverage. For this example, the factor is 1.07. Multiply the Base Premium in Step 9. by 1.07. Round to the nearest whole dollar. Endorsement <b>HO 04 77</b> must be attached to the policy.
11. Determine the Base Premium including Loss History	Refer to the Loss History rule to determine the rating factor based on the insured's loss history. For this example, the insured had one prior loss and the factor is 1.20. Multiply the Base Premium in Step 10. by 1.20. Round to the nearest whole dollar.
12. Determine the Adjusted Base Premium for the Deductible Option Selected	Refer to General Rule <b>406.</b> to determine the rating factor for a \$2,500 All Perils Deductible for Coverage <b>A</b> Limit of \$200,000 and over. For this example, the factor is .73. Multiply the Base Premium in Step 11. by .73. Round to the nearest whole dollar.
13. Determine the additional premium for the Coverage <b>C</b> increased limit*	Refer to General Rule <b>515.</b> to determine the loss cost for a Coverage <b>C</b> increased limit of liability. For this example, the loss cost per \$1,000 is \$1.73. To determine the additional premium: <b>a.</b> Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. <b>b.</b> Multiply the premium for each additional \$1,000 of insurance by the number of additional thousands for the increased limits of insurance. For this example, there is a \$50,000 increase in the limit for Coverage <b>C</b> . Add this additional premium to the premium determined in Step 12.
* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.	

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Step	Explanation
14. Determine the Adjusted Base Premium including Personal Property Replacement Cost Loss Settlement	Refer to General Rule <b>403.</b> to determine the rating factor for personal property replacement cost loss settlement. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step <b>13.</b> by 1.15. Round to the nearest whole dollar. Endorsement <b>HO 04 90</b> must be attached to the policy.
15. Determine the Adjusted Base Premium including Protective Devices	Refer to General Rule <b>404.</b> (Table <b>404.A.</b> ) to determine the rating factor for protective devices. For this example, the dwelling has a central station reporting burglar alarm and the factor is .95. Multiply the Adjusted Base Premium in Step <b>14.</b> by .95. Round to the nearest whole dollar. Endorsement <b>HO 04 16</b> must be attached to the policy.
16. Determine the Adjusted Base Premium including Additional Limits for Coverages <b>A, B, C</b> and <b>D</b>	Refer to General Rule <b>407.C.2.</b> to determine the rating factor for this option. For this example, the factor is 1.15. Multiply the Adjusted Base Premium in Step <b>15.</b> by 1.15. Round to the nearest whole dollar. Endorsement <b>HO 04 11</b> must be attached to the policy.
17. Determine the Adjusted Base Premium including Replacement Cost Loss Settlement For Certain Non-building Structures	Refer to General Rule <b>409.</b> to determine the rating factor for replacement cost loss settlement for certain non-building structures. For this example, the factor is 1.02. Multiply the Adjusted Base Premium in Step <b>16.</b> by 1.02. Round to the nearest whole dollar. Endorsement <b>HO 04 43</b> must be attached to the policy.
18. Determine the additional premium for Student Away From Residence Premises*	To determine the additional premium: <b>a.</b> Refer to General Rule <b>527.</b> to determine the loss costs for student away from residence premises coverages. <b>(1)</b> For this example, the Section <b>I</b> and <b>II</b> basic limits loss cost per location is \$40.00. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. <b>(2)</b> For this example, the Section <b>II</b> loss cost for the \$500,000 Coverage <b>E</b> increased limit of liability is \$10.50. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. <b>b.</b> Refer to General Rule <b>702.</b> to determine the loss cost to increase the Coverage <b>F</b> – Medical Payments limit to \$5,000. For this example, the loss cost is \$2.30. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add the rates determined in Paragraphs <b>a.(1)</b> , <b>a.(2)</b> and <b>b.</b> to determine the additional premium for this coverage. Endorsement <b>HO 05 27</b> must be attached to the policy. Add this additional premium to the premium determined in Step <b>17.</b>
19. Determine the additional premium for Coverage <b>E</b> increased limit*	Refer to General Rule <b>601.</b> to determine the loss cost for Coverage <b>E</b> – Liability increased limit of liability. For this example, the loss cost for \$500,000 of Coverage <b>E</b> is \$4.43. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step <b>18.</b>
20. Determine the additional premium for Coverage <b>F</b> increased limit*	Refer to General Rule <b>601.</b> to determine the loss cost for Coverage <b>F</b> – Medical Payments increased limit of liability. For this example, the loss cost for \$5,000 of Coverage <b>F</b> is \$6.33. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate. Add this additional premium to the premium determined in Step <b>19.</b>
* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.	

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Step	Explanation
<p><b>21.</b> Determine the additional premium for Coverage At An Other Location Occupied by the Insured*</p>	<p>To determine the additional premium:</p> <p><b>a.</b> Refer to General Rule <b>602.</b> to determine the loss cost for coverage at an other location occupied by insured. For this example, the loss cost is \$3.93. This loss cost is for the state where the other location is located. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p><b>b.</b> Refer to General Rule <b>701.</b> to determine the increased limit factor to increase the Coverage <b>E</b> – Liability limit to \$500,000. For this example the increased limits factor is 1.35. Multiply the company rate determined in Paragraph <b>a.</b> by 1.35 to determine the premium including the additional liability.</p> <p><b>c.</b> Refer to General Rule <b>702.</b> to determine the loss cost to increase the Coverage <b>F</b> – Medical Payments limit to \$5,000. For this example, the loss cost is \$2.30. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add the rates determined in Paragraphs <b>b.</b> and <b>c.</b> to determine the additional premium for this coverage.</p> <p>Add this additional premium to the premium determined in Step <b>20.</b></p>
<p><b>22.</b> Determine the additional premium for Watercraft Liability*</p>	<p>To determine the additional premium:</p> <p><b>a.</b> Refer to General Rule <b>612.</b> to determine the loss cost for watercraft liability. For this example, the boat is 26 ft. long and has a 200 horsepower inboard-outdrive motor so the loss cost is \$12.90. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p><b>b.</b> Refer to General Rule <b>701.</b> to determine the increased limit factor to increase the Coverage <b>E</b> – Liability limit to \$500,000. For this example, the increased limits factor is 1.35. Multiply the company rate determined in Paragraph <b>a.</b> by 1.35 to determine the premium including the additional liability.</p> <p><b>c.</b> Refer to General Rule <b>702.</b> to determine the loss cost to increase the Coverage <b>F</b> – Medical Payments limit to \$5,000. For this example, the loss cost is \$24.15. Apply the appropriate loss cost multiplier to the loss cost to determine the company's rate.</p> <p>Add the rates determined in Paragraphs <b>b.</b> and <b>c.</b> to determine the additional premium on an annual basis.</p> <p>Since the insured requested coverage for only part of the year, the additional premium for watercraft liability is prorated by dividing the number of months requested by twelve months. For this example, the insured requested coverage for four months. Multiply this result by the additional premium on an annual basis to determine the prorated additional premium.</p> <p>Endorsement <b>HO 24 75</b> must be attached to the policy.</p> <p>Add this prorated additional premium to the premium determined in Step <b>21.</b></p>
<p>* For additional or reduced premium charges, refer to the most recently implemented ISO Homeowners Advisory Prospective Loss Costs that have been adopted by the company to determine the loss cost. Refer to the company to determine the appropriate loss cost multiplier. Then company specific procedures with respect to rounding apply. For this example, the product of this multiplication was rounded to the nearest whole dollar to determine the rate.</p>	

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**3. Sample Calculation Of Policy Premium**

**a. Basic Coverage**

Steps	Description Of Calculation	Calculation
1.	Territory Base Class Loss Cost	\$524.01
2.	Company Loss Cost Multiplier	1.00
3.	Base Class Premium	\$524
4.	Form Factor	1.15
	Base Class Premium for Form HO 00 03	\$603
5.	Protection-construction Factor	.86
6.	Key Premium	\$519
7.	Rate for Windstorm or Hail Exclusion credit	$\$392 \times 1.00 = \$392$
	Key Premium reflecting the Windstorm or Hail Exclusion credit	\$127
8.	Key Factor	3.276
9.	Base Premium	\$416
10.	Ordinance Or Law – Increased Coverage Factor	1.07
	Base Premium including Ordinance Or Law – Increased Amount of Coverage	\$445
11.	Loss History Factor	1.200
	Base Premium including Loss History	\$534

**b. Adjusted Premium**

12.	Deductible Factor	.73
	Adjusted Base Premium for Deductible Option Selected	\$390
13.	Rate for increased limits of liability for Coverage C	$\$1.73 \times 1.00 = \$2$
	Additional premium for increased limit of Coverage C	$\$2 \times 50 = \$100$
	Adjusted Base Premium including increased limits of liability for Section I – Coverage C	\$490
14.	Personal Property Replacement Cost Loss Settlement Factor	1.15
	Adjusted Premium including Personal Property Replacement Cost Loss Settlement	\$564
15.	Protective Device Factor	.95
	Adjusted Base Premium including Protective Device	\$536
16.	Additional Limits for Coverage A, B, C, D Factor	1.15
	Adjusted Base Premium including Additional Limits for Coverage A, B, C, D	\$616
17.	Replacement Cost Loss Settlement for Certain Non-building Structures Factor	1.02
	Adjusted Base Premium including Replacement Cost Loss Settlement for Certain Non-building Structures	\$628

**c. Additional Premium**

18.	a. Rate per location for Student Away From Premises	$\$40 \times 1.00 = \$40$
	Rate for increased limits of liability for Coverage E of Student Away From Premises	$\$10.50 \times 1.00 = \$11$
	b. Additional medical payments premium for Student Away From Premises	$\$2.30 \times 1.00 = \$2$
Additional premiums for Student Away From Premises		$\$40 + \$11 + \$2 = \$53$
19.	Additional premium for increased limits of liability for Coverage E – Liability	$\$4.43 \times 1.00 = \$4$
20.	Additional premium for increased limits of liability for Coverage F – Medical Payments	$\$6.33 \times 1.00 = \$6$
21.	a. Rate for Coverage At An Other Location Occupied by the Insured	$\$3.93 \times 1.00 = \$4$
	b. Coverage E Increased Limits factor	1.35
	Rate for Coverage E At an Other Location Occupied by the Insured including increased liability limit	$\$4 \times 1.35 = \$5$
	c. Additional medical payments premium for Coverage F At An Other Location Occupied by the Insured	$\$2.30 \times 1.00 = \$2$
	Additional premiums for Coverage At An Other Location Occupied by the Insured	$\$5 + \$2 = \$7$
22.	a. Rate for Watercraft Liability	$\$12.90 \times 1.00 = \$13$
	b. Coverage E Increased Limits factor	1.35
	Premium for Watercraft Liability including liability limit	$\$13 \times 1.35 = \$18$
	c. Additional medical payments premium for Watercraft Liability	$\$24.15 \times 1.00 = \$24$
	Annual additional premiums for Watercraft Liability	$\$18 + \$24 = \$42$
	Prorated additional premium for Watercraft Liability	$\$42 \times 4/12 = \$14$
<b>Whole Dollar Total Premium</b>		<b>\$712</b>





# Notice to Manualholders

## PERSONAL LINES

### HOMEOWNERS POLICY PROGRAM MANUAL – NORTH CAROLINA RULES

#### NOTICE HO-NC-2022-RU-001

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#### REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- P-21-11 (11/23/2021) Revised Homeowners Insurance Rates And Rules

Filing Reference(s):

- NCRI-132574647 (Bureau)

**RULE 301.  
BASE PREMIUM COMPUTATION**

**Base Class Premium Table**

<b>Territory</b>	<b>HO 00 03</b>	<b>HO 00 04</b>	<b>HO 00 06</b>
110	2,908	126	107
120	3,427	144	131
130	1,775	81	83
140	2,403	98	90
150	1,465	61	62
160	1,614	78	67
170	896	57	55
180	1,049	61	58
190	1,249	64	61
200	1,363	68	67
210	928	61	56
220	1,131	81	57
230	1,215	62	60
240	906	61	53
250	1,034	59	51
260	676	60	51
270	796	51	58
280	698	46	43
290	833	52	53
300	884	54	51
310	683	55	45
320	765	52	46
330	635	49	50
340	696	58	49
350	710	51	48
360	614	40	39
370	667	46	50
380	620	46	48
390	633	47	49

**Table 301. Base Class Premium**

**RULE 301.  
BASE PREMIUM COMPUTATION**

**A. All Forms Except HO 00 04 And HO 00 06**

**1. Classification Tables**

**a. One And Two Family**

Form Factors	
Form	Factors
HO 00 02	.95
HO 00 03	1.00
HO 00 05	1.30
HO 00 08	1.25

**Table 301.A.1.a.#1 Form Factors**

Protection	Territory Group 1		Territory Group 2		Territory Group 3		Territory Group 4	
	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry
1	.99	.89	.97	.87	.97	.87	.97	.87
2	.99	.89	.98	.88	.98	.88	.98	.88
3	.99	.89	.98	.88	.98	.88	.98	.88
4	1.00	.90	.99	.89	.99	.89	.99	.89
5	1.00	.90	1.00	.90	1.00	.90	1.00	.90
6	1.01	.91	1.00	.90	1.00	.90	1.00	.90
7	1.10	1.00	1.10	1.00	1.10	1.00	1.10	1.00
8	1.25	1.10	1.25	1.10	1.25	1.10	1.25	1.10
9E	1.35	1.20	1.40	1.25	1.40	1.25	1.40	1.25
9S	1.35	1.20	1.40	1.25	1.40	1.25	1.40	1.25
9	1.35	1.20	1.40	1.25	1.40	1.25	1.40	1.25
10	1.70	1.50	1.75	1.55	1.75	1.55	1.75	1.55

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

**Table 301.A.1.a.#2 Protection Construction Factors**

**b. Three And Four Family Factor 1.04**

**RULE 301.**  
**BASE PREMIUM COMPUTATION (Cont'd)**

**2. Key Factor Table**

<b>Cov. A Amt. (In 000)</b>	<b>Factor</b>	
**\$ 10	.258	
50	.453	
75	.556	
100	.644	
150	.822	
200	1.000	
300	1.339	
500	1.972	
750	2.764	
1,000	3.556	
1,500	5.111	
2,000	6.667	
3,000	9.778	
4,000	12.889	
5,000	16.000	
<b>Each Add'l \$1,000</b>	<b>.003</b>	
<b>Minimum Limits Of Liability</b>		
<b>**Section I – Property</b>	<b>HO 00 02, 03 &amp; 05</b>	<b>HO 00 08</b>
Primary Location	\$ 25,000	\$ 15,000
Secondary Location	15,000	10,000
<b>Section II – Liability</b>	<b>All Forms</b>	
Personal Liability	\$ 25,000	
Medical Payments to Others	1,000	

**Table 301.A.2. Key Factors**

**RULE 301.  
BASE PREMIUM COMPUTATION (Cont'd)**

**B. Form HO 00 04 And HO 00 06**

**1. Classification Tables**

Protection	Territory Group 1		Territory Group 2		Territory Group 3		Territory Group 4	
	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry
1	1.00	.90	1.00	.90	1.00	.90	1.00	.90
2	1.00	.90	1.00	.90	1.00	.90	1.00	.90
3	1.00	.90	1.00	.90	1.00	.90	1.00	.90
4	1.00	.90	1.00	.90	1.00	.90	1.00	.90
5	1.00	.90	1.00	.90	1.00	.90	1.00	.90
6	1.00	.90	1.00	.90	1.00	.90	1.00	.90
7	1.00	.90	1.00	.90	1.00	.90	1.00	.90
8	1.10	.90	1.10	.90	1.10	.90	1.10	.90
9E	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
9S	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
9	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
10	1.50	1.20	1.50	1.20	1.50	1.20	1.50	1.20

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

**Table 301.B.1.#1 Protection Construction Factors –  
Form HO 00 04**

Protection	Territory Group 1		Territory Group 2		Territory Group 3		Territory Group 4	
	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry
1	1.00	.90	1.00	.90	1.00	.90	1.00	.90
2	1.00	.90	1.00	.90	1.00	.90	1.00	.90
3	1.00	.90	1.00	.90	1.00	.90	1.00	.90
4	1.00	.90	1.00	.90	1.00	.90	1.00	.90
5	1.00	.90	1.00	.90	1.00	.90	1.00	.90
6	1.00	.90	1.00	.90	1.00	.90	1.00	.90
7	1.00	.90	1.00	.90	1.00	.90	1.00	.90
8	1.10	.90	1.10	.90	1.10	.90	1.10	.90
9E	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
9S	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
9	1.30	1.10	1.30	1.10	1.30	1.10	1.30	1.10
10	1.50	1.20	1.50	1.20	1.50	1.20	1.50	1.20

Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Territory Group 1: 110, 120, 140

Territory Group 2: 130, 150, 160, 180, 270, 330, 340

Territory Group 3: 170, 190, 200, 210, 220, 240, 250, 260, 280, 290, 310, 320, 350, 360, 370, 380, 390

Territory Group 4: 230, 300

**Table 301.B.1.#2 Protection Construction Factors –  
Form HO 00 06**

**RULE 301.**  
**BASE PREMIUM COMPUTATION (Cont'd)**

**2. Key Factor Table**

<b>Cov. C Amt. (In 000)</b>	<b>Factor</b>	<b>Cov. C Amt. (In 000)</b>	<b>Factor</b>
**\$ 1	.37	\$ 21	1.98
** 2	.44	22	2.06
** 3	.51	23	2.14
** 4	.58	24	2.22
** 5	.65	25	2.30
** 6	.72	26	2.38
** 7	.79	27	2.46
** 8	.86	28	2.54
** 9	.93	29	2.62
** 10	1.00	30	2.70
11	1.10	31	2.78
12	1.20	32	2.86
13	1.30	33	2.94
14	1.40	34	3.02
15	1.50	35	3.10
16	1.58	36	3.18
17	1.66	37	3.26
18	1.74	38	3.34
19	1.82	39	3.42
20	1.90	40	3.50
<b>Each Add'l \$1,000</b>			.08
<b>Minimum Limits Of Liability</b>			
<b>**Section I – Property</b>			
HO 00 04 – \$ 6,000			
HO 00 06 – \$ 10,000			
HO 00 06 – \$ 5,000 or less available only for Units Regularly Rented To Others			
<b>Section II – Liability</b>		<b>All Forms</b>	
Personal Liability		\$ 25,000	
Medical Payments to Others		1,000	

**Table 301.B.2. Key Factors**

ADDITIONAL RULE(S)

**RULE A1.  
SPECIAL STATE REQUIREMENTS**

**A. Special Provisions – North Carolina Endorsement HO 32 32**

Use this endorsement with all Homeowners policies.

**B. Windstorm Exterior Paint And Waterproofing Exclusion – North Carolina Endorsement HO 32 86**

Use this endorsement with all Homeowners policies in Territories 110 and 120.

**C. Flood, Earthquake, Mudslide, Mudflow, Landslide, Or Windstorm Or Hail Insurance Notice**

North Carolina law provides that an insurer selling property insurance that does not provide coverage for the perils of flood, earthquake, mudslide, mudflow, landslide, or windstorm or hail shall provide a specific notice (a "warning" set forth in the related statute) to the policyholder as to which of the listed perils are not covered under the policy.

The required notice must be:

1. Provided upon issuance and renewal of each policy;
2. In Times New Roman 16-point font or another equivalent font; and
3. Included in the policy on a separate page immediately before the Declarations page.

The following warning, citing which peril is not covered, must be furnished with each new policy and upon each renewal:

"WARNING: THIS PROPERTY INSURANCE POLICY DOES NOT PROTECT YOU AGAINST LOSSES FROM [FLOODS], [EARTHQUAKES], [MUDSLIDES], [MUDFLOWS], [LANDSLIDES], [WINDSTORM OR HAIL]. YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING COVERAGE FOR THESE LOSSES. THIS IS NOT A COMPLETE LISTING OF ALL OF THE CAUSES OF LOSSES NOT COVERED UNDER YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT COVERED."

**D. North Carolina Insurance Underwriting Association**

Section XV of the Plan of Operation of the North Carolina Insurance Underwriting Association (Beach Plan) sets forth the following as to "Member Insurer Responsibility with Respect to Cancellation or Non-renewals":

With regard to risks eligible for coverage by the Association, each Member Insurer agrees that with respect to cancellation or non-renewals initiated by it, the Member Insurer will give to all of its policyholders, except in cases of non-payment of premium, material misrepresentation or evidence of incendiarism, thirty (30) days to obtain coverage from the Association of the cancelled or non-renewed risks and shall, in writing, explain to the policyholder the procedures for making application for coverage from the Association.

**E. Company Rates/State Rate Pages**

References in the manual to "state company rates" mean "state rate pages" in North Carolina.

**F. Insert – North Carolina Endorsement HO 32 46**

Use this endorsement with all Homeowners policies.

**G. Home-sharing Host Activities Amendatory Endorsements**

Use the following endorsements with all Homeowners policies unless Broadened Home-sharing Host Activities Coverage is purchased:

1. **HO 32 43**, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With **HO 00 02**)
2. **HO 32 44**, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With **HO 00 03**)
3. **HO 32 45**, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With **HO 00 04**)
4. **HO 32 48**, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With **HO 00 05**)
5. **HO 32 49**, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With **HO 00 06**)
6. **HO 32 51**, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With **HO 00 08**)

Refer to the Additional Rule for the requirements for Broadened Home-sharing Host Activities Coverages.

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**RULE A2.  
INSTALLMENT PAYMENT PLAN**

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**Annual Policy**

When a policy is issued on an installment basis, the following rules apply:

- A. The first installment shall be due on the effective date of the policy and the due date of the last installment shall be no later than one month prior to the policy anniversary date.
- B. The premium calculated for the first installment payment, exclusive of installment charges, shall not be less than the pro rata charge for the period from the inception date of the policy to the due date of the next installment.
- C. Refer to the state rate pages for the additional charge that shall be made for each installment.

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**RULE A3.  
WINDSTORM OR HAIL EXCLUSION – TERRITORIES  
110, 120, 130, 140, 150 AND 160 ONLY**

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- A. The peril of Windstorm or Hail may be excluded if:
  1. The property is located in an area eligible for such coverage from the North Carolina Insurance Underwriting Association; and
  2. A Windstorm or Hail Rejection Form is secured and maintained by the company.

Use Absolute Windstorm Or Hail Exclusion – North Carolina Endorsement **HO 32 94**.
- B. To compute the Base Premium:
  1. Determine the appropriate Key Premium as described in Rule **301**.
  2. Subtract the Windstorm or Hail Exclusion credit shown on the state rate pages from the Key Premium.
  3. Multiply the Key Premium excluding Windstorm or Hail Coverage developed in Step 2. by the Key Factor for the desired limit of liability.

4. For example:

Form **HO 00 02** Key Premium = \$1,310

Windstorm or Hail Exclusion Credit = \$1,131

Key Factor for \$100,000 = 1.109

Step 1. Determine the Key Premium  
Key Premium = \$1,310

Step 2. Subtract Windstorm or Hail Exclusion  
Credit from Key Premium  
\$1,310 – \$1,131 = \$179

Step 3. Multiply Key Factor for desired limit  
by amount in Step 2. \$179 x 1.109 =  
\$198.51, round to \$199 = Base  
Premium

- C. When Endorsement **HO 32 94** is attached to the policy, enter the following on the Declarations page:  
"This policy does not provide coverage for the peril of Windstorm or Hail."
- D. When coverage for other specific structures or other structures rented to others is requested, refer to Rules **514.A.1.a.** and **514.A.2.a.(1)** in the state rate pages for the rates excluding Windstorm or Hail coverage.
- E. For Rules **501.**, **502.**, **507.** and **513.**, use the Key Premium excluding Windstorm or Hail Coverage from Paragraph **B.2.** to determine the premium per \$1,000 for those options.

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**RULE A4.  
WATERBED LIABILITY – FORMS HO 00 04 AND  
HO 00 06**

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**A. Coverage Description**

The policy may be endorsed to provide coverage for property damage caused by waterbeds to non-owned property on the residence premises.

**B. Premium**

Charge the rate shown on the state rate pages.

**C. Endorsement**

Use Waterbed Liability Endorsement **HO 32 40**.



**RULE A5.  
AGE OF CONSTRUCTION – ALL FORMS EXCEPT  
HO 00 04 AND HO 00 06**

- A.** Determine the age of construction based on the calendar year that the dwelling was completed and first occupied. If the year first occupied is different than the year completed, the later year would apply.
- B.** Multiply the Base Premium by the appropriate factor selected from the following table:

Age Of Construction	Factor
0 *	.797
1	.809
2	.822
3	.834
4	.847
5	.860
6	.873
7	.886
8	.900
9	.913
10	.927
11	.941
12	.956
13	.970
14	.985
15 □	1.000
* Age 0 applies to homes built within the last year as well as homes still under construction.	
□ Applies to dwellings built at least 15 years ago.	

**Table A5.B. Age Of Construction Factors**

**RULE A6.  
OPTIONAL INFLATION GUARD ENDORSEMENTS**

Subject to the provisions noted in Paragraphs **B.** and **C.**, the inflation guard endorsements referenced in this rule may be used instead of the endorsement noted in General Rule **405**.

**A. Eligible Forms**

The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in Paragraph **B.**:

1. Forms **HO 00 02**, **HO 00 03** and **HO 00 05** – Coverages **A**, **B**, **C** and **D**; and
2. Forms **HO 00 04** and **HO 00 06** – Coverages **C** and **D**.

These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, billing notice or named on the form.

**B. Approved Inflation Cost Indexes**

The following Indexes have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsements listed in Paragraph **C**.

A Company that elects to use one of these indexes must use it exclusively and notify the Rate Bureau of its election.

1. Marshall and Swift Boeckh Residential Cost Index published by the American Appraisal Company, Inc.
2. Composite Construction Cost Index published by the U.S. Department of Commerce.
3. Consumer Price Index published by the U.S. Department of Labor.
4. Marshall and Swift Boeckh Construction Cost Index published by Marshall and Swift Boeckh.
5. RSMMeans CostWorks Valuator published by RSMMeans.
6. Xactware Inflation Index published by Xactware Solutions, Inc.

**C. Endorsements**

A Company that elects to use one or both of the following endorsements must use it exclusively and notify the Rate Bureau of its election.

1. **Inflation Guard Endorsement HO 32 18**  
Use this endorsement with Forms **HO 00 02**, **HO 00 03** and **HO 00 05**.
2. **Inflation Guard Endorsement HO 32 19**  
Use this endorsement with Forms **HO 00 04** and **HO 00 06**.

**D. Premium**

There is **no** additional charge for these optional endorsements.

**RULE A7.  
OPTIONAL RATING CHARACTERISTICS**

Companies may use the following optional rating characteristics or any combination of such optional rating characteristics and Bureau filed characteristics to determine rates, as long as applicable legal requirements are satisfied. The resulting premium shall not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau, except as provided by statute. The rating factor for any combination of the following optional risk characteristics cannot exceed 1.00, unless the resulting premium does not exceed the Bureau premium.

- A.** Policy characteristics not otherwise recognized in this manual. Examples include: account or multi-policy credit; tiers; continuity of coverage; coverages purchased; intra-agency transfers; payment history; payment options; prior insurance; and new and renewal status.
- B.** Policyholder/Insured personal characteristics not otherwise recognized in this manual. Examples include: Smoker/non-smoker status; credit information; loss history; loss prevention training/education; age; work status; marital status; number of years owned; household composition; and good student/education.
- C.** Dwelling characteristics not otherwise recognized in this manual. Examples include: Gated community; retirement community; limited access community; revitalized/renovated home; security, safety or loss deterrent systems or devices; age of home; and construction type and quality.
- D.** Affinity group or other group not otherwise recognized in this manual.
- E.** Any other rating characteristics or combination of characteristics if filed by a company and approved by the Commissioner.

**RULE A8.  
PRIMARY INSURANCE COVERAGE****A. Endorsement HO 32 02 – HO 00 02 And HO 00 03**

Use the Primary Insurance Endorsement, specified above, only with a North Carolina Insurance Underwriting Association (NCIUA) policy.

This endorsement replaces the Other Insurance Condition in the policy form and makes the NCIUA policy primary insurance for the insured property. When a Primary Insurance Endorsement is not attached to the policy, the Other Insurance Condition in the policy form is unchanged.

**B. Rating****1. Primary Insurance**

- a.** For **HO 00 02** or **HO 00 03** when the Coverage Limit of Liability is less than 100% of actual cash value or replacement value, divide the selected limit by the ACV or replacement value, whichever applies. The result is the "Percent of Total Value".
- b.** Go to the First Loss Table below provided and select the factor in Column **2** that corresponds to the "Percent of Total Value" computed in Paragraph **a**.
- c.** Multiply the total value of the dwelling or personal property (actual or replacement) by the factor selected in Paragraph **b**.
- d.** Use the resulting product as the limit for computing the premium.

**2. Coverage A Example**

Replacement Value of Dwelling: \$5,000,000

Primary Policy – Coverage **A** Limit: \$1,000,000

- a.** Divide Coverage **A** Limit by Replacement Value limit ( $\$1,000,000/\$5,000,000 = 20\%$  or 20.00 Percent of Total Value).
- b.** Find Factor that corresponds to Percent of Total Value.
- c.** Multiply Replacement Value by Factor from Column **2** ( $\$5,000,000 (65.5) = \$3,275,000$ ).
- d.** Use resulting product to compute Coverage **A** premium (Rate the policy as if \$3,275,000 is the Coverage **A** limit to be insured).

**Note: This procedure is used to determine the appropriate exposure basis for primary insurance. It does not increase the amount of coverage available.**

**RULE A8.  
PRIMARY INSURANCE COVERAGE (Cont'd)**

**FIRST LOSS TABLE**

(Used When Primary Coverage Provided)

<b>% Of Total Value</b>	<b>Factor</b>
1.00	22.4
1.10	22.9
1.20	23.5
1.30	24.1
1.40	24.7
1.50	25.2
1.60	25.8
1.70	26.4
1.80	27.0
1.90	27.5
2.00	28.1
2.10	28.4
2.20	28.7
2.30	29.0
2.40	29.3
2.50	29.6
2.60	29.8
2.70	30.1
2.80	30.4
2.90	30.7
3.00	31.0
3.10	31.6
3.20	32.1
3.30	32.7
3.40	33.3
3.50	33.9
3.60	34.4
3.70	35.0
3.80	35.6
3.90	36.2
4.00	36.7
4.10	37.3
4.20	37.9
4.30	38.5
4.40	39.0
4.50	39.6
4.60	40.2
4.70	40.8
4.80	41.3
4.90	41.9
5.00	42.5
6.00	44.8
7.00	47.1
7.50	48.2
8.00	49.4
9.00	51.7

<b>% Of Total Value</b>	<b>Factor</b>
10.00	54.0
11.00	55.1
12.00	56.3
13.00	57.4
14.00	58.6
15.00	59.7
16.00	60.9
17.00	62.0
18.00	63.2
19.00	64.3
20.00	65.5
21.00	66.0
22.00	67.8
23.00	68.9
24.00	70.1
25.00	71.2
26.00	72.0
27.00	72.1
28.00	73.4
29.00	74.1
30.00	74.8
31.00	75.6
32.00	76.3
33.00	77.0
34.00	77.3
35.00	77.6
36.00	78.0
37.00	78.4
38.00	78.8
39.00	79.2
40.00	79.5
41.00	79.9
42.00	80.2
43.00	80.4
44.00	80.8
45.00	81.1
46.00	81.5
47.00	81.8
48.00	82.1
49.00	82.4
50.00	82.7
51.00	83.0
52.00	83.2
53.00	83.4
54.00	83.7
55.00	83.9

<b>% Of Total Value</b>	<b>Factor</b>
56.00	84.1
57.00	84.4
58.00	84.6
59.00	84.8
60.00	85.0
61.00	85.3
62.00	85.5
63.00	85.7
64.00	86.0
65.00	86.2
66.00	86.4
67.00	86.7
68.00	86.9
69.00	87.1
70.00	87.3
71.00	87.6
72.00	87.8
73.00	88.0
74.00	88.3
75.00	88.5
76.00	89.0
77.00	89.4
78.00	89.9
79.00	90.3
80.00	90.8
81.00	91.3
82.00	91.7
83.00	92.2
84.00	92.6
85.00	93.1
86.00	93.6
87.00	94.0
88.00	94.5
89.00	94.9
90.00	95.4
91.00	95.9
92.00	96.3
93.00	96.8
94.00	97.2
95.00	97.7
96.00	98.2
97.00	98.6
98.00	99.1
99.00	99.5
100.00	100.0

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**RULE A9.  
WINDSTORM MITIGATION PROGRAM – ALL FORMS  
EXCEPT HO 00 04 AND HO 00 06**


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**Effective prior to March 31, 2019:**

**A. Introduction**

With respect to risks located in Territories 110, 120, 130, 140, 150 and 160, premium credits shall be made available for insureds who build, rebuild or retrofit certain residential dwellings, in accordance with specified standards, to better resist hurricanes and other catastrophic windstorm events.

**B. Eligibility**

1. A dwelling may be eligible for a premium credit if:
  - a. The dwelling has been designed and constructed in conformity with, and has been certified as meeting, the Hurricane, Tornado and Hail and High Wind requirements of the Hurricane Fortified for Safer Living<sup>®</sup> (Fortified) program promulgated by the Institute for Business and Home Safety<sup>®</sup> (IBHS) prior to March 31, 2019;
  - b. The dwelling has been certified as meeting, either the Bronze, Silver or Gold hurricane mitigation measures in the Hurricane Fortified for Existing Homes<sup>®</sup> program promulgated by the IBHS prior to March 31, 2019;
  - c. The dwelling contains Opening Protection in accordance with the qualification requirements set forth in Paragraph D.2.; or
  - d. The dwelling contains a Total Hip Roof.
2. The provisions of this rule do not apply:
  - a. To condominiums or tenant policies.
  - b. If the policy excludes the peril of Windstorm or Hail.
  - c. To dwellings under construction.
  - d. To mobile homes.
3. To be eligible for a premium credit, mitigation features are not required for adjacent structures including, but not limited to, detached garages, storage sheds, barns, apartments, etc. located on the insured premises.

**C. Proof Of Compliance**

The named insured must submit proof that the windstorm loss mitigation features and/or construction techniques have been implemented for each of the following:

**1. IBHS Hurricane Fortified For Safer Living<sup>®</sup>**

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling.

**2. IBHS Hurricane Fortified For Existing Homes<sup>®</sup>**

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling. The credit will apply for five years from the date of designation. In order to continue receiving the mitigation credit after five years, the dwelling must be re-inspected and re-designated by the IBHS. If the IBHS designation expires, the applicable mitigation credit will expire upon renewal.

**3. Opening Protection**

The existence of Opening Protection may be verified by proof of installation.

**4. Total Hip Roof**

The existence of a hip roof may be verified through photographs of the roof.

**D. Description Of Mitigation Credit Tables**

With respect to dwellings to which this rule applies and subject to all other provisions of this Windstorm Mitigation Program, the following approved and properly maintained windstorm mitigation features shall be recognized for a premium credit:

**1. IBHS Hurricane Fortified Homes (designations prior to March 31, 2019):**

- a. A home designated by the IBHS as Hurricane Fortified for Safer Living<sup>®</sup>.
- b. A home designated by the IBHS as Hurricane Fortified for Existing Homes<sup>®</sup>, including:
  - (1) Hurricane Fortified for Existing Homes Bronze, Option 1
  - (2) Hurricane Fortified for Existing Homes Bronze, Option 2
  - (3) Hurricane Fortified for Existing Homes Silver, Option 1
  - (4) Hurricane Fortified for Existing Homes Silver, Option 2
  - (5) Hurricane Fortified for Existing Homes Gold, Option 1
  - (6) Hurricane Fortified for Existing Homes Gold, Option 2

**2. Opening Protection**

- a. Building opening protective features must have been certified as having met the Large Missile Test (Missile D) of the American Society for Testing and Materials ASTM E 1886 (standard test method) and ASTM E 1996 (standard specification) or other standards that are determined to be equivalent, including the American Architectural Manufacturers Association (AAMA), AAMA 506 or the Florida Building Code Testing Application Standards TAS 201 and 203. Such opening protective features shall be considered qualified.

**RULE A9.**  
**WINDSTORM MITIGATION PROGRAM – ALL FORMS**  
**EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**

b. Qualifying opening protection must be present at all exterior envelope openings (such as windows, garage doors, sliding doors, swinging doors, glass block, door sidelights, and skylights) on the dwelling structure. For the credit to apply, the following conditions must be met:

(1) In accordance with the qualification requirements set forth in Paragraph **D.2.a**:

(a) All exterior building envelope openings with glazing (e.g., glass) shall have qualified impact-resistant and wind pressure-resistant opening protection;

(b) All exterior building envelope openings without glazing shall have qualified wind pressure-resistant opening protection; and

(c) All garage doors (with and without glazing) shall meet or exceed a qualified minimum pressure resistance.

(2) Opening protection must be installed by a qualified contractor, according to the manufacturer's specifications.

(3) Impact-resistant protective devices must not be made of wood structural panels, such as OSB or plywood, or be homemade.

**3. Total Hip Roof**

A Total Hip Roof is a roof that slopes in four directions such that the end formed by the intersection of slopes is a triangle.

**E. Premium Determination**

1. To compute the Base Premium:

a. Determine the appropriate Key Premium as described in Rule **301**.

b. Subtract the Windstorm Loss Mitigation credit shown on the state rate pages from the Key Premium.

c. Multiply the Key Premium excluding the Windstorm Loss Mitigation credit developed in Paragraph **1.b**. by the Key Factor for the desired limit of liability.

**d. For Example:**

Form **HO 00 03** Key Premium = \$1379

Windstorm Loss Mitigation Credit = \$78

Key Factor for \$100,000 = 1.109

Step 1. Determine the Key Premium

Step 2. Key Premium = \$1379

Subtract Windstorm Loss Mitigation Credit from Key Premium

$\$1379 - \$78 = \$1301$

Step 3. Multiply Key Factor for desired limit by amount in Step 2.

$\$1301 \times 1.109 = \$1442.81$ , round to  $\$1443 =$  Base Premium

2. Mitigation Feature credits cannot be combined, except for Total Hip Roof and Opening Protection.

3. If mitigation measures are installed midterm, premium adjustment is required on a pro rata basis.

**Effective on or after March 31, 2019:**

**A. Introduction**

With respect to risks located in Territories 110, 120, 130, 140, 150 and 160, premium credits shall be made available for insureds who build, rebuild or retrofit certain residential dwellings, in accordance with specified standards, to better resist hurricanes and other catastrophic windstorm events.

**B. Eligibility**

1. A dwelling may be eligible for a premium credit if:

a. The dwelling has been designed and constructed in conformity with, and has been certified as meeting, the Hurricane, Tornado and Hail and High Wind requirements of the FORTIFIED for Safer Living<sup>®</sup> program promulgated by the Institute for Business and Home Safety<sup>®</sup> (IBHS) for use on or after March 31, 2019;

b. The dwelling has been certified as meeting, either the Roof, Silver or Gold hurricane mitigation measures in the FORTIFIED Home<sup>™</sup> program promulgated by the IBHS for use on or after March 31, 2019;

c. The dwelling contains Opening Protection in accordance with the qualification requirements set forth in Paragraph **D.2.**; or

d. The dwelling contains a Total Hip Roof.

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**RULE A9.**  
**WINDSTORM MITIGATION PROGRAM – ALL FORMS**  
**EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**


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2. The provisions of this rule do not apply:
  - a. To condominiums or tenant policies.
  - b. If the policy excludes the peril of Windstorm or Hail.
  - c. To dwellings under construction.
3. To be eligible for a premium credit, mitigation features are not required for adjacent structures including, but not limited to, detached garages, storage sheds, barns, apartments, etc. located on the insured premises.

**C. Proof Of Compliance**

The named insured must submit proof that the windstorm loss mitigation features and/or construction techniques have been implemented for each of the following:

**1. IBHS FORTIFIED For Safer Living®**

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling.

**2. IBHS FORTIFIED Home™**

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling. The credit will apply for five years from the date of designation. In order to continue receiving the mitigation credit after five years, the dwelling must be re-inspected and re-designated by the IBHS. If the IBHS designation expires, the applicable mitigation credit will expire upon renewal.

**3. Opening Protection**

The existence of Opening Protection may be verified by proof of installation.

**4. Total Hip Roof**

The existence of a hip roof may be verified through photographs of the roof.

**D. Description Of Mitigation Credit Tables**

With respect to dwellings to which this rule applies and subject to all other provisions of this Windstorm Mitigation Program, the following approved and properly maintained windstorm mitigation features shall be recognized for a premium credit:

**1. IBHS FORTIFIED programs (designations on or after March 31, 2019):**

- a. A home designated by the IBHS as FORTIFIED for Safer Living®.
- b. A home designated by the IBHS as FORTIFIED Home™, including:
  - (1) FORTIFIED Roof – Hurricane – Existing Roof
  - (2) FORTIFIED Roof – Hurricane – New Roof

- (3) FORTIFIED Home – Hurricane – Silver – Existing Roof
- (4) FORTIFIED Home – Hurricane – Silver – New Roof
- (5) FORTIFIED Home – Hurricane – Gold – Existing Roof
- (6) FORTIFIED Home – Hurricane – Gold – New Roof

**2. Opening Protection**

- a. Building opening protective features must have been certified as having met the Large Missile Test (Missile D) of the American Society for Testing and Materials ASTM E 1886 (standard test method) and ASTM E 1996 (standard specification) or other standards that are determined to be equivalent, including the American Architectural Manufacturers Association (AAMA), AAMA 506 or the Florida Building Code Testing Application Standards TAS 201 and 203. Such opening protective features shall be considered qualified.

- b. Qualifying opening protection must be present at all exterior envelope openings (such as windows, garage doors, sliding doors, swinging doors, glass block, door sidelights, and skylights) on the dwelling structure. For the credit to apply, the following conditions must be met:
  - (1) In accordance with the qualification requirements set forth in Paragraph **D.2.a.:**
    - (a) All exterior building envelope openings with glazing (e.g., glass) shall have qualified impact-resistant and wind pressure-resistant opening protection; and
    - (b) All exterior building envelope openings without glazing shall have qualified wind pressure-resistant opening protection; and
    - (c) All garage doors (with and without glazing) shall meet or exceed a qualified minimum pressure resistance.
  - (2) Opening protection must be installed by a qualified contractor, according to the manufacturer's specifications.
  - (3) Impact-resistant protective devices must not be made of wood structural panels, such as OSB or plywood, or be homemade.

**3. Total Hip Roof**

A Total Hip Roof is a roof that slopes in four directions such that the end formed by the intersection of slopes is a triangle.

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**RULE A9.  
WINDSTORM MITIGATION PROGRAM – ALL FORMS  
EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**

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**E. Premium Determination**

1. To compute the Base Premium:
  - a. Determine the appropriate Key Premium as described in Rule **301**.
  - b. Subtract the Windstorm Loss Mitigation credit shown on the state rate pages from the Key Premium.
  - c. Multiply the Key Premium excluding the Windstorm Loss Mitigation credit developed in Paragraph **1.b.** by the Key Factor for the desired limit of liability.
  - d. **For Example:**  
 Form **HO 00 03** Key Premium = \$1379  
 Windstorm Loss Mitigation Credit = \$78  
 Key Factor for \$100,000 = 1.109  
 Step 1. Determine the Key Premium  
 Step 2. Key Premium = \$1379  
 Subtract Windstorm Loss Mitigation Credit from Key Premium  
 $\$1379 - \$78 = \$1301$   
 Step 3. Multiply Key Factor for desired limit by amount in Step 2.  
 $\$1301 \times 1.109 = \$1442.81$ , round to \$1443 = Base Premium
2. Mitigation Feature credits cannot be combined, except for Total Hip Roof and Opening Protection.
3. If mitigation measures are installed midterm, premium adjustment is required on a pro rata basis.

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**RULE A10.  
BROADENED HOME-SHARING HOST ACTIVITIES  
COVERAGE**

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**A. Introduction**

Coverage is limited or excluded for certain rental activities conducted on the residence premises through a home-sharing network platform.

**B. Coverage Description**

The policy may be endorsed to provide the following optional coverages:

**1. Broadened Coverage For Home-sharing Host Activities**

This coverage provides broadened property and liability coverages for an insured who engages in home-sharing host activities on the residence premises.

**2. Increased Limits For Home-sharing Host Activities Damage To Property Of Others**

The policy provides \$1,000 of coverage for Damage To Property Of Others. This limit may be increased, for home-sharing host activities only, to \$5,000, \$10,000, \$25,000 or \$50,000. The limit selected is entered on the coverage endorsement or in the policy Declarations.

**C. Type Of Home-sharing Accommodations**

The three types of home-sharing host accommodation rating classifications are described below. If more than one type of accommodation will be made available, the highest applicable rating classification will apply.

**1. Entire Residence Premises**

Use this classification when the entire residence premises, as shown in the Declarations, will be made available for home-sharing host activities.

**2. Separate Unit In A Dwelling Or Other Structure On The Residence Premises**

Use this classification when:

- a. The residence premises shown in the Declarations is not:
  - (1) A condominium,
  - (2) A cooperative unit, or
  - (3) An apartment situated in any building;
- b. The named insured resides in one of the family units or other structures on the residence premises; and
- c. One or more of the family units or other structures on the residence premises, wherein the named insured does not reside, such as an attached apartment or detached guest house, will be made available for home-sharing host activities.

**3. Partial Or Shared Unit**

Use this classification when:

- a. The named insured resides in one of the family units on the residence premises; and
- b. A portion of the family unit in which the named insured resides, such as a private or shared room, will be made available for home-sharing host activities.

These classifications apply regardless of whether access to certain areas of the residence premises, such as a storage area or garage, is limited or prohibited during such home-sharing host activities.

**RULE A10.  
BROADENED HOME-SHARING HOST ACTIVITIES  
COVERAGE (Cont'd)**

**D. Premium Determination**

**1. Broadened Coverage For Home-sharing Host Activities**

a. Determine the:

- (1) Type(s) of applicable accommodations; and
- (2) Total number of nights that one or more accommodations or family units will be rented;

during the policy period. Any night in which more than one rental has or will occur on the residence premises shall be counted as one night. Consideration may be given to the home-sharing host activities engaged in by an insured during the three years immediately preceding the date of application for a new policy or the preparation of a renewal policy.

b. The premium including broadened coverage for home-sharing host activities is computed by multiplying the Base Premium by the appropriate factor selected from the following table(s):

**(1) All Forms Except HO 00 04 And HO 00 06**

<b>Territories 110, 120, 130 And 140</b>			
<b>Number Of Nights</b>	<b>Type Of Home-sharing Accommodations</b>		
	<b>Entire Residence Premises</b>	<b>Separate Unit In A Dwelling Or Other Structure</b>	<b>Partial Or Shared Unit</b>
1-30	1.004	1.002	1.001
31-90	1.017	1.008	1.004
91-180	1.037	1.019	1.009
181 or more	1.075	1.038	1.019

**Table D.1.b.(1)(a) Factors For All Forms Except HO 00 04 And HO 00 06**

<b>Territories 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, 260, 270, 280, 290, 300, 310, 320, 330, 340, 350 And 360</b>			
<b>Number Of Nights</b>	<b>Type Of Home-sharing Accommodations</b>		
	<b>Entire Residence Premises</b>	<b>Separate Unit In A Dwelling Or Other Structure</b>	<b>Partial Or Shared Unit</b>
1-30	1.008	1.004	1.002
31-90	1.031	1.016	1.008
91-180	1.069	1.035	1.017
181 or more	1.140	1.070	1.035

**Table D.1.b.(1)(b) Factors For All Forms Except HO 00 04 And HO 00 06**

<b>Territories 370, 380 And 390</b>			
<b>Number Of Nights</b>	<b>Type Of Home-sharing Accommodations</b>		
	<b>Entire Residence Premises</b>	<b>Separate Unit In A Dwelling Or Other Structure</b>	<b>Partial Or Shared Unit</b>
1-30	1.011	1.006	1.003
31-90	1.044	1.022	1.011
91-180	1.099	1.050	1.025
181 or more	1.200	1.100	1.050

**Table D.1.b.(1)(c) Factors For All Forms Except HO 00 04 And HO 00 06**

**(2) Forms HO 00 04 And HO 00 06**

<b>All Territories</b>		
<b>Number Of Nights</b>	<b>Type Of Home-sharing Accommodations</b>	
	<b>Entire Residence Premises</b>	<b>Partial Or Shared Unit</b>
1-30	1.014	1.004
31-90	1.055	1.014
91-180	1.124	1.031
181 or more	1.250	1.063

**Table D.1.b.(2) Factors For Forms HO 00 04 And HO 00 06**



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**RULE A10.  
BROADENED HOME-SHARING HOST ACTIVITIES  
COVERAGE (Cont'd)**

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c. When the home-sharing host activities are conducted in a separate structure on the residence premises, refer to Rule **514.A.2.** for additional charges that may apply.

**2. Increased Limits For Home-sharing Host Activities Damage To Property Of Others**

Charge the rate shown on the state rate pages for the additional charge corresponding to the increased limit selected.

**E. Administration**

Information necessary to determine the type(s) and frequency of home-sharing host activities may be obtained from any one or combination of the following:

1. An application signed by the applicant.
2. A renewal questionnaire signed by the named insured.
3. Publicly available information from one or more home-sharing websites.
4. A company's internal records.

**F. Endorsement**

Replace the Home-sharing Host Activities Amendatory Endorsement with the applicable Broadened Home-sharing Host Activities Coverage Endorsement corresponding to the applicable Homeowners policy:

1. **HO 32 52**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 02**)
2. **HO 32 53**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 03**)
3. **HO 32 58**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 04**)
4. **HO 32 59**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 05**)
5. **HO 32 60**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 06**)
6. **HO 32 61**, Broadened Home-sharing Host Activities Coverage Endorsement – North Carolina (For Use With **HO 00 08**)

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**RULE A11.  
DAMAGE TO PROPERTY OF OTHERS – INCREASED  
LIMITS**

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**A. Coverage Description**

The policy provides a limit of \$1,000 per occurrence for damage to property of others caused by an insured. This limit may be increased to \$5,000, \$10,000, \$25,000 or \$50,000.

The limit selected is entered on the coverage endorsement or the policy Declarations.

**B. Premium Determination**

Refer to the rate pages for the additional charge corresponding to the increased limit selected.

**C. Endorsement**

Use Damage To Property Of Others – Increased Limits Endorsement **HO 06 51**.

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**RULE A12.  
UNMANNED AIRCRAFT EXCLUSIONARY  
ENDORSEMENTS – ALL FORMS AND ENDORSEMENT  
HO 32 82 And HO 32 10**

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**A. Introduction**

Liability coverage for bodily injury or property damage is currently provided in the policy form for model or hobby aircraft not used or designed to carry people or cargo. The policy may be endorsed to exclude coverage for liability related to unmanned aircraft, including model or hobby aircraft.

Liability coverage for personal injury, on a per offense basis or aggregate basis, is available by endorsement to the policy. Coverage for aircraft liability is currently provided in Personal Injury Coverage. Personal Injury Coverage may be endorsed to exclude liability for aircraft, including unmanned aircraft whether or not model or hobby.

**B. Endorsements**

1. To exclude liability for bodily injury or property damage in Forms **HO 00 02**, **HO 00 03**, **HO 00 04**, **HO 00 05**, **HO 00 06** and **HO 00 08** related to unmanned aircraft, whether or not model or hobby, attach Aircraft Liability Definition Revised To Remove Exception For Model Or Hobby Aircraft Endorsement **HO 34 02**.

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**RULE A12.**  
**UNMANNED AIRCRAFT EXCLUSIONARY**  
**ENDORSEMENTS – ALL FORMS AND ENDORSEMENT**  
**HO 32 82 And HO 32 10 (Cont'd)**

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2. To exclude liability for personal injury related to aircraft, including unmanned aircraft whether or not model or hobby on an "any one offense basis", attach Personal Injury For Aircraft Liability Excluded Endorsement – North Carolina **HO 34 14** to Endorsement **HO 32 82** – Personal Injury Coverage – North Carolina. To exclude liability for personal injury related to aircraft, including unmanned aircraft whether or not model or hobby on an annual aggregate basis, attach Endorsement **HO 34 14** to Endorsement **HO 32 10** – Personal Injury Coverage (Aggregate Limit Of Liability) – North Carolina.

**C. Premium Determination**

**1. Endorsement HO 34 02**

To determine the premium for this option, multiply the Base Premium by 0.996.

**2. Endorsement HO 34 14**

To determine the premium for this option, multiply the rate that corresponds to Endorsement **HO 32 82** or Endorsement **HO 32 10** by 0.90.

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**RULE A13.**  
**FORTIFIED ROOF – HURRICANE – NEW ROOF**  
**EXPENSE COVERAGES – FORMS HO 00 02, HO 00 03,**  
**HO 00 05 AND HO 00 08**

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**A. Coverage Description**

FORTIFIED Home™ is an engineering and building standard developed by the Insurance Institute for Business & Home Safety (IBHS) to mitigate wind-related hurricane damage. The program also includes evaluation and inspection requirements to ensure the technical standards are properly implemented, resulting in the designation of a home as meeting the FORTIFIED Home requirements.

With respect to a risk located in Territory **110, 120, 130, 140, 150** or **160**, a policy may be endorsed to provide the following optional coverages:

**1. FORTIFIED Roof – Hurricane – New Roof Expense Coverage**

This coverage will pay up to \$5,000, without application of a deductible, for certain expenses necessary to obtain the **FORTIFIED Roof – Hurricane – New Roof** designation from the IBHS for the roof of the insured dwelling damaged by a covered peril, which requires the roof to be fully replaced. This coverage applies only if:

- a. The amount of the covered loss to the roof covering of the insured dwelling is greater than 50% of the replacement cost value of the entire roof covering;

b. The roof sheathing on that dwelling is (or was immediately prior to the loss) a minimum of 7/16-inch Oriented Strand Board (OSB) or plywood; and

c. That dwelling is not (or was not immediately prior to the loss) on an unreinforced dry stacked foundation or is otherwise ineligible for FORTIFIED Home Review as defined by the IBHS.

**2. IBHS Certified Evaluator Expense Coverage**

If the **FORTIFIED Roof – Hurricane – New Roof** Expense Coverage described in Paragraph **A.1.** does not apply, this coverage will pay up to \$600, without application of a deductible, for the direct expenses incurred by the named insured for the services of an IBHS certified evaluator. This coverage applies only if:

- a. The entire roof covering of the insured dwelling is replaced to the **FORTIFIED Roof – Hurricane – New Roof** standard as recognized by the IBHS during the policy period;
- b. The named insured obtains the IBHS designation **FORTIFIED Roof – Hurricane – New Roof** from the IBHS; and
- c. Satisfactory proof of the IBHS designation **FORTIFIED Roof – Hurricane – New Roof** for the insured dwelling is submitted to the insurer.

The insured will be responsible for arranging and coordinating the roof replacement work, as well as the inspections, assessments and verifications required by the IBHS. Nothing in Rule **A13.** is intended to change the applicable loss settlement provisions of the policy, other than to pay the IBHS costs as referenced previously in Rule **A13.**, subject to the maximum coverage limits of the endorsement.

**B. Premium**

1. For policies providing Windstorm or Hail Coverage, multiply the Base Premium by .032.
2. For policies excluding Windstorm or Hail Coverage, multiply the Base Premium by .011.

**C. Endorsement**

Use **FORTIFIED Roof – Hurricane – New Roof** Expense Coverages – North Carolina Endorsement **HO 32 04.**

**PART I  
COVERAGE AND DEFINITION TYPE RULES**

**RULE 101.  
LIMITS OF LIABILITY AND COVERAGE  
RELATIONSHIPS**

Paragraph **A.1.** is replaced by the following:

**A. Limits**

The limits of liability required under the Homeowners Policy are as follows:

**1. Section I – Property Damage**

<b>Coverage A – Dwelling</b>	
<b>HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06</b>	Refer to Rule <b>301.</b> in the state classification pages. For <b>HO 00 06</b> , refer to Rule <b>507.A.</b>
<b>Coverage B – Other Structures</b>	
<b>HO 00 02, HO 00 03, HO 00 05 or HO 00 08</b>	10% of <b>A</b> (One- and two-family dwelling) 5% of <b>A</b> (Three- and four-family dwelling)
<b>Coverage C – Personal Property</b>	
<b>HO 00 02, HO 00 03, HO 00 05 or HO 00 08  HO 00 04 or HO 00 06</b>	50% of <b>A</b> (One- and two-family dwelling) 30% of <b>A</b> (Three-family dwelling) 25% of <b>A</b> (Four-family dwelling) Refer to Rule <b>301.</b> in the state classification pages.
<b>Coverage D – Loss Of Use</b>	
<b>HO 00 02, HO 00 03 or HO 00 05 HO 00 04 HO 00 06 HO 00 08</b>	20% of <b>A</b>  20% of <b>C</b> 40% of <b>C</b> 10% of <b>A</b>

**Table 101.A.1. Property Damage Limits**

Paragraph **E.1.** is replaced by the following:

**E. Form HO 00 08**

**1. Section I**

The following are the only Section **I** options available with this form:

- a. \$100 Section **I** Deductible,
- b. Higher Optional Deductibles,
- c. On- and Off-premises Theft Coverage Increase,
- d. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing,
- e. Reduced Coverage **C** Limits; and
- f. Broadened Home-sharing Host Activities Coverage.

The following is added to Paragraph **E.**:

**3. Loss Settlement Condition Endorsement HO 04 81**

Actual Cash Value Loss Settlement Endorsement **HO 04 81** must be used with Form **HO 00 08**. It replaces the Repair Cost or Market Value Loss Settlement Provisions in Form **HO 00 08** with an Actual Cash Value Loss Settlement Condition.

The following is added to Rule **101.:**

**F. All Forms**

The limit of liability for Coverage **E** of Section **II** may be reduced to \$50,000 or \$25,000. Other limits below \$100,000 are not permitted.

**RULE 104.  
ELIGIBILITY**

Paragraph **G.** is replaced by the following:

**G. Farm Property**

1. A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section **I** property damage coverage to any property situated on premises used for farming purposes.
2. Optional Section **II** liability coverage is available for certain farm liability exposures as specified in Rule **615.**

**PART II  
SERVICING TYPE RULES**

**RULE 201.  
POLICY PERIOD**

Paragraph **D.** is replaced by the following:

- D. Less than three years on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the company.

**RULE 204.  
MULTIPLE COMPANY INSURANCE**

Paragraph **B.** is replaced by the following:

**B. Endorsement**

Use Multiple Company Insurance – North Carolina Endorsement **HO 32 78.**

**RULE 209.  
RESTRICTION OF INDIVIDUAL POLICIES**

Rule 209. is replaced by the following:

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

Use Restriction Of Individual Policies – North Carolina Endorsement **HO 32 29**.

**RULE 210.  
REFER TO COMPANY**

Rule 210. is replaced by the following:

Whenever a risk is rated on a refer-to-company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

**PART III  
BASE PREMIUM COMPUTATION RULES**

**RULE 302.  
LOSS SETTLEMENT OPTIONS**

Rule 302. is replaced by the following:

**A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only**

**1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

**2. Coverage Description**

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

**3. Premium Computation**

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option. However, if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only.

**4. Endorsement**

Use Functional Replacement Cost Loss Settlement – North Carolina Endorsement **HO 32 50**.

**B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only**

**1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

**2. Coverage Description**

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

**3. Premium Computation**

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
20%	4.00
30%	2.67
40%	2.00
50%	1.60
60%	1.33
70%	1.14

**Table 302.B.3.a. Factors**

- b. Develop a Base Premium in accordance with Rule 301. for the amount of insurance computed in Paragraph **B.3.a**.

- c. Multiply the premium determined in Paragraph **B.3.b**. by the appropriate factor from the following table:

% Of Replacement Value	Factor
20%	.73
30%	.74
40%	.75
50%	.76
60%	.77
70%	.78
80%	.80

**Table 302.B.3.c. Factors**

**RULE 302.**  
**LOSS SETTLEMENT OPTIONS (Cont'd)**

d. If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only and multiply that Base Premium by the appropriate factor from Table **302.B.3.c**.

**4. Endorsement**

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81**.

**C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only**

**1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

**2. Coverage Description**

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage **A** limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

**3. Premium Computation**

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
50%	1.60
60%	1.33
70%	1.14

**Table 302.C.3.a. Factors**

b. Develop a Base Premium in accordance with Rule **301**. for the amount of insurance computed in preceding Paragraph **a**. However, if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only for the amount of insurance computed in Paragraph **a**.

c. Multiply the premium determined in preceding Paragraph **b**. by the appropriate factor from the following table:

% Of Replacement Value	Factor
50%	.96
60%	.97
70%	.98

**Table 302.C.3.c. Factors**

**4. Endorsement**

Use Special Loss Settlement – North Carolina Endorsement **HO 32 56**.

**RULE 303.**  
**ORDINANCE OR LAW COVERAGE – ALL FORMS EXCEPT HO 00 08**

Paragraph **B.2.a.** is replaced by the following:

**B. Increased Amount Of Coverage**

**2. Premium Determination**

**a. Forms HO 00 02, HO 00 03 And HO 00 05**

To develop the Base Premium:

(i) If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** does not apply, multiply the premium computed in accordance with Rule **301**. by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15%	25%	1.13	1.05
40%	50%	1.35	1.14
65%	75%	1.51	1.20
90%	100%	1.67	1.27
For each add'l 25% increment, add		.16	.07

**Table 303.B.2.a.(i) Factors**

**RULE 303.  
ORDINANCE OR LAW COVERAGE – ALL FORMS  
EXCEPT HO 00 08 (Cont'd)**

- (ii) If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** applies, multiply the premium computed in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only, by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15%	25%	1.13	1.05
40%	50%	1.35	1.14
65%	75%	1.51	1.20
90%	100%	1.67	1.27
For each add'l 25% increment, add		.16	.07

**Table 303.B.2.a.(ii) Factors**

**RULE 304.  
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04  
AND HO 00 06**

Paragraph **A.2.** is replaced by the following:

**A. Coverage Description**

- 2. This option may only be used when:
  - a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another or used for home-sharing host activities; or
  - b. For Form **HO 00 06**, the condominium or cooperative unit is owner-occupied and not rented to others or used for home-sharing host activities.

Paragraph **C.** is replaced by the following:

**C. Endorsement**

- 1. Use Special Personal Property Coverage Endorsement **HO 32 95** for use with Form **HO 00 04** only.
- 2. Use Unit-Owners Coverage **C** Special Coverage Endorsement **HO 32 35** for use with Form **HO 00 06** only.

**RULE 305.  
LOSS HISTORY RATING PLAN**

Rule **305.** does not apply.

**PART IV  
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 402.  
TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT  
HO 00 04 AND HO 00 06**

Rule **402.** is replaced by the following:

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

**Townhouse And Row House Factors**

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1-8	9, 9S & Over
<b>1 Or 2 Family Dwelling</b>		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
9 & Over	Refer to company	
<b>3 Or 4 Family Dwelling</b>		
5 – 8	1.15	1.20
9 & Over	Refer to company	

\* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

**Table 402. Townhouse And Row House Factors**

**RULE 403.  
PERSONAL PROPERTY (COVERAGE C)  
REPLACEMENT COST LOSS SETTLEMENT**

Rule **403.** is replaced by the following:

**A. Introduction**

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

**B. Loss Settlement Option**

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis. If endorsed, the Coverage **C** limit must be at least:

- 1. 40% of Coverage **A** for all forms except **HO 00 04** and **HO 00 06**.

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**RULE 403.**  
**PERSONAL PROPERTY (COVERAGE C)**  
**REPLACEMENT COST LOSS SETTLEMENT (Cont'd)**

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2. \$12,000 (if policy limit is less than \$12,000 for Forms **HO 00 04** or **HO 00 06**).

**C. Endorsement**

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

**D. Scheduled Personal Property**

1. When the Scheduled Personal Property Endorsement **HO 04 61** is attached to a policy with Endorsement **HO 04 90**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

2. Since the loss settlement condition in Endorsement **HO 04 61** will pay the insured the least of the:

- a. Actual cash value of the property sustaining loss;
- b. The amount for which the property could be repaired or replaced; or
- c. The amount of insurance of the property sustaining loss;

the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

**E. Scheduled Personal Property (With Agreed Value Loss Settlement)**

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement **HO 04 60** is attached to a policy with Endorsement **HO 04 90**, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

**F. Premium Determination**

Multiply the Base Premium including any premium adjustment for Coverage **C** limits by a factor of:

1. 1.05 for all forms except **HO 00 04** and **HO 00 06**.
2. 1.40 for Forms **HO 00 04** or **HO 00 06**.
3. The charge for Replacement Cost Coverage should be applied before the credit or charge for optional deductibles.
4. Refer to the state rate pages for the minimum additional premium, including the cost to increase the Coverage **C** limits.

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**RULE 404.**  
**PROTECTIVE DEVICES**

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Rule **404**. is replaced by the following:

Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling are to be recognized for a reduced premium in accordance with the following:

**A. Definitions**

**1. Central Station Systems**

- a. A Central Station Fire Alarm System is one in which the operations of circuits and devices are signaled automatically to, recorded in, maintained, and supervised from an approved central station having competent and experienced observers and operators who shall, upon receipt of a signal, take such action as shall be required.

- b. A Central Station Burglar Alarm System is one in which the operations of electrical protection circuits and devices are signaled automatically to, recorded in, maintained, and supervised from a central station having trained operators and guards in attendance at all times. Guards are dispatched to make immediate investigation of unauthorized entry or opening of protected properties from which signals are received.

Combination Central Station and Local Systems beyond the range of central station service may be classified as Local Burglar Alarm Systems.

Central Stations are listed by name and location by Underwriters Laboratories, Inc. in both the UL Burglary Protection Equipment List and UL Fire Protection Equipment List.

**RULE 404.**  
**PROTECTIVE DEVICES (Cont'd)****2. Fire Or Police Station Connected Systems**

- a. Fire Station Connected (Remote Station) Fire Alarm Systems contemplate a system of electrically supervised circuits employing a direct circuit (not house telephone) connection between signaling devices at the protected premises and signal receiving equipment in a remote station, such as a municipal fire alarm headquarters, or fire station.
- b. A Police Station Connected Burglar Alarm System is one in which a Local Alarm System is provided with supplementary transmitting equipment, so that when actuated, a signal is also annunciated at the constantly attended receiver at police headquarters.

**3. Local Systems**

- a. Local Fire Alarm Systems contemplate supervised systems providing fire alarm signals within the protected premises. These systems are primarily for the protection of life by indicating the necessity of evacuation of the building and secondarily for the protection of property.
- b. A Local Burglar Alarm System is one in which the protective circuits and devices are connected to an enclosed and tamper-protected loud sounding device attached to an outside wall of the building in which the property is situated. Disturbance of the protective devices or unauthorized entry through wired portions of the property automatically causes the sounding device to operate until it is stopped by key control in the possession of the owner or by exhaustion of the power supply or by a timing element set for a definite period of operation.

**4. Automatic Sprinkler Systems**

An Automatic Sprinkler System contemplates a system in which water is piped to devices called sprinkleheads, that melt with heat and release water to extinguish a fire.

**B. Evaluation Of Alarm Systems**

The following shall also be considered in evaluating alarm systems for qualification and premium credit:

1. All devices, combination of devices and equipment shall be approved by a recognized independent testing firm for the purposes for which they are intended.
2. All equipment shall be installed in a workmanlike manner by a qualified firm or person.
3. Detection devices shall be installed throughout all areas of the dwelling as follows:
  - a. For fire alarm systems:
    - (1) A smoke detector shall be located in the immediate vicinity of, but outside, the bedrooms; and
    - (2) Heat or smoke detectors shall be provided in all major areas of the house including living room, dining room, bedroom, kitchen, hallway, attics, furnace rooms, utility rooms, basements and attached garages.
    - (3) Heat detectors shall be installed within the strict limitation of their listed spacing (see Item 11. of Table 404.C.).
  - b. For burglar alarm systems:
    - (1) Completely protecting all accessible windows, doors, transoms, skylights, and other openings leading from the premises; or
    - (2) Protecting with contacts only, all movable accessible openings leading from the premises and providing one or more invisible rays or channels of radiation, with the minimum overall length of the rays or radiation equivalent to the longest dimensions of the area or areas to detect movement through the channel; or
    - (3) Protecting with contacts only, all doors leading from the premises and providing a system of invisible radiation to all sections of the enclosed area so as to detect fourstep movement.
  - c. For automatic sprinkler systems:
 

An approved and properly maintained automatic sprinkler system with sprinklers:

    - (1) In all areas including attics, bathrooms, closets and attached structures; or
    - (2) In all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector.



**RULE 404.  
PROTECTIVE DEVICES (Cont'd)**

**C. Premium Development**

The premium for a risk having an approved protective device is developed by multiplying the Base Premium (including any premium adjustment to Coverage C limits) by the selected factor from the following table:

**Protective Devices Factors**

Protective Device	Factor*
1. Central Station Reporting Burglar Alarm	.95
2. Central Station Reporting Fire Alarm	.95
3. Both 1. and 2.	.91
4. Fire Station Connected Fire Alarm	.97
5. Police Station Connected Burglar Alarm	.97
6. Both 4. and 5.	.96
7. Local Fire Alarm System	.98
8. Local Burglar Alarm System	.98
9. Both 7. and 8.	.98
10. Automatic Smoke Detectors	.99
11. Automatic Sprinkler System	
a. In all areas including attic, bathroom, closet and attached structure	.87
b. In all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.93

\* For Protection Classifications 1-9, 9S

**Note 1**

Premium credit shall not be afforded on any additional or optional coverage, except Coverage C revised limits.

**Note 2**

Refer to the state rate pages for the maximum credit allowed.

**Note 3**

These credits do not apply to multi-family residential properties unless entire building meets the above requirements.

**Table 404.C. Protective Devices Factors**

**D. Endorsement**

Use Premises Alarm Or Fire Protection System Endorsement **HO 04 16**.

**RULE 406.  
DEDUCTIBLES**

Rule 406. is replaced by the following:

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

**A. Base Deductible**

A Base Deductible of \$1,000 applies to all forms except **HO 00 04** and **HO 00 06**.

A Base Deductible of \$500 applies to Forms **HO 00 04** and **HO 00 06**.

**B. \$100 All Perils Deductible Options**

**1. \$100 All Perils Deductible**

To compute the premium for this option, multiply the Base Premium by a factor of:

- a. 1.39 for all forms except **HO 00 04** and **HO 00 06**; or
- b. 1.21 for Form **HO 00 04**; or
- c. 1.22 for Form **HO 00 06**.

**2. \$100 All Perils/\$250 Theft Deductible**

This option applies to all forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage – North Carolina Endorsement and **HO 00 06** with Unit-owners Coverage C Special Coverage – North Carolina Endorsement.

a. The \$250 Theft Deductible applies to Coverage C – Personal Property and is available only when:

- (1) A \$100 deductible applies to All Other Perils; or
- (2) A higher deductible applies to the peril of Windstorm or Hail and a \$100 deductible applies to All Other Perils.

b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by the factor of:

- (1) 1.38 for all forms except **HO 00 04** and **HO 00 06**; or
- (2) 1.15 for Form **HO 00 04**; or
- (3) 1.17 for Form **HO 00 06**.

c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors shown in Paragraph **C.3.a.(6)** or **C.3.b.(6)** for policies applicable to a higher Windstorm or Hail deductible.

**RULE 406.**  
**DEDUCTIBLES (Cont'd)**

**C. Other Optional Deductibles**

**1. All Perils Deductibles**

To compute the premium for this deductible type, multiply the Base Premium by the factor selected from the following table:

All Forms Except HO 00 04 And HO 00 06						
Deductible Amount	Coverage A Limit					
	Up To \$59,999	\$60,000 To \$99,999	\$100,000 To \$200,000	\$200,001 To \$250,000	\$250,001 To \$350,000	\$350,001 And Over
\$ 250	1.27	1.27	1.27	1.27	1.27	1.27
500	1.15	1.15	1.16	1.22	1.22	1.22
1,000	1.00	1.00	1.00	1.13	1.13	1.13
1,500	0.92	0.92	0.92	1.06	1.06	1.06
2,000	0.85	0.85	0.85	1.00	1.00	1.00
2,500	0.78	0.78	0.78	0.95	0.95	0.95
3,000	0.76	0.76	0.76	0.92	0.92	0.92
4,000	0.74	0.74	0.74	0.87	0.87	0.87
5,000	0.72	0.72	0.72	0.82	0.82	0.82
7,500	–	–	–	0.76	0.76	0.76
10,000	–	–	–	0.71	0.71	0.71
1 %	1.13	1.05	0.90	0.89	0.89	0.89
HO 00 04						
Deductible Amount	Coverage C Limit					
	Up To \$25,000		\$25,001 And Over			
\$ 250	1.10		1.10			
500	1.00		1.02			
1,000	0.85		0.92			
1,500	0.77		0.86			
2,000	0.70		0.80			
2,500	0.65		0.75			
3,000	0.61		0.71			
4,000	0.54		0.64			
5,000	0.48		0.58			
HO 00 06						
Deductible Amount	Coverage C Limit					
	Up To \$40,000		\$40,001 And Over			
\$ 250	1.11		1.11			
500	1.00		1.02			
1,000	0.84		0.90			
1,500	0.76		0.83			
2,000	0.69		0.76			
2,500	0.62		0.70			
3,000	0.58		0.66			
4,000	0.51		0.59			
5,000	0.46		0.54			

**Table 406.C.1. All Perils Deductibles Factors**

**RULE 406.  
DEDUCTIBLES (Cont'd)**

**2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)**

**a. Deductible Amounts**

This option provides for higher Theft Deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

**b. Endorsement**

An endorsement is not required.

**c. Declarations Instructions**

Separately enter, on the policy Declarations, the deductible amounts that apply to Theft and All Other Section I Perils.

**d. Deductible Application**

In the event of a theft loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**e. Use Of Factors**

The factors for Form **HO 00 04** and Form **HO 00 06** Theft Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Theft Deductible.

**f. Deductible Factors**

**(1) Form HO 00 04**

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

Theft Deductible Amount	All Other Perils Deductible Amount	Coverage C Limit	
		Up To \$25,000	\$25,001 And over
\$ 1,000	\$ 100	1.02	1.04
	250	0.97	1.01
	500	0.92	0.98
2,500	100	0.91	0.97
	250	0.88	0.93
	500	0.82	0.90
	1,000	0.76	0.85

**Table 406.C.2.f.(1) Theft Deductible Factors**

**(2) Form HO 00 06**

To compute the premium for the deductible amounts selected, multiply the Base Premium by the factor selected from the following table:

Theft Deductible Amount	All Other Perils Deductible Amount	Coverage C Limit	
		Up To \$40,000	\$40,001 And over
\$ 1,000	\$ 100	1.12	1.11
	250	1.06	1.07
	500	0.97	1.00
2,500	100	1.08	1.08
	250	1.01	1.02
	500	0.92	0.96
	1,000	0.80	0.86

**Table 406.C.2.f.(2) Theft Deductible Factors**

**3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)**

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with the deductible applicable to All Other Section I Perils.

**a. Percentage Deductibles**

**(1) Deductible Amounts**

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, 3%, 4%, 5%, 7.5% and 10% of the Coverage **A** limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

**(2) Endorsement**

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12**.

**(3) Declarations Instructions**

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

**(a)** Deductible – Windstorm or Hail 1% of Coverage **A** limit and \$250 for All Other Perils.

**(b)** Deductible – Windstorm or Hail 2% of Coverage **A** limit, \$250 for Theft of Personal Property and \$100 for All Other Perils.

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**RULE 406.**  
**DEDUCTIBLES (Cont'd)**

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**(4) Deductible Application**

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**(5) Use Of Factors**

The factors displayed in Paragraph **(6)** incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

**(6) Deductible Factors**

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

**(a) Property Not Located In Area Serviced By NCIUA**

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

**(b) Property Is Located In Area Serviced by NCIUA**

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the Windstorm or Hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

**RULE 406.  
DEDUCTIBLES (Cont'd)**

Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amount	Coverage A Limit					
		Up To \$59,999	\$60,000 To \$99,999	\$100,000 To \$200,000	\$200,001 To \$250,000	\$250,001 To \$350,000	\$350,001 And Over
1%	\$ 100	1.33	1.32	1.32	1.32	1.32	1.32
	250	1.22	1.22	1.22	1.22	1.22	1.22
	500	1.13	1.13	1.13	1.18	1.18	1.18
	1,000	–	–	0.99	1.11	1.11	1.11
	1,500	–	–	0.92	1.06	1.06	1.06
	2,000	–	–	–	0.99	0.99	0.99
	2,500	–	–	–	–	0.94	0.94
	3,000	–	–	–	–	0.90	0.90
	4,000	–	–	–	–	–	0.85
	5,000	–	–	–	–	–	0.80
	7,500	–	–	–	–	–	0.73
	10,000	–	–	–	–	–	0.68
	1%	–	–	–	–	–	–
2%	\$ 100	1.29	1.29	1.29	1.29	1.29	1.29
	250	1.18	1.18	1.19	1.20	1.20	1.20
	500	1.09	1.09	1.10	1.15	1.15	1.15
	1,000	0.96	0.96	0.96	1.08	1.08	1.08
	1,500	–	0.90	0.90	1.01	1.01	1.01
	2,000	–	–	0.83	0.96	0.96	0.96
	2,500	–	–	0.76	0.91	0.91	0.91
	3,000	–	–	0.75	0.87	0.87	0.87
	4,000	–	–	–	0.82	0.82	0.82
	5,000	–	–	–	–	0.77	0.77
	7,500	–	–	–	–	–	0.71
	10,000	–	–	–	–	–	0.67
	1%	1.10	0.99	0.89	0.85	0.85	0.85
3%	\$ 100	1.27	1.27	1.28	1.28	1.28	1.28
	250	1.16	1.16	1.18	1.19	1.19	1.19
	500	1.07	1.07	1.09	1.14	1.14	1.14
	1,000	0.94	0.94	0.95	1.07	1.07	1.07
	1,500	0.87	0.88	0.89	1.00	1.00	1.00
	2,000	–	0.82	0.82	0.95	0.95	0.95
	2,500	–	0.76	0.76	0.90	0.90	0.90
	3,000	–	–	0.75	0.86	0.86	0.86
	4,000	–	–	0.73	0.81	0.81	0.81
	5,000	–	–	0.71	0.76	0.76	0.76
	7,500	–	–	–	–	0.71	0.71
	10,000	–	–	–	–	0.66	0.66
	1%	1.08	0.97	0.88	0.84	0.84	0.84

**RULE 406.**  
**DEDUCTIBLES (Cont'd)**

Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amount	Coverage A Limit					
		Up To \$59,999	\$60,000 To \$99,999	\$100,000 To \$200,000	\$200,001 To \$250,000	\$250,001 To \$350,000	\$350,001 And Over
4%	\$ 100	1.25	1.25	1.26	1.28	1.28	1.28
	250	1.15	1.15	1.16	1.19	1.19	1.19
	500	1.06	1.06	1.07	1.14	1.14	1.14
	1,000	0.93	0.93	0.93	1.06	1.06	1.06
	1,500	0.86	0.87	0.87	1.00	1.00	1.00
	2,000	0.79	0.81	0.81	0.95	0.95	0.95
	2,500	–	0.75	0.75	0.90	0.90	0.90
	3,000	–	0.74	0.74	0.86	0.86	0.86
	4,000	–	–	0.72	0.81	0.81	0.81
	5,000	–	–	0.70	0.76	0.76	0.76
	7,500	–	–	0.65	0.70	0.70	0.70
	10,000	–	–	–	–	0.66	0.66
	1%	1.07	0.96	0.87	0.83	0.83	0.83
5%	\$ 100	1.23	1.23	1.25	1.27	1.27	1.27
	250	1.13	1.13	1.15	1.18	1.18	1.18
	500	1.04	1.04	1.06	1.13	1.13	1.13
	1,000	0.91	0.91	0.92	1.05	1.05	1.05
	1,500	0.85	0.85	0.86	0.99	0.99	0.99
	2,000	0.80	0.80	0.80	0.94	0.94	0.94
	2,500	0.75	0.75	0.75	0.89	0.89	0.89
	3,000	–	0.74	0.74	0.85	0.85	0.85
	4,000	–	0.72	0.72	0.80	0.80	0.80
	5,000	–	–	0.70	0.75	0.75	0.75
	7,500	–	–	0.65	0.70	0.70	0.70
	10,000	–	–	–	0.65	0.65	0.65
	1%	1.05	0.94	0.86	0.82	0.82	0.82
7.5%	\$ 100	1.20	1.20	1.22	1.25	1.25	1.25
	250	1.11	1.11	1.12	1.16	1.16	1.16
	500	1.02	1.02	1.04	1.11	1.11	1.11
	1,000	0.90	0.90	0.91	1.03	1.03	1.03
	1,500	0.84	0.84	0.85	0.97	0.97	0.97
	2,000	0.79	0.79	0.79	0.92	0.92	0.92
	2,500	0.74	0.74	0.74	0.87	0.87	0.87
	3,000	0.73	0.73	0.73	0.84	0.84	0.84
	4,000	0.71	0.71	0.71	0.79	0.79	0.79
	5,000	–	0.69	0.69	0.74	0.74	0.74
	7,500	–	–	0.64	0.69	0.69	0.69
	10,000	–	–	0.59	0.64	0.64	0.64
	1%	1.03	0.93	0.85	0.81	0.81	0.81

**RULE 406.**  
**DEDUCTIBLES (Cont'd)**

Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amount	Coverage A Limit					
		Up To \$59,999	\$60,000 To \$99,999	\$100,000 To \$200,000	\$200,001 To \$250,000	\$250,001 To \$350,000	\$350,001 And Over
10%	\$ 100	1.18	1.18	1.20	1.23	1.23	1.23
	250	1.09	1.09	1.10	1.14	1.14	1.14
	500	1.00	1.00	1.02	1.09	1.09	1.09
	1,000	0.89	0.89	0.90	1.02	1.02	1.02
	1,500	0.83	0.83	0.84	0.96	0.96	0.96
	2,000	0.78	0.78	0.78	0.91	0.91	0.91
	2,500	0.73	0.73	0.73	0.86	0.86	0.86
	3,000	0.72	0.72	0.72	0.83	0.83	0.83
	4,000	0.70	0.70	0.70	0.78	0.78	0.78
	5,000	0.68	0.68	0.68	0.73	0.73	0.73
	7,500	–	0.63	0.63	0.68	0.68	0.68
	10,000	–	–	0.58	0.63	0.63	0.63
	1%	1.01	0.91	0.84	0.80	0.80	0.80

**Table 406.C.3.a.(6) Windstorm Or Hail Percentage  
Deductibles**

**RULE 406.**  
**DEDUCTIBLES (Cont'd)****b. Higher Fixed-dollar Deductibles****(1) Deductible Amounts**

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000, \$5,000, \$7,500 and \$10,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

**(2) Endorsement**

An endorsement is not required.

**(3) Declarations Instruction**

Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm or Hail and \$250 for All Other Perils.

**(4) Deductible Application**

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**(5) Use Of Factors**

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

**(6) Deductible Factors**

In Territories 110, 120, 130, 140, 150 and 160 only, when the property is located in an area serviced by the NCIUA, additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

**(a) Property Not Located In Area Serviced By NCIUA**

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

**(b) Property Is Located In Area Serviced By NCIUA**

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.



**RULE 406.  
DEDUCTIBLES (Cont'd)**

Windstorm Or Hail Deductible Amount	All Other Perils Deductible Amount	Coverage A Limit					
		Up To \$59,999	\$60,000 To \$99,999	\$100,000 To \$200,000	\$200,001 To \$250,000	\$250,001 To \$350,000	\$350,001 And Over
\$1,000	\$ 100	1.29	1.30	1.33	1.34	1.34	1.34
	250	1.20	1.20	1.23	1.24	1.24	1.24
	500	1.11	1.11	1.14	1.20	1.20	1.20
\$2,000	\$ 100	1.24	1.27	1.30	1.32	1.32	1.32
	250	1.15	1.16	1.20	1.22	1.22	1.22
	500	1.08	1.08	1.11	1.18	1.18	1.18
	1,000	0.95	0.95	0.97	1.11	1.11	1.11
	1,500	0.89	0.89	0.91	1.06	1.06	1.06
\$5,000	\$ 100	1.22	1.23	1.28	1.29	1.29	1.29
	250	1.11	1.13	1.16	1.19	1.19	1.19
	500	1.04	1.04	1.08	1.15	1.15	1.15
	1,000	0.91	0.91	0.95	1.09	1.09	1.09
	1,500	0.85	0.85	0.89	1.04	1.04	1.04
	2,000	0.79	0.80	0.83	0.99	0.99	0.99
	2,500	0.73	0.75	0.76	0.94	0.94	0.94
	3,000	0.72	0.74	0.75	0.91	0.91	0.91
	4,000	0.71	0.73	0.73	0.86	0.86	0.86
\$7,500	\$ 100	1.21	1.22	1.25	1.26	1.26	1.26
	250	1.10	1.12	1.15	1.17	1.17	1.17
	500	1.02	1.03	1.06	1.13	1.13	1.13
	1,000	0.90	0.90	0.93	1.06	1.06	1.06
	1,500	0.84	0.84	0.87	1.01	1.01	1.01
	2,000	0.78	0.79	0.81	0.96	0.96	0.96
	2,500	0.72	0.73	0.75	0.92	0.92	0.92
	3,000	0.71	0.72	0.74	0.89	0.89	0.89
	4,000	0.70	0.71	0.72	0.85	0.85	0.85
	5,000	0.69	0.70	0.71	0.81	0.81	0.81
\$10,000	\$ 100	1.20	1.21	1.23	1.24	1.24	1.24
	250	1.09	1.11	1.13	1.15	1.15	1.15
	500	1.01	1.02	1.05	1.11	1.11	1.11
	1,000	0.89	0.89	0.91	1.04	1.04	1.04
	1,500	0.83	0.83	0.85	0.99	0.99	0.99
	2,000	0.77	0.78	0.79	0.95	0.95	0.95
	2,500	0.71	0.72	0.74	0.91	0.91	0.91
	3,000	0.70	0.71	0.73	0.88	0.88	0.88
	4,000	0.69	0.70	0.71	0.84	0.84	0.84
	5,000	0.68	0.69	0.70	0.80	0.80	0.80
7,500	-	-	-	0.75	0.75	0.75	

**Table 406.C.3.b.(6) Windstorm Or Hail Fixed-dollar Deductibles**

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**RULE 406.**  
**DEDUCTIBLES (Cont'd)**

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**D. Named Storm Percentage Deductible – Territories 110, 120, 130, 140, 150 And 160 Only****1. Deductible Amounts**

The Named Storm Percentage Deductible option is used in conjunction with a deductible applicable to All Other Section I Perils.

A percentage amount of 1%, 2% or 5% of the Coverage **A** or **C** limit of liability, whichever is greater, is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

**2. Endorsement**

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

**3. Schedule Instructions**

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

**4. Loss By Windstorm That Is A Named Storm**

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**5. Deductible Factors**

The factors displayed below incorporate the factors for the All Perils Deductibles shown in Paragraph **C.1**. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

Additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1.** Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule – Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only Base Credit, by the Key Factor for the same amount of insurance used to determine the Base Premium.
- Step 2.** Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3.** Select the factor for the desired named storm deductible option from the following table and subtract that factor from unity (1.00).
- Step 4.** Multiply the factor determined in Step 3. by the Base Premium. The result is the named storm deductible credit.
- Step 5.** Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired named storm deductible option.

**RULE 406.**  
**DEDUCTIBLES (Cont'd)**

Territories 110, 120, 130, 140, 150 And 160				
Named Storm Deductible Percentage	All Other Perils Deductible Amount	HO 00 02, HO 00 03, HO 00 05 And HO 00 08	HO 00 04	HO 00 06
1%	\$ 100	1.34	1.09	1.11
	250	1.23	1.06	1.07
	500	1.19	1.01	1.01
	1,000	1.13	0.91	0.89
	1,500	1.08	0.85	0.82
	2,000	1.01	0.79	0.75
	2,500	0.95	0.74	0.69
	3,000	0.91	0.69	0.63
	4,000	0.86	0.60	0.52
	5,000	0.81	0.52	0.42
	7,500	0.75	—	—
	10,000	0.70	—	—
	1%	—	—	—
2%	100	1.30	1.08	1.10
	250	1.22	1.05	1.06
	500	1.16	1.00	1.00
	1,000	1.09	0.90	0.88
	1,500	1.03	0.84	0.81
	2,000	0.97	0.78	0.74
	2,500	0.92	0.73	0.68
	3,000	0.88	0.68	0.62
	4,000	0.83	0.59	0.51
	5,000	0.78	0.51	0.41
	7,500	0.72	—	—
	10,000	0.68	—	—
	1%	0.86	—	—
5%	100	1.28	1.07	1.09
	250	1.19	1.04	1.05
	500	1.14	0.99	0.99
	1,000	1.06	0.89	0.87
	1,500	1.00	0.83	0.80
	2,000	0.95	0.77	0.73
	2,500	0.90	0.71	0.67
	3,000	0.86	0.66	0.61
	4,000	0.81	0.56	0.50
	5,000	0.76	0.47	0.40
	7,500	0.71	—	—
	10,000	0.66	—	—
	1%	0.83	—	—

Table 406.D.5. Named Storm Percentage Deductible

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**RULE 407.**  
**ADDITIONAL AMOUNTS OF INSURANCE – FORMS**  
**HO 00 02, HO 00 03 AND HO 00 05**

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Paragraphs **C.1.b.** and **C.1.c.** are replaced by the following:

**C. Options Available**

**1. Specified Additional Amount Of Insurance For Coverage A Only**

- b.** The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

**Table 407.C.1.b. Additional Amounts Of Insurance Factors**

- c.** Use Specified Additional Amount Of Insurance For Coverage **A** Endorsement **HO 32 20.**

Paragraphs **C.2.b.** and **C.2.c.** are replaced by the following:

**2. Additional Limits Of Liability For Coverages A, B, C, And D**

- b.** The premium is computed by multiplying the Base Premium by a factor of 1.06.
- c.** Use Additional Limits Of Liability For Coverages **A, B, C** And **D** Endorsement **HO 32 11.**

**RULE 408.  
ACTUAL CASH VALUE LOSS SETTLEMENT  
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING  
– ALL FORMS EXCEPT HO 00 04**

Rule 408. is replaced by the following:

**A. Introduction**

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

**B. Coverage Description**

The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.

**C. Premium Determination**

To develop a premium for this option, multiply the Base Premium by a factor of .99.

**D. Endorsement**

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HO 00 04**) Endorsement **HO 04 93**.

This endorsement does not apply to a policy in which the peril of Windstorm or Hail is excluded.

**RULE 410.  
BUILDING CODE EFFECTIVENESS GRADING**

Rule 410. does not apply.

**PART V  
SECTION I – PROPERTY – ADDITIONAL COVERAGES  
AND INCREASED LIMITS RULES**

**RULE 505.  
EARTHQUAKE COVERAGE**

Rule 505. is replaced by the following:

**A. Earthquake Coverage**

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. Use Earthquake Endorsement – North Carolina **HO 32 54**.

**B. Deductible**

The base deductible is 5% of the limit of liability for either Coverage **A** or **C**, whichever is greater and is subject to a \$500 minimum. This deductible may be increased for a premium credit.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A**, **B** and **C**.

**C. Loss Assessment Coverage**

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates.

Use Loss Assessment Coverage For Earthquake Endorsement – North Carolina **HO 32 38** for all forms.

**D. Base Premium**

Develop the base premium as follows:

1. From the state rate pages:
  - a. Determine if Rate Table A, B, and/or C applies.
  - b. Determine the Earthquake Zone.
  - c. Select the rate according to construction from the Rate Table; and
2. Multiply the rate determined above by the:
  - a. Coverage **A** limit for Forms **HO 00 02**, **HO 00 03** and **HO 00 05**.
  - b. Coverage **C** limit for Form **HO 00 04**.
  - c. Coverage **A** and **C** limits for Form **HO 00 06**.
  - d. Coverage **C** and **D** increased limits.
  - e. Ordinance or Law total amount of insurance (includes basic and, if applicable, increased amounts).
  - f. Other Building or Structure options (e.g. Other Structures – Structures Rented To Others Residence Premises Endorsement **HO 04 40**, Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48** and Specific Structures Away From The Residence Premises Endorsement **HO 04 92**; Building Additions And Alterations – Other Residence Endorsement **HO 04 49** and Building Additions And Alterations **HO 04 51**).

**E. Premium For Higher Deductibles**

Multiply the base premium determined in Paragraph **D**. by the appropriate factor from the following table:

Deductible Percentage	Factor	
	Frame & Superior	Masonry
10%	.89	.95
15%	.78	.89
20%	.67	.84
25%	.56	.79

**Table 505.E. Premium For Higher Deductibles**

**RULE 507.**  
**FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06**

Paragraph **A.** is replaced by the following:

**A. Basic Limits**

The policy automatically provides a basic Coverage **A** limit of \$1,000 on a named perils basis. If increased limits are not desired, enter "\$1,000" under Coverage **A** – Dwelling on the Declarations pages.

Paragraph **D.** is replaced by the following:

**D. Endorsement**

Use Unit-Owners Coverage **A** Special Coverage Endorsement **HO 32 34.**

**RULE 508.**  
**FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS**

Paragraphs **A.1.** and **A.2.** are replaced by the following:

**A. Coverage C And Section II Liability**

1. There is no coverage for Coverage **C** – Personal Property and Section **II** Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft. When the rental is considered a home-sharing host activity, refer to the requirements for Broadened Home-sharing Host Activities in this manual.
2. The Coverage **C** minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$6,000.

Paragraph **B.** is replaced by the following:

**B. Premium Computation**

Multiply the Coverage **C** Base Premium (less the credit for higher deductibles) by a factor of .25.

**RULE 513.**  
**ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HO 00 04 AND HO 00 06**

Paragraph **B.2.** is replaced by the following:

**B. Premium Determination**

2. The premium for each additional \$1,000 of insurance is developed by multiplying the **HO 00 04** or **HO 00 06**, whichever is appropriate, Key Factor for "Each Add'l \$1,000" by the appropriate Key Premium.

**RULE 514.**  
**OTHER STRUCTURES**

The following is added to Paragraph **A.:**

**A. On-Premises Structures**

**3. Increased Limit**

- a. The limit of liability for Coverage **B** may be increased.
- b. If increased, the limit of liability for Coverage **B** may not exceed the Coverage **A** limit.
- c. Charge the additional company rate per \$1,000 of insurance.
- d. Refer to state company rates for additional charge.

**4. Endorsement**

Use Coverage **B** – Unscheduled Other Structures Increased Limit – North Carolina Endorsement **HO 32 03.**

**RULE 515.**  
**PERSONAL PROPERTY**

Paragraph **E.** is replaced by the following:

**E. Increased Special Limits Of Liability**

1. The Special Limits of Liability in the policy form for the categories of property noted in the following table may be increased to the maximum limits shown:

Personal Property	Limit In Form	Maximum Limit Allowed
1. Jewelry, Watches and Furs	\$ 1,500	\$ 6,500*
2. Money	200	1,000
3. Securities	1,500	3,000
4. Silverware, Goldware and Pewterware	25% of Coverage <b>C</b>	10,000**
5. Firearms	10% of Coverage <b>C</b>	10,000***
6. Portable Electronic Equipment in or upon a motor vehicle	1,500	6,000**
* Not exceeding the \$1,500 sub-limit for any one article. However, the \$1,500 sub-limit for any one article may be increased to \$2,500 in increments of \$500.		
** Increase must be in increments of \$500.		
*** Increase must be in increments of \$100.		

**Table 515.E.1. Special Limits**

2. Refer to the state rate pages for the additional charge.
3. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 88** – for all forms except as noted in Paragraph **4.**

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**RULE 515.**  
**PERSONAL PROPERTY (Cont'd)**

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4. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 89** for Form **HO 00 05**, Form **HO 00 04** with Special Personal Property Coverage Endorsement **HO 32 95** and Form **HO 00 06** with Unit-owners Coverage **C** Special Coverage Endorsement **HO 32 35**.

The following is added to Rule **515.**:

**H. Additional Coverage – Jewelry And Furs**

1. The policy may be endorsed to provide an increased limit of liability (up to \$6,500) and coverage for additional risks of loss on unscheduled jewelry and furs.
2. The sub-limit payable for theft of any one article is \$1,500 and may be increased to \$2,500 in increments of \$500.
3. Refer to the state rate pages for the additional charge.
4. Use Additional Coverages – Unscheduled Jewelry And Furs Endorsement **HO 32 27**.
5. If Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 88** or **HO 32 89** is also endorsed on the policy, Item **e.** of the endorsement (which pertains to jewelry and furs) should be left blank in deference to the limits provided under Additional Coverages Endorsement **HO 32 27**.

**I. Rented Personal Property**

**1. Basic Limit**

**a. Landlords Furnishings**

Under Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, the policy automatically provides, at no additional charge, \$2,500 of landlord's furnishings coverage, on a named perils basis, except Theft, for property regularly rented or held for rental in an apartment on the residence premises.

**b. Theft (Burglary) Option**

Coverage, as noted in Paragraph **1.a.**, may be extended to include loss resulting from burglary.

**c. Premium**

Refer to the state rate pages for the charge per unit.

**2. Increased Limits**

- a. The basic limit noted in Paragraph **1.a.** may be increased up to the Coverage **C** limit of liability.
- b. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.
- c. Refer to the state rate pages for the additional charge.

**3. Endorsement**

- a. Rented Personal Property Endorsement **HO 32 21** indicates when the Theft option and/or Increased Limits option are selected.
- b. When Increased Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.
- c. The insured may select one option or both.

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**RULE 517.**  
**RENTAL TO OTHERS – EXTENDED THEFT COVERAGE**  
**ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH**  
**HO 32 95 OR HO 00 06 WITH HO 32 35**

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The title of Rule **517.** Rental To Others – Extended Theft Coverage All Forms Except **HO 00 05**, **HO 00 04** With **HO 05 24** Or **HO 00 06** With **HO 17 31** is replaced by the preceding title.

Paragraph **A.** is replaced by the following:

**A. Coverage Description**

The policy may be endorsed to insure against loss by theft to covered property when all or part of the residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders. When the rental is considered a home-sharing host activity, refer to the requirements for Broadened Home-sharing Host Activities in this manual.

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**RULE 519.**  
**SPECIAL COMPUTER COVERAGE ALL FORMS**  
**EXCEPT HO 00 05, HO 00 04 WITH HO 32 95 OR**  
**HO 00 06 WITH HO 32 35**

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The title of Rule **519.** Special Computer Coverage All Forms Except **HO 00 05**, **HO 00 04** With **HO 05 24** Or **HO 00 06** With **HO 17 31**, is replaced by the preceding title and the text is replaced by the following:

**A. Coverage Description**

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

**B. Premium**

Refer to the state rate pages for additional charge.

**C. Endorsement**

Use Special Computer Coverage Endorsement **HO 32 37**.

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**RULE 520.**  
**LIVESTOCK COLLISION COVERAGE**

---

Rule **520.** does not apply.

**RULE 521.  
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR  
OVERFLOW COVERAGE**

Paragraph **B.** is replaced by the following:

**B. Increased Limits**

The basic limit of liability may be increased to \$10,000, \$15,000 or \$25,000.

Paragraph **D.** is replaced by the following:

**D. Endorsement**

Use Limited Water Back-up And Sump Discharge Or Overflow Coverage Endorsement **HO 04 84.**

**RULE 522.  
LANDLORDS FURNISHINGS**

Rule **522.** does not apply.

**RULE 524.  
OTHER MEMBERS OF A NAMED INSURED'S  
HOUSEHOLD**

Paragraph **B.1.** is replaced by the following:

**B. Coverage Description**

1. The policy may be endorsed to provide coverage to a person who is a member of the named insured's household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder, tenant or home-sharing occupant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.

**RULE 526.  
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT  
HO 00 04**

Paragraph **B.** is replaced by the following:

**B. Endorsement**

Use Trust Endorsement – North Carolina **HO 32 12.**

**RULE 528.  
HOME BUSINESS INSURANCE COVERAGE**

Paragraph **C.4.b.** does not apply.

Table **528.D.2.a.** is replaced by the following:

Gross Annual Receipts*	HO 00 02, 3, 5 & 8	HO 00 04	HO 00 06
Up to \$50,000	.11	.46	.49
\$ 50,001 to \$ 100,000	.16	.69	.73
100,001 to 175,000	.23	.97	1.04
175,001 to 250,000	.31	1.31	1.40
* New business, use \$50,001 to \$100,000 classification			

**Table 528.D.2.a. Factors**

Paragraph **E.** is replaced by the following:

**E. Endorsement**

Use Home Business Insurance Coverage – North Carolina Endorsement **HO 32 90.**

Paragraphs **F.5.a.** and **F.5.c.** are replaced by the following:

**F. Options**

**5. Special Coverage – Spoilage Of Perishable Stock**

**a. Coverage**

Provides special coverage for the perishable stock specifically listed in the Schedule of Endorsement **HO 32 55.** The limit of liability is also listed in the endorsement.

**c. Endorsement**

Use Special Coverage – Spoilage Of Perishable Stock Endorsement **HO 32 55.**

Paragraphs **F.6.b.(1)(b)** and **F.6.b.(3)** are replaced by the following:

**6. Valuable Papers And Records Endorsements**

**b. Special Coverage**

**(1) Coverage**

- (b)** Special Coverage in Forms **HO 00 05** and **HO 00 04** with **HO 32 95** and **HO 00 06** with **HO 32 35;**

**(3) Endorsement**

Use Special Coverage For Valuable Papers And Records Endorsement **HO 32 57.**

**RULE 529.  
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA  
COVERAGE**

Rule **529.** does not apply.

**RULE 530.  
IDENTITY FRAUD EXPENSE COVERAGE**

Rule **530.** does not apply.

**RULE 531.  
LIMITED THEFT COVERAGE OPTIONS FOR  
DWELLINGS NEWLY CONSTRUCTED OR UNDER  
CONSTRUCTION**

The title of Rule **531.** Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction is replaced by the preceding title.



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**RULE 531.**  
**LIMITED THEFT COVERAGE OPTIONS FOR DWELLINGS NEWLY CONSTRUCTED OR UNDER CONSTRUCTION (Cont'd)**

---

Rule 531. is replaced by the following:

**A. Theft Coverage – Newly Constructed Dwelling**

**1. Coverage Description**

The policy may be endorsed to provide theft coverage in or to a newly constructed, unoccupied dwelling.

**2. Premium**

Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.

**3. Endorsement**

Use Theft Coverage – Newly Constructed Unoccupied Dwelling – North Carolina Endorsement **HO 32 26**.

**B. Theft Coverage – Dwelling Under Construction**

**1. Coverage Description**

The policy may be endorsed to provide theft coverage in or to a dwelling under construction.

**2. Premium**

Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.

**3. Endorsement**

Use Theft Coverage – Dwelling Under Construction – North Carolina Endorsement **HO 32 25**.

**PART VI**  
**SECTION II – LIABILITY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES**

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**RULE 601.**  
**RESIDENCE PREMISES – BASIC AND INCREASED LIMITS/OTHER EXPOSURES – BASIC LIMITS**

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Paragraph **A.** is replaced by the following:

**A. Residence Premises**

1. Basic limits of liability for Coverage **E** (Personal Liability) and Coverage **F** (Medical Payments to Others) are \$100,000 and \$1,000, respectively. The premium for these limits is included in the Base Premium.
2. Premium credits are provided for reduced Coverage **E** limits of \$50,000 and \$25,000. No other limits below \$100,000 are available.

3. Refer to the state rate pages Rule **601.** for increased and reduced limits rates.
4. If increased or reduced limits are written, then the same limits must apply to any other exposures covered under the policy, unless otherwise stated.

Paragraphs **B.3.** and **B.4.** are replaced by the following:

**B. Other Exposures**

3. For increased or reduced limits for Other Exposures, refer to Rules **701.** and **702.**
4. If increased or reduced limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

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**RULE 605.**  
**OTHER STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES**

---

Paragraph **A.1.** is replaced by the following:

**A. Coverage Description**

1. The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes. When the rental is considered a home-sharing host activity, refer to the requirements for Broadened Home-sharing Host Activities in this manual.

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**RULE 606.**  
**COMPUTER-RELATED DAMAGE OR INJURY EXCLUSION AND COVERAGE OPTIONS**

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Rule **606.** does not apply.

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**RULE 607.**  
**HOME DAY CARE COVERAGE**

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Paragraphs **C.2.** and **C.3.** are replaced by the following:

**C. Premium**

2. This premium is for an annual aggregate limit of \$100,000 with a Coverage **F** sub-limit of \$1,000 per-person/per-accident. If other Section **II** exposures are written for higher or lower dollar limits, use the Coverage **E** increased or reduced limits factors to adjust the aggregate limit, and the Coverage **F** charges to raise the Coverage **F** sub-limit.
3. The premium is for 1 through 3 persons or 4 through 5 persons, other than insureds, receiving day care services. If the day care business involves the care of more than 5 persons, other than insureds, refer to company.

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**RULE 610.  
PERSONAL INJURY COVERAGE**

---

Paragraph C. is replaced by the following:

**C. Endorsement**

Use Personal Injury Coverage Endorsement **HO 32 82** for providing coverage with the limit of liability on an "any one offense" basis.

Use Personal Injury Coverage (Aggregate Limit Of Liability) Endorsement **HO 32 10** for providing coverage with the limit of liability on an annual aggregate limit basis.

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**RULE 613.  
OWNED SNOWMOBILE**

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Rule **613.** does not apply.

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**RULE 614.  
FARMERS PERSONAL LIABILITY**

---

Rule **614.** does not apply.

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**RULE 616.  
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED  
LIQUID FUEL AND LIMITED LEAD AND ESCAPED  
LIQUID FUEL LIABILITY COVERAGES**

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Rule **616.** does not apply.

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**RULE 617.  
CANINE LIABILITY EXCLUSION**

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Rule **617.** does not apply.

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**PART VII  
SECTION II – LIABILITY – OTHER EXPOSURES  
INCREASED LIMITS**

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**RULE 701.  
OTHER EXPOSURES – PERSONAL LIABILITY  
INCREASED OR REDUCED LIMITS**

---

Rule **701.** is replaced by the following:

Apply the appropriate factor shown in the following table to the basic limits premium for each exposure.

Limit	Factor
\$ 25,000	.67
50,000	.83
200,000	1.15
300,000	1.24
400,000	1.30
500,000	1.35
750,000	1.41
1,000,000	1.47

**Table 701. Personal Liability Increased Limits**

**ADDITIONAL RULE(S)**

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**RULE A2.  
INSTALLMENT PAYMENT PLAN**

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C. Charge per installment – \$3

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**RULE A3.  
WINDSTORM OR HAIL EXCLUSION – TERRITORIES  
110, 120, 130, 140, 150 AND 160 ONLY**

---

<b>Frame Construction</b>						
	<b>Territory</b>					
	<b>110</b>	<b>120</b>	<b>130</b>	<b>140</b>	<b>150</b>	<b>160</b>
All Forms Except <b>HO 00 04</b> And <b>HO 00 06</b>	\$ 2,076	\$ 2,862	\$ 1,295	\$ 1,773	\$ 959	\$ 997
<b>HO 00 04</b>	70	84	29	39	8	15
<b>HO 00 06</b>	34	65	17	18	1	4

**Table A3.#1 Wind Or Hail Exclusion Credit – Frame**

<b>Masonry Construction</b>						
	<b>Territory</b>					
	<b>110</b>	<b>120</b>	<b>130</b>	<b>140</b>	<b>150</b>	<b>160</b>
All Forms Except <b>HO 00 04</b> And <b>HO 00 06</b>	\$ 1,871	\$ 2,572	\$ 1,191	\$ 1,581	\$ 851	\$ 895
<b>HO 00 04</b>	62	75	26	35	7	14
<b>HO 00 06</b>	31	57	15	16	1	3

**Table A3.#2 Wind Or Hail Exclusion Credit – Masonry**

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**RULE A4.  
WATERBED LIABILITY – FORMS HO 00 04 AND  
HO 00 06**

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**B. Premium**  
Charge per policy – \$14

**RULE A9.  
WINDSTORM MITIGATION PROGRAM – ALL FORMS  
EXCEPT HO 00 04 AND HO 00 06**

Effective prior to March 31, 2019:

Frame Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$ 146	\$ 195	\$ 91	\$ 121	\$ 64	\$ 68
Opening Protection	149	200	91	122	63	70
Total Hip Roof and Opening Protection	295	393	179	243	126	137
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	477	689	259	406	138	229
Hurricane Fortified for Existing Homes®						
Bronze Option 1	115	156	72	96	50	55
Bronze Option 2	179	245	101	152	63	85
Hurricane Fortified for Existing Homes®						
Silver Option 1	286	415	145	247	66	137
Silver Option 2	344	501	173	302	76	170
Hurricane Fortified for Existing Homes®						
Gold Option 1	366	528	194	308	99	174
Gold Option 2	424	616	221	365	108	205

Table A9. Windstorm Loss Mitigation Credit – Frame

Masonry Construction						
Mitigation Feature	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	\$ 132	\$ 174	\$ 83	\$ 108	\$ 58	\$ 61
Opening Protection	134	179	83	111	56	62
Total Hip Roof and Opening Protection	265	353	165	219	112	124
IBHS Designation prior to March 31, 2019:						
Hurricane Fortified for Safer Living®	429	618	237	361	123	206
Hurricane Fortified for Existing Homes®						
Bronze Option 1	102	141	65	85	45	48
Bronze Option 2	160	220	93	135	56	76
Hurricane Fortified for Existing Homes®						
Silver Option 1	257	374	134	221	59	124
Silver Option 2	309	450	159	269	66	152
Hurricane Fortified for Existing Homes®						
Gold Option 1	328	475	178	274	86	155
Gold Option 2	379	554	203	325	96	183

Table A9. Windstorm Loss Mitigation Credit – Masonry

**RULE A9.  
WINDSTORM MITIGATION PROGRAM – ALL FORMS  
EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**

**Effective on or after March 31, 2019:**

<b>Frame Construction</b>						
<b>Mitigation Feature</b>	<b>Territory 110</b>	<b>Territory 120</b>	<b>Territory 130</b>	<b>Territory 140</b>	<b>Territory 150</b>	<b>Territory 160</b>
Total Hip Roof	\$ 146	\$ 195	\$ 91	\$ 121	\$ 64	\$ 68
Opening Protection	149	200	91	122	63	70
Total Hip Roof and Opening Protection	295	393	179	243	126	137
IBHS Designation on or after March 31, 2019:						
<i>FORTIFIED for Safer Living®</i>	477	689	259	406	138	229
FORTIFIED Roof – Hurricane – Existing Roof	115	156	72	96	50	55
FORTIFIED Roof – Hurricane – New Roof	179	245	101	152	63	85
FORTIFIED Home – Hurricane – Silver – Existing Roof	286	415	145	247	66	137
FORTIFIED Home – Hurricane – Silver – New Roof	344	501	173	302	76	170
FORTIFIED Home – Hurricane – Gold – Existing Roof	366	528	194	308	99	174
FORTIFIED Home – Hurricane – Gold – New Roof	424	616	221	365	108	205

**Table A9. Windstorm Loss Mitigation Credit – Frame**

<b>Masonry Construction</b>						
<b>Mitigation Feature</b>	<b>Territory 110</b>	<b>Territory 120</b>	<b>Territory 130</b>	<b>Territory 140</b>	<b>Territory 150</b>	<b>Territory 160</b>
Total Hip Roof	\$ 132	\$ 174	\$ 83	\$ 108	\$ 58	\$ 61
Opening Protection	134	179	83	111	56	62
Total Hip Roof and Opening Protection	265	353	165	219	112	124
IBHS Designation on or after March 31, 2019:						
<i>FORTIFIED for Safer Living®</i>	429	618	237	361	123	206
FORTIFIED Roof – Hurricane – Existing Roof	102	141	65	85	45	48
FORTIFIED Roof – Hurricane – New Roof	160	220	93	135	56	76
FORTIFIED Home – Hurricane – Silver – Existing Roof	257	374	134	221	59	124
FORTIFIED Home – Hurricane – Silver – New Roof	309	450	159	269	66	152
FORTIFIED Home – Hurricane – Gold – Existing Roof	328	475	178	274	86	155
FORTIFIED Home – Hurricane – Gold – New Roof	379	554	203	325	96	183

**Table A9. Windstorm Loss Mitigation Credit – Masonry**

**RULE A10.  
BROADENED HOME-SHARING HOST ACTIVITIES  
COVERAGE**

**D. Premium**

- 2. Increased Limits For Home-sharing Host Activities Damage To Property Of Others

Limit	
\$ 5,000	\$ .20
10,000	.45
25,000	1.20
50,000	2.46

Table A10.D.2. Additional Charge

**RULE A11.  
DAMAGE TO PROPERTY OF OTHERS – INCREASED  
LIMITS**

**B. Premium**

Limit	
\$ 5,000	\$ .50
10,000	1.13
25,000	3.00
50,000	6.14

Table A11.B. Additional Charge

**RULE 105.  
SECONDARY RESIDENCE PREMISES**

**B. Premium Adjustment**

- 2. Credit – \$10

**RULE 204.  
MULTIPLE COMPANY INSURANCE**

**C. Premium**

- 3. Credit – \$10

**RULE 205.  
MINIMUM PREMIUM**

- D. Minimum Premium – \$50

**RULE 207.  
WAIVER OF PREMIUM**

- B. Amount that may be waived – \$3 or less

**RULE 403.  
PERSONAL PROPERTY (COVERAGE C)  
REPLACEMENT COST LOSS SETTLEMENT**

**F. Premium Determination**

- 4. Minimum additional charge – \$20

**RULE 404.  
PROTECTIVE DEVICES**

**C. Premium Development**

Maximum credit allowed – \$75

**RULE 503.  
BUSINESS PROPERTY – INCREASED LIMIT**

**A. On-premises**

- 2. Rate per \$2,500 – \$50

**RULE 504.  
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD  
OR ACCESS DEVICE, FORGERY & COUNTERFEIT  
MONEY**

**B. Premium**

Limit	
\$ 1,000	\$ 1
2,500	3
5,000	4
7,500	5
10,000+	6
+ For limits in excess of \$10,000, refer to company.	

Table 504.B. Additional Charge

**RULE 505.  
EARTHQUAKE COVERAGE**

**D. Base Premium**

<b>Base Deductible – Rate Per \$1,000</b>				
	<b>Zone</b>	<b>Frame+</b>	<b>Masonry+</b>	<b>Superior</b>
<b>Table A</b>				
All forms except <b>HO 00 04</b> and <b>HO 00 06</b>	3	\$ .54	\$ 1.24	\$ .86
	4	.35	1.24	.50
	5	.27	.86	.36
<b>Table B</b>				
Form <b>HO 00 04</b> or Form <b>HO 00 06</b> (apply to Coverage <b>C</b> limit) and Higher Coverage <b>C</b> limits for other forms	3	\$ .36	\$ .95	\$ .36
	4	.23	.82	.23
	5	.18	.57	.18
<b>Table C</b>				
Form <b>HO 00 06</b> (apply to Coverage <b>A</b> limit), Higher Coverage <b>D</b> Limits, Endorsement <b>HO 04 48</b> and Other Building Options	3	\$ .36	\$ 1.05	\$ .68
	4	.23	1.05	.39
	5	.18	.57	.27
+If exterior Masonry Veneer is covered, rate as Masonry; if <b>not</b> covered, rate as Frame.				

**Table 505.D.#1 Premium For Base Deductible**

<b>Zone 3</b>			
Anson	Columbus	Mecklenburg	Scotland
Brunswick	Davie	Montgomery	Stanly
Cabarrus	Gaston	Richmond	Union
Catawba	Iredell	Robeson	
Cleveland	Lincoln	Rowan	

**Table 505.D.#2 Earthquake Zone 3**

<b>Zone 4</b>			
Alexander	Clay	Macon	Rutherford
Alleghany	Cumberland	Madison	Surry
Ashe	Davidson	McDowell	Swain
Avery	Forsyth	Mitchell	Transylvania
Bladen	Graham	Moore	Watauga
Buncombe	Haywood	New Hanover	Wilkes
Burke	Henderson	Pender	Yadkin
Caldwell	Hoke	Polk	Yancey
Cherokee	Jackson	Randolph	

**Table 505.D.#3 Earthquake Zone 4**

<b>Zone 5</b>
Balance of State

**Table 505.D.#4 Earthquake Zone 5**

**RULE 507.**  
**FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE HO 00 06**

**C. Special Coverage**

1. Charge per policy for \$1,000 in basic form – \$2
2. Rate for each add'l \$1,000 of Coverage **A** – \$1

**RULE 509.**  
**HOME DAY CARE COVERAGE**

**D. Premium Computation**

**1. Section I**

- c. Rate per \$1,000 for business in other structure – \$5

**RULE 510.**  
**PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE PREMISES**

**E. Premium Computation**

**1. Section I**

- c. Rate per \$1,000 for business in other structure – \$5

**RULE 511.**  
**SUPPLEMENTAL LOSS ASSESSMENT COVERAGE**

**A. Residence Premises**

**3. Premium**

All forms except **HO 00 03, HO 00 05** or **HO 00 06** with **HO 32 34**

New Amount Of Coverage	
\$ 5,000	\$ 3
10,000	6
Each add'l \$5,000 up to \$50,000	1

**Table 511.A.3.#1 Additional Charge**

**HO 00 03, HO 00 05** or **HO 00 06** with **HO 32 34**

New Amount Of Coverage	
\$ 5,000	\$ 4
10,000	8
Each add'l \$5,000 up to \$50,000	2

**Table 511.A.3.#2 Additional Charge**

**B. Additional Locations**

**2. Premium**

All forms except **HO 00 03, HO 00 05** or **HO 00 06** with **HO 32 34**

New Amount Of Coverage	
\$ 1,000	\$ 6
5,000	9
10,000	11
Each add'l \$5,000 up to \$50,000	1

**Table 511.B.2.#1 Additional Charge**

**HO 00 03, HO 00 05** or **HO 00 06** with **HO 32 34**

New Amount Of Coverage	
\$ 1,000	\$ 7
5,000	11
10,000	13
Each add'l \$5,000 up to \$50,000	2

**Table 511.B.2.#2 Additional Charge**

**RULE 512.**  
**LOSS OF USE – INCREASED LIMIT**

- B.** Rate per \$1,000 – \$4

**RULE 514.**  
**OTHER STRUCTURES**

**A. On-Premises Structures**

**1. Specific Structure – Increased Limits**

**a. Premium**

Rate per \$1,000 for policies with windstorm or hail coverage – \$4

Territories 110, 120, 130, 140, 150 and 160 only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$2

**2. Structure On The Residence Premises Rented To Others**

**a. Premium**

- (1) Rate per \$1,000 for policies with windstorm or hail coverage – \$5

Territories 110, 120, 130, 140, 150 and 160 only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$3

**3. Increased Limit**

Rate per \$1,000 for policies with windstorm or hail coverage – \$4

Territories 110, 120, 130, 140, 150 and 160 only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$2

**B. Structures Off The Residence Premises**

**1. Forms HO 00 02, HO 00 03 And HO 00 05**

**b. Premium**

Off-premises structures charge per policy – \$15



**RULE 514.  
OTHER STRUCTURES (Cont'd)**

- 2. All Forms**
  - a. Premium**
    - (2) Specific structures – Off-premises rate per \$1,000 – \$5

**RULE 515.  
PERSONAL PROPERTY**

- A. Increased Limit**
  - 3. Rate Per \$1,000:
    - HO 00 02 or HO 00 03 – \$2
    - HO 00 05 – \$3
- B. Increased Limit – Other Residences**
  - 3. Rate Per \$1,000 – \$7
- C. Increased Limit – Self-storage Facilities**
  - 2. Rate per \$1,000 – \$5
- D. Reduction In Limit**
  - 2. Credit per \$1,000 – \$1
- E. Increased Special Limits Of Liability**
  - 1. Jewelry, Watches and Furs – Rate per \$1,000 – \$18
    - Increased sub-limit per article:
      - Rate for \$2,000 – \$9
      - Rate for \$2,500 – \$18
  - 2. Money Rate per \$100 – \$6
  - 3. Securities – Rate per \$100 – \$4
  - 4. Silverware – Rate per \$500 – \$3.25
  - 5. Firearms – Rate per \$100 – \$3
  - 6. Portable Electronic Equipment in or upon a motor vehicle – Rate per \$500 – \$10
- F. Refrigerated Personal Property**
  - 3. Charge per policy – \$10
- G. Theft Coverage Increase – HO 00 08**
  - 3. Premium**
    - a. On-Premises**
      - Rate per \$2,000 – \$19
    - b. Off-Premises**
      - Additional Charge – \$10
- H. Additional Coverage – Jewelry And Furs**
  - 3. Charge per policy – \$7
    - Rate per \$1,000 – \$15
    - Increased sub-limit per article:
      - Rate for \$2,000 – \$7.50
      - Rate for \$2,500 – \$15

**I. Rented Personal Property**

- 1. Basic Limit**
  - c. Premium**
    - Theft (Burglary Peril Added) – Charge per unit – \$3
- 2. Increased Limits**
  - c. Rate per \$1,000 per unit:**
    - Including Theft – \$3
    - Excluding Theft – \$2

**RULE 517.  
RENTAL TO OTHERS – EXTENDED THEFT COVERAGE  
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH  
HO 32 95 OR HO 00 06 WITH HO 32 35**

- B. Premium**
  - Rate per policy – \$30

**RULE 518.  
SINKHOLE COLLAPSE COVERAGE ALL FORMS  
EXCEPT HO 00 04 AND HO 00 06**

- B. Premium Determination**
  - 1. Rate per \$1,000 – \$.35

**RULE 519.  
SPECIAL COMPUTER COVERAGE ALL FORMS  
EXCEPT HO 00 05, HO 00 04 WITH HO 32 95 OR  
HO 00 06 WITH HO 32 35**

- B. Premium**
  - Charge per policy – \$15

**RULE 521.  
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR  
OVERFLOW COVERAGE**

- D. Premium**
  - 1. Basic Limit**
    - Charge per policy – \$22
  - 2. Increased Limits**

Limit	
\$ 10,000	\$ 30
15,000	35
25,000	40

**Table 521.D.2. Increased Limits Premium**

**RULE 523.  
ASSISTED LIVING CARE COVERAGE**

**C. Premium**

1. Section I and Section II Basic Limits  
Rate per unit – \$77
2. Increased Limits  
Add to the basic limit Rate in Paragraph 1.:
  - a. Coverage C – Rate per \$1,000 – \$7
  - b. Coverage E (Coverage F does not apply to this option.)

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 6
50,000	3
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 3
300,000	4
400,000	5
500,000	6
750,000	7
1,000,000	8

**Table 523.C.2.b. Coverage E Limits**

**RULE 524.  
OTHER MEMBERS OF A NAMED INSURED'S  
HOUSEHOLD**

**C. Premium**

1. Section I and Section II Basic Limits  
Rate per person named in the Schedule – \$60
2. Section II Increased Limits  
Add to the basic limit Rate in Paragraph 1.:
  - a. For Coverage E:

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 17
50,000	9
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 8
300,000	12
400,000	15
500,000	18
750,000	21
1,000,000	24

**Table 524.C.2.a. Coverage E Limits**

- b. For Coverage F:

Refer to Rule 702. for Rates for limits above \$1,000

**RULE 525.  
MOTORIZED GOLF CART – PHYSICAL LOSS  
COVERAGE**

**E. Premium**

The following charge is the minimum annual premium for each motorized golf cart for any period within a policy year:

Rate per \$500 per motorized golf cart **without** collision – \$7

Rate per \$500 per motorized golf cart **with** collision – \$12

**RULE 526.  
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT  
HO 00 04**

**C. Premium**

For basic limits rates:

Trust charge per policy – \$26

For increased limits:

For Coverage E:

Refer to Rule 701. for increased limits factors.

For Coverage F:

Refer to Rule 702. for increased limits charges.

**RULE 527.  
STUDENT AWAY FROM HOME**

**C. Premium Determination**

1. Section I and Section II Basic Limits

Rate per location – \$68

2. Section II Increased Limits

Add to the basic limit Rate in Paragraph 1.:

- a. For Coverage E:

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 17
50,000	9
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 8
300,000	12
400,000	15
500,000	18
750,000	21
1,000,000	24

**Table 527.C.2.a. Coverage E Limits**

**RULE 527.  
STUDENT AWAY FROM HOME (Cont'd)**

- b. For Coverage F:  
Refer to Rule **702.** for Rates for limits above \$1,000.

**RULE 528.  
HOME BUSINESS INSURANCE COVERAGE**

**D. Home Business Premium Computation**

**3. Section II – Business Liability**

**a. Basic Limits Premium**

For Coverages **E** and **F**:

- (1) Office (Gross Annual Receipts up to \$250,000)

Business Visitors Per Week*	Under 10	10 Or More
		\$ 2.44

\* New Business, use 10 or more classification

**Table 528.D.3.a.(1) Office Basic Limits Premium**

(2) Service, Sales and Crafts

Gross Annual Receipts**	Business Visitors Per Week*					
	Services		Sales		Crafts	
	Under 10	10 Or More	Under 10	10 Or More	Under 10	10 Or More
Up to \$50,000	\$ 14.50	\$ 21.75	\$ 6.50	\$ 9.75	\$ 6.50	\$ 9.75
\$50,001 to \$100,000	43.50	65.25	19.50	29.25	19.50	29.25
\$100,001 to \$175,000	79.75	119.63	35.75	53.63	35.75	53.63
\$175,001 to \$250,000	123.25	184.88	55.25	82.88	55.25	82.88

\* New Business, use 10 or more classification.  
\*\* New Business, use \$50,001 to \$100,000 classification.

**Table 528.D.3.a.(2) Service, Sales And Crafts Basic Limits Premium**

**RULE 528.**  
**HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

**c. Coverage F – Increased Limits**

(2) All home business classifications:

	All Home Business Classifications			
	Homeowners Increased Limit Of Liability			
Business Visitors Per Week	\$2,000	\$3,000	\$4,000	\$5,000
Under 10	\$ 5.00	\$ 10.00	\$ 15.00	\$ 19.00
10 or more	7.00	12.00	18.00	22.00

Table 528.D.3.c.(2) Increased Limit

**F. Options**

**1. Additional Insured**

**a. Managers Or Lessors Of Premises Leased To An Insured**

**(2) Premium**

Rate per location/per additional insured – \$14

**5. Special Coverage – Spoilage Of Perishable Stock**

**b. Premium**

Rate per \$1,000:

(1) Florists – \$2

(2) Other Classes of Business – Refer to Company

**6. Valuable Papers And Records Endorsements**

Rate per \$1,000:

**a. Increased Limits**

For Endorsement **HO 07 56**:

**(2) Premium**

(a) Named Perils Coverage (**HO 00 02, HO 00 03, HO 00 04 and HO 00 06**) – \$1

(b) Open Perils Coverage (**HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35**) – \$2

**b. Special Coverage**

For Endorsements (**HO 07 56 and HO 32 57**):

**(2) Premium**

(a) First \$2,500:

**HO 00 02, HO 00 03, HO 00 04 and HO 00 06** – \$3

**HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35** – \$2

(b) Each additional \$1,000 – all forms – \$2

**7. Off-Premises Property Coverage – Increased Limits**

**b. Premium**

Rate per \$2,500:

**HO 00 02, HO 00 03, HO 00 04 and HO 00 06** – \$25

**HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35** – \$37

**RULE 531.**  
**LIMITED THEFT COVERAGE OPTIONS FOR DWELLINGS NEWLY CONSTRUCTED OR UNDER CONSTRUCTION**

**A. Theft Coverage – Newly Constructed Dwelling**

**2. Premium**

Charge per policy – \$13

**B. Theft Coverage – Dwelling Under Construction**

**2. Premium**

Rate per \$1,000 of Coverage **A** limit – \$1

**RULE 601.  
RESIDENCE PREMISES – BASIC AND INCREASED  
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

**A. Residence Premises  
3. Increased Limits**

<b>Coverage E – Liability</b>			
<b>1 and 2 Family Premium</b>		<b>3 or 4 Family Premium</b>	
<b>Reduced Coverage E Limit (Credit)</b>			
<b>Limit</b>	<b>Rate</b>	<b>Limit</b>	<b>Rate</b>
\$ 25,000	\$ 11	\$ 25,000	\$ 22
50,000	6	50,000	11
<b>Basic And Increased Coverage E Limit</b>			
<b>Limit</b>	<b>Rate</b>	<b>Limit</b>	<b>Rate</b>
\$ 100,000	–	100,000	–
200,000	\$ 5	200,000	\$ 10
300,000	8	300,000	16
400,000	10	400,000	20
500,000	12	500,000	23
750,000	14	750,000	28
1,000,000	16	1,000,000	32

**Table 601.A.3.#1 Coverage E – Liability**

<b>Coverage F – Medical Payments</b>	
<b>Limit</b>	<b>Rate</b>
\$ 1,000	–
2,000	\$ 3
3,000	6
4,000	9
5,000	12

**Table 601.A.3.#2 Coverage F – Medical Payments**

**RULE 602.  
OTHER INSURED LOCATION OCCUPIED BY INSURED**

- B. Premium**  
Rate per Residence:  
One Family – \$7  
Two Family – \$14  
Three Family – \$27  
Four Family – \$29

**RULE 603.  
RESIDENCE EMPLOYEES**

- B. Rate per Person in Excess of Two – \$5**

**RULE 604.  
ADDITIONAL RESIDENCE RENTED TO OTHERS**

- B. Premium**  
Rate per Residence:  
One Family – \$32  
Two Family – \$51  
Three Family – \$86  
Four Family – \$93

**RULE 605.  
OTHER STRUCTURES RENTED TO OTHERS –  
RESIDENCE PREMISES**

- B. Premium**  
Rate per Structure – \$32

**RULE 607.  
HOME DAY CARE COVERAGE**

- C. Premium**  
1. Rate per Person:  
1 – 3 Persons – \$114  
4 – 5 Persons – \$199

**RULE 608.  
PERMITTED INCIDENTAL OCCUPANCIES –  
RESIDENCE PREMISES AND OTHER RESIDENCES**

**B. Premium**

Rate per Residence:

1. Residence Premises – \$17
2. Other Residence – \$17

**RULE 609.  
BUSINESS PURSUITS**

**B. Premium**

Rate per Insured Person:

1. Clerical Employees – \$5
2. Sales person, Collector or Messenger – Installation, demonstration or servicing operation:  
Included – \$7  
Excluded – \$5
3. Teachers
  - a. Laboratory, athletic, manual or physical training – \$13
  - b. Not otherwise classified – \$6
  - c. Corporal punishment (add to Paragraph 3.a. or 3.b.) – \$5

**RULE 610.  
PERSONAL INJURY COVERAGE**

**B. Premium**

Rate per Policy (Per Offense) – \$13

Rate per Policy (Aggregate) – \$12

**RULE 611.  
INCIDENTAL LOW POWER RECREATIONAL MOTOR  
VEHICLES**

**B. Premium**

Rate per Policy – \$15

**RULE 612.  
OUTBOARD MOTORS AND WATERCRAFT**

**C. Premium**

1. Outboard, Inboard, or Inboard-Outdrive Engines or Motors:

Horsepower	Length	
	Up To 15 Feet	Over 15 To 26 Feet
	Rate	Rate
Up to 50*	\$ 41	\$ 64
51 to 100	69	92
101 to 150	98	121
151 to 200	Refer to Company	149
Over 200	Refer to Company	Refer to Company

\* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

**Table 612.C.1. Outboard, Inboard, Or Inboard-Outdrive Engines Or Motors**

2. Sailboats With or Without Auxiliary Power:

Overall Length/Feet	Rate
26 to 40 feet*	\$ 44
Over 40 feet	Refer to Company

\* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

**Table 612.C.2. Sailboats With Or Without Auxiliary Power**

**RULE 613.  
OWNED SNOWMOBILE**

**B. Premium**

Rate per Snowmobile – Not Applicable

**RULE 615.  
INCIDENTAL FARMING PERSONAL LIABILITY**

**A. On The Residence Premises**

**2. Premium**

Farming done On The Residence Premises – \$40

**B. Away From The Residence Premises**

**2. Premium**

Farming done Away From The Residence Premises – \$60

**RULE 702.  
OTHER EXPOSURES – MEDICAL PAYMENTS TO  
OTHERS INCREASED LIMITS**

<b>Basic Limit Rule #</b>	<b>Coverage F – Medical Payments</b>	<b>\$2,000</b>	<b>\$3,000</b>	<b>\$4,000</b>	<b>\$5,000</b>
<b>524.</b>	Other Members of an Insured's Household	\$ 1	\$ 2	\$ 3	\$ 4
<b>526.</b>	Residence Held in Trust All Forms Except <b>HO 00 04</b>	1	2	3	4
<b>527.</b>	Student Away From Home	1	2	3	4
<b>602.</b>	Other Insured Locations Occupied By Insured	1	2	3	4
<b>603.</b>	Residence Employees	1	2	3	4
<b>604.</b>	Add'l. Residence Rented to Others	1	2	3	4
<b>605.</b>	Other Structures Rented to Others – Residence Premises	1	2	3	4
<b>607.</b>	Home Day Care Coverage	5	10	15	19
<b>608.</b>	Permitted Incidental Occupancies				
	1. Residence Premises	5	10	15	19
	2. Other Residence	3	6	9	11
<b>609.</b>	Business Pursuits				
	1. Clerical Employees	1	2	3	4
	2. Salesperson, Installation, etc. Included or Excluded	1	2	3	4
	3. Teachers				
	a. Lab, etc.	2	4	6	7
	b. Not otherwise classified	1	2	3	4
	c. Corporal Punishment	Medical Payments Not Available			
<b>611.</b>	Incidental Motorized Land Conveyances	1	2	3	4
<b>612.</b>	Outboard Motors and Watercraft				
	1. Outboard, Inboard or Inboard – Outboard engines or Motors				
	a) Up to 15 feet:				
	Up to 50 hp.	3	6	9	11
	51 to 100 hp.	4	8	12	14
	101 to 150 hp.	6	12	18	21
	151 to 200 hp.	Refer to Company			
	Over 200 hp.	Refer to Company			
	b) Over 15 to 26 feet:				
	Up to 50 hp.	4	8	12	14
	51 to 100 hp.	6	12	18	21
	101 to 150 hp.	8	16	24	28
	151 to 200 hp.	12	24	36	42
	Over 200 hp.	Refer to Company			
	2. Sailboats, with or without auxiliary power				
	26 to 40 feet	3	6	9	11
	Over 40 feet	Refer to Company			
<b>613.</b>	Owned Snowmobile	Not Applicable			
<b>615.</b>	Incidental Farming Personal Liability	1	2	3	4

**Table 702. Other Exposures – Medical Payments To Others Increased Limits**





**1. TERRITORY ASSIGNMENTS**

If a territory shown is defined in terms of United States Postal Service (USPS) ZIP code:

- A.** Determine the applicable rating territory based on the location of the dwelling.
- B.** An insured's rates shall not be changed solely because the USPS changed his or her ZIP code and the physical boundaries of a rating territory shall be determined by the ZIP code boundaries in effect at the time of the latest rate filing defining the territory.

Territory boundaries in North Carolina are concurrent with USPS ZIP code boundaries in effect as of **July 1, 2013**. If the USPS introduces a new ZIP code or realigns a ZIP code boundary after **July 1, 2013**, the new ZIP code may not yet be listed in Rule **2.C**. If this is the case, assign the rating territory based on the ZIP code boundary that formerly applied to the dwelling before the USPS changed the ZIP code.

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

Assign the applicable territory using the following order of priority:

**A. Counties**

<b>County of</b>	<b>Code</b>
Alamance	310
Alexander	340
Alleghany	360
Anson	300
Ashe	360
Avery	370
Beaufort	150
Bertie	180
Bladen	230
Buncombe	360
Burke	360
Cabarrus	320
Caldwell	360
Camden	150
Caswell	310
Catawba	360
Chatham	280
Cherokee	390
Chowan	150
Clay	390
Cleveland	350
Columbus	200
Craven	150
Cumberland	220
Currituck (other than Beach Areas)	130
Dare (other than Beach Areas)	130
Davidson	320
Davie	310
Duplin	190
Durham	270
Edgecombe	210
Forsyth	310
Franklin	240
Gaston	350

<b>County of</b>	<b>Code</b>
Gates	170
Graham	390
Granville	260
Greene	180
Guilford	310
Halifax	240
Harnett	250
Haywood	380
Henderson	360
Hertford	170
Hoke	250
Hyde (other than Beach Areas)	130
Iredell	340
Jackson	390
Johnston	240
Jones	150
Lee	290
Lenoir	190
Lincoln	350
Macon	390
Madison	380
Martin	180
McDowell	360
Mecklenburg	340
Mitchell	370
Montgomery	300
Moore	290
Nash	240
Northampton	240
Orange	280
Pamlico	130
Pasquotank	150
Perquimans	150
Person	260
Pitt	180
Polk	360
Randolph	320
Richmond	300
Robeson	230
Rockingham	310
Rowan	320
Rutherford	350
Sampson	220
Scotland	250
Stanly	340
Stokes	310
Surry	310
Swain	380
Transylvania	380
Tyrrell	150
Union	340
Vance	260
Wake	270
Warren	260
Washington	150
Watauga	360
Wayne	180
Wilkes	340
Wilson	210
Yadkin	330
Yancey	360

**B. Beach Areas**

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 Currituck, Dare and Hyde Counties: 110

Beach areas in Brunswick, Carteret, New Hanover, Onslow and Pender Counties: 120

**C. Other Than Beach Areas Of Brunswick, Carteret, New Hanover, Onslow And Pender Counties**

For areas of Brunswick, Carteret, New Hanover, Onslow and Pender Counties, other than the Beach Areas, refer to the following ZIP codes. If portions of these ZIP codes fall in Counties other than Brunswick, Carteret, New Hanover, Onslow and Pender Counties use the territory code for those Counties.

**1. Eastern Coastal Territory**

ZIP Code	USPS ZIP Code Name	Code
28403	Wilmington	140
28404	Wilmington	140
28405	Wilmington	140
28406	Wilmington	140
28407	Wilmington	140
28408	Wilmington	140
28409	Wilmington	140
28410	Wilmington	140
28411	Wilmington	140
28412	Wilmington	140
28422	Bolivia	140
28428	Carolina Beach	140
28443	Hampstead	140
28445	Holly Ridge	140
28459	Shalotte	140
28460	Sneads Ferry	140
28461	Southport	140
28462	Supply	140
28467	Calabash	140
28468	Sunset Beach	140
28469	Ocean Isle Beach	140
28470	Shalotte	140
28480	Wrightsville Beach	140
28511	Atlantic	140
28516	Beaufort	140
28520	Cedar Island	140
28524	Davis	140
28528	Gloucester	140

ZIP Code	USPS ZIP Code Name	Code
28531	Harkers Island	140
28532	Havelock	140
28533	Cherry Point	140
28539	Hubert	140
28553	Marshallberg	140
28557	Morehead City	140
28570	Newport	140
28577	Sealevel	140
28579	Smyrna	140
28581	Stacy	140
28584	Swansboro	140
28589	Williston	140

**2. Western Coastal Territory**

ZIP Code	USPS ZIP Code Name	Code
28401	Wilmington	160
28402	Wilmington	160
28420	Ash	160
28421	Atkinson	160
28425	Burgaw	160
28429	Castle Hayne	160
28435	Currie	160
28436	Delco	160
28447	Ivanhoe	160
28448	Kelly	160
28451	Leland	160
28452	Longwood	160
28454	Maple Hill	160
28456	Riegelwood	160
28457	Rocky Point	160
28466	Wallace	160
28478	Willard	160
28479	Winnabow	160
28518	Beulaville	160
28521	Chinquapin	160
28540	Jacksonville	160
28541	Jacksonville	160
28542	Camp Lejeune	160
28543	Tarawa Terrace	160
28544	Midway Park	160
28545	McCutcheon Field	160
28546	Jacksonville	160
28547	Camp Lejeune	160
28555	Maysville	160
28574	Richlands	160
28582	Stella	160

**MANUAL SUPPLEMENTAL RULES****RULE 1.****OPTIONAL INFLATION GUARD ENDORSEMENTS**

Subject to the provisions noted in **B.** and **C.** below, the inflation guard endorsements referenced in this rule may be used instead of the endorsement noted in General Rule **405.** in the standard Homeowners manual.

**A. Eligible Forms**

The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in **B.** below:

1. **HO 00 02, 03, 05** and **HE 00 07** – Coverages **A, B, C** and **D**; and
2. **HO 00 04** and **06** – Coverages **C** and **D**.

These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, billing notice or named on the form.

**B. Approved Inflation Cost Indexes**

The Indexes noted below have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsements listed in **C.** below.

A Company that elects to use one of these indexes must use it exclusively and notify the Rate Bureau of its election.

1. Marshall & Swift Boeckh (MS/B) Residential Cost Index published by the American Appraisal Company, Inc.
2. Composite Construction Cost Index published by the U.S. Department of Commerce.
3. Consumer Price Index published by the U.S. Department of Labor.
4. Marshall & Swift Boeckh Construction Cost Index published by Marshall & Swift Boeckh (MS/B).

**C. Endorsements**

A Company that elects to use one or both of the endorsements noted below must use it exclusively and notify the Rate Bureau of its election.

**1. Inflation Guard Endorsement HO 32 18**

Use this endorsement with Forms **HO 00 02, HO 00 03, HO 00 05** and **HE 00 07**.

**2. Inflation Guard Endorsement HO 32 19**

Use this endorsement with Forms **HO 00 04** and **HO 00 06**.

The Rate Bureau or Insurance Services Office will not furnish supplies of these endorsements.

**D. Premium**

There is **no** additional charge for these optional endorsements.

**RULE 2.  
HISTORIC HOME PROGRAM**

The following rules are in addition to, modify or replace rules in the standard Homeowners manual and apply only to the North Carolina Homeowners Historic Home Program.

For rules not accommodated below, refer to the standard Homeowners manual.

**A. Introduction**

A Homeowners Form **HO 00 03** policy may be issued for an historic home as long it meets the eligibility and other requirements in this Additional Rule 2.

**B. Endorsements**

<b>HH 32 03</b>	Historic Home Endorsement
<b>HH 32 10</b>	Scheduled Architectural Features Endorsement

**Table 2. B. Historic Home Endorsements**

**C. Eligibility**

**1. Historic Home Defined**

A historic home is one that is architecturally or historically significant to the area in which it is located. It must be:

- a. Listed, or nominated for listing, in the National Register of Historic Places; or
- b. In a historic district so designated by Federal, State or Local Government.

A new home in a designated historic district is eligible if built to match the surrounding architecture.

**2. Occupancy**

The dwelling must be occupied by the owner, have no more than four families and used exclusively for private residential purposes. The term "residential purposes":

- a. Includes incidental farming or incidental office, professional, private school and studio occupancies, provided the premises is occupied principally for dwelling purposes and no other business is conducted on the premises; and
- b. Does not include the business of public viewing, which means the charging of admission fees for viewing all or part of the home during regularly scheduled viewing hours announced to the general public.

**3. Dwelling Condition**

The dwelling must have the items noted below in good repair. These conditions must be verified by a proper inspection service report.

a. Roof	d. Electrical Wiring
b. Plumbing	e. Heating Plant
c. Tuckpointing	f. Gas Lines And Fixtures (if not disconnected)

**Table 2. C.3. Dwelling Condition Criteria**

**4. Scheduled Architectural Features**

If disclosed by the required inspection, special architectural features that add to the historic value of the dwelling must be separately insured at the agreed values.

**D. Limits Of Liability And Coverage Relationships**

The limits of liability for the Historic Home Program are as follows:

**1. Section I – Property Damage**

**a. Coverage A – Dwelling**

The Coverage **A** limit may be set at 80%, 70%, 60% or 50% of the reproduction cost of the dwelling building, exclusive of Scheduled building features.

The limit may not be less than 50% of the full reproduction cost or \$30,000, whichever is greater.

**b. Coverage B – Other Structures**

Coverage for other structures is available by option. See Rule **G.1.** below.

**c. Coverage C – Personal Property**

The Coverage **C** limit may be set at 40% of the full reproduction cost of the dwelling building exclusive of Scheduled building features.

This limit may be reduced to not less than 30% of the full reproduction cost.

**d. Coverage D –Loss of Use**

The Coverage **D** limit shall be 20% of the Coverage **A – Dwelling** limit.

**2. Section II – Liability**

**a. Coverage E–Personal Liability**

\$100,000 Each Occurrence

**b. Coverage F –Medical Payments to Others**

\$1,000 Each Person

**E. Mandatory Coverages**

It is mandatory that insurance be written on all coverages provided under Sections **I** and **II** of the Historic Home policy except as follows:

**1. Under Section I – Property Coverages, Coverage B does not automatically apply.**

Coverage for Other Structures is available for an additional premium. See Rule **G.1.** below.

**2. Under Section I – Conditions, Loss Settlement provides for reproduction of damaged property using building materials of like kind and quality that are available in the USA without deduction for depreciation.**

**3. Under Section II Exclusions, Coverage E – Liability and Coverage F – Medical Payments To Others do not apply to bodily injury or property damage arising out of public viewing of the insured residence premises for a fee.**

This exclusion may be waived for an additional premium. See Rule **G.2.** below.

**RULE 2.  
HISTORIC HOME PROGRAM (Cont'd)**

**F. Deductibles**

The Historic Home policy is subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. See Earthquake Rule 505. in the standard Homeowners manual.

**1. \$250 Deductible**

This amount is the base and minimum amount available for a historic home policy.

**2. Higher Deductibles**

Higher deductible amounts are optionally available. See Rule H.1.b. below for the amounts and rating instructions.

**G. Optional Coverages**

**1. Other Structures On The Residence Premises (Section I – Property Coverages)**

a. Other Structures on the residence premises may be insured under a historic home policy. Separately identify each structure insured in the endorsement noted in b. below.

b. Use Historic Home Other Structures Endorsement **HH 32 11**.

**2. Public Viewing Of Residence Premises (Section II – Liability)**

a. The Coverages E and F exclusion pertaining to loss arising out of the public viewing of the residence premises may be deleted for an additional premium.

Public viewing means the charging of admission fees for viewing all or part of the home during regularly scheduled viewing hours announced to the public.

b. Use Historic Home Special Endorsement **HH 32 03**.

**H. Premiums**

**1. Base Premium Computation**

**a. Base Deductible**

(1) In accordance with Rule 301. Base Premium Computation in the standard Homeowners manual, develop the Base Premium for Form **HO 00 03** for the Coverage A – Dwelling limit that contemplates 80% of the dwelling's replacement cost.

(2) Multiply the premium developed in (1) above by the factor for the **Full Reproduction Cost** percentage amount desired:

<b>Percentage Of Full Reproduction Cost Amount</b>	80%	70%	60%	50%
<b>Historic Home Rating Factor</b>	.90	.88	.86	.84

**Table 2. H.1.a. Historic Home Factors**

**b. Higher Deductibles**

Multiply the Base Premium developed in a. above by the factor for the deductible amount desired.

<b>Coverage A Limit</b>	<b>Deductible Amount</b>		
	\$500	\$1,000	\$2,500
Up to \$59,999	.91	.83	.75
\$ 60,000 to \$ 99,999	.93	.85	.75
100,000 to 200,000	.95	.88	.75
200,001 to 250,000*	.95	.88	.85

**Table 2. H.1.b. Higher Deductible Factors**

**2. Scheduled Building Features (Coverage A – Dwelling)**

a. Develop the rate per \$1,000 of insurance as follows:

(1) Select the Key Premium used to compute the Base Premium;

(2) Develop the Key Factor as follows:

**.115** x **.10** x the rating factor from 1.a. above; and

(3) Multiply the result computed in (2) above by the Key Premium determined in (1) above.

b. Multiply the rate per \$1,000 computed in a. (3) above by the total amount of insurance for all building features that are scheduled.

**3. Coverage B – Other Structures**

Rate per \$1,000 - **\$2.00**

**4. Waiver Of Public Viewing Exclusion (Section II – Liability)**

**a. Coverages E (\$100,000) And F (\$1,000)**

<b>Tours Per Year</b>	<b>Premium</b>
Less Than 4	\$12
4 to 10	17
11 or more	32

**Table 2.H.4.a. Public Viewing Basic Limits Premium**

**b. Increased Limit – Coverage E**

Multiply the premium selected in a. above by the factor for the desired limit of liability:

<b>Limit Of Liability</b>	<b>Factor</b>
\$200,000	1.14
300,000	1.26

**Table 2.H.4.b. Public Viewing Increased Limit Factors**

**c. Increased Limit – Coverage F**

To increase the limit of liability from \$1,000 to \$2,000, add **\$3.00**.

**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM**

The following rules are in addition to, modify or replace the rules in the standard Homeowners manual and apply only to the Homeowners Enhancement Program.

For rules not accommodated below, refer to the standard Homeowners manual.

**A. Introduction**

The North Carolina Homeowners Enhancement Program provides enhanced property and liability coverages using the form and endorsements specified in **C.** below.

**B. Eligibility**

Each Company shall determine which changes, if any, to Eligibility Rule **104.** in the standard Homeowners manual are necessary to accommodate the class of risk eligible for an enhancement policy.

**C. Available Form and Endorsements**

**1. Enhancement Coverage Form HE 00 07**

Attach this form to all enhancement policies.

This form is based on the latest edition of Homeowners Comprehensive Form **HO 00 05** of the Insurance Services Office, Inc. The enhancements made to Form **HO 00 05** are described in Rule **F.**

**2. Expanded Enhancement Coverage Endorsements HE 32 20**

This endorsement adds more enhancements to the policy. The coverage enhancements are outlined in **F.** below.

**3. Extended Enhancement Coverage Endorsements HE 32 21**

This endorsement includes the enhancements in **HE 32 20** plus other enhancements. The extended enhancements are also outlined in **F.** below.

**4. Optional Coverages**

The endorsements noted below add to or modify the enhancements in the form or endorsements noted above. Refer to Rule **G.** for coverage details.

<b>HE 32 22</b>	Specified Additional Amount Of Insurance For Coverage <b>A</b>
<b>HE 32 30</b>	Debris Removal–Broadened Tree Removal Coverage
<b>HE 32 40</b>	Blanket Property Limit Coverage
<b>HE 32 45</b>	Property Coverage Enhancement

**Table 3. C.4. Other Coverage Endorsements**

**D. Deductibles**

The Homeowners Enhancement policy is subject to a deductible that applies to loss from all Section **I** Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. See Earthquake Rule **505.** in the standard Homeowners manual

This Section **I** All Perils Deductible is waived when a covered loss exceeds \$50,000 for all covered perils except Windstorm or Hail.

**1. \$250 Deductible**

This amount is the base and minimum amount available for an enhancement policy.

**2. Higher Deductibles**

The higher deductible options in the standard Homeowners manual are available for an enhancement policy.

**E. Limits Of Liability And Coverage Relationships**

The limits of liability required for an enhancement policy are as follows:

**1. Section I – Property Damage**

**a. Coverage A – Dwelling**

Refer to Company.

- b. Coverage B – Other Structures**
- Coverage C – Personal Property**
- Coverage D – Loss Of Use**

Number Of Families	Percent Of Coverage A Limit		
	Cov. B	Cov. C	Cov. D
1 or 2	10%	70%	20%
3	5%	50%	20%
4	5%	45%	20%

**Table 3. E.1.b. Cov. B & C Limit Of Liability**

**2. Section II – Liability**

**a. Coverage E – Personal Liability**

\$100,000 Each Occurrence

**b. Coverage F – Medical Payments**

\$1,000 Each Person

**3. Optional Higher Limits**

**a. Coverages C, D, E and F**

The limit of liability for these coverages may be increased.

**b. Coverage B**

An additional amount of insurance may be written on a specific structure.

**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM (Cont'd)**

**F. Mandatory Coverages**

It is mandatory that insurance be written for all coverages provided under Sections I and II of the enhancement policy.

The following enhanced coverages and limits are included in Form **HE 00 07** and Endorsements **HE 32 20** and **HE 32 21**:

**1. Section I Coverages**

**a. Coverage A – Dwelling And  
Coverage B – Other Structures**

- (1) Special Coverage;
- (2) Ordinance Or Law Coverage for buildings up to the policy limits;
- (3) Guaranteed Replacement Cost Loss Settlement for buildings;
- (4) Coverage B limit:
  - (a) 10% of Coverage A in form **HE 00 07**; and
  - (b) 20% of Coverage A in endorsements **HE 32 20** and **HE 32 21**.

**b. Coverage C – Personal Property**

- (1) Special Coverage;
- (2) Replacement Cost Loss Settlement;
- (3) Agreed Value Loss Settlement for scheduled personal property up to the limits shown in the schedule;
- (4) Personal Property at a New Residence covered for up to 30 days in form **HE 00 07** and 60 days in endorsements **HE 32 20** and **HE 32 21**; and
- (5) Personal Property At Other Locations
  - (a) Other Residences  
Coverage for personal property usually located at other residences is 10% of Coverage C or \$1,000, whichever is greater in form **HE 00 07** and 10% of Coverage C, or \$10,000 whichever is greater in endorsements **HE 32 20** and **HE 32 21**.
  - (b) Self-storage Facilities  
Coverage for certain personal property located in self-storage facilities is 10% of Coverage C or \$1,000, whichever is greater in form **HE 00 07** and 10% of Coverage C, or \$5,000 whichever is greater in endorsements **HE 32 20** and **HE 32 21**.

**c. Coverage C – Enhanced Special Limits**

Special Limits	HE 00 07	With Endt HE 32 20	With Endt HE 32 21
Money, bank notes	\$1,000	\$1,000	\$1,000
Securities, accounts	\$5,500	\$5,500	\$5,500
Firearms	\$10,000	\$10,000	\$10,000
Silverware, goldware	\$10,000	\$10,000	\$10,000
Jewelry, watches, furs	\$5,500	\$5,500	\$5,500
Watercraft	\$1,500	\$2,500	\$2,500
Trailers or Semitrailers not used with watercraft of all types	\$1,500	\$3,500	\$3,500
Business property used on the "residence premises"	\$2,500	\$2,500	\$5,000
Business property used away from the "residence premises"	\$1,500	\$1,500	\$1,500
Portable Electronic Equipment in or upon a motor vehicle	\$1,500	\$1,500	\$1,500
Jewelry, securities if lost or stolen from a safe deposit box	N/A	\$50,000	\$50,000

**Table 3.F.1.c. Special Limits**

**d. Coverage D – Loss of Use**

- (1) If a civil authority prohibits use of the residence premises:
  - (a) Because a covered peril damages a neighboring premises, additional living expense and fair rental value coverages are extended for up to 30 days; or
  - (b) Because life or health is endangered from a covered peril, earth movement or contaminants or pollutants, up to \$1,000 is provided for additional living expense and fair rental value loss incurred by an insured.
- (2) Additional Living Expense coverage is extended to pay the monthly payment of an existing primary mortgage, for up to 12 months, while the residence premises is not fit to live in. Use endorsement **HE 32 21**.

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**RULE 3.**  
**HOMEOWNERS ENHANCEMENT PROGRAM (Cont'd)**


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**e. Additional Coverages**

- (1) Personal property loss due to temperature change covered if it results from power interruption at the residence premises which is caused by a covered peril;
- (2) Additional Living Expense and Fair Rental Value loss covered if due to power interruption that occurs away from the residence premises and caused by a covered peril;
- (3) Trees, Shrubs & Other Plants subject to a per tree minimum of \$1,000;
- (4) Up to \$2,000 available for removal of fallen tree(s) subject to a per tree maximum of \$1,000;
- (5) Up to \$1,000 available for loss under Fire Department Service Charge coverage;
- (6) Up to \$500 available for loss to Refrigerated Property;
- (7) Property Removed from a premises endangered by a covered peril covered for up to 30 days in form **HE 00 07** and for up to 90 days in endorsement **HE 32 20** and **HE 32 21**;
- (8) Witness Reimbursement Expenses covered up to \$250 a day for wages and \$50 a day for expenses subject to a \$3,000 maximum limit. Use endorsement **HE 32 21**;
- (9) Up to \$5,000 available for loss under Loss Assessment coverage. Use endorsement **HE 32 21**;
- (10) Up to \$500 available for replacement of door lock(s) when house key(s) are stolen. Use endorsement **HE 32 20** or **HE 32 21**;
- (11) Up to \$10,000 for the cost to replace, stabilize or rebuild land necessary to support the dwelling or other structure. Use endorsement **HE 32 21**.
- (12) The policy provides up to \$500 for loss under Credit Card and Electronic Fund Transfer Card Or Access Device coverage in form **HE 00 07** and increased to \$5,000 in endorsement **HE 32 20** and **HE 32 21**;
- (13) Up to \$2,500 available to reward person(s) for information leading to arrest & conviction of person(s) committing a crime that involved loss to insured property; Use endorsement **HE 32 21**;
- (14) Up to \$5,000 available to reward person(s) for return of stolen covered property; Use endorsement **HE 32 21**; and

- (15) Up to \$50,000 available for loss caused by water or water-borne material that backs up through sewers or drains or discharges or overflows from a sump. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown. Use endorsement **HE 32 21**.

**2. Section II Coverages****a. Coverage E – Personal Liability**

\$ 100,000 per occurrence

**b. Coverage F – Medical Payments**

\$ 1,000 per person

**c. Additional Coverages**

- (1) Prejudgement Interest;
- (2) Water Damage Legal Liability;
- (3) Personal Injury;
- (4) Business Pursuits of Minors;
- (5) Liability Coverage for Directors and Officers of Not-For-Profit Organizations;
- (6) Watercraft Liability – the horsepower threshold for outboard motors is increased from 25 to 50 horsepower or less. Use endorsement **HE 32 20** or **HE 32 21**;
- (7) Damage to Property of Others – Up to \$1,500 is available. Use endorsement **HE 32 20** or **HE 32 21**;
- (8) Loss Assessment Coverage – Up to \$1,000 is available in form **HE 00 07** and up to \$5,000 is available in endorsement **HE 32 21**;
- (9) Reasonable Expenses incurred by insured to assist insurer to investigate or defend a liability claim. The most we will pay for such expense is \$250.



**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM (Cont'd)**

**G. Optional Coverages**

**1. Specified Additional Amount of Insurance for Coverage A - Dwelling**

**a. Coverage**

The enhancement policy may be endorsed to provide a limitation on the replacement cost loss settlement provision. This endorsement is designed to provide a replacement cost limit of 125% or 150% of Coverage A – Dwelling including the increased costs incurred due to the enforcement of any ordinance or law.

**b. Endorsement**

Specified Additional Amount of Insurance for Coverage A – Dwelling **HE 32 22**

**c. Premium**

The premium for this option is computed by multiplying the base premium by the appropriate factor selected from the following table:

Additional Amount of Insurance Options	Factor
125%	.96
150%	.97

**Table 3.G.1.c. Additional Amount of Insurance Options**

**2. Debris Removal–Broadened Tree Removal**

**a. Coverage**

The enhancement policy may be endorsed to provide up to \$2,000 to remove trees from the residence premises that are felled by a covered peril.

The fallen tree does not have to damage a covered structure on the residence premises.

The most paid for removal of any one tree is \$1,000.

**b. Endorsement**

Debris Removal Broadened Tree Removal Endorsement **HE 32 30**

**c. Premium – \$30**

**3. Property Coverage Enhancement**

**a. Coverage**

The following enhanced coverages are included in **HE 32 45**:

(1) Witness Reimbursement - Pays up to \$100 per day for lost earnings and \$50 for reimbursement of expenses as a result of appearing as a witness in a claim under the policy. Maximum aggregate limit is \$600.

(2) Accidental Death Benefit - \$1,000.

(3) Personal Records - \$250 available to reproduce, restore or replace personal records damaged as a result of a covered peril.

(4) Cost of Preparing Proof of Loss - \$250 available for reasonable expenses incurred for an outside service to prepare a proof of loss or other exhibits required by the policy.

**b. Endorsement**

Use Property Coverage Enhancement Endorsement **HE 32 45**.

**c. Premium – \$20.**

**4. Blanket Property Limit Coverage**

**a. Coverage**

The enhancement policy may be endorsed to be written on a Blanket Property Limit Basis.

**b. Endorsement**

Blanket Property Limit Coverage Endorsement **HE 32 40**

**c. Premium –** To develop the premium for this option, refer to **H. Base Premium Computation** below.

**5. Broadened Home-sharing Host Activities Coverage**

**a. Coverage**

The enhancement policy may be endorsed to provide coverage for Home-sharing Host Activities.

**b. Endorsement**

Broadened Home-sharing Host Activities Coverage Endorsement **HE 32 74**

**d. Premium –** To develop the premium for this option, refer to **Rule A10** of the Standard Homeowners Manual.

**6. Other Optional Coverages**

Optional Section I and II coverages available for the standard Homeowners policy are available for an enhancement policy.

Compare the desired standard Homeowners options with the coverages and limits in the Homeowners Enhancement form and endorsements to avoid duplication.

**H. Base Premium Computation**

1. Develop the 1, 2, 3 or 4 family Base Premium for Form **HO 00 03** in accordance with Rule **301**. Base Premium Computation in the standard Homeowners manual; and

2. Multiply the **HO 00 03** Base Premium developed above by the factor for the desired level of coverage:

Level Of Enhancement	Factor
<b>HE 00 07</b>	1.25
<b>HE 00 07 with HE 32 20</b>	1.30
<b>HE 00 07 with HE 32 21</b>	1.37
<b>HE 00 07 with HE 32 20 &amp; HE 32 40</b>	1.35
<b>HE 00 07 with HE 32 21 &amp; HE 32 40</b>	1.42

**Table 3. H.2. Enhancement Coverage Rating Factors**

**RULE 4.  
BLANKET PROPERTY LIMIT COVERAGE**

The following rules are in addition to, modify or replace the rules in the standard Homeowners manual and apply only to this Blanket Property Limit coverage.

For rules not accommodated below, refer to the standard Homeowners manual.

**A. Introduction**

A Homeowners Policy may be written on a Blanket Property Limit basis. The Blanket Property Limit provides for a single amount of coverage for covered losses under Coverages **A, B, C** and **D**.

**B. Eligibility**

A Blanket Property Limit policy may be issued for:

1. An owner-occupied one or two family dwelling;
2. A person who occupies an apartment in a one through four family dwelling or other residential building; and
3. A person who owns a residential unit in a building owned by a condominium association.

**C. Basic Coverage Forms And Endorsements**

**1. Special Provisions Endorsement HB 32 32**

Use this endorsement instead of **HO 32 32**.

**2. Special Form HO 00 03 And Blanket Property Limit Endorsement HB 00 03**

Use this form and endorsement for a one or two family dwelling occupancy.

**3. Contents Broad Form HO 00 04 and Blanket Property Limit Endorsement HB 00 04**

Use this form and endorsement for apartment occupancy.

**4. Condominiums Unit Owners Form HO 00 06 And Blanket Property Limit Endorsement HB 00 06**

Use this form and endorsement for an owner occupied unit in a building owned by a condominium association.

**5. Comprehensive Form HO 00 05 And Blanket Property Limit Endorsement HB 00 05**

Use this form and endorsement for a one or two family dwelling occupancy.

**6. Personal Property Replacement Cost Endorsement HO 04 90**

Use this endorsement on all policies.

The Coverage **C** limit shall be 100% of replacement value. An additional 'endorsement' charge that varies by form applies but no additional charge is made for increasing the Coverage **C** limit.

The Coverage **C** limit may not be reduced.

**D. Optional Coverages**

**1. Ordinance or Law Coverage**

**a. Basic Amount Of Coverage**

The policy automatically provides coverage to pay for the increased costs necessary to comply with the enforcement of an ordinance or law up to the following amounts:

Form	Amount Of Coverage
HO 00 03 or HO 00 05	5% Of The Blanket Property Limit
HO 00 04	1% Of The Blanket Property Limit
HO 00 06	2% Of The Blanket Property Limit

**Table 4.D.1.a, Ordinance Or Law Basic Limits**

**b. Increased Amount of Coverage**

**(1) Coverage**

The policy may be endorsed to increase the basic amount of coverage to accommodate increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property; demolish the undamaged portion of damaged property; and clear the site of resulting debris to comply with an ordinance or law.

**(2) Premium**

Refer to Rule **F.2.** below.

**2. Other Optional Coverages**

If any of the following optional coverages are selected, use the endorsements specified below:

HB 03 12	Windstorm or Hail Percentage Deductible
HB 04 46	Inflation Protection ( <b>HO 00 03</b> or <b>HO 00 05</b> Only)
HB 32 54	Earthquake Coverage (apply the earthquake rates to the Blanket Property rating limit to determine the premium.)
HB 04 77	Ordinance or Law Coverage
HB 04 98	Refrigerated Property Coverage
HB 05 46	Landlord's Furnishings ( <b>HO 00 03</b> or <b>HO 00 05</b> Only)
HB 32 11	Additional Blanket Property Limit Coverage ( <b>HO 00 03</b> or <b>HO 00 05</b> Only)
HB 32 20	Specified Additional Blanket Property Limit Coverage ( <b>HO 00 03</b> or <b>HO 00 05</b> Only)

**Table 4.D.2. Optional Coverage Endorsements**

**RULE 4.**

**BLANKET PROPERTY LIMIT COVERAGE (Cont'd)**

**E. Developing The Blanket Policy Limit**

Establish the appropriate limit for **each** of the principal coverage components included in the form taking into account any coverage increases the insured may need.

**1. Form HO 00 03 And Endorsement HB 00 03 or Form HO 00 05 And Endorsement HB 00 05**

Add together the limits for Coverages **A, B, C** and **D** to determine the Blanket Property Limit.

The Blanket Property Limit must be at least **200%** of the dwelling replacement cost for a Primary Residence or **170%** of the dwelling replacement cost for a Secondary Residence.

Since any increase in Coverage **B, C** or **D** limits must be factored into Blanket Property Limit, the rules in the standard Homeowners manual for the following coverage increases do not apply:

- a. Coverage **B** – Other Structures, Increased Limits Endorsement **HO 04 48**;
- b. Coverage **C** – Personal Property, Increased Limits; and
- c. Coverage **D** – Loss of Use.

**2. Form HO 00 04 And Endorsement HB 00 04**

Add together the limits for Coverages **C** and **D** to determine the Blanket Property Limit.

The Blanket Property Limit must be at least **120%** of the replacement cost value of the personal property.

Since any increases in Coverage **D** must be factored into the Blanket Property Limit, the rule in the standard Homeowners manual for Coverage **D** – Loss of Use Increased Limit does not apply.

**3. Form HO 00 06 And Endorsement HB 00 06**

Add together the limits for Coverages **A, C** and **D** to determine the Blanket Property Limit.

The Blanket Property Limit must be at least **160%** of the replacement cost value of the personal property.

Coverage **A** named perils coverage may be broadened to cover additional risks of loss (Special Coverage) for an additional premium.

Since any increases in Coverage **A** or **D** must be factored into the Blanket Property Limit, the rule regarding Coverage **D** – Loss of Use Increased Limit does not apply.

**F. Premium Development**

**1. Basic Coverage Premium Computation**

- a. Divide the Blanket Property Limit by the appropriate factor in the table below and round to the nearest \$100. The result is the rating amount.

Form	Rating Amount Factors
HO 00 03 or HO 00 05	2.00 Primary Residence 1.70 Secondary Residence
HO 00 04	1.20
HO 00 06	1.60

**Table 4.F.1.a. Rating Amount Factors**

- b. Using the rating amount developed in **a.** above, compute the Base Premium in accordance with Rule **301.** in the standard Homeowners manual.
- c. To account for the personal property replacement cost coverage automatically included in the policy, multiply the Blanket Property Limit Base Premium computed in **b.** above by the appropriate factor below:

Form	Rating Factors
HO 00 03 & HO 00 05	.05
HO 00 04 & HO 00 06	.40

**Table 4.F.1.c. Personal Property Replacement Cost Rating Factors**

**2. Optional Coverage Premium Computation**

**a. Ordinance Or Law Increased Limit**

When the limit for Ordinance or Law Coverage is increased, develop the adjusted base premium or additional premium as follows:

**(1) Form HO 00 03 And HO 00 05 – Adjusted Base Premium**

Multiply the Blanket Property Limit Base Premium computed in **1.b.** above by the appropriate factor below:

Ordinance Or Law		Blanket Property Limit Rating Factors	
Increase In % Amount	Total % Amount	\$120,000 to \$280,000	All Other
7.5%	12.5%	1.13	1.05
20.0%	25.0%	1.35	1.14
32.5%	37.5%	1.51	1.20
45.0%	50.0%	1.67	1.27

**Table 4.F.2.a.(1) Ordinance Or Law Rating Factors**

**RULE 4.  
BLANKET PROPERTY LIMIT COVERAGE (Cont'd)**

**(2) Forms HO 00 04 And HO 00 06 – Additional Premium**

(a) From the Key Factor and Key Premium tables used to develop the Blanket Property Limit Base Premium for Form **HO 00 04** or **HO 00 06**, multiply the Key Factor for "Each Add'l \$1,000 Of Insurance" by the Key Premium.

The result is the premium per \$1,000 of insurance.

(b) Multiply the amount of increase by the premium per \$1,000 of insurance developed in (a) above.

**b. Building Additions and Alterations Increased Limit - Form HO 00 04 Only**

The limit of liability of 8.5% may be increased.

To develop the additional premium, follow the instructions in **2.a.(2)** above.

**c. Special Coverage - Coverage A Form HO 00 06 Only**

Multiply the amount of increase by the following premium per \$1,000 of insurance: **\$7.00**

**G. Windstorm Or Hail Percentage Deductibles**

In Territories 07, 08, 48, 49 and 52, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed.

These calculations ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

**1. Property NOT Located in Area Serviced by the NCIUA**

To compute the premium for this provision, multiply the Base Premium by the factor selected for the desired windstorm or hail deductible option for the deductible amounts desired.

**2. Property IS located in Area Serviced by the NCIUA**

To determine if an adjusted deductible credit or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the standard Homeowners Manual state rate pages, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 07, 08, 48, 49 and 52 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in: Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium. Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

**3. Windstorm or Hail Percentage Deductible Rating Factor Tables**

0.5% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
	<b>Factors</b>				
<b>All Other Perils Ded. Amt.</b>	\$ 100	1.05	1.04	1.04	1.04
	250	.96	.96	.96	.96
	500	.89	.89	.89	.93
	1,000	–	–	.78	.88
	2,500	–	–	–	.74

**Table 4.G.3.#1 0.5% Windstorm or Hail Deductible**

1% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
	<b>Factors</b>				
<b>All Other Perils Ded. Amt.</b>	\$ 100	1.02	1.02	1.02	1.02
	250	.93	.93	.94	.95
	500	.86	.86	.87	.91
	1,000	.76	.76	.76	.85
	2,500	–	–	.60	.72

**Table 4.G.3.#2 1% Windstorm or Hail Deductible**

**RULE 4.  
BLANKET PROPERTY LIMIT COVERAGE (Cont'd)**

2.5% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
<b>Factors</b>					
<b>All Other Perils Ded. Amt.</b>	\$ 100	.97	.97	.99	1.00
	250	.89	.89	.91	.93
	500	.82	.82	.84	.89
	1,000	.72	.72	.73	.83
	2,500	.59	.59	.59	.70

**Table 4.G.3.#3 2.5% Windstorm or Hail Deductible**

**H. Windstorm Or Hail Higher Fixed-Dollar Deductibles**

In Territories 07, 08, 48, 49 and 52, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed.

These calculations ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

**1. Property NOT Located in Area Serviced by the NCIUA**

To compute the premium for this provision, multiply the Base Premium by the factor selected for the desired windstorm or hail deductible option for the deductible amounts desired.

**2. Property IS located in Area Serviced by the NCIUA**

To determine if an adjusted deductible credit or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the standard Homeowners Manual state rate pages, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 07, 08, 48, 49 and 52 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.

- Step 5. Compare the results in Steps 2. and 4. If the result in: Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium. Step 2. is **greater than or equal to** the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

**3. Windstorm or Hail Higher Fixed Dollar Deductible Rating Factor Tables**

\$1,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
<b>Factors</b>					
<b>All Other Perils Ded. Amt.</b>	\$ 100	1.02	1.03	1.05	1.06
	250	.95	.95	.97	.98
	500	.88	.88	.90	.95
	1,000	-	-	-	-
	2,500	-	-	-	-

**Table 4.H.3.#1 \$1,000 Windstorm or Hail Deductible**

\$2,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
<b>Factors</b>					
<b>All Other Perils Ded. Amt.</b>	\$ 100	.98	1.00	1.03	1.04
	250	.91	.92	.95	.96
	500	.85	.85	.88	.93
	1,000	.75	.75	.77	.88
	1,500	.70	.70	.72	.84

**Table 4.H.3.#2 \$2,000 Windstorm or Hail Deductible**

\$5,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
<b>Factors</b>					
<b>All Other Perils Ded. Amt.</b>	\$ 100	.96	.97	1.01	1.02
	250	.88	.89	.92	.94
	500	.82	.82	.85	.91
	1,000	.72	.72	.75	.86
	1,500	.67	.67	.70	.82
2,500	.58	.59	.60	.74	

**Table 4.H.3.#3 \$5,000 Windstorm or Hail Deductible**

To convert the Homeowners Manual to a Homeowners Windstorm And Hail Policy Program Manual, replace the corresponding rules in the Homeowners Policy Program Manual General Rules and Homeowners Policy Program Manual North Carolina Exception Pages with the following rules:

**ADDITIONAL RULE(S)**

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**RULE A1.  
SPECIAL STATE REQUIREMENTS**

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**A. Special Provisions Endorsement HS 32 32**

Use this endorsement with all Homeowners Windstorm and Hail Policies.

**B. Windstorm Exterior Paint And Waterproofing Exclusion Endorsement HO 32 86**

Use this endorsement with all Homeowners Windstorm and Hail Policies in Territories 110 and 120.

**C. Company Rates/State Rate Pages**

References in the manual to "state company rates" mean "state rate pages" in North Carolina.

**D. Insert – North Carolina Endorsement HO 32 46**

Use this endorsement with all Homeowners Windstorm and Hail Policies.

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**RULE A3.  
WINDSTORM OR HAIL EXCLUSION – TERRITORIES  
110, 120, 130, 140, 150 AND 160 ONLY**

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Rule **A3.** does not apply.

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**RULE A4.  
WATERBED LIABILITY – FORMS HO 00 04 AND  
HO 00 06**

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Rule **A4.** does not apply.

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**RULE A6.  
INFLATION GUARD ENDORSEMENT**

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Subject to the provisions noted in Paragraph **B.** and **C.**, the inflation guard endorsements referenced in this rule may be used instead of the endorsement noted in General Rule **405.**

**A. Eligible Forms**

The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in Paragraph **B.:**

1. Forms **HS 00 02** and **HS 00 03** - Coverages **A, B, C** and **D.**; and
2. Forms **HS 00 04** and **HS 00 06** - Coverages **C** and **D.**

These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, billing notice or named on the form.

**B. Approved Inflation Cost Indexes**

The following Indexes have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsement listed in Paragraph **C.**

A company that elects to use one of these indexes must use it exclusively and notify the Rate Bureau of its election:

1. Marshall and Swift Boeckh Residential Cost Index published by the American Appraisal Company, Inc.
2. Composite Construction Cost Index published by the U.S. Department of Commerce.
3. Consumer Price Index published by the U.S. Department of Labor.
4. Marshall and Swift Boeckh Construction Cost Index published by Marshall and Swift Boeckh.
5. RSMears CostWorks Valuator published by RSMears.
6. Xactware Inflation Index published by Xactware Solutions, Inc.

**C. Endorsement**

1. Inflation Guard Endorsement **HO 32 18**

Use this endorsement with Forms **HS 00 02** and **HS 00 03.**

2. Inflation Guard Endorsement **HO 32 19**

Use this endorsement with Forms **HS 00 04** and **HS 00 06.**

**D. Premium**

There is no additional charge for this optional endorsement.

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**RULE A8.  
PRIMARY INSURANCE COVERAGE**

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Rule **A8.** does not apply.

**PART I  
COVERAGE AND DEFINITION TYPE RULES**

**RULE 100.  
INTRODUCTION**

Unless otherwise specified, in this rule, "policy" refers to the Homeowners Windstorm And Hail Coverage Forms. For rules not accommodated below, refer to the standard Homeowners Manual. Utilize the following table to determine, where applicable, the appropriate corresponding form:

Homeowners Windstorm Or Hail Policy	Corresponding Form In Homeowners
HS 00 02	HO 00 02
HS 00 03	HO 00 03
HS 00 04	HO 00 04
HS 00 06	HO 00 06
HS 00 08	HO 00 08

**Table 100. Corresponding Forms**

**RULE 101.  
LIMITS OF LIABILITY AND COVERAGE  
RELATIONSHIPS**

**A. Limits**

The limits of liability required under the Homeowners Policy are as follows:

Coverage A – Dwelling	
HS 00 02, HS 00 03, or HS 00 08 HS 00 04 or HS 00 06	Refer to Rule 301. in the state classification pages. For HO 00 06 refer to Rule 507.A.
Coverage B – Other Structures	
HS 00 02, HS 00 03, or HS 00 08	10% of A (One- and two-family dwelling) 5% of A (Three- and four-family dwelling)
Coverage C – Personal Property	
HS 00 02, HS 00 03, or HS 00 08 HS 00 04 or HS 00 06	50% of A (One- and two-family dwelling) 30% of A (Three-family dwelling) 25% of A (Four-family dwelling) Refer to Rule 301. in the state classification pages.
Coverage D – Loss Of Use	
HS 00 02 or HS 00 03	20% of A
HS 00 04	20% of C
HS 00 06	40% of C
HS 00 08	10% of A

**Table 101.A. Property Damage Limits**

**B. All Forms**

The limit of liability for Coverage C or D of Section I may be increased.

**C. Form HS 00 02 Or HS 00 03**

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure.

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one- and two-family dwelling; 20% of the limit of a three-family dwelling; and 15% of the limit of a four-family dwelling.

**D. Form HS 00 06**

The limit of liability for Coverage A of Section I may be increased.

**E. Form HS 00 08**

The following are the only Section I options available with this form:

1. Higher Optional Deductibles,
2. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing, and
3. Reduced Coverage C Limits.

**RULE 102.  
DESCRIPTION OF COVERAGES**

The following is a general description of the coverages provided by the Homeowners Windstorm And Hail Coverage forms:

- A. The Homeowners Windstorm And Hail Policy Program:
  1. Provides coverage for the peril of Windstorm Or Hail.
  2. Does not provide liability coverage.
- B. The policy should be consulted for exact contract provisions which will have control over this manual supplement. Refer to:
  1. Homeowners 2 – Windstorm And Hail Form HS 00 02.
  2. Homeowners 3 – Windstorm And Hail Form HS 00 03.
  3. Homeowners 4 – Windstorm And Hail Form HS 00 04.
  4. Homeowners 6 – Windstorm And Hail Form HS 00 06.
  5. Homeowners 8 – Windstorm And Hail Form HS 00 08.

**RULE 103.  
MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under Section I of the Homeowners Policy.

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**RULE 104.  
ELIGIBILITY**

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**A. Forms HS 00 02, HS 00 03 And HS 00 08**

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to the following:

1. To the owner-occupant(s) of a one-, two-, three- or four-family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs **F.** and **H.**). A one-family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a two-, three- or four-family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long-term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building may be covered using Additional Insured Endorsement **HS 04 41**; or
3. To the occupant of a dwelling under a life estate arrangement when the Coverage **A** amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building may be covered using Endorsement **HS 04 41**; or
4. When two or more apartment units in a two-, three- or four-family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Windstorm And Hail Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Endorsement **HS 04 41**. A separate Homeowners Windstorm And Hail Form **HS 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Windstorm And Hail Form, without additional premium charge, to cover the interest of a non-occupant joint owner in the building. Use Endorsement **HS 04 41**.

**B. Form HS 00 04**

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or

2. The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Windstorm And Hail Policy under Paragraph **A**;

provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraph **F.**). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

**C. Form HS 00 06**

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes. The unit may not be occupied by more than one additional family or two boarders or roomers.

**D. Seasonal Dwelling**

Subject to all other sections of this rule, a Homeowners Windstorm And Hail Policy may be issued to cover a seasonal dwelling.

**E. Mobile Home, Trailer Home Or House Trailer**

A Homeowners Windstorm And Hail Policy:

1. Shall not be issued to cover such structures under Coverage **A** – Dwelling, but
2. May be issued to cover personal property in such structures as noted in Paragraph **B**.

**F. Permitted Business Occupancies**

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rule **510**. for Section **I** Coverage. When it is conducted from an Other Residence, no coverage is available.

**G. Farm Property**

A Homeowners Windstorm And Hail Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section **I** property damage coverage to any property situated on premises used for farming purposes.



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**RULE 104.**  
**ELIGIBILITY (Cont'd)**

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**H. Residence Held In Trust (All Forms Except HS 00 04)**

A Homeowners Windstorm And Hail Policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or a condominium unit when legal title to the dwelling or unit is held in trust and:

1. One of the occupants of the dwelling or condominium unit is the grantor/settlor of the trust;
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph F.; and
3. No trustee of the trust is:
  - a. A partnership or joint venture;
  - b. A corporation;
  - c. A limited liability company;
  - d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
  - e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this Paragraph e. does not apply to an individual who is a relative of the grantor/settlor of the trust.

Refer to Rule **526**. in this supplement manual for the rule of application.

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**RULE 105.**  
**SECONDARY RESIDENCE PREMISES**

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Homeowners Windstorm And Hail Coverage on a secondary residence premises shall be provided under a separate policy. The rules of this manual apply.

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**RULE 106.**  
**PROTECTION CLASSIFICATION INFORMATION**

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Rule **106**. does not apply.

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**PART II**  
**SERVICING TYPE RULES**

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**RULE 204.**  
**MULTIPLE COMPANY INSURANCE**

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Rule **204**. does not apply.

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**RULE 211.**  
**ADDITIONAL INTERESTS**

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- A. In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is **not** provided to such persons or organizations under Additional Insured Endorsement **HS 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph **D**.
- B. Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C. No additional charge is made for use of this endorsement.
- D. Use Additional Interest Residence Premises Endorsement **HO 04 10**.

**WINDSTORM AND HAIL POLICY PROGRAM  
HOMEOWNERS MANUAL SUPPLEMENT**

**NORTH CAROLINA**

**PART III  
BASE PREMIUM COMPUTATION RULES**

**RULE 301.  
BASE PREMIUM COMPUTATION**

**A. All Forms Except HS 00 04 And HS 00 06**

**1. One- And Two-family Dwelling**

- a. From the following Base Class Premium Table, select the Form **HS 00 03** premium for the territory and construction that applies.
- b. From the following Key Factor Table, select the Key Factor for the desired limit of liability.
- c. Multiply the Base Class Premium from Paragraph a. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

**Base Class Premium Table**

	Territory					
	110	120	130	140	150	160
<b>Frame Construction</b>						
<b>HS 00 03</b>	\$ 2,181	\$ 2,981	\$ 1,403	\$ 1,896	\$ 1,087	\$ 1,138
<b>HS 00 04</b>	95	112	50	68	33	44
<b>HS 00 06</b>	48	79	28	31	11	16
<b>Masonry Construction</b>						
<b>HS 00 03</b>	\$ 1,976	\$ 2,691	\$ 1,299	\$ 1,704	\$ 979	\$ 1,036
<b>HS 00 04</b>	87	103	47	64	32	43
<b>HS 00 06</b>	45	71	26	29	11	15

**Table 301.A.1.c.#1 Base Class Premium**

**Key Factor Table**

Cov. A Amt. (In 000)	Factor	
**\$ 10	.258	
50	.453	
75	.556	
100	.644	
150	.822	
200	1.000	
300	1.339	
500	1.972	
750	2.764	
1,000	3.556	
1,500	5.111	
2,000	6.667	
3,000	9.778	
4,000	12.889	
5,000	16.000	
<b>Each Add'l \$1,000</b>	0.003	
<b>Minimum Limits Of Liability</b>		
<b>**Section I – Property</b>	<b>HS 00 02 And HS 00 03</b>	<b>HS 00 08</b>
Primary Location	\$ 25,000	\$ 15,000
Secondary Location	\$ 15,000	\$ 10,000

**Table 301.A.1.c.#2 Key Factors**

**2. Three- And Four-family Dwelling**

Multiply the One- and Two-family Dwelling Base Premium by the three- and four-family factor of 1.04 to arrive at the Base Premium.

**RULE 301.**  
**BASE PREMIUM COMPUTATION (Cont'd)**

**B. Form HS 00 04 Or HS 00 06**

1. From the Base Class Premium Table contained in Paragraph **301.A.1.c.#1**, select the Form **HS 00 04** or **HS 00 06** premium for the territory and construction that applies.
2. From the following Form **HS 00 04** or **HS 00 06** Key Factors Table **301.B.3**, select the Key Factor for the desired limit of liability.
3. Multiply the Base Class Premium from Paragraph **1.** by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

**Key Factor Table**

Cov. C Amt. (In 000)	Factor	Cov. C Amt. (In 000)	Factor
**\$ 1	.37	\$ 21	1.98
** 2	.44	22	2.06
** 3	.51	23	2.14
** 4	.58	24	2.22
** 5	.65	25	2.30
** 6	.72	26	2.38
** 7	.79	27	2.46
** 8	.86	28	2.54
** 9	.93	29	2.62
** 10	1.00	30	2.70
11	1.10	31	2.78
12	1.20	32	2.86
13	1.30	33	2.94
14	1.40	34	3.02
15	1.50	35	3.10
16	1.58	36	3.18
17	1.66	37	3.26
18	1.74	38	3.34
19	1.82	39	3.42
20	1.90	40	3.50
<b>Each Add'l \$1,000</b>			.08
<b>Minimum Limits Of Liability</b>			
<b>**Section I – Property</b>			
<b>HS 00 04 – \$ 6,000</b>			
<b>HS 00 06 – \$ 10,000</b>			

**Table 301.B.3. Key Factors**

**RULE 302.  
LOSS SETTLEMENT OPTIONS**

**A. Actual Cash Value Loss Settlement – HS 00 02, HS 00 03 Only**

**1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

**2. Coverage Description**

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date for the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

**3. Premium Computation**

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
20%	4.00
30%	2.67
40%	2.00
50%	1.60
60%	1.33
70%	1.14

**Table 302.A.3.a. Factors**

- b. Develop a Base Premium in accordance with Rule **301.** for the amount of insurance computed in Paragraph **A.3.a.**

- c. Multiply the premium determined in Paragraph **A.3.b.** by the appropriate factor from the following table:

% Of Replacement Value	Factor
20%	.73
30%	.74
40%	.75
50%	.76
60%	.77
70%	.78
80%	.80

**Table 302.A.3.c. Factors**

**4. Endorsement**

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81.**

**B. Special Loss Settlement – HS 00 02, HS 00 03 Only**

**1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

**2. Coverage Description**

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage **A** limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

**3. Premium Computation**

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
50%	1.60
60%	1.33
70%	1.14

**Table 302.B.3.a. Factors**

- b. Develop a Base Premium in accordance with Rule **301.** for the amount of insurance computed in Paragraph **a.**

- c. Multiply the premium determined in Paragraph **b.** by the appropriate factor from the following table:

% Of Replacement Value	Factor
50%	.96
60%	.97
70%	.98

**Table 302.B.3.c. Factors**

**4. Endorsement**

Use Special Loss Settlement – North Carolina Endorsement **HS 32 56.**

**RULE 303.  
 ORDINANCE OR LAW COVERAGE – ALL FORMS  
 EXCEPT HS 00 08**

The title of Rule 303, Ordinance Or Law Coverage – All Forms Except HO 00 08 is replaced by the preceding title.

**A. Basic Limit**

The policy automatically provides up to 10% of the Coverage A limit of liability (or for Form HS 00 04, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

**B. Increased Amount Of Coverage**

**1. Description**

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted in Paragraph 2. to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

**2. Premium Determination**

**a. Forms HS 00 02, HS 00 03**

To develop the Base Premium multiply the premium computed in accordance with Rule 301. by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15%	25%	1.13	1.05
40%	50%	1.35	1.14
65%	75%	1.51	1.20
90%	100%	1.67	1.27
For each add'l 25% increment, add		.16	.07

**Table 303.B.2.a. Factors**

**b. Forms HS 00 04 And HS 00 06**

See Rule 513. for rating instructions.

**3. Endorsement**

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement HS 04 77.

**RULE 304.  
 SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04  
 AND HO 00 06**

Rule 304. does not apply.

**PART IV  
 ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 403.  
 PERSONAL PROPERTY (COVERAGE C)  
 REPLACEMENT COST LOSS SETTLEMENT**

**A. Introduction**

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

**B. Loss Settlement Option**

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis. If endorsed, the Coverage C limit must be at least:

1. 40% of Coverage A for all forms except HS 00 04 and HS 00 06.
2. \$12,000 (if policy limit is less than \$12,000 for Forms HS 00 04 or HS 00 06).

**C. Endorsement**

Use Personal Property Replacement Cost Endorsement HO 04 90.

**D. Scheduled Personal Property**

Multiply the Base Premium including any premium adjustment for coverage C limits by a factor of:

1. 1.05 for all forms except HS 00 04 and HS 00 06.
2. 1.40 for Form HS 00 04 or HS 00 06.
3. The charge for Replacement Cost Coverage should be applied before the credit or charge for optional deductibles.
4. Minimum additional charge - \$20.

**RULE 404.  
 PROTECTIVE DEVICES**

Rule 404. does not apply.

**RULE 406.  
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

**A. Base Deductible**

A Base Deductible of \$1,000 applies to all forms except **HS 00 04** and **HS 00 06**.

A Base Deductible of \$500 applies to Forms **HS 00 04** and **HS 00 06**.

**B. Optional Windstorm Or Hail Deductibles – All Forms Except HS 00 04 And HS 00 06**

The following deductible options may be used:

**1. Percentage Deductibles**

**a. Deductible Amounts**

This option provides for percentage deductibles of 1%, 2%, 3%, 4%, 5%, 7.5% and 10% of the Coverage **A** limit of liability.

**b. Endorsement**

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12**.

**c. Declarations Instructions**

Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail. For example:

- (i) Deductible – Windstorm or Hail 1% of Coverage **A** limit.
- (ii) Deductible – Windstorm or Hail 2% of Coverage **A** limit.

**d. Deductible Application**

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

<b>Percentage Windstorm Or Hail Deductible</b>						
<b>Deductible Percentage</b>	<b>Coverage A Limit</b>					
	<b>Up To \$59,999</b>	<b>\$60,000 To \$99,999</b>	<b>\$100,000 To \$200,000</b>	<b>\$200,001 To \$250,000</b>	<b>\$250,001 To \$350,000</b>	<b>\$350,001 And Over</b>
1 %	0.99	0.99	0.99	1.11	1.11	1.11
2	0.96	0.96	0.96	1.08	1.08	1.08
3	0.94	0.94	0.95	1.07	1.07	1.07
4	0.93	0.93	0.93	1.06	1.06	1.06
5	0.91	0.91	0.92	1.05	1.05	1.05
7.5	0.90	0.90	0.91	1.03	1.03	1.03
10	0.89	0.89	0.90	1.02	1.02	1.02

**Table 406.B.1.d. Percentage Deductible**

**RULE 406.**  
**DEDUCTIBLES (Cont'd)**

**2. Fixed-dollar Deductibles**

**a. Deductible Amounts**

This option provides for fixed-dollar deductible amounts of \$250, \$500, \$1,000, \$2,000, \$5,000, \$7,500 and \$10,000.

**b. Endorsement**

An endorsement is not required.

**c. Declarations Instruction**

Separately enter, on the policy Declarations, the deductible amount that applies. For example: \$1,000 for Windstorm or Hail.

**d. Deductible Application**

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Fixed-dollar Windstorm Or Hail Deductible						
Deductible Amount	Coverage A Limit					
	Up To \$59,999	\$60,000 To \$99,999	\$100,000 To \$200,000	\$200,001 To \$250,000	\$250,001 To \$350,000	\$350,001 And Over
\$ 250	1.27	1.27	1.27	1.27	1.27	1.27
500	1.15	1.15	1.16	1.22	1.22	1.22
1,000	1.00	1.00	1.00	1.13	1.13	1.13
2,000	0.95	0.95	0.97	1.11	1.11	1.11
5,000	0.91	0.91	0.95	1.09	1.09	1.09
7,500	0.90	0.90	0.93	1.06	1.06	1.06
10,000	0.89	0.89	0.91	1.04	1.04	1.04

**Table 406.B.2.d. Fixed-dollar Deductible**

**RULE 406.  
DEDUCTIBLES (Cont'd)**

**C. Named Storm Percentage Deductible**

**1. Deductible Amounts**

The Named Storm Percentage Deductible option may be used, when an Optional Windstorm Or Hail Deductible is not selected.

A percentage amount of 1%, 2% or 5% of the Coverage **A** or **C** limit of liability, whichever is greater, is available.

**2. Endorsement**

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

**3. Schedule Instructions**

Enter on the Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

**4. Loss By Windstorm That Is A Named Storm**

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Named Storm Deductible Percentage	HS 00 02, HS 00 03 And HS 00 08	HS 00 04	HS 00 06
1%	1.13	1.01	1.01
2%	1.09	1.00	1.00
5%	1.06	.99	.99

**Table 406.C.4. Named Storm Percentage Deductible**

**RULE 407.  
ADDITIONAL AMOUNTS OF INSURANCE – FORMS  
HS 00 02 And HS 00 03**

The title of Rule **407. Additional Amounts Of Insurance – Forms HO 00 02 And HO 00 03**, is replaced by the preceding title.

**A. Introduction**

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

**B. Coverage Description**

The policy may be endorsed to provide additional insurance for Coverage **A** only or for Coverages **A**, **B**, **C**, and **D** when loss, to property insured under Coverage **A** – Dwelling, exceeds the limit of liability shown in the policy Declarations.

**C. Specified Additional Amount Of Insurance For Coverage A Only**

When the following option is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

1. An additional amount of insurance equal to 25% or 50% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to property insured under Coverage **A** – Dwelling exceeds the Coverage **A** limit of liability shown in the Declarations.
2. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

**Table 407.C.2. Additional Amounts Of Insurance Factors**

3. Use Specified Additional Amount Of Insurance For Coverage **A** – Dwelling – North Carolina Endorsement **HO 32 20**.

**RULE 408.  
ACTUAL CASH VALUE LOSS SETTLEMENT  
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING –  
ALL FORMS EXCEPT HS 00 04**

The title of Rule **408. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – All Forms Except HO 00 04**, is replaced by the preceding title.

Paragraph **D. Endorsement** is replaced by the following:

**D. Endorsement**

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except **HS 00 04**) Endorsement **HS 04 93**.



**PART V**  
**SECTION I – PROPERTY – ADDITIONAL COVERAGES**  
**AND INCREASED LIMITS RULES****RULE 501.**  
**BUILDING ADDITIONS AND ALTERATIONS AT OTHER**  
**RESIDENCES****A. Coverage Description**

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

**B. Premium Computation**

To develop the premium per \$1,000 of insurance, multiply the **HS 00 04** Key Factor for "Each Add'l \$1,000" by the **HS 00 04** Base Class Premium.

**C. Endorsement**

Use Building Additions And Alterations Other Residence Endorsement **HO 04 49**.

**RULE 502.**  
**BUILDING ADDITIONS AND ALTERATIONS –**  
**INCREASED LIMIT – HS 00 04**

The title of Rule **502**, Building Additions And Alterations - Increased Limit - **HO 00 04**, is replaced by the preceding title.

**A. Coverage C Increase**

The limit of Liability of 10% of Coverage **C** maybe increased.

**B. Premium Computation**

To develop the premium per \$1,000 of insurance, multiply the **HS 00 04** Key Factor for "Each Add'l \$1,000" by the **HS 00 04** Base Class Premium.

**C. Endorsement**

Use Building Additions And Alterations Increased Limit Form **HS 00 04** Endorsement **HS 04 51**.

**RULE 503.**  
**BUSINESS PROPERTY – INCREASED LIMIT****A. On premises**

1. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500.
2. Rate per \$2,500 increase - \$50.
3. The limit of liability in excess of \$2,500 does not apply to:
  - a. Business property in storage or held as a sample or for sale or delivery after sale;
  - b. Business property pertaining to a business actually conducted on the residence premises.

4. The property described in Paragraphs **3.a.** and **3.b.** are covered under the following optional endorsement: Permitted Incidental Occupancies.

**B. Off premises**

When the on-premises limit is increased, the off-premises limit of \$1,500 is automatically increased, at no additional charge, to an amount that is 60% of the total on-premises limit of liability.

**C. Endorsement**

Use Increased Limits On Business Property Endorsement **HO 04 12**.

**RULE 504.**  
**CREDIT CARD, ELECTRONIC FUND TRANSFER CARD**  
**OR ACCESS DEVICE, FORGERY AND COUNTERFEIT**  
**MONEY**

Rule **504**. does not apply.

**RULE 505.**  
**EARTHQUAKE COVERAGE**

Rule **505**. does not apply.

**RULE 506.**  
**FIRE DEPARTMENT SERVICE CHARGE**

Rule **506**. does not apply.

**RULE 507.**  
**FORM HS 00 06 COVERAGE A DWELLING BASIC AND**  
**INCREASED LIMITS**

The title of Rule **507**, Form **HO 00 06** Coverage **A** Dwelling Basic And Increased Limits And Special Coverage - **HO 00 06** is replaced by the preceding title.

**A. Basic Limits**

The policy automatically provides a basic Coverage **A** limit of \$1,000 on a named perils basis. If increased limits are not desired, enter "\$1,000" under Coverage **A** – Dwelling in the Policy Declarations.

**B. Increased Limits**

The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional \$1,000 of insurance, multiply the **HS 00 06** Key Factor for "Each Add'l \$1,000" by the **HS 00 06** Base Class Premium.

**RULE 508.**  
**FORM HO 00 06 UNITS REGULARLY RENTED TO**  
**OTHERS**

Rule **508**. does not apply.

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**RULE 509.**  
**HOME DAY CARE COVERAGE**

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Rule **509.** does not apply.

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**RULE 510.**  
**PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE PREMISES**

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**A. Coverage Description**

Coverage for a permitted incidental occupancy is limited under Section I Property Coverages. The policy may be endorsed to provide expanded Section I Coverage on a permitted incidental occupancy in the dwelling or in another structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement **HS 04 42** for Section I Coverage.

**B. Permitted Incidental Occupancies**

Examples of such occupancies are Offices, Schools or Studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

**C. Other Structures**

If the permitted incidental occupancy is located in an other structure, Coverage **B** does not apply to that structure. See Paragraph **E.** for charge for specific insurance on the structure.

**D. Personal Property**

The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A.**

**E. Premium Computation**

1. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
2. If the permitted incidental occupancy is located in an other structure, charge the following amount per \$1,000 of specific insurance on the structure – \$5.

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**RULE 511.**  
**SUPPLEMENTAL LOSS ASSESSMENT COVERAGE**

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Rule **511.** does not apply.

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**RULE 513.**  
**ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HS 00 04 AND HS 00 06**

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The title of Rule **513.** Ordinance Or Law Increased Amount Of Coverage - **HO 00 04** And **HO 00 06**, is replaced by the preceding title.

**A. Coverage Increase**

1. The basic amount of coverage may be initially increased to 100% of the Form **HS 00 04** Building Additions and Alterations limit or 50% of the Form **HS 00 06** Coverage **A** limit.
2. The amount may be further increased in 25% increments above those listed in Paragraph **1.**

**B. Premium Determination**

1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional \$1,000 of insurance is developed by multiplying the **HS 00 04** or **HS 00 06**, whichever is appropriate, Key Factor for "Each Add'l \$1,000" by the appropriate Base Class Premium.

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**RULE 514.**  
**OTHER STRUCTURES**

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**A. On-Premises Structures**

When insurance is written on a specific structure on the residence premises the rates per \$1,000 of insurance shall apply separately to each structure.

**1. Specific Structure – Increased Limits**

**a. Premium**

Rate per \$1,000 for policies with Windstorm Or Hail Coverage – \$4

**b. Endorsement**

Use Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48.**

**2. Structure On The Residence Premises Rented To Others**

**a. Premium**

Rate per \$1,000 for policies with Windstorm or Hail coverage – \$5.

**b. Endorsement**

Use Structures Rented to Others – Residence Premises Endorsement **HS 04 40.**

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**RULE 514.**  
**OTHER STRUCTURES (Cont'd)**

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**B. Structures Off The Residence Premises****1. Forms HS 00 02 And HS 00 03****a. Coverage Description**

- (1) The policy automatically provides Coverage **B** – Other Structures on a blanket basis to structures located on the residence premises.
- (2) This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

**b. Premium**

Off-premises structures charge per policy - \$15.

**c. Endorsement**

Use Other Structures Away From The Residence Premises **HO 04 91**.

**2. All Forms****a. Premium**

- (1) When insurance is written on a specific structure located away from the residence premises, the rate per \$1,000 of insurance shall apply separately to each location.
- (2) Specific structures – Off-premises Rate per \$1,000 - \$5.

**b. Endorsement**

Use Specific Structures Away From Residence Premises Endorsement **HO 04 92**.

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**RULE 515.**  
**PERSONAL PROPERTY**

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**A. Increased Limit**

1. The limit of liability for Coverage **C** may be increased.
2. Charge the additional company rate per \$1,000 of insurance.
3. Rate per \$1,000:  
**HS 00 02** or **HS 00 03** - \$2.

**B. Increased Limits – Other Residences**

1. Coverage for personal property usually located at other residences is limited in the policy form to 10% of Coverage **C** or \$1,000, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000.
3. Rate per \$1,000 - \$7.
4. Use Increased Limits On Personal Property In Other Residences Endorsement **HO 04 50**.

**C. Increased Limit – Self-storage Facilities**

1. Coverage for personal property located in self-storage facilities is limited in the policy form to 10% of Coverage **C**, or \$1,000, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000 of insurance.
3. Rate per \$1,000 - \$5.
4. Use Increased Amount of Insurance For Personal property Located In A Self-storage Facility Endorsement **HO 06 14**.

**D. Reduction In Limit**

1. The limit of liability for Coverage **C** may be reduced in accordance with Rule **101.C**.
2. Credit per \$1,000 - \$1.

**E. Rented Personal Property****1. Basic Limit**

Under Forms **HS 00 02** and **HS 00 03**, the policy automatically provides, at no additional charge, \$2,500 of landlord's furnishings coverage, for property regularly rented or held for rental in an apartment on the residence premises.

**2. Increased Limits**

- a. The basic limit noted in Paragraph **1**. may be increased up to the Coverage **C** limit of liability.
- b. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.
- c. Rate per \$1,000 per unit - \$2.

**3. Endorsement**

- a. Rented Personal Property Endorsement **HO 32 21** indicates when the Increased Limits option is selected.
- b. The Theft Option designated on the endorsement does not apply and should not be selected.
- c. When Increased Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.

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**RULE 516.**  
**PERSONAL PROPERTY – SCHEDULED**

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Rule **516**. does not apply.

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**RULE 517.**  
**RENTAL TO OTHERS – EXTENDED THEFT COVERAGE**  
**ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH**  
**HO 05 24 OR HO 00 06 WITH HO 17 31**

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Rule **517**. does not apply.

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**RULE 518.  
SINKHOLE COLLAPSE COVERAGE – ALL FORMS  
EXCEPT HO 00 04 AND HO 00 06**

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Rule **518.** does not apply.

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**RULE 519.  
SPECIAL COMPUTER COVERAGE ALL FORMS  
EXCEPT HO 00 05, HO 00 04 WITH HO 05 24 OR  
HO 00 06 WITH HO 17 31**

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Rule **519.** does not apply.

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**RULE 520.  
LIVESTOCK COLLISION COVERAGE**

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Rule **520.** does not apply.

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**RULE 521.  
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR  
OVERFLOW COVERAGE**

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Rule **521.** does not apply.

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**RULE 522.  
LANDLORDS FURNISHINGS**

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Rule **522.** does not apply.

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**RULE 523.  
ASSISTED LIVING CARE COVERAGE**

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Rule **523.** does not apply.

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**RULE 524.  
OTHER MEMBERS OF A NAMED INSURED'S  
HOUSEHOLD**

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**A. Introduction**

The policy provides coverage to named insureds, resident relatives who are members of the insured's household and persons under the age of 21 who are in the care of an insured.

**B. Coverage Description**

1. The policy may be endorsed to provide coverage to a person who is a member of the named insured's household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder or tenant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.
2. All coverages and provisions under Sections I of the policy that apply to insureds also apply to the persons described in Paragraph 1. except Coverages **A, B** and **D** (Fair Rental Value only).

**C. Premium**

Section I additional charge:

Rate per person named in the Schedule – \$60

**D. Endorsement**

Use Other Members Of Your Household Endorsement **HS 04 58.**

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**RULE 525.  
MOTORIZED GOLF CART – PHYSICAL LOSS  
COVERAGE**

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Rule **525.** does not apply.

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**RULE 526.  
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT  
HS 00 04**

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The title of Rule **526.** Residence Held In Trust – All Forms Except **HO 00 04,** is replaced by the preceding title.

**A. Coverage**

A Homeowners Windstorm And Hail Policy may be endorsed to insure a trustee, and if applicable, a trust under Section I – Property Coverages, for any insurable interest in the dwelling or other structure held in trust.

**B. Endorsement**

Use Trust Endorsement **HS 32 12.**

**C. Premium**

For basic limits rates:

Trust charge per policy - \$26.

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**RULE 527.  
STUDENT AWAY FROM HOME**

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**A. Introduction**

The policy provides coverage for a full-time student, who was a resident of the named insured's household before moving out to attend school and is under the age of:

1. 24 and a relative of the named insured; or
2. 21 and in the care of the named insured or a resident relative.

**B. Coverage Description**

The policy may be endorsed to provide coverage for other types of students who were residents of the named insured's household before moving out to attend school. For example, part-time students or students 24 or older.

**C. Premium Determination**

Section I

Rate per location – \$68.

**D. Endorsement**

Use Additional Insured – Student Living Away From The Residence Premises Endorsement **HS 05 27**.

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**RULE 528.  
HOME BUSINESS INSURANCE COVERAGE**

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Rule **528**. does not apply.

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**RULE 531.  
LIMITED THEFT COVERAGE OPTIONS FOR  
DWELLINGS NEWLY CONSTRUCTED OR UNDER  
CONSTRUCTION**

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Rule **531**. does not apply.

**PART VI  
SECTION II – LIABILITY – ADDITIONAL COVERAGES  
AND INCREASED LIMITS RULES**

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**RULES 601. – 700.**

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Part **VI** – Section **II** – Liability – Additional Coverages And Increased Limits, of the Homeowners Policy Program Manual does not apply to the North Carolina Windstorm And Hail Policy Program.

**PART VII  
SECTION II – LIABILITY – OTHER EXPOSURES  
INCREASED LIMITS**

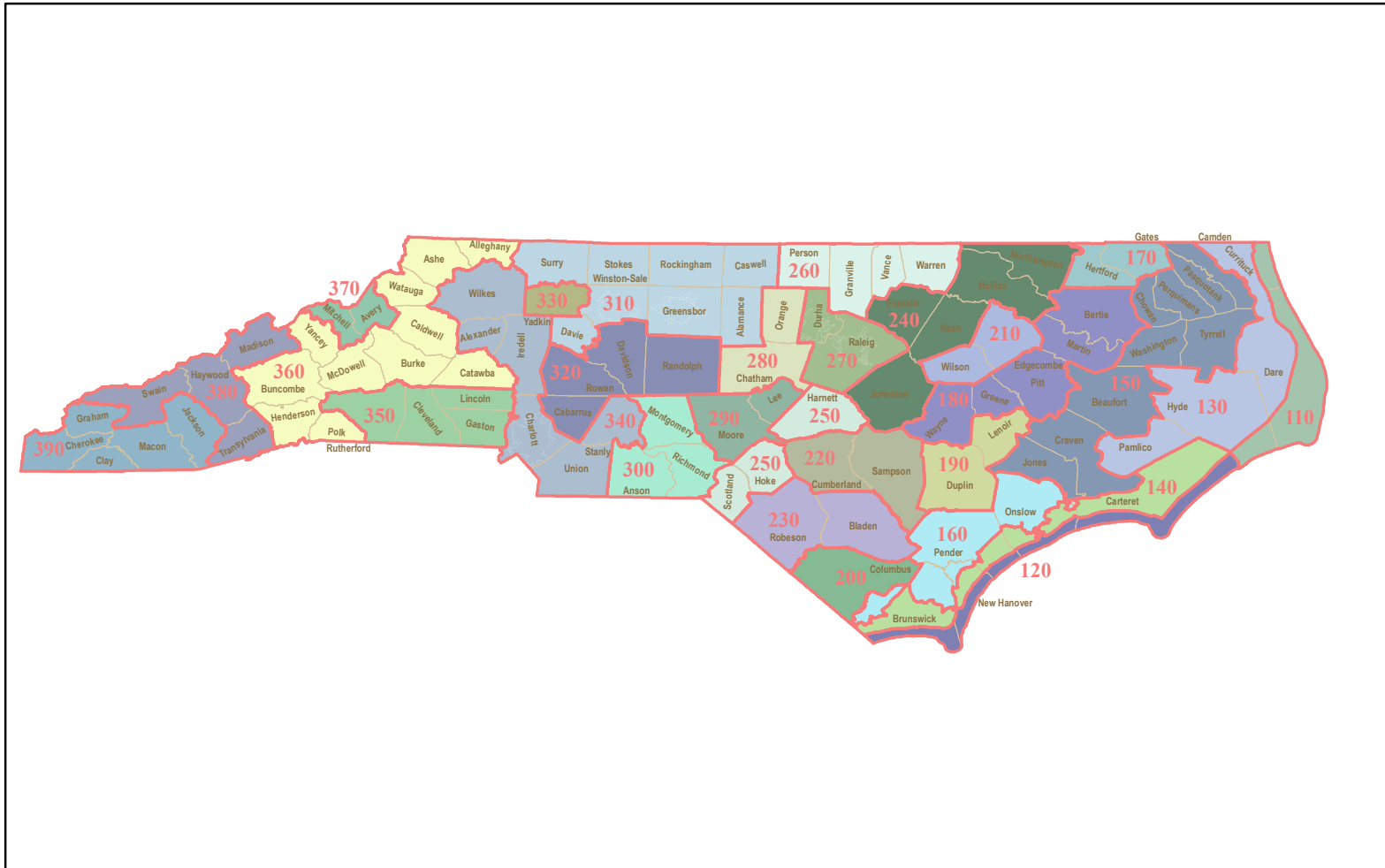
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**RULES 701. – 702.**

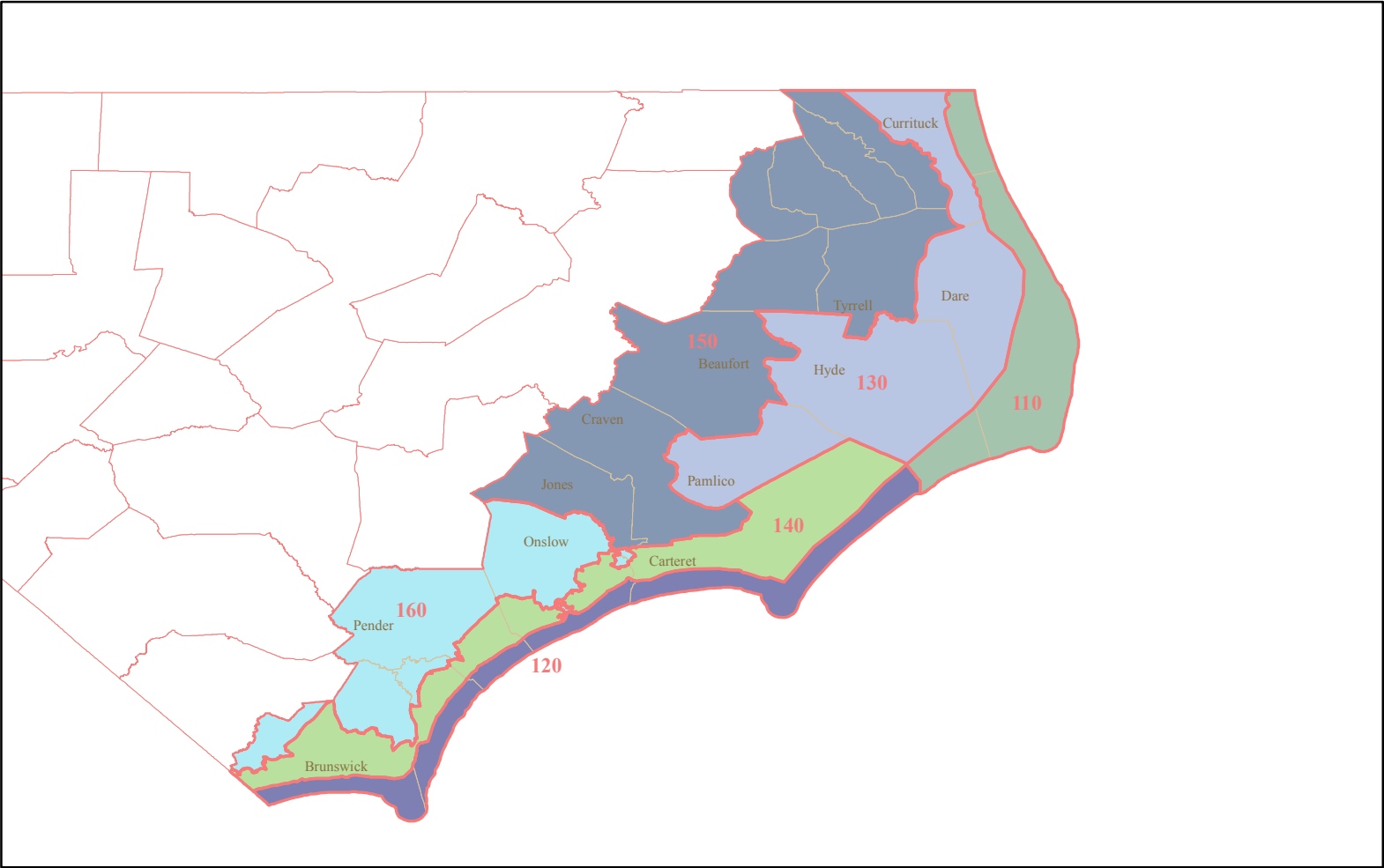
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Part **VII** – Section **II** – Liability – Other Exposures Increased Limits, of the Homeowners Policy Program Manual does not apply to the North Carolina Windstorm And Hail Policy Program.

# Dwelling and Homeowner Territories Statewide



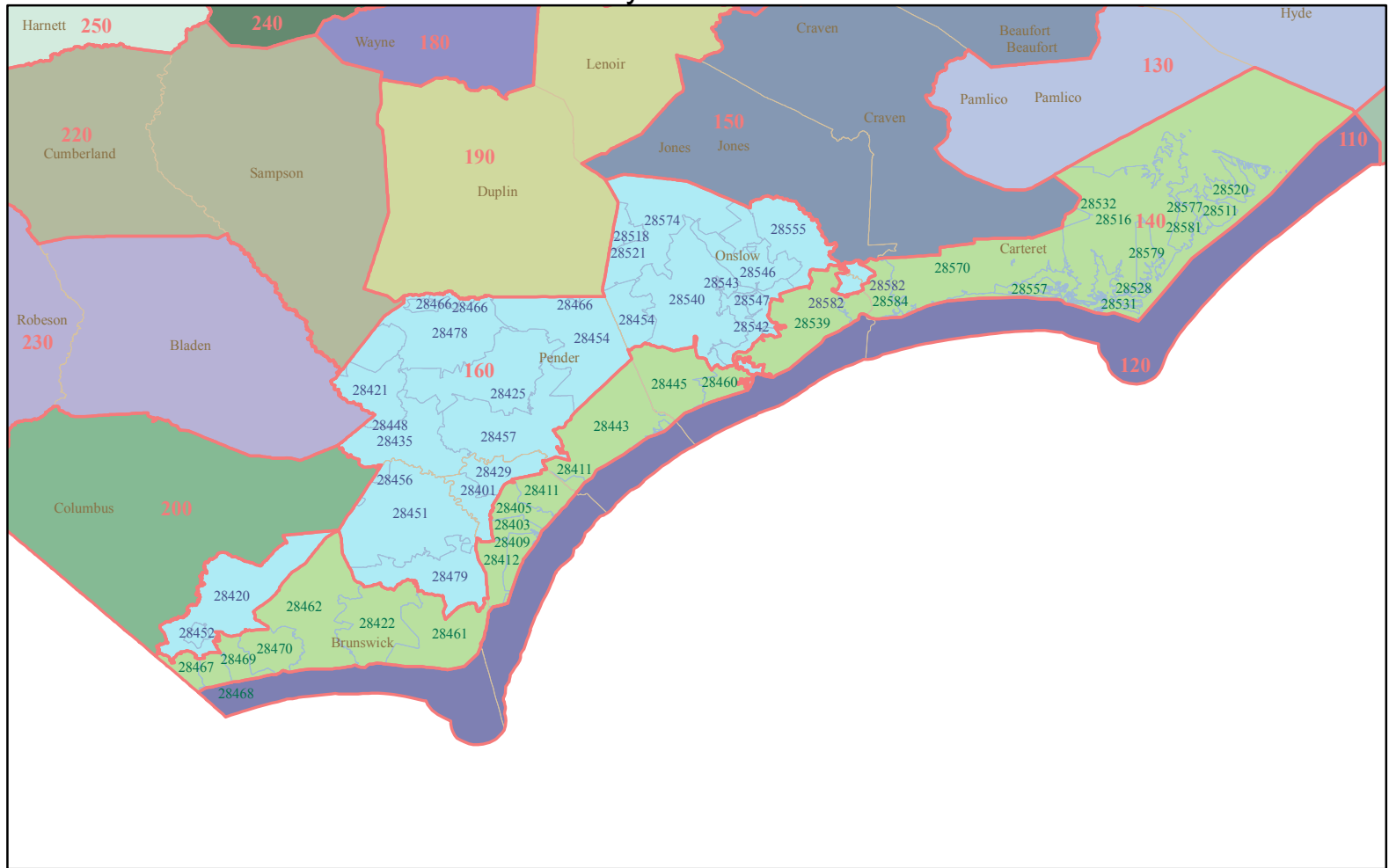
# Dwelling and Homeowner Territories Beach and Coastal Area



# Dwelling and Homeowner Territories

## Southern Beach and Coastal Area

### By ZIP Code





**PRE-FILED TESTIMONY  
OF  
JOANNA BILIOURIS**

**JANUARY 2024**

**2024 NORTH CAROLINA HOMEOWNERS INSURANCE RATE FILING  
BY THE NORTH CAROLINA RATE BUREAU**

Q. Would you state your full name and business address?

A. My name is Joanna Biliouris. My business address is 2910 Sumner Blvd, Raleigh, North Carolina 27616.

Q. Are you employed by the North Carolina Rate Bureau ("Bureau")?

A. Yes.

Q. In what capacity?

A. I am the General Manager.

Q. What is the Bureau's function with respect to rates for Homeowners insurance?

A. The Bureau promulgates rates for Homeowners insurance in North Carolina.

Q. Can you identify Exhibits RB-1 through RB-25?

A. Yes. Exhibit RB-1 sets forth the filed rates for the homeowner market in North Carolina, as well as the data and calculations underlying those rates and the homeowner rate manual changes that accompany the filed rate changes. Exhibit RB-1 also includes the supplemental data and exhibits required by statute and by regulation for this filing. Exhibit RB-2 is the current homeowner rate manual. Exhibit RB-3 is the current homeowner rating territories. Exhibits RB-4 through RB-25 contain the required accompanying pre-filed testimony and exhibits. Together, these materials constitute a filing (the "Filing") that is dated January 3, 2024 submitted by the Bureau to the Honorable Mike Causey, Commissioner of Insurance, with respect to homeowner rates in North Carolina.

Q. Do you know how the expense data underlying the Filing were compiled?

A. Yes. The underwriting expense provisions included in the Filing were derived from the results of a special call for expense experience that is issued on an annual basis to all member companies of the Bureau. The responses received from that special call were compiled, reviewed, and furnished to Insurance Services Office ("ISO") for

incorporation into the Filing.

Q. Was the information from the special call for expense experience that was furnished to ISO and utilized in the Filing correct and accurate to the best of your knowledge, information and belief?

A. Yes.

Q. To the extent that actuarial expertise was necessary in the preparation of this Filing, where did the Bureau obtain that expertise?

A. Actuarial expertise was obtained from ISO and Milliman. ISO is retained by the Bureau to provide actuarial services for, among numerous other tasks, preparation of this Filing. The individual company representatives serving on the Bureau's Property Rating Subcommittee are mostly actuaries. The Bureau's Property Rating Subcommittee reviewed the data underlying the Filing and made recommendations to the Property Committee, which then made recommendations to the Bureau's Governing Committee as to the items contained in the Filing. In addition, the Bureau has an actuary on its staff who assisted in the review and the preparation of the Filing.

Q. Can you identify Exhibit RB-2 entitled Homeowners Policy Program Manual?

A. Yes. The Homeowner Policy Program Manual marked Exhibit RB-2 is the current manual of the rules, rates, and classifications used to write homeowner insurance in North Carolina. The manual and any approved amendments are on file with the North Carolina Commissioner of Insurance and a copy is maintained at the offices of the Bureau.

Q. Can you identify Exhibit RB-3 entitled "Dwelling and Homeowner Territories"?

A. Yes. This exhibit shows the current territory map for homeowners insurance in North Carolina. These territories have previously been filed with and approved by the North Carolina Commissioner of Insurance.

Q. What is the proposed effective date of the rates in the Filing?

A. The rate review was prepared with the assumption that the effective date of any rate changes would be August 1, 2024, and that is the proposed effective date of the rates in the Filing.

Q. Does the Filing submitted to the Commissioner include, to the extent available, the information to be furnished in connection with filings under Article 36 of Chapter 58 of the General Statutes?

A. Yes. Those data that were available have been submitted to the Commissioner as part of the Filing. As shown and explained in that submission, some data were not collected or, if collected, were not retrievable from the statistical data in the form requested. The individual circumstances with respect to such data are explained in the submission.

Q. Does that conclude your pre-filed testimony?

A. Yes.

**PREFILED TESTIMONY  
OF  
PAUL ERICKSEN**

**2024 HOMEOWNERS INSURANCE  
RATE FILING BY THE  
NORTH CAROLINA RATE BUREAU**

Q: Please state your name and business address.

A: My name is Paul Ericksen. My business address is Insurance Services Office, 545 Washington Boulevard, Jersey City, New Jersey.

Q: Please describe your educational background and your background in actuarial science.

A: I graduated from Princeton University in 1992 with a B.A. in mathematics.

I became a Fellow of the Casualty Actuarial Society (CAS) in 1995 and am a member of the American Academy of Actuaries (AAA). I am in good standing with those organizations.

I served as a member of the CAS Examination Committee from 1996 through 2009, and I have given multiple presentations at CAS meetings.

Q: By whom are you employed?

A: I am employed by Insurance Services Office (ISO) and started employment at ISO in 1992.

Q: What are your current responsibilities at ISO?

A: I lead the Actuarial Consulting unit at ISO. ISO's Actuarial Consulting unit specializes in providing a wide array of consulting services to individual companies. I have been responsible for managing, overseeing, and developing customized actuarial analyses including ratemaking, reserving, and other miscellaneous studies. I have provided services to insurers, captives, managing general agents, law firms, and insurance departments.

Q: What is your employment background?

A: I started my career in 1992 as an actuarial assistant in the increased limits division of ISO. In 1993, I left ISO and spent a year as a consulting actuary in the New York

office of Milliman, working primarily on medical malpractice projects. I returned to ISO in 1994 as an actuarial associate in the Financial Analysis division. In 1999, I transferred to ISO's Actuarial Consulting unit and assisted clients as a consulting actuary. In 2007, I was promoted to Principal of the Actuarial Consulting unit.

During the past 24 years that I have provided actuarial consulting services, I have worked on a wide range of projects involving several different lines of insurance within the property/casualty insurance industry. I have prepared rate analyses for homeowners, dwelling, personal auto, and other lines of insurance. I have also conducted reserve analyses as the Appointed Actuary for several insurers.

A large part of my consulting experience has dealt with property insurance in areas of the country that have exposure to hurricane losses. For example, I was the Appointed Actuary for Citizens Property Insurance Corporation of Florida ("Citizens") for four years (2004, 2005, 2007 and 2009), and was also responsible for preparing rate analyses for Citizens' homeowners, mobile home, dwelling, and commercial property programs. Citizens is the insurer of last resort in Florida and has been one of the largest property insurers in the state. In addition to work performed on behalf of Citizens, I have also conducted ratemaking and reserving projects for several voluntary insurers that write homeowners and dwelling business in Florida. I have developed indicated rates for both multi-peril policies and wind-only policies. I have extensive experience working with multiple hurricane models (including both AIR and RMS) and developing provisions for the cost of reinsurance.

In North Carolina, I have provided actuarial consulting services to both the North Carolina Insurance Underwriting Association ("NCIUA") and the North Carolina Joint Underwriting Association ("NCJUA"). Those organizations rely upon the rates set in filings by the North Carolina Rate Bureau ("Bureau").

Q: Are you familiar with homeowners insurance ratemaking in North Carolina and other states?

A: Yes. ISO has provided actuarial consulting services to the Bureau on North Carolina homeowners rate filings since the Bureau was created. I have extensive knowledge of the methodologies employed by ISO and the Bureau in this filing as well as in past Bureau homeowners filings. I provided written testimony in support of the Bureau's 2018 and 2020 Homeowner's rate filings.

As part of a consulting assignment that I performed for the NCIUA and NCJUA, I have also reviewed prior homeowners filings by the Bureau on which ISO provided actuarial consulting and filing preparation assistance. I have prepared many homeowners rate analyses in several different states. In addition, I have testified as an expert witness in support of my clients' homeowners rate filings in various hearings that were held in Florida and Massachusetts. In Florida, I have testified in support of rate filings submitted by Citizens.

Q: Based on your experience with other states, from the standpoint of individual companies, how does ratemaking in North Carolina differ from other states?

A: In almost every other state, each company files its own homeowners rates independently. However, in North Carolina, the Bureau has the responsibility to file rates on behalf of the entire industry. The filing process in North Carolina establishes a system of "Bureau rates" (often called "manual" rates) for use on all homeowners policies written in the state.

In essence, the Bureau makes rates based on the aggregate policyholder attributes and loss experience of all the homeowners policies written in the state. Those policies include characteristics such as the dollar amount of insurance written on each home, the geographic location of the home, the protection class of the area in which the house is located, the type of construction, the deductible amount, etc.

Once the Bureau rate has been set through the filing and approval process, Bureau companies must charge that rate unless they file their own deviations with the Commissioner or engage in the consent to rate process. A company's proposed premium may exceed the Bureau rate through the consent to rate process only if that higher premium is charged in accordance with rules adopted by the Commissioner.

Q: What work has ISO performed with respect to the Bureau's 2024 homeowners rate filing in North Carolina?

A: First, ISO, as a licensed statistical agent in North Carolina, collects homeowners insurance data from a significant number of the companies writing that line in North Carolina, as well as from the North Carolina Insurance Underwriting Association (commonly called the "NCIUA" or the "Beach Plan" and discussed further below).

Second, ISO collects, reviews and compiles data from three other statistical organizations licensed in North Carolina that collect homeowners data from Bureau member companies. All companies writing homeowners insurance in North Carolina must report their data to one of these four organizations in accordance with statistical plans filed with and approved by the North Carolina Commissioner of Insurance. The other three organizations are: the Independent Statistical Service (ISS), the American Association of Insurance Services (AAIS), and the National Independent Statistical Service (NISS).

Third, ISO provides actuarial consulting services directly to the Bureau. As in the past, ISO staff compiled the ratemaking data to be reviewed by the Bureau's Property Rating Subcommittee, Property Committee, and Governing Committee in preparation of rate reviews and filings.

Fourth, ISO staff put together much of the data, information, and calculations contained in Exhibit RB-1. This lengthy process was performed under the direction

of the Bureau committees. ISO staff attended meetings of those Bureau committees.

Finally, I have reviewed the filed rates to determine if they are calculated in accordance with the CAS guidance, including the Statement of Principles Regarding Property and Casualty Insurance Ratemaking and the Actuarial Standards of Practice. In accordance with Actuarial Standard of Practice No. 17 Expert Testimony by Actuaries, I conducted my review in terms of reasonableness rather than solely in terms of whether there is precise agreement on each issue. In addition, I applied the applicable rate standards set forth in Article 36 of Chapter 58 of the North Carolina General Statutes, including but not limited to N.C.G.S. 58-36-10, i.e., that rates must not be excessive, inadequate, or unfairly discriminatory, and that certain statutory rating factors must be considered.

Q: Please describe the overall ratemaking equation in the Filing.

A: The approach in this Filing is consistent with prior property filings of the Bureau. Premiums should equal expected losses, plus expected expenses, plus a margin for a fair and reasonable profit. This is the fundamental insurance ratemaking equation to comply with the statutory ratemaking standard. In this Filing, the required base rate per policy is developed by adding the appropriate profit and contingencies to the estimated costs associated with the policy. The required base rate is then compared to the current base rate to determine the “indicated” rate change.

The indicated rate change is the actuarially sound percentage change necessary to make the rates comply with the statutory standards that they not be excessive, inadequate or unfairly discriminatory.

Q: What is the source of the data utilized in Exhibit RB-1?

A: The Bureau has the statutory responsibility of filing forms and making rates for all homeowners insurance policies written in North Carolina (with the exception of such policies that may be written by county farm mutuals pursuant to N.C.G.S. 58-36-50). For purposes of Bureau rate filings for homeowners, all homeowners loss and exposure data written on NCRB policy forms in the state is consolidated to essentially assume a single insurance entity (often called the “hypothetical one company”). ISO, on behalf of the Bureau, combines the data as to those policies in its filings as if there were a single company with the aggregate loss experience of all those policies. Rates are then analyzed in rate filings as if those rates were being made for this hypothetical one company. The ratemaking data reflected in Exhibit RB-1 is, in general, based on the aggregate homeowners experience of the individual insurance companies that write homeowners policies in North Carolina, together with the experience written on homeowners insurance policies in the Beach Plan. Those entities submit their data to one of the four statistical agents described above. The four statistical agents subject each entity’s data to a series of verification edits and then consolidate the individual company data. The non-ISO statistical agents then

transmit their consolidated data to ISO for final review and consolidation with the ISO data. After consolidating the data, ISO produces exhibits of the combined data in a format and detail necessary for review by the Bureau committees and ultimately for use in rate filings.

The statistical agents are licensed by the Commissioner of Insurance in North Carolina. They have collected, reviewed, compiled and submitted the data underlying this filing in the regular course of their business responsibilities.

Q: Please describe what is commonly called the “Beach Plan” and the role of its loss data in this filing?

A: The term “Beach Plan” is a commonly used name for the North Carolina Insurance Underwriting Association. It is a residual market organization created by the North Carolina legislature in Article 45 of Chapter 58. It writes homeowners and other lines of insurance for policyholders in the 18 coastal counties. For residential property insurance, the Beach Plan uses forms, rules, and rates filed by the Bureau.

A residual market organization writes policies for policyholders who cannot obtain insurance in the voluntary market. Although voluntary insurers have chosen not to accept the risk of writing those homeowners policies, North Carolina law requires voluntary insurers to pay any losses that exceed the Beach Plan’s resources, up to an aggregate statutory cap of \$1 billion annually. The significance of such non-recoupable assessments on the companies is discussed later in my testimony.

The Beach Plan generally uses the same homeowners forms that are used by the voluntary companies. Those forms have been prepared and filed by the Bureau on behalf of all member companies. The Beach Plan writes policies in its own name. The Beach Plan receives and retains premiums, adjusts losses (on full homeowners policies), reports statistics and operates in a manner similar to voluntary insurance companies in many respects. It uses classifications and rating plans filed by the Bureau. It uses rates filed by the Bureau, except that, by statute, the Beach Plan applies a 15% surcharge above the Bureau rate on full homeowners policies and a 5% surcharge on the wind rate where it writes only the wind and hail coverage on homeowners policies. When the Beach Plan reports its statistical data to ISO, ISO reviews those statistical data in the same manner that it does for voluntary companies.

North Carolina statutes distinguish between the “beach” and “coastal” areas under the Beach Plan’s jurisdiction. In the “beach” territories (territories 110 and 120), approximately 43% of the homeowners premium was written by the Beach Plan in 2021. In the “coastal” territories (territories 130, 140, 150 and 160), approximately 47% of the homeowners premium was written in the Beach Plan. In 2021, on a statewide basis, approximately 10% of homeowners premium was written in the Beach Plan even though the Beach Plan is only able to write policies in the 18 beach and coastal counties.



The Beach Plan also writes dwelling fire and extended coverage insurance policies (“essential property insurance”) in the geographic area under its jurisdiction. Dwelling fire and extended coverage is a line of insurance distinct from the homeowners line of insurance.

There is a second statutory residual market mechanism in North Carolina called the North Carolina Joint Underwriting Association or Fair Access to Insurance Requirements organization (commonly called the “FAIR Plan.”) It writes in all areas of the state except the beach. It writes dwelling fire and extended coverage policies but does not write homeowners policies.

Over the years, the Beach Plan’s large market share reflects the fact that voluntary companies are unwilling to write in the beach and coast, due in large part to the inadequacy of the Bureau manual rates in those areas. This high market share has occurred despite the fact that the legislature intended the Beach Plan to be the “market of last resort” in those areas.

Loss and exposure data from these two residual market organizations have always been included in Bureau property filings for the line of insurance (the homeowners line of insurance or the dwelling fire and extended coverage line of insurance) under review, in the same manner as loss and exposure data from voluntary insurance companies that write that line of insurance. It is actuarially appropriate and necessary to include the residual market data with the voluntary data to ensure that the rates developed are representative of the entire market, since every policy has the potential to be written in the voluntary market. Since the FAIR Plan does not write homeowners policies, its data are not included in this filing. Only the homeowners data from the Beach Plan are included in this filing.

When a prospective policyholder seeks homeowners insurance, it is not predetermined whether the policyholder will be written by the Beach Plan or instead by a voluntary company. Policyholders can switch back and forth between the Beach Plan and a voluntary company depending on which option works best for them and depending on whether a voluntary company will write them. In computing the exposures and the loss experience of the hypothetical one company in North Carolina for which rates are being made in this Filing, the exposures and loss experience of the Beach Plan must be combined with the rest of the data as if the Beach Plan was a private insurance company. For purposes of exposure count, we do not include the Beach Plan wind only policies because there is an ex-wind policy for every wind only policy and we do not want to double count those exposures.

The inadequacy of homeowners rates creates a dilemma for the Beach Plan. The inadequate rates diminish their ability to build up sufficient surplus in the “good” years when there are no hurricanes in order to provide a cushion to pay losses in

the “bad” years when severe hurricanes occur. Even in the good years, they have to pay claims for higher frequency insured events such as fires, etc.

The Beach Plan’s approach has been to purchase both reinsurance and catastrophe bonds. Whatever amounts it spends in the reinsurance and catastrophe bond markets is at the expense of building up its surplus in those years when hurricanes do not affect North Carolina.

Q: What are some of the other consequences of the inadequacy of Bureau manual rates, both at the coast and in the rest of the state?

A: The prospect of Beach Plan and FAIR Plan assessments affects the willingness of a company to write property insurance in North Carolina. A company knows that, following a powerful hurricane, it will be subject to residual market assessments for huge losses on business that the company did not choose to write in the first place, and those assessments are based on the company’s market share throughout the state. Therefore, companies that elect to write in the state must consider the extent that they will do so in various areas of the state, particularly in the beach and coastal territories where the risk of hurricane losses is greater.

Q: What statistical data supporting the filing are contained in Exhibit RB-1?

A: In general, the supporting data for the rate level changes are contained in Section C. The most recent five years of experience are displayed in Section C. Using five years is consistent with prior filings, North Carolina statutes, and generally accepted ratemaking practices.

The loss experience used in the filing is what we call “accident year” experience for the years ended December 31, 2017 through December 31, 2021. This is the most recent five years of data available. I can explain what is meant by accident year experience by providing an example. The losses for the accident year ended December 31, 2021 consist of all losses caused by accidents which occurred during the one-year period ended December 31, 2021. If an accident occurred on December 29, 2021 and resulted in either a loss being paid or a reserve being established after January 1, 2022, that loss would be a part of the accident year losses for the period ended December 31, 2021. The basis for assigning losses to individual accident years is the date the accident occurred. The term “accident year” is an insurance accounting term that includes the various incidents that give rise to a homeowners insurance claim, including fires, hurricanes, tornados, etc. during a 12-month period.

Q: What is the reason for using five years of data to determine the indicated rate level change?

A: Ratemaking is prospective in nature. The objective is to set rates at the level that is sufficient to pay expected losses, expected expenses, and to allow insurance

companies to earn a reasonable margin for profit. This is the fundamental equation in insurance ratemaking for determining an adequate rate level; i.e., a rate level that is not “excessive, inadequate or unfairly discriminatory” as required by law.

Rates are set for the period when they will be in effect, which is often the year after the effective date of the filing. The assumed effective date for this filing is August 1, 2024. Historical loss data are generally used for the purpose of projecting expected losses. The North Carolina statutes allow the Bureau to review five years of experience in its rate level filings in addition to other factors that are to be considered. For non-catastrophic types of loss, the use of five years of data balances the stability of the rates with responsiveness to more recent conditions. For catastrophic hurricane losses, the average of modeled losses from two hurricane models is used. For non-hurricane catastrophic wind losses, a separate excess wind smoothing procedure is employed to reduce large swings in the indications due to irregular events in the experience period.

Traditional homeowners ratemaking has relied on five years of experience with weights of 0.10, 0.15, 0.20, 0.25 and 0.30 being given to each year respectively. Accident year 2021, the most recent year for which data is available, receives a weight of 30%. Accident year 2020 receives a weight of 25%. Accident year 2019 receives a weight of 20%. Accident year 2018 receives a weight of 15%. Accident year 2017 receives a weight of 10%. Those weights are used in this filing as in past Bureau homeowners filings. The weights used by the Bureau are identical to those used by ISO in all other states for homeowners insurance. These weights are generally accepted in all jurisdictions in which ISO makes homeowners filings. By giving some weight to each of the five years, we help alleviate some of the stochastic uncertainty associated with the results for any single year. By giving greater weight to the more recent years, we recognize that the more recent years in the experience period may be more reflective of future conditions.

Q: Please turn to page C-2 of Exhibit RB-1. Would you explain what that page shows?

A: Page C-2 is what is called a statewide rate level calculation for homeowners forms 2, 3, 5, 7 and 8 for North Carolina. These are the forms commonly referred to as the “owners forms.” Page C-2 determines the actuarially indicated rate level changes for policy forms 2, 3, 5, 7, and 8. The data shown are for business written in the voluntary market and business written by the Beach Plan.

The overall homeowners program to which this filing applies consists of three categories of forms: the forms identified above for “owners,” as well as form 4 for “tenants” and form 6 for “condominium owners.” Page C-2 shows the statewide rate level calculation for the owners forms, and similar calculations are shown on C-3 for tenants and on C-4 for condominium owners. In my testimony, I will generally refer to the owners forms, but it should be noted that my testimony generally applies to the analysis and calculations as to the tenants and condominium owners forms as well,

unless otherwise noted. As can be seen in the filing, the owners forms constitute the overwhelming majority of the premium volume.

Q: Referring to column 1 on page C-2, what are "Adjusted Incurred Losses Excluding Hurricane"?

A: The incurred losses in column 1 are the losses from all causes, except those losses identified as caused by hurricanes, from insured events that occurred during each of the five respective accident years. The figure includes losses which have already been paid, losses which are not yet paid and are represented by outstanding claim reserves, and losses which have been incurred but for which no individual reserve yet exists because they have not yet been reported. Actual hurricane losses have been removed so that they can be replaced with average modelled losses from two modelers, as discussed later in my testimony.

Q: Have the losses excluding hurricanes as shown in column (1) been adjusted in any way?

A: Yes, as explained below, there are two adjustments. First, these losses have been adjusted to a common \$1,000 deductible level. Second, these losses have been developed to ultimate by applying the loss development factors.

Q: Please explain what is done to adjust losses to a common deductible level.

A: In order to properly analyze losses for ratemaking, it is necessary to adjust losses from all policies to some common deductible level. The common deductible level that is assumed for owners forms is the base deductible of \$1,000. The common deductible level that is assumed for the tenants and condominium owner forms is the base deductible of \$500. Loss elimination ratios (LERs) are applied to the reported losses in order to account for the difference between the reported deductible and the assumed common deductible.

Q: What is the purpose of adjusting the reported losses by applying loss development factors?

A: The losses in column 1 of page C-2 include losses from events which have happened but which have not yet been reported. Such events are included by what is known as an adjustment for IBNR (incurred but not reported) losses.

In addition, adjustments must be made to reflect that loss payments occur over time. The losses, as they are reported to statistical agents, cover all accidents which occur during the respective accident years ended December 31. When they are reported to the statistical agent, they are evaluated as of March 31 of the next year. As of March 31, some of the losses have already been paid and some have not. Those that have not are represented by loss reserves. Loss reserves are estimates of what will ultimately be paid on these outstanding claims.

Since we want the losses used in the filing to be as accurate as possible, we look at history to see how losses have changed, or "developed," from the time they were initially reported to the time they were ultimately paid. For example, if we want to evaluate how losses reported in 2021 will eventually turn out, we look back and see what has happened in the past. If historically there has been a 5% increase in the dollar amount of losses from the time they were initially reported as reserves until the time they were ultimately paid, we would logically assume that the same development will hold true for losses incurred during the accident year ended December 31, 2021. Accordingly, we would make an adjustment by increasing the losses as they are initially reported to us by 5%.

Q: What causes losses to change or develop as you have described?

A: Changes to the reserve portion of the losses typically result from the fact that the ultimate loss payments turn out to be more or less than estimated at the time of the initial report that led to the reserve. Another factor that could lead to changes in losses is the late reporting of claims. For example, if a loss event occurred in late December of any given year and for some reason was not timely reported to the company by the end of the year, it might very well be that the losses as initially reported would not include any provision for that particular claim. By next year's evaluation, however, the claim would have worked its way into the system and the total loss would include either the paid amount or the reserved amount for that particular claim. This would cause an upward development in the losses as initially reported.

Q: Please refer to page D-11 of RB-1 and explain how the loss development factors used in the filing for owners forms were calculated.

A: In calculating loss development factors, we have used the data of companies reporting to ISO and three large writers reporting to other statistical agents. We calculate separate loss development factors for owners, tenants, and condominium owners forms. The illustrations below are based on information from page D-11 and are for the owners forms, but the method applies the same way to other forms. The top section of that page shows the incurred losses evaluated as of 15, 27, 39, 51, and 63 months for the accident years for which available data are shown. For instance, the 15-month entry for the accident year ended December 31, 2019 is \$1,088,001,981. This is the first evaluation of the losses caused by loss events which occurred during the year which ended December 31, 2019. The evaluation was made as of March 31, 2020, 15 months after the beginning of the accident year. Twelve months later (March 31, 2021), the losses caused by accidents which occurred during the year ended December 31, 2019 had grown to \$1,144,370,547. This is the evaluation as of 27 months after the beginning of the accident year. This increase represents a growth in losses, or a positive development, of 5.2% (or 1.052) as shown in the column under link ratios located lower on that page labeled "27:15." As shown on page D-11, we have looked at the development from 15 months to 27

months for all years. The average development for these years was 4.2%. The selected loss development factor for 15 to 27 months is 1.042.

Q: Does page D-11 also show development figures for periods longer than 27 months?

A: Yes. We also calculate loss development factors for the periods from 27 months to 39 months, 39 months to 51 months, and 51 months to 63 months. Studies have shown that for homeowners insurance virtually all losses have been paid by the time of the evaluation at 63 months after the beginning of an accident year. For example, by the time of the 63 month evaluation, the losses for the accident year ended December 31, 2017 had become \$924,172,255. This amount is about 0.2% less than the value of the losses for the same accident year evaluated as of 51 months. The average development over the period 51 months to 63 months for the years for which the data are available was 0.999, or -0.1%.

Q: Please explain how the loss development factor used to determine the ultimate payment value of the accident year ended December 31, 2021 losses was determined.

A: For the owner forms, the loss development factors for each of the applicable periods, as shown on page D-11, are:

<u>Development Period</u>	<u>Factor</u>
15 to 27	1.042
27 to 39	1.006
39 to 51	0.999
51 to 63	0.999

If you multiply all of these factors together, you will get a factor of 1.046 to apply to the year ended December 31, 2021 losses.

Q: You referred earlier to a separate procedure for dealing with non-hurricane excess wind losses. Please describe that procedure.

A: At a high-level, the excess wind procedure involves removing actual excess non-hurricane wind losses during the 5-year experience period and replacing these values with a provision that is based on reviewing a much longer 30-year time period.

An adjustment was made to the non-hurricane wind losses in the years in which there were severe storms such as tornadoes, thunderstorms, hailstorms, derechos and other damaging windstorms, other than hurricanes. The adjustment caps average losses by territory in years where abnormally high losses coincide with severe non-hurricane windstorm activity. The adjustment relies on a factor developed by using a statewide average based on 30 years of experience. As a result of this procedure, a long-term excess factor of 1.094 was calculated and therefore applied to the losses.

This same procedure was used in the NCRB's previous homeowners rate filing and is customarily employed to smooth out and appropriately reflect prospective non-hurricane wind losses. In this filing, more non-hurricane wind losses have been removed than have been added back in by applying the 1.094 factor. Accident years 2019 and 2020 had unusually high non-hurricane wind losses, which were smoothed out by way of the excess wind procedure.

In my opinion, use of 30 years to measure the impact of excess non-hurricane wind losses is effective at balancing the trade-off between stability and responsiveness in the calculation.

Q: Was it necessary to exclude hurricane losses in calculating the excess wind factor?

A: Yes, it is necessary to exclude hurricane losses when calculating the excess wind factor because the provision for hurricane losses is developed separately by way of hurricane models. Hurricane losses have been excluded in the calculation of the excess factor as derived on page D-32.

Q: How have hurricane losses been identified in order to be excluded from the Derivation of Excess Factor (Excludes Hurricane Losses) exhibit on page D-32?

A: The method to remove hurricane losses from the derivation of the excess factor depends on the detail of the available data during different periods of time.

For the period 1992 to September 1995, territory losses by month are available for ISO data only. The territory non-hurricane losses for this period are calculated as follows: first, the average losses for the month in which the hurricane occurred are calculated based on the non-hurricane years. The average monthly losses are then added to the eleven remaining months of the hurricane year and divided by the hurricane year annual losses resulting in a non-hurricane adjustment factor. This factor is then applied to either reported losses or adjusted losses by territory for all statistical agents to obtain non-hurricane losses. For hurricanes, wind losses are sometimes reported as water losses or "all other" property damage losses. To accurately estimate the non-hurricane losses, the above non-hurricane factors are calculated for water and all other property damage and then applied to the water losses and the all other property damage losses.

For the period October 1995 to 2002, based on information from NOAA and other sources, the specific dates on which a given hurricane was active in North Carolina are determined. The loss experience for ISO is then examined by date and cause-of-loss. Wind losses and losses for other weather-related perils which occurred on these dates are assumed to be hurricane losses. For ISO data, the percentage of hurricane losses to total losses is calculated. To estimate the hurricane losses for statistical agents other than ISO, the percentage of hurricane losses in the ISO data (relative to the ISO yearly total) is applied to the total loss amounts for the other statistical agents.

For 2003-2021, the data described above (for the period from October 1995 to 2002) is also available from ISS and has been examined together with the ISO data. For the combined ISO and ISS data, the percentage of hurricane losses to total losses is calculated. To estimate the hurricane losses for statistical agents other than ISO and ISS, the combined percentage of hurricane losses from ISO and ISS data (relative to the ISO and ISS yearly total) is applied to the total loss amounts for the other statistical agents.

Q: Can you provide an example of how excess wind losses have been smoothed by applying the excess wind procedure?

A: On page C-2 of Exhibit RB-1, Column (2) shows the excess losses for each of the accident years. Accident year 2020 was impacted by a high level of non-hurricane wind losses. By removing the actual level of excess losses for this year and replacing it with an expected provision (by applying the excess factor of 1.094), the resulting smoothed value of incurred losses shown in Column (3) is lower than the original value shown in Column (1).

Unlike the situation for accident year 2020, accident year 2018 had a very low level of excess wind losses. By applying the excess factor of 1.094 to accident year 2018, the smoothed value of incurred losses shown in Column (3) is higher than the original value shown in Column (1) for 2018.

On page C-2, the sum of the "smoothed" losses in Column (3) is about \$601 million less than the sum of the losses in Column (1). This illustrates that more non-hurricane wind losses have been removed from the 5-year experience period than have been added back in by applying the 1.094 excess factor.

Q: Please refer to column 4 of page C-2. With reference to the column headed "Adjusted Incurred Losses Including LAE," please tell us what the figure 1,301,543,590 represents.

A: These are the losses and loss adjustment expenses associated with claims or accidents that occurred in the accident year ended December 31, 2021. The losses are the sum of the adjusted incurred losses excluding hurricane losses found in Column (1), minus the adjusted excess losses in Column (2), all multiplied by the non-modeled excess factor of 1.094, adjusted by a trended loss adjustment expense factor of 1.119.

Q: How is the trended loss adjustment expense factor of 1.119 developed?

A: Each year the Bureau sends a call to its member companies for expense-related data. These calls showed that loss adjustment expenses for the calendar years December 31, 2018, December 31, 2019, December 31, 2020, December 31, 2021



and December 31, 2022, after dropping the high and low values, averaged 12.7% for the period, as shown on page D-26.

This factor of 12.7% must be adjusted for the change in cost levels of the items that go into loss adjustment expenses. These expenses include items such as adjuster's salaries, rents and overhead items related to claims settlement. In essence, these items will vary as general economic trends vary. We adjust the loss adjustment expense factor by taking a ratio of the expense trend to the loss trend on page D-27. This adjustment results in a trended loss adjustment factor of 1.119.

The Bureau relied on Aon for the loss adjustment expense factor relating to modeled hurricane losses. Aon's data showed that the factor for loss adjustment expenses on modeled hurricane losses is 6%, which is lower than the loss adjustment expense for non-hurricane losses. These hurricane loss adjustment expenses are reflected in the trended modeled hurricane base class loss costs that are shown later in the statewide rate level calculation.

Q: Please explain how the expense trend used to adjust the loss adjustment expense factor is developed.

A: The expense trend used to adjust the loss adjustment expense factor is based on an analysis of the Current Expense Index, which is an index based on a 50% weighting to the Compensation Cost Index, a 25% weight to the all items CPI (less energy) and a 25% weight to the all items CPI (including energy). The data for this index are shown on pages D-21-22. Based on an analysis of these data, an annual rate of change of 5.0% was selected by the Property Rating Subcommittee of the Bureau.

Q: Please explain the development and application of the expense trend factor in arriving at the loss adjustment expense factor.

A: The loss adjustment expense factor of 12.7% is equal to the five-year average (excluding the high and low values). As such, the factor is representative of the time period corresponding to July 1, 2020.

Since the Loss Adjustment Expense ratio is at the cost level corresponding to July 1, 2020, it is necessary to project this cost to the average date of accident for the period during which our rates are assumed to be effective, August 1, 2025 (one year beyond our assumed effective date of August 1, 2024). This calculation is displayed on page D-27.

Q: What other adjustments must be made to the Loss Adjustment Expense factor in order to use it?

A: The Loss Adjustment Expense Factor is determined as the ratio of loss adjustment expenses to losses. Having adjusted the expense portion of the factor in the

numerator, we also need to adjust the losses in the denominator by the relevant loss trend. This calculation is performed on page D-27.

Q: Please explain the purpose of trending losses.

A: Since ratemaking is prospective in nature, historical losses need to be adjusted to reflect the cost levels anticipated to prevail during the period that the proposed rates are expected to be in effect. This adjustment to historical losses is made by applying loss trend factors. For the calculations in this filing, the assumed effective date is August 1, 2024. Historical losses are trended to reflect an average accident date of August 1, 2025 (which is one year after the assumed effective date of August 1, 2024). The loss trend factors are shown in Column (5) of page C-2 of Exhibit RB-1.

Q: Please describe how the loss trend factors are calculated for non-hurricane losses.

A: For non-hurricane losses, loss trend factors are calculated on pages D-14 to D-17 of Exhibit RB-1.

Loss trend factors are calculated in a two-step process. The first step is the selection of annual changes in losses. The second step is converting the selected annual change in losses to loss trend factors that can be applied to each of the accident years.

Page D-14 shows historical growth in claim frequencies, loss severities, and pure premiums that occurred during the historical experience period for owners forms. This information is shown separately by cause-of-loss group and for all non-hurricane losses combined. Based on this information, the Bureau's Property Rating Subcommittee selected annual rates of change in frequencies and severities, and these were then combined into annual rates of change in pure premiums. Separate annual rates of change were selected for two different time periods (the historical time period, and the prospective time period). Annual rates of change for the historical time period are used to trend the historical loss experience to the average accident date of the latest year (July 1, 2021). Annual rates of change for the prospective time period are used to trend losses from the latest year to an average accident date of August 1, 2025 (which is one year after the assumed effective date of August 1, 2024).

When selecting the prospective annual trend for loss severities, the Bureau's Property Rating Subcommittee considered the impact of increases in inflation that have occurred after the time period associated with the historical experience period. The historical experience period that reflects accident years 2017 through 2021 wouldn't capture the impact of higher rates of inflation observed during 2022 and 2023.

Page D-17 shows how the selected annual change in losses was converted to loss trend factors that can be applied to each of the accident years. The loss trend factors

shown in Column (7) reflect the combined impact of loss trend over the historical and the prospective time periods. These loss trend factors also appear in Column (5) of page C-2.

Q: Please explain the purpose of premium trend factors in Column (7) of page C-2.

A: Since ratemaking is prospective in nature, it is important to adjust historical experience so that it will be reflective of future conditions. Due to the impact of inflation, insureds generally purchase higher policy limits over time. Premium trend factors are used to adjust historical experience to reflect subsequent changes in average policy limits over time.

Q: Please describe the calculation of the premium trend factors in Column (7) of page C-2.

A: The premium trend procedure is based on the annual growth in average policy amount relativities during the experience period. This procedure is displayed on pages D-18 and D-19.

The premium trend factors are calculated in a two-step process. The first step involves calculating Current Amount Factors for each year. The Current Amount Factors trend the average policy amount relativity from a given historical year to the average date of writing for the latest accident year of the review (January 1, 2021).

The Current Amount Factors are calculated by taking the ratio of the average policy size relativity for the most recent year to the average policy size relativity for each of the five years in the experience period. For a given year, the average policy size relativity is calculated by taking a weighted average of the policy size relativity factor for each amount of insurance, using the exposures for each amount of insurance as weights.

The second step involves accounting for the trend in average policy size relativities from January 1, 2021 (which is the average date of writing for accident year 2021) to February 1, 2025 (which is six months beyond the assumed effective date of August 1, 2024). The prospective annual change in policy size relativities was selected by the Bureau's Property Rating Subcommittee after reviewing the fitted annual rate of change in policy size relativities during the historical experience period. As with loss trend, the Bureau's Property Rating Subcommittee selected prospective annual changes in policy size relativities after considering the effect of increases in inflation that have occurred after the time period associated with the historical experience period.

Q: Could you please explain Column (9) on page C-2?

A: Column (9) is the average rating factor for the policies purchased in each year. The average rating factor is the ratio of the average rate at manual level to the average

current base rate. The average current base rate assumes a base coverage A amount of insurance of \$200,000. For example, let's assume that the current territory base rate for frame construction with \$200,000 coverage A is \$100, that the rating factor for masonry is 0.9 and that the rating factor to purchase an additional \$25,000 of coverage A is 1.2. Then the average rating factor for a \$225,000 coverage A masonry policy is calculated as:

$$(100 * 1.2 * 0.9) / 100 = 1.08$$

This factor is needed to adjust the average trended loss costs in Column (8) to a base class level. Since most policyholders do not purchase exactly the base amount of coverage, the average trended loss cost is divided by the average rating factor to convert this average trended loss cost into a trended base class loss cost which is shown in Column (10). The derivation of the trended average rating factors is shown on pages D-43 to D-60.

Q: Please explain Line 12 on page C-2.

A: Line 12 is the resulting Weighted Trended Non-hurricane Base Class Loss Cost obtained by applying the accident year weights shown in Column (11) to the Trended Base Class Loss Cost for each year shown in Column (10). This Weighted Trended Base Class Loss Cost is the forecasted Base Class Non-hurricane Loss Cost for policies written during the one-year period after the assumed effective date of August 1, 2024.

Q: Please explain Line 13 on page C-2.

A: Line 13 is the credibility of the experience based on the number of house years during the five year experience period. The full credibility standard is based on a procedure considering the frequency of claims and the variability of the size of those claims. The procedure is explained in a CAS Proceedings Paper "Credibility of the Pure Premium" by Mayerson, Jones and Bowers. The full credibility standard is based on a normal distribution with a 90% probability of the pure premium being within 5% of the expected value. The full credibility standard for the owners forms is 240,000 house years.

Q: Please explain the figure contained on Line 14 of page C-2 labeled "Trended Modeled Hurricane Base-Class Loss Cost".

A: That figure is the expected hurricane losses for a base risk written during the prospective time period. Aon provided the average modeled hurricane losses from running two hurricane simulation models -- one developed by AIR Worldwide (AIR) and one developed by Risk Management Solutions (RMS). The average modeled hurricane losses were then loaded with catastrophe loss adjustment expenses (LAE). To obtain an average loss cost value, the modeled loss amounts are divided by earned house years for calendar year 2021. To convert the average trended

modeled hurricane losses with LAE to base class level, it is divided by the latest year trended average rating factor. The trended average rating factor is calculated as the product of the 2021 average rating factor and the premium trend factor for calendar year 2021. The derivation of the modeled hurricane base class loss cost is shown on pages D-79 to D-81.

Q: How were the modeled hurricane losses calibrated so they would be applicable to the prospective time period that the proposed rates will be in effect?

A: The exposures that were used in the hurricane model runs were trended to six months beyond the assumed effective date of August 1, 2024. Page D-20 shows the calculation of the annual rates of change and selections that were used to trend the exposures that were used as inputs to the hurricane models.

Q: Did the Bureau consider actual hurricane losses?

A: Yes. The actual hurricane losses during the five years of experience were reviewed and considered; however, as has been done in prior Bureau filings, those losses have been excluded from the historical losses used in the filing and have been replaced by modeled losses.

Q: What were the amounts of actual hurricane losses that were excluded from the losses in the five years of experience?

A: The statewide hurricane losses that were excluded are:

<b>Year</b>	<b>Owners Forms</b>	<b>Tenants</b>	<b>Condos</b>	<b>Total</b>
2017	\$2,404,722	\$24,640	\$158,188	\$2,587,550
2018	1,877,022,997	10,375,361	14,622,226	1,902,020,584
2019	72,662,388	151,246	218,077	73,031,711
2020	175,154,653	526,291	879,094	176,560,038
2021	23,511,449	85,772	144,175	23,741,396
<b>Total</b>	<b>\$2,150,756,209</b>	<b>\$11,163,310</b>	<b>\$16,021,760</b>	<b>\$2,177,941,279</b>

The excluded losses by territory are shown on pages D-61 to D-78. The excluded hurricane losses reflect adjustment to base deductible level and application of loss development factors so as to be consistent with the total adjusted incurred losses from which the hurricane losses are being removed.

Q: In addition to excluding actual hurricane losses on Page C-2, have such hurricane losses been excluded anywhere else in the filing?

A: Yes, the actual hurricane losses have been excluded in the development of the indications by class and by territory, and in the calculation of the non-hurricane excess factor that was explained earlier in my testimony.

Q: Why were models used to develop the projected hurricane losses instead of using actual hurricane losses?

A: The catastrophic nature of the hurricane peril makes it a very volatile peril in terms of loss severity, frequency, and location of occurrence. Catastrophe losses in general tend to be high severity, low frequency events. Since we use five years of loss experience data in homeowners ratemaking calculations, it is likely that there will be scenarios ranging from no hurricane losses to extremely severe hurricane losses during the experience period. Also, if a hurricane were to hit a particular area of the state, the losses might be reflected only in that area of the state, with little or no reflection in other areas of the state. Therefore, if we analyze hurricane losses without any adjustment, the indicated rate level need will be subject to large yearly fluctuations resulting in rates beyond the actuarially sound level.

The excess loss smoothing procedure described earlier in my testimony to smooth non-hurricane wind will not work for hurricanes given that hurricanes occur so infrequently and result in huge volatility in the loss amounts when they occur. Devastating hurricanes are relatively uncommon events compared to other causes of loss. The occurrence or non-occurrence of actual hurricane events is not predictive of the range of hurricane events that can occur or the probability of their occurrence. In addition, there is not enough experience with hurricanes since accurate insurance loss records began to be maintained for actuaries to employ actual losses as opposed to models. For the older years, much of the past insurance data is outdated for the purpose of examining hurricane exposure and is of limited utility in projecting future hurricane losses. It includes losses from hurricanes that occurred when housing patterns were different, population density was lower, houses were built differently, building codes were different, construction prices were different, houses had fewer and less expensive contents, and labor costs and practices were different, etc.

The hurricane models are based on publicly available scientific data, mathematical and empirical models, and the experience of engineering, geological, meteorological, economic, and insurance experts. Actual hurricane loss experience is also used to calibrate the models. The models are run for a large number of simulated events (e.g. 100K years) to estimate what would be the expected long-term average hurricane losses for a given risk profile. The modeled hurricane losses are accurate, stable, and represent projections of the long-term average annual hurricane losses. There are several advantages of using models to project hurricane losses over using actual hurricane losses, including the following: First, the models improve the accuracy of hurricane loss projection in a long-term average view as described above. Second, replacing the volatile actual hurricane losses with modeled hurricane losses will smooth out the periodic spikes in the indications following hurricanes. Hurricane modeling is the widely accepted and most accurate way of considering the hurricane exposure. Modeling has become the standard practice in the insurance industry for insurers to estimate long term expected hurricane losses for ratemaking

purposes and has been widely accepted by the regulatory bodies in the United States. Modeling is also uniformly employed in the reinsurance industry, financial markets, and meteorological field to determine expected prospective hurricane losses. Scientists who work on the models update those models frequently to reflect the latest understanding of meteorological science.

An example of the need and value of models in producing stable loss costs can be seen from the hurricane season of 2018. In 2018, North Carolina was significantly impacted by Hurricane Florence. If the current rate analysis included the losses due to Hurricane Florence, rather than losses generated by hurricane models, rates would spike. Conversely, if the rates were based on there being no major hurricane strikes during the preceding five-year experience period, it would not be actuarially appropriate to assume that the absence of hurricane losses would be the expectation for a future prospective rating period.

From a practical and public policy standpoint, raising rates significantly following a devastating and often tragic hurricane is the worst time for the policyholder. The use of simulation models produces a stable and actuarially sound projection of the true loss potential both in terms of statewide exposure values and in terms of territorial distribution of that exposure. Modeling is far preferable to any analysis based on the happenstance nature of historical hurricane loss data.

The Property Rating Subcommittee and ISO Staff have examined actual hurricane losses in North Carolina and have excluded those losses from the incurred losses in filings for a number of years. As done for the 2020 homeowners filing, we have replaced the actual hurricane losses with the average modeled hurricane losses from two hurricane models for the rate review underlying this filing, which I deem to be the actuarially sound practice for the hurricane peril.

Q: Does the Filing in any manner require policyholders in North Carolina to pay the losses or subsidize the rates of policyholders in other states, particularly hurricane prone states such as the Gulf Coast states?

A: No, it would be actuarially inappropriate to do so. Each state is evaluated separately, and rates in North Carolina are based only on North Carolina's loss potential. Imposing such a subsidy would not be fair to North Carolina policyholders and would not be permitted by North Carolina regulators. There is a greater risk of hurricane losses in Florida and some other Gulf states than in North Carolina, and it would not be fair or actuarially sound for North Carolina policyholders to pay for those losses or subsidize the insurance costs for persons in those areas. For the same reason, it would not be fair or actuarially sound for the Bureau to attempt to spread the hurricane exposure of the hypothetical one company in North Carolina to persons in other states such as in the Midwest where there is little hurricane exposure. Policyholders and regulators in Iowa, for example, would not be willing to share that risk. To summarize, using other states'

losses to determine North Carolina rates is unfair and inequitable, and the Bureau does not do this for these reasons.

Q: As an actuary, how have you determined that it is reasonable to rely on output from the hurricane models for purposes of the Bureau's homeowners rate filing?

A: Hurricane models incorporate specialized knowledge (including meteorology and engineering) that is outside the area of expertise of most actuaries, including myself. Actuarial Standard of Practice ("ASOP") 38 titled "Using Models Outside the Actuary's Area of Expertise (Property Casualty)" provides guidance to actuaries in this situation.

I have reviewed the pre-filed testimony of Minchong Mao, including her statement of compliance with ASOP 38 for both the RMS and AIR hurricane models for purposes of the Bureau's Homeowners rate filing. Ms. Mao is employed by Aon and is an FCAS with extensive experience using catastrophe models. As documented in her testimony, Ms. Mao has conducted an evaluation of the RMS and AIR hurricane models and has concluded that the modeled hurricane losses are reasonable and appropriate projections of expected hurricane losses for use by the Bureau in its Homeowners rate filing.

In addition to relying on the work conducted by Ms. Mao, I have independently evaluated the RMS and AIR hurricane models for purposes of compliance with ASOP 38 with respect to including output from the RMS and AIR hurricane models as part of the Bureau's Homeowners rate filing. Some of the conclusions of my ASOP 38 investigations include the following:

- Both the RMS and AIR models were developed and maintained by experts in a wide range of disciplines. This is illustrated by the numerous employees with expertise in key aspects of the models, including meteorology, vulnerability, actuarial science, statistics, and computer science.
- Both the RMS and AIR models have gone through rigorous external review, including being found acceptable by the Florida Commission on Hurricane Loss Projection Methodology.
- Results from the RMS and AIR models yield projected hurricane frequencies and severities that are reasonable when compared to actual hurricane experience observed in North Carolina.

Q: Who performed the hurricane modeling for the Bureau?

A: Aon.

Q: What did the Bureau furnish to Aon to enable Aon to perform its analysis?



A: At the direction of the Bureau, ISO furnished to Aon the North Carolina homeowners insurance exposure data on the total number of earned house years and earned insurance years by territory for the most recent year in the experience period. The data provided to Aon are correct to the best of my knowledge, information and belief.

ISO provided both actual (un-trended) and trended coverage limits to Aon. As discussed earlier in my testimony, the trended exposures were used as inputs when Aon ran the hurricane models.

Q: How were modeled hurricane losses derived?

A: Aon ran two hurricane models, one from RMS and one from AIR. These two models are the most widely used and relied upon hurricane models. In North Carolina, if a hurricane model is used, the statutes require the use of multiple models starting with filings made on or after October 1, 2017.

The hurricane models simulate many years of hurricanes and resulting losses for the portfolio of North Carolina exposures. The results of the two models were averaged by Aon. The Property Rating Subcommittee reviewed the blended model results provided by Aon and found them to be actuarially sound. By averaging the two models, the Bureau has elected to give each model equal weight. Given the legislature's mandate to use more than one model, it would be inappropriate to employ the results of just a single model. Using an average of the two models also produces an unbiased estimate for future hurricane losses.

Aon accounted for loss adjustment expenses (LAE). Aon's data shows that LAE, as a percentage of hurricane losses, is lower than the LAE percentage for non-hurricane losses. Therefore, after review of Aon's data, the Property Rating Subcommittee selected a 6% LAE provision to be applied to the modeled hurricane losses.

The modeled hurricane losses (including LAE) are shown on pages D-79 to D-81.

Q: Please explain what Line 15 entitled "trended fixed expense per policy" on page C-2 refers to and what it represents.

A: Line 15 "trended fixed expense per policy" refers to the amount of the prospective premium dollar needed to cover general and other acquisition expenses on policies written in the prospective period. General expenses along with other acquisition expenses constitute the so-called fixed expenses. They are fixed in that they do not vary as a direct function of the premium dollar. For example, the cost of office equipment, rent and other overhead-type expenses are fixed expenses. Expenses such as commissions and premium taxes, on the other hand, are examples of expenses that rise or fall directly with premium.

The number shown on Line 15, \$81.14, represents the dollars of general and other acquisition expenses trended to the levels anticipated to prevail during the prospective period. This is appropriate because general and other acquisition expenses are normally incurred at the time a policy is written.

Q: Please explain how the figure \$81.14 on Line 15 of page C-2 was derived.

A: The derivation of the figure \$81.14 is shown on page D-29. Based on reviewing the 2020 to 2022 experience on page D-24, the Bureau's Property Rating Subcommittee selected an untrended general expense ratio of 0.039 and an untrended other acquisition expense ratio of 0.059.

In order to trend these to the cost levels anticipated to prevail, we project these forward to the prospective period. The average selected expense trend of 5.0% is applied over the time period from July 1, 2021 (the average date of the experience on which the general expense ratio is based) to February 1, 2025 (the average date of writing under the proposed rates). Since this ratio is relative to premium, we must also project the amount of insurance from 2021 levels to the level anticipated to be in effect on business written between August 1, 2024 and July 31, 2025. This is done by using the Premium Trend Factor for 2021, which I have previously discussed.

This trended fixed expense ratio is then multiplied by the trended average rate for all forms of \$1,359.42 (as calculated on page D-28). The result is a statewide all forms fixed expense loading of \$130.50. It is projected that forms 4 and 6 need 50% of the fixed expenses of Forms 1-3, 5, 7, and 8. Since general expense and other acquisition expense information is not available separately by policy form, selections were made by the Bureau's Property Rating Subcommittee to reflect the expectation that general and other acquisition expenses for the Tenant and Condominium forms are expected to be significantly less than the Owners forms.

A calculation is then performed to ensure that the average fixed expense loadings by form balance to the \$130.50. The average dollar loading for owners forms is \$145.81, as shown in Column (3) on page D-29. This is adjusted to a base policy level by dividing by the average rating factor of 1.473 and the premium trend factor of 1.220. This results in a fixed expense loading of \$81.14.

Q: What does Line 16 show on page C-2?

A: Line 16 is a combination of the Trended Base Class Loss Cost and the Trended General Expense and Other Acquisition Expenses. The figure \$660.02 is the dollar amount that is required to cover the portion of the base rate that is needed to cover anticipated losses, loss adjustment expenses, general expenses, and other acquisition expenses.

Q: What does Line 17 on page C-2 show?

A: Line 17 takes into account the variable expenses, which include commission and brokerage, taxes, licenses and fees, profit, contingencies and dividends. From page D-24, we see that the commission and brokerage ratio is 12.0%, and the taxes, licenses and fees ratio is 2.8%. The provision for dividends is 0.5%. The provision for underwriting profit is 9.0%. The contingency provision is 1.0%.

As in past homeowners filings, Bureau committees reviewed the latest available policyholder dividends payment data as well as the multi-year history of companies consistently paying dividends to policyholders. The Bureau's subcommittee concluded that a factor for expected dividends is appropriate to include in this filing. The data contained on page D-24 show that the dividends, though constituting a small percentage of premium, have been paid consistently and in material amounts over the years. Based on these facts, the Bureau has included a provision of 0.5% of premium to reflect anticipated dividends during the experience period. Given the consistency of the historical data as to the payment of dividends, this is a reasonable assumption. Reflecting dividends in a filing by a rating bureau is an actuarially sound methodology, and doing so is consistent with the Statement of Principles Regarding Property and Casualty Insurance Company Ratemaking, which provides that rates should contemplate the cost of policyholder dividends. Policyholder dividends are returns of premium to a company's policyholders and are not the same as dividends that publicly traded stock companies (owned by shareholders) pay to their shareholders. If dividends were not reflected in the Bureau's rates, the profit level in the filing would not be achieved because of dividends paid to policyholders.

The 9.0% underwriting profit provision was selected by the Bureau's committees based on reviewing the analyses by Dr. George Zanjani. This filing also contains a 1% provision for contingencies. The profit and contingency factors are applied equally across the state.

The items known as variable expenses are reflected in Line 17. They vary in direct proportion with the premium dollar.

Combining variable expenses, profit, contingencies, and dividends results in 25.3 cents of every premium dollar being paid for these expenses. The remaining 74.7 cents pays for losses, loss adjustment expenses, general expenses and other acquisition expenses.

Q: What is the source of the percentages on page D-24 with respect to commissions and brokerage and taxes, licenses, and fees?

A: The Bureau conducts special expense data calls annually. Companies individually complete the special expense call, which includes reporting expense dollars as well as premiums at collected level and adjusted to manual level. The Bureau checks and compiles this information for all companies and sends it to ISO for use in the rate review and the Filing. The percentages on page D-24 were calculated from the 2018,

2019, 2020, 2021, and 2022 North Carolina expense calls for data undertaken by the Bureau.

The percentages for Commissions and Brokerage, and Taxes, Licenses, and Fees are a function of written premium. The determination of whether to select expenses as a percentage of written premium or as a percentage of earned premium is influenced by which premium best matches the time at which the expenses are incurred. For commissions & brokerage, the selection was 12.0%. For taxes, licenses and fees, the selection was 2.8%.

General and other acquisition expenses are determined based on a ratio to earned premium at manual level. The North Carolina special calls for 2018, 2019, 2020, 2021, and 2022 were used for these as well. The selected general expense provision was 3.9%., and the selected other acquisition expense provision was 5.9%. These selections are then adjusted by ISO to reflect trend, as previously discussed in my testimony.

Q: What is the source of the percentage on page D-24 for contingencies?

A: The Bureau committees selected that factor, and I agree with it. A 1% factor has been consistently employed in past Bureau property insurance rate filings. A 1% contingency factor is a standard factor that has been used for many years across the country in property insurance ratemaking. The factor was selected by the Bureau committees based upon recognition of the systematic bias that causes actual underwriting results, analyzed over time, to be worse than the provision assumed in the rates. Reasons for this bias are many.

One reason is that property insurance involves many risks, but not all of them are observable in the experience or adequately recognized in normal ratemaking.

In addition, the writing of property insurance in North Carolina is subject to law changes, court interpretations, jury verdicts and judicial decisions that expand losses beyond what was contemplated when the policies were written. In addition, major unexpected losses can and do come from large and infrequent events of a type and magnitude that are not reflected in the experience period. One historical example is the sudden surge of mold claims around the early 2000's that far exceeded the amounts seen in experience periods.

Additional considerations justifying a contingency factor include the delay, uncertainty and difficulty in obtaining needed rate increases in North Carolina. In North Carolina and a very few other states, insurance companies writing homeowners insurance are required to go through rating bureaus in order to achieve needed rate increases. North Carolina differs from states that rely more on competition to set rates. The system in this state requires that data be collected from many companies writing homeowners insurance and then aggregated and analyzed prior to making a filing for adequate rates on behalf of all companies. As the physical

size of this 2024 filing demonstrates, the amount of information required to be submitted is massive, and it takes significant time to compile that information. Mr. Anderson of Milliman (see his pre-filed testimony and exhibits) has concluded that a 1% contingency provision is fully supported by this single issue regarding the delay in obtaining needed rate increases in North Carolina.

Q: Would you explain Line 18 on page C-2 entitled "Base Class Rate Excluding Comp. for Assess. Risk, Net Reins. & Dev."?

A: The net base rate per policy is calculated by dividing the base class loss cost with fixed expenses in Line 16 by the expected loss and fixed expense ratio in Line 17. This is the net base rate before incorporating the factors for deviations, the compensation for assessment risk and the net cost of reinsurance per policy.

Q: Would you explain line 19 on page C-2 entitled "Compensation for Assessment Risk per Policy"?

A: Compensation for assessment risk is a provision that is calculated by Ms. Mao of Aon (see her prefiled testimony and exhibits) to reflect the cost to voluntary market insurers of maintaining sufficient capital to pay the assessments for residual market losses, to the extent required by law. If the two residual market mechanisms (the Beach Plan and the FAIR Plan) do not have sufficient surplus, reinsurance, and reserves to pay losses for a catastrophic hurricane event or series of events, then companies writing homeowners, dwelling and other lines of property insurance in the voluntary market will be assessed for such losses even if they had chosen not to write in the coastal or beach areas where the losses originated. In effect, the voluntary market companies are being required to provide free reinsurance to the residual market and its policyholders who can only find coverage in the residual market. The voluntary market companies must therefore maintain capital sufficient to cover such losses, in addition to their own losses, even though those companies have elected not to write the policies that generate those losses. The compensation for assessment risk factor is the provision that must be included in the rates in order to compensate voluntary market insurers for bearing this risk of assessments from the Beach/FAIR Plans.

As a result of legislative action in 2009, some of the exposure of the voluntary market companies to residual market assessments has been capped at one billion dollars per year. Aon's analysis of the necessary compensation for the risk of residual market assessments incorporates this cap.

It should be noted that the \$1 billion cap only applies to assessments by the Beach Plan (which writes business in the beach and coastal areas) and does not apply to assessments to pay for losses in the FAIR Plan (which writes business in all areas of the state except the beach areas). In the recent several years, the FAIR Plan has rapidly increased its writings statewide. As the number of policies and amount of uncapped exposure in the FAIR Plan grows, that growth could impact the

compensation for assessment risk. Those policies are vulnerable to losses from catastrophic hurricanes, and companies are subject to unlimited assessments from these losses.

The compensation for assessment risk amount of \$15.16 per policy is calculated by first multiplying the 1.4% provision by the current average statewide base rate of \$922.47, resulting in a value of \$12.91. To be incorporated in the rates, however, this provision must be adjusted to account for the commissions and taxes, licenses, and fees that the companies will need to pay on this additional premium. That is done by dividing the 12.91 by 1 minus the sum of commission and brokerage expense and taxes, licenses, and fees expenses. This calculation results in the \$15.16 amount per policy that appears in line 19 on page C-2.

Q: What is the source of the \$415.20 for net cost of reinsurance in Line 20?

A: The source of the \$415.20 for net cost of reinsurance is an analysis performed for the Bureau by Aon. In that analysis, Aon determined the expected net cost of reinsurance for the composite one company writing homeowners in North Carolina. Companies buy catastrophe reinsurance due to North Carolina's significant hurricane exposure. The net cost of that reinsurance is the expense and profit component of the reinsurance premium paid by insurers (the loss component is in the direct losses used in the overall rate determination). More details of the analysis are included in the testimony of other witnesses.

The Bureau relies upon the data that Aon has accumulated as to the actual cost of purchasing reinsurance in the current reinsurance market. Aon is one of the largest reinsurance brokers in the world.

To calculate the net cost of reinsurance per policy, the amount of total dollars of reinsurance is divided by the number of house years for 2021 times the 2021 trended average rating factor. This quantity is then divided by the expected loss and fixed expense ratio. For owners, the actual calculation is:

$$\frac{1,146,362,083}{2,056,820 * 1.797 * 0.747} = 415.20$$

Q: Can reinsurance payments by each company writing in North Carolina be allocated and aggregated for use in this Filing?

A: No. It is not possible to measure reinsurance costs of the various insurance companies applicable specifically to homeowners insurance written in North Carolina. There are several reasons why this is the case. The first reason is that companies often do not enter reinsurance treaties exclusive to only one line of insurance. The large number of individual insurance companies writing homeowners insurance in North Carolina have hundreds of different treaties that cover many different lines of insurance (automobile, commercial property, other

residential property, etc.) as well as homeowners. Second, reinsurance treaties often are not exclusive to just North Carolina or for only one peril. Companies negotiate reinsurance treaties in many different geographical areas (portion of a state, single state, multiple states, Atlantic Basin areas, countrywide, international, etc.), and covering many different perils (such as automobile flooding, hurricanes, direct earthquake losses, tornados, wildfires, etc.). Finally, reinsurance for a given set of risk exposure (such as North Carolina residential homeowners) is often not limited to one treaty. An individual company will purchase reinsurance from different reinsurers for different layers of loss under different types of treaties, or also use catastrophe bonds for different layers of loss. For these reasons, it is not feasible to measure reinsurance costs specific to North Carolina, much less specific to the line of homeowners insurance, in each individual treaty or bond or for each individual company.

It is important to note that the calculation of the net cost of reinsurance in this Filing relates exclusively to the homeowners costs in North Carolina. It would not be appropriate for North Carolina insureds to assume the reinsurance costs of exposures in other states and vice-versa. Aon's database is based on actual reinsurance transactions and on conditions in the current reinsurance market and is updated regularly to reflect changes in actual market conditions. Aon's database and expertise are a great source of information as to actual reinsurance practices and costs for the hypothetical one company writing residential homeowners insurance in North Carolina.

Q: Returning to page C-2, what is the source of the percentages used on Line 22 for anticipated deviations?

A: As in past homeowners filings, the Bureau committees reviewed deviations. Deviations are a cost of doing business in North Carolina for the insurers that have them approved by the Department. They are a cost of risk transfer and therefore need to be contemplated in the rates according to the Statement of Principles Regarding Property and Casualty Insurance Ratemaking. They constitute "savings" that must be considered pursuant to statute. Companies are required to report their approved deviations. If rates were set without contemplating deviations, the industry would not achieve the profit provision included in the rates. The Bureau reviewed deviations in conjunction with consent to rate data and surcharges on homeowners policies written in the Beach Plan and found that the net deviation is very close to zero. The Bureau and ISO believe that it is actuarially appropriate for filings made by rating bureaus to contain a factor to reflect expected deviations and other variations from the manual rate that would result in the filed profit level not being achieved. The Bureau also recognizes that the reflection of expected deviations has been a contentious issue in previous rate filings. In this filing the Bureau elected to include a provision of zero for deviations.

Q: Would you explain Line 24 on page C-2 entitled "Required Base Class Rate per Policy"?

A: Line 24 is the required base rate that is needed to ensure that sufficient revenue is collected to cover the losses and expenses that are expected to result from the policies written during the year following the effective date of this filing.

Q: Would you explain Line 25 on page C-2 entitled "Current Average Base Class Rate"?

A: Line 25 is the current average base class rate for all of the owners policies included in the review. This rate assumes that each policyholder is buying only the base coverage.

Q: Would you explain line 26 on page C-2 entitled "Indicated Rate Level Change"?

A: Line 26 is the percentage change in the current rates that will be necessary to make the rates adequate for the cost levels that are expected to prevail in the one-year period following the effective date of the filing. The percentage change is determined by taking the required base rate per policy on Line 24 and dividing it by the current base rate from Line 25. This results in an indicated rate level change for the owners forms of 42.4%.

Q: Does the filing contain a revision of the present territory rate levels?

A: Yes. In connection with the overall rate level change we have been discussing, new territory rates are displayed on page A-4.

The development of the indicated relative change by territory is completed in such a way that the overall effect is to balance to the indicated statewide change. This is shown in Column 5 of page C-9.

Q: How has the Bureau treated general and other acquisition expense by territory?

A: The Bureau has treated general expense and other acquisition expense as not varying by territory.

General and other acquisition expenses are treated as fixed expenses. The trended fixed expense per policy by territory is calculated by first distributing the statewide trended fixed expense ratio to each territory. This is accomplished by multiplying the statewide trended fixed expense ratio by the ratio of the statewide latest-year average rate to the territory latest-year average rate. Finally, the trended fixed expense per policy by territory is calculated as the product of the territory trended fixed expense ratio and the current territory base class rate. These calculations are shown on pages D-30 and C-8 of the filing.

Q: Thus far in your prefiled testimony, you have been primarily describing the data and calculations for the owners forms. In general, are the calculations for tenants forms (Form 4) and condominium owners forms (Form 6) on pages C-3 and C-4,



respectively, the same or similar to the calculations you have described for the owners forms on Page C-2?

Yes, they are, with a few exceptions as previously noted or which are apparent from the calculations and exhibits relating to those forms. With respect to Form 4 (tenants) and Form 6 (condominium owners), there is no non-hurricane excess wind procedure used in determining the statewide rate level change.

With respect to Form 6, Territory 170 did not have any exposures during the 5-year experience period used in the rate analysis, and therefore the indicated rate change that was calculated for this territory was impacted by the lack of exposures. Instead of relying on the indicated change for this territory, a filed rate change of 30.1% was selected to achieve 90% of the statewide indicated change ( $1.301 = 0.9 \times 1.446$ ). The 90% scaling factor was selected based on observing the relative changes for Territory 170 for the Owners and Tenants forms.

Other parts of the calculations for Forms 4 and 6 are the same or similar to that of the owners forms.

Q: What other changes does the filing make for homeowners insurance?

A: The filing revises the credits for the windstorm or hail exclusion that are available in Territories 110, 120, 130, 140, 150, and 160. The derivation of these credits is shown on pages C-17 and C-18. These credits are used when policies are written "ex. wind;" i.e., referring to those situations in the beach and coastal territories where companies voluntarily write homeowners policies covering perils other than wind and hail, and the Beach Plan writes the wind and hail coverage. When this is done, the Beach Plan applies a 5% statutory surcharge above the Bureau rates. The wind only rates are also being revised in this filing (derivation shown on pages C-22 and C-23). The wind mitigation credits for these territories are also being revised in accordance with the data and methodology shown in the filing.

Q: Please turn to page A-2 of Exhibit RB-1 and explain what is shown on that page.

A: Page A-2 of Exhibit RB-1 shows the indicated and filed statewide rate level changes.

Q: How is the Bureau proposing to implement the indicated rate changes?

A: The Bureau's Governing Committee has decided to file the indicated territory rate changes. Page A-3 of Exhibit RB-1 shows the indicated and filed rate changes for each territory.

Q: Do you have an opinion as to whether the data utilized and the methods of calculating the indicated rate level changes contained in the filing are actuarially sound and reliable and if so, what is that opinion?

A: Yes, I have an opinion. In my opinion, the data utilized and the ratemaking methodologies used by the Bureau are based on and consistent with generally accepted actuarial principles and procedures, and the indicated rates are actuarially sound and reliable. In my opinion the ratemaking methodology is actuarially sound and produces indicated rates that meet the statutory standard of being not excessive, inadequate or unfairly discriminatory.

Q: Do you have an opinion as to whether the indicated rate level changes contained in Exhibit RB-1 are fully justified and, if so, what is that opinion?

A: In my opinion, the indicated rate level changes are fully justified and are not excessive or unfairly discriminatory in any respect.

Q: Are there any qualifications you wish to attach to your opinion?

A: Yes. In reaching my opinion, I have relied on the accuracy of the data supplied by the Bureau, by the various statistical agents, by the individual companies that reported their data to ISO and the other statistical agents, and by the Beach Plan and FAIR Plan. I have relied on Dr. Zanjani for the profit analysis. I have relied on Mr. Anderson as to the contingency provision. I have relied on Minchong Mao for her review of the AIR and RMS hurricane models, the blended output of those models (including the modeled hurricane losses), the net cost of reinsurance component of the rates, and for the compensation for assessment risk component of the rates. I have also relied upon and concur with the decisions and the actuarial judgments of the persons on the Bureau's committees, who in many cases are actuaries. I have also reviewed, approved, and relied on the work conducted by ISO staff with regards to the preparation of the ISO portions of the rate filing. I have applied appropriate actuarial standards when reviewing these various data sources.

Q: Does that conclude your testimony?

A: Yes, it does.

***PAUL ERICKSEN, FCAS, MAAA***  
***PRINCIPAL, ACTUARIAL CONSULTING***  
***INSURANCE SERVICES OFFICE***

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**CURRENT RESPONSIBILITIES**

Leads actuarial consulting at Insurance Services Office, Inc. Responsible for providing actuarial consulting services to a wide array of clients including property/casualty insurers, residual market insurers, captives, managing general agents, law firms, and insurance departments. He has 31 years of actuarial experience in the insurance industry.

Responsible for a wide array of customized actuarial analyses prepared for individual clients, including ratemaking, reserving, program development, and other miscellaneous studies. Testified at several venues on behalf of his clients.

**PROFESSIONAL EXPERIENCE**

2007 to 2023: Principal of Actuarial Consulting at ISO  
1999 to 2006: Consulting Actuary in the Actuarial Consulting unit of ISO  
1994 to 1998: Senior Actuarial Associate in the Financial Analysis unit of ISO  
1993: Consulting Actuary in the New York office of Milliman  
1992: Actuarial Assistant in the Increased Limits unit of ISO

**PROFESSIONAL DESIGNATIONS AND ACTIVITIES**

Became a Fellow of the Casualty Actuarial Society in 1995, and is a Member of the American Academy of Actuaries.

Member of the CAS Examination Committee from 1996 through 2009.

Gave multiple presentations at CAS Meetings, including a presentation titled “The Actuary as an Expert Witness” at the following venues:

- CAS Ratemaking and Project Management Seminar in March of 2013
- Casualty Actuaries of New England in September of 2011
- CAS Ratemaking and Project Management Seminar in March of 2011

**EDUCATION**

Graduated from Princeton University in 1992 with a B.A. in mathematics.

## EXPERT WITNESS TESTIFYING

Cases involving expert witness testimony regarding property insurance ratemaking:

- Prepared written testimony in support of the NCRB's 2018 and 2020 Homeowners rate filings and the 2019, 2020, 2022, and 2023 Dwelling rate filings.
- In 2008, provided expert witness testimony to the insurance subcommittee of the Florida House of Representatives regarding the adequacy of rates charged by Citizens Property Insurance Corporation. Citizens is the residual market insurer in Florida for property insurance and has been the largest writer of Homeowners insurance in the state.
- Testified at several rate hearings in support of filings submitted by Citizens Property Insurance Corporation.
- From 2005 through the present, provided extensive expert witness testimony on behalf of the Massachusetts Fair Plan regarding their Homeowners, Dwelling and Commercial Property rate filings. The Massachusetts Fair Plan is the insurer of last resort for property insurance in Massachusetts with a large coastal exposure.
- In 2007, provided expert witness testimony during a wind-only voluntary insurer's successful rate arbitration case where they were awarded a 75.4% rate increase to their hurricane rates.
- Provided expert witness testimony involving a civil litigation case.

## SELECT WORK EXPERIENCES

### **Preparation of Homeowners, Dwelling, and Personal Auto Rate Analyses:**

- Developed comprehensive actuarial rate analyses that his clients have filed with regulatory authorities.
- Experience with using output from multiple hurricane models (including AIR, RMS, and other models).
- Developed actuarial support for the provision for the cost of catastrophe reinsurance.
- Developed indicated underwriting profit provisions.

### **Preparation of New Homeowners and Personal Auto Programs:**

- Developed the rating structure and actuarial support for new Homeowners and Personal Auto programs. This work involved companies expanding into new states, along with established insurers that wanted to replace their existing program.

### **Reserve Analyses:**

- Prepared loss reserve analyses for both Property/Casualty insurers and self-insured entities, with an emphasis in property insurance.
- Appointed Actuary for Citizens for four years (2004, 2005, 2007, 2009)
- Appointed Actuary for Heritage Property & Casualty Insurance Company (a large publicly traded Homeowners insurer that concentrates in the Florida market) from 2012 through 2019.
- Responsible for annual reserve analysis for a large national Commercial Auto trucking company.

1                   **PRE-FILED DIRECT TESTIMONY OF MINCHONG MAO**  
2  
3                   **2024 HOMEOWNER INSURANCE RATE FILING**  
4                   **by the**  
5                   **NORTH CAROLINA RATE BUREAU**  
6  
7

8   **Q. Please state your full name and business address for the record.**  
9

10 A. My name is Minchong Mao. My business address is Aon, 200 East Randolph  
11 Street, 11<sup>th</sup> Floor, Chicago, Illinois 60601.  
12

13 **Q. What is your involvement in this matter?**  
14

15 A. My employer, Aon, has been retained by the North Carolina Rate Bureau  
16 (NCRB) to provide catastrophe modeling and reinsurance analytics with respect  
17 to the expected hurricane losses utilized in the NCRB 2024 Homeowner  
18 Insurance rate filing. I am part of the catastrophe analytics team at Aon that  
19 performed these services.  
20

21 **Q. What is Aon?**  
22

23 A. Aon is a leading global professional services firm that provides advice and  
24 solutions to clients focused on risk, retirement, and health. Aon is one of the

1 world's largest reinsurance brokers and has extensive experience in catastrophe  
2 modeling.

3

4 **Q. What are your primary responsibilities for Aon?**

5

6 A. I am a Senior Managing Director and a Catastrophe Actuary at Aon's  
7 Reinsurance Solutions - Catastrophe Risk Analytics group. I manage an analytics  
8 group within the Catastrophe Management area which focuses on catastrophe  
9 actuarial and predictive analytics as it relates to ratemaking and underwriting.

10 I advise clients on catastrophe actuarial services, such as rate indications, rate  
11 filing strategy, underwriting strategy, and use of catastrophe models in risk  
12 management. I am responsible for Aon's compliance with ASOP 38 regarding  
13 use of catastrophe models. I am a consulting actuary for Aon's in-house model,  
14 Impact Forecasting, LLC. I work with a group of catastrophe modelers to provide  
15 catastrophe modeling support for reinsurance placements. Our client services  
16 include but are not limited to support for multi-model analytics, customized view  
17 of risks, catastrophe pricing, catastrophe risk selections, data augmentation,  
18 model evaluation, real-time event response, portfolio optimization, actuarial  
19 support, reinsurance cost allocations, and rating agency questionnaire support.

20

21 **Q. Describe your professional and educational background.**

22

23 A. I have been with Aon since September 2018. Prior to joining Aon, I worked at  
24 State Farm Insurance Companies for over 17 years from 2001 to 2018 where I

1 led the catastrophe modeling functions since 2005. During my tenure at State  
2 Farm, I was responsible for State Farm's use of catastrophe models in pricing,  
3 underwriting, claims, reinsurance, securitization, enterprise risk management,  
4 and rating agency reporting.

5

6 I had 2 years of ratemaking experience as a pricing actuary for Homeowner lines  
7 at State Farm. I am familiar with the development and implementation of  
8 property insurance rates and rules. I understand the challenges for an insurer to  
9 balance rate adequacy and competitiveness and to meet financial objectives at  
10 the same time.

11

12 I have a Bachelor's degree in Biochemical Engineering from Beijing University of  
13 Chemical Technology, a Master's degree in Chemistry from Eastern Illinois  
14 University, and a Master's degree in Computer Science from the University of  
15 Missouri - Columbia.

16

17 **Q. Are you a member of any professional actuarial organizations?**

18

19 A. Yes. I am a Fellow of the Casualty Actuarial Society (FCAS) and a Member of  
20 the American Academy of Actuaries (MAAA). I am a Certified Catastrophe Risk  
21 Management Professional (CCRMP), a new designation created by the CAS  
22 Institute (iCAS) and International Society of Catastrophe Managers (ISCM). I am  
23 currently serving on the Casualty Actuarial Society's Climate Change Committee

1 and on the advisory board for CCRMP designation. I served on the American  
2 Academy of Actuaries' Extreme Event Risk Committee from 2016 to 2023. I am  
3 in good standing with the requirements of all of these organizations.

4

5 I was part of a working group that authored the following monographs for the  
6 American Academy of Actuaries:

- 7 • The National Flood Insurance Program: Challenges and Solutions (2017)
- 8 • Uses of Catastrophe Model Output (2018)
- 9 • Wildfire: An Issue Paper - Lessons Learned from the 2017–2018  
10 California Events (2019)

11 I am one of the recipients of the Casualty Actuarial Society's Above and Beyond  
12 Achievement Award in 2019 to recognize my leadership and contributions in  
13 establishing the CCRMP designation for the insurance industry.

14

15 **Q. Please describe your relevant experience and qualifications for this**  
16 **proceeding.**

17

18 A. My CV is included with the filing as Exhibit RB-8. I started practicing in the  
19 catastrophe risk management field in 2005. During my tenure at State Farm, I  
20 managed State Farm's catastrophe modeling function from 2005 to 2018. I  
21 managed vendor relationships with AIR, EQECAT, ARA, and RMS. I provided  
22 filing support and helped my employer through many regulatory challenges  
23 related to the use of models in insurance operations. I provided actuarial



1 opinions on State Farm's use of catastrophe models. I established the due  
2 diligence and model validation framework to ensure catastrophe modeling  
3 practices at State Farm met the actuarial standards and complied with laws and  
4 regulatory requirements. My team provided various catastrophe risk measures  
5 and analytics for State Farm Fire and affiliates for ratemaking, exposure  
6 management, claims, ERM, rating agency reporting, reinsurance and  
7 securitization purposes.

8

9 From 2010 to 2013, I was a member of an advisory group to the Insurance  
10 Bureau of Canada (IBC) and the Office of the Superintendent of Financial  
11 Institutions (OSFI) to provide expert opinions on insurance and the economic  
12 impact of major earthquakes in Canada. From 2011 to 2013, I was a member of  
13 an advisory group for IBC and OSFI to revise OSFI Guideline B-9 (Earthquake  
14 Exposure Management Sound Practice Guideline for insurance companies). I  
15 led a State Farm team to establish the compliance framework to meet OSFI B-9  
16 regulation requirements.

17

18 In January 2015, I was appointed by Florida CFO Jeff Atwater to serve on the  
19 Florida Commission on Hurricane Loss Projection Methodology (FCHLPM) as  
20 the industry actuary. From January 2015 to September 2018, I represented the  
21 property insurance industry on the FCHLPM to review and accept hurricane  
22 models for use in ratemaking in the State of Florida. My term on the FCHLPM  
23 ended in September 2018 due to my job change.

1

2 The hurricane models used for this rate filing, Verisk (also known as and  
3 hereinafter referred to as "AIR") Touchstone V9 (a.k.a Touchstone 2021) and  
4 RMS RiskLink V21, are both certified by FCHLPM.

5

6 **Q. What does the FCHLPM do?**

7

8 A. FCHLPM scrutinizes hurricane models and authorizes their use in Florida rate  
9 filings and has done so over many years. FCHLPM retains experts in relevant  
10 fields who review the meteorological, wind engineering, damageability, claims,  
11 statistical, computer programming, economic and other aspects of modeling in  
12 great detail. Over the years, FCHLPM has recognized advancements in various  
13 scientific disciplines related to hurricane modeling and has required modelers to  
14 incorporate such advancements. FCHLPM approves only those models that  
15 meet its rigorous standards.

16

17 **Q. Please describe how ASOP 38 is applicable in this rate filing?**

18

19 A. The Actuarial Standard of Practice Number 38 (ASOP 38) has been in effect  
20 since December 2000. ASOP 38 was created, to some extent, to address the  
21 use of stochastic computer hurricane simulation models in the insurance  
22 ratemaking process. ASOP 38 established certain requirements for actuaries  
23 who use output from a model that is outside of that actuary's area of expertise.

1 Hurricane models are developed by a group of experts including meteorologists,  
2 structural engineers, actuaries, statisticians, and computer scientists. Some  
3 model components are outside of the area of expertise of actuaries. Due to the  
4 models' complexity and reliance on different science disciplines, as well as their  
5 relative novelty in establishing property insurance rates at the time, many  
6 actuaries are not as knowledgeable about these models as they are about the  
7 traditional ratemaking methodologies.

8

9 Hurricane models are utilized to establish the hurricane loss costs and  
10 reinsurance cost allocation for this NCRB filing. Therefore, compliance with  
11 ASOP 38 is relevant to the filing.

12

13 **Q. Is Aon's use of catastrophe models in compliance with ASOP 38?**

14

15 A. Yes, Aon's catastrophe modeling practice in general and as it relates to this  
16 NCRB filing is in compliance with ASOP 38. ASOP 38 provides guidance to the  
17 actuary in using models that incorporate specialized knowledge outside the  
18 actuary's own areas of expertise when developing an actuarial work product and  
19 has been included as Exhibit RB-10. When using such a model, the standard  
20 requires that the actuary perform five specific tasks:

21

- 22 a. Determine the appropriate level of reliance on experts;  
23 b. Have a basic understanding of the catastrophe model;

- 1 c. Evaluate whether the catastrophe model is appropriate for the intended  
2 purpose;  
3 d. Determine that appropriate validation of the catastrophe model and output has  
4 occurred; and  
5 e. Determine the appropriate use of the catastrophe model and output.

6

7 In addition to relying on vendors' experts, Aon has an in-house model evaluation  
8 team. This team consists of members with advanced degrees in meteorology,  
9 structural engineering, and statistics. Soon after models are released, the model  
10 evaluation team performs sensitivity testing to identify key drivers of model  
11 changes and potential anomalies. I work closely with the model evaluation team  
12 at Aon to ensure the sensitivity testing covers all aspects of ASOP 38  
13 requirements. I review the testing results through an analytics dashboard. I  
14 document my reviews for each peril model. Upon completion of the review, I sign  
15 an ASOP 38 attestation. Copies of the current ASOP 38 attestations for the AIR  
16 and RMS models are included in the filing as Exhibits RB-11 and RB-12,  
17 respectively.

18

19 **Q. Describe the role of Aon Reinsurance Solutions Analytics and**  
20 **Catastrophe Risk Analytics.**

21

22 A. Aon Reinsurance Solutions Analytics (a.k.a Reinsurance Analytics) provides  
23 consultative services to Aon's clients who place catastrophe reinsurance through

1 Aon. These clients are primary insurers selling property insurance products in  
2 catastrophe prone areas. Aon Reinsurance Analytics provides value added  
3 service that is above and beyond reinsurance brokering transactions. Our client  
4 services include but are not limited to support for multi-model analytics,  
5 customized view of risks, catastrophe pricing, catastrophe risk selections, data  
6 augmentation, model evaluation, real-time event response, portfolio optimization,  
7 reinsurance cost allocations, actuarial support, and rating agency questionnaire  
8 support.

9

10 Within the Reinsurance Analytics division, there is a team specialized in  
11 catastrophe risk analytics. I am part of the catastrophe risk analytics team that  
12 provides clients with catastrophe risk management information and assists  
13 clients with their reinsurance purchasing decisions.

14

15 **Q. Describe your experience with catastrophe models.**

16

17 A. From 2005 to 2006, I performed the catastrophe modeling analyst's role,  
18 which includes hands-on experience with multiple models - from data preparation  
19 to running the models to post model aggregation. My daily work involved data  
20 preparation and converting exposure data into model input files. I gained  
21 knowledge about how different models handle building characteristics and  
22 insurance terms. I used RMS RiskLink, AIR, and EQECAT models on a daily  
23 basis. I developed an understanding of the models' back-end database and  
24 output. I performed post-model analysis and wrote computer programs to

1 develop risk metrics such as probable maximum loss (PMLs), average annual  
2 losses (AALs), and total value at risk (TVaR) to help State Farm assess and  
3 manage catastrophe risks. Later in my career, I assembled a team and  
4 supervised many modeling tasks delegated to my colleagues. I continued to  
5 provide guidance and managed the day-to-day work of the catastrophe modeling  
6 unit.

7

8 **Q. Describe your experience with catastrophe reinsurance.**

9

10 A. My experience with reinsurance started in 2005 at State Farm. State Farm is  
11 a reinsurance buyer, and I was a part of the company's reinsurance buying team.  
12 I supported the reinsurance function at multiple levels. My work included using  
13 catastrophe model output and financial information to help my employer in  
14 structuring reinsurance, conducting technical pricing, drafting and reviewing  
15 reinsurance contracts, and participating in reinsurance buying trips. I evaluated  
16 catastrophe risks and cost of capital from both ceding and assuming parties. I  
17 worked closely with our reinsurance broker to validate our view of risks using  
18 external benchmarks. At Aon, I work directly with our clients who are seeking to  
19 purchase catastrophe reinsurance. Output from models is used by our brokers,  
20 clients, and capital markets to determine the reinsurance structure and pricing.  
21 We customize reinsurance solutions based on clients' risk appetite and risk  
22 profile.

23

1 **Q. Do you speak on topics pertaining to catastrophe modeling?**

2

3 A. Yes. I have presented at CAS Ratemaking, Product and Modeling

4 Conferences. I am a frequent speaker at the Reinsurance Association of

5 America's annual catastrophe modeling conference. My topics have included

6 model blending, model regulation, and wildfire modeling, among others. From

7 2012 to present, I have been a visiting instructor at the Illinois State University

8 Math Department Actuarial Science program where I present catastrophe

9 modeling and regulatory topics to actuarial students. From 2016 to 2018, I was a

10 member of the planning committee for the Reinsurance Association of America's

11 annual catastrophe modeling conference. I organized and moderated panels

12 and engaged speakers to cover a variety of catastrophe topics.

13

14 **Q. Would you please explain why you are providing this testimony?**

15

16 A. I manage Aon's Catastrophe Actuarial and Predictive Analytics group that

17 developed the provisions for the modeled hurricane losses, the net cost of

18 reinsurance, and the compensation for assessment risk used in this filing. I am

19 responsible for the work products provided to NCRB on those items for this filing.

20

21 **Q. What was Aon's role in this filing with respect to expected hurricane**  
22 **losses?**

23

1 A. Aon performed data validation and shared control totals with NCRB; Aon's  
2 catastrophe modelers ran AIR Touchstone V9 (a.k.a Touchstone V2021) and  
3 RMS RiskLink V21 models based on exposure data provided by NCRB; Aon  
4 blended the model results for NCRB based on well-established methodology and  
5 provided the modeled average annual loss to NCRB; Aon conducted industry  
6 research, recommended, and applied catastrophe loss adjustment factors for  
7 NCRB.

8

9 **Q. Are catastrophe simulation models commonly used by insurers for**  
10 **ratemaking in catastrophe-exposed lines and jurisdictions?**

11

12 A. Yes, catastrophe models have become the standard method of estimating  
13 catastrophe risk in rate filings and reinsurance. Hurricane losses are so extreme  
14 and volatile that, for many years now, the accepted actuarial procedure for  
15 estimating catastrophe risk in rate filings and in the reinsurance market has been  
16 through the use of catastrophe models rather than actual hurricane losses. Such  
17 volatility is greatly compounded in hurricane prone states such as North Carolina.  
18 In North Carolina and other hurricane prone states, a significant percentage of  
19 the prospective long-term average annual losses in certain territories of the state  
20 are caused by intense hurricanes, which are relatively infrequent but are  
21 devastating when they do occur. It would be actuarially unsound to rely on a few  
22 years of actual hurricane losses to estimate prospective hurricane losses  
23 because of the volatility of these losses, which are driven by low frequency and



1 high severity. We have provided data and analysis from the use of catastrophe  
2 models for Aon clients to use in their rate filings in multiple states.

3

4 **Q. Did the NCRB ask Aon to run the AIR and RMS models?**

5

6 A. Yes. Aon ran AIR Touchstone and RMS RiskLink for the NCRB under the  
7 NCRB's direction. AIR and RMS are the most commonly used catastrophe  
8 models in the insurance and reinsurance industries. Aon runs these two models  
9 on all of Aon clients' exposure data pertinent to reinsurance transactions. The  
10 majority of Aon's clients use either one or both models when evaluating their  
11 catastrophe risk.

12

13 **Q. Why did the NCRB ask Aon to run two models?**

14

15 A. My understanding is that the NCRB has been using two models since 2016.  
16 Running two models also complies with N.C.G.S. 58-36-10(3), which became  
17 effective in 2017 and requires the NCRB to present data from more than one  
18 model if modeled hurricane losses are based upon a commercial hurricane  
19 simulation model.

20

21 **Q. How are losses from the two models blended?**

22

23 A. We run the individual models independently and determine the appropriate  
24 loss costs and reinsurance cost allocation for each model. The blended results

1 from the two models are derived by taking the straight average, thus weighting  
2 the models equally.

3

4 **Q. Is it common that modeled losses will differ between the various model**  
5 **vendors?**

6

7 A. Yes. Catastrophe models are complex. When modeling vendors develop a  
8 hurricane model, they start with similar underlying information, such as the  
9 National Hurricane Center's historical hurricane dataset, land use/land cover  
10 database, similar wind engineering principles and statistical theories. However,  
11 there are differences between modeling vendors in their approaches to  
12 interpreting and supplementing the data to build a robust model. Different  
13 assumptions and judgments are made by model developers. Vendors may also  
14 use claims data from different data sources to calibrate their model. These  
15 varying assumptions, judgments, and methodologies will result in different model  
16 results. Model results deviate more at location level than at the state level.  
17 When models generate different results, it does not necessarily mean any model  
18 is wrong. The spread among different views of the same risk reflects the  
19 inherent uncertainties of catastrophe modeling.

20

21 Given the number of variables involved in the development of a catastrophe  
22 model and the degree of uncertainty associated with each variable, we would not  
23 expect that two independently developed models would result in the same output  
24 or conclusions on a given set of data.

1 **Q. Does the use of catastrophe models produce artificially high rate levels?**

2

3 A. No. Models help stabilize rate levels. Without modeling, rate levels would  
4 fluctuate wildly following the occurrence or non-occurrence of significant  
5 hurricanes. Modeling is relied upon by all stakeholders in insurance,  
6 reinsurance, catastrophe bond, and other financial transactions to give the best  
7 and most unbiased projection of future hurricane losses. Different parties to  
8 those transactions often have opposing economic interests, but they all rely on  
9 models in their negotiations with each other.

10

11 **Q. How do the models change over time?**

12

13 A. Catastrophe models are built based on state-of-the-art science and  
14 technology. As science continues to evolve and computing powers continue to  
15 advance, modeling technology is updated and improved. In addition, research  
16 into historical and recent events, updates to building practices and building  
17 codes, and data from engineering experiments also provide insights to enable  
18 model developers to enhance their models. Each modeling vendor takes a  
19 different approach on how frequently it updates its models and which perils and  
20 regions will be updated. As noted above, because different assumptions and  
21 judgements are made when information is applied, the impact of an update could  
22 vary greatly between models. Changes due to model updates are to be  
23 expected.

24

1 **Q. Is using multiple models to determine catastrophe risk actuarially**  
2 **sound?**

3

4 A. Yes. Using multiple models allows users to incorporate different views of risk  
5 into their exposure management. Using multiple models can effectively mitigate  
6 modeling volatility and smooth out significant model changes. Using multiple  
7 models is a practice endorsed by major rating agencies such as AM Best and  
8 S&P.

9

10 **Q. How does the NCRB exposure data impact model output?**

11

12 A. The following data factors would impact model output:

- 13 • Changes in coverage and/or policy conditions such as deductible and  
14 limits, and the underlying policies-in-force
- 15 • Changes in an insurer's portfolio composition, such as geographic  
16 concentration
- 17 • Changes in building characteristics, such as loss mitigation features and  
18 age of roof
- 19 • Changes in data quality, such as replacing unknown building  
20 characteristics with known building characteristics

21

22 **Q. Please describe the client data that was employed as input for the model**  
23 **runs?**

24

1 A. The underlying exposure data was provided to Aon by the NCRB. To the best  
2 of my knowledge, the data was compiled on behalf of the NCRB by Insurance  
3 Services Office (ISO). NCRB's exposure data sent to Aon consisted of the  
4 trended aggregate exposure information for all residential Homeowner risks in  
5 North Carolina, including those written voluntarily by insurance companies and  
6 those written by the residual market (NCIUA and NCJUA). NCRB instructed Aon  
7 to run the models using the aggregate data at zip code level and territory level for  
8 the entire North Carolina portfolio in a single model run.

9

10 **Q. Please describe what Aon Reinsurance Solutions then did with the data**  
11 **provided by the NCRB.**

12

13 A. We reviewed the data received from the NCRB for completeness and  
14 reasonableness before we input it into the AIR and RMS models. Since the two  
15 models have different formats for inputting data, we worked with the NCRB to  
16 assure that the exposure data was properly and consistently mapped in the  
17 required format for each model. NCRB provided earned insurance years (EIY),  
18 which is the sum of primary coverage amount expressed in thousands, and  
19 earned house years (EHY), which is the number of risks. Limit by coverage is  
20 calculated from EIY and EHY as instructed by the NCRB. A comparison of this  
21 year's data with last year's data was conducted. Any anomalies were  
22 investigated.

23

1 The next step was to input the data and run the models. We ran the AIR  
2 Standard model using the 100K event catalogue and the RMS Historical model  
3 (both are long-term views of the hurricane risk) to determine the modeled  
4 hurricane loss cost. We also ran the AIR Warm Sea Surface Temperature  
5 (WSST) model using the 10K event catalogue and the RMS Medium Term Rate  
6 model (both are near-term views of hurricane risk) to analyze the cost of  
7 reinsurance. It is a standard practice throughout the reinsurance industry to rely  
8 upon the models we used to determine modeled hurricane loss cost and  
9 reinsurance placements, and this has been true since the 1990s.

10

11 After the models were run, we reviewed each model's output separately to  
12 ensure data integrity. We then blended the results of the two models by taking a  
13 straight average of the results. Additional reviews were conducted of the  
14 blended results to ensure that the blending procedures were correctly performed  
15 and that the blended results were reasonable. Model results were aggregated by  
16 territory, policy form, and coverage. The blended modeled hurricane loss results  
17 were provided to the NCRB for use in its Homeowner rate review. Exhibit RB-9  
18 sets forth the blended modeled hurricane losses resulting from the work I have  
19 described. Based on my knowledge and experience, and the input data provided  
20 by the NCRB, these modeled hurricane losses are reasonable and appropriate  
21 projections of expected hurricane losses for use by the NCRB in its Homeowner  
22 rate review and rate filing.

23

1 Also, we employed the modeled hurricane losses as part of our work in  
2 determining and allocating the cost of reinsurance.

3

4 **Q. What are the differences and similarities between using the AIR  
5 Touchstone's 10K event set and the 100K event set?**

6

7 AIR Touchstone's 10K hurricane event set is a subset of the 100K event set.  
8 These two event sets are designed to have the same theoretical frequency and  
9 intensity distributions in coastal segments, and to produce similar results with  
10 minimal variabilities. Using the 10K event set provides benefits in performance  
11 and storage. AIR Touchstone's 10K event set is standard for use in a majority of  
12 catastrophe modeling exercises – including reinsurance renewal data distribution  
13 for quoting and placement purposes. The 100K event set is used to determine  
14 hurricane loss costs for ratemaking purposes.

15

16 **Q. Did Aon make adjustments to the modeled results?**

17

18 Yes. A 6% loss adjustment expense (LAE) factor was applied to modeled  
19 losses. This factor was recommended by Aon based on a broad industry study  
20 at the state level. The results of that study are shown in Exhibit RB-15. The  
21 application of the LAE factor was reviewed and approved by the NCRB, and the  
22 6% catastrophe LAE factor was selected by the NCRB.

23

1 **Q. What is demand surge?**

2

3 A. Demand surge is a social economic phenomenon defined by the Actuarial  
4 Standards Board as “a sudden and usually temporary increase in the cost of  
5 materials, services and labor due to the increased demand for them following a  
6 catastrophe.” Demand surge usually occurs after large-scale disasters such as  
7 earthquakes, tsunamis, cyclones, or flooding. The models incorporate demand  
8 surge into their loss estimates.

9

10 **Q. Should model output include demand surge?**

11

12 A. All applications of catastrophe model output should reflect demand surge.  
13 Demand surge is a real social economic phenomenon. Insurance companies’  
14 claims experience includes the effect of demand surge. Excluding demand surge  
15 would underestimate catastrophe losses.

16

17 **Q. Does the model output used in this filing include demand surge?**

18

19 A. Yes. As is the customary and accepted practice in the insurance, reinsurance,  
20 and catastrophe bond industries, the models were run with aggregate demand  
21 surge (AIR) and loss amplification (RMS) included. The FCHLPM has approved  
22 the use of aggregate demand surge and loss amplification for the AIR and RMS  
23 models, respectively. These aspects of the models account for the expected



1 additional cost for supplies and labor if a very large hurricane event or series of  
2 events occurs. Experience demonstrates that when such catastrophic events  
3 have occurred, there is significant increase in demand for the limited supply of  
4 plywood, shingles, labor, hotel rooms, and other necessities. The high demand  
5 for specialized labor often requires contractors to come in from out of state.  
6 Fundamental economic principles dictate that such a spike in demand increases  
7 prices, and consequently results in larger than normal claims payments in the  
8 aggregate. Additionally, there are delays in repairing properties, which can  
9 directly lead to longer stays in hotels, and there are other increased costs beyond  
10 those that occur after smaller hurricanes. Loss amplification also factors in  
11 claims inflation. Claims adjusters may not investigate every claim if it is under a  
12 certain threshold, given the volume of claims they have to settle post-event in a  
13 limited amount of time.

14

15 **Q. Does any state prohibit the inclusion of demand surge in modeled**  
16 **losses for rate filings?**

17

18 A. I am not aware of any prohibitions against the use of demand surge in rate  
19 filings in any jurisdiction. The South Carolina Department of Insurance Bulletin  
20 2014-03 states "Demand surge may be included in the modeled results as long  
21 as the company provides the impact it has on the modeled losses." The Florida  
22 Commission on Hurricane Loss Projection Methodologies' actuarial standards

1 require hurricane models to incorporate demand surge based on relevant data  
2 and actuarially sound methods and assumptions.

3

4 **Q. North Carolina has laws prohibiting “price gouging” following a  
5 hurricane. Does that eliminate demand surge?**

6

7 A. No. Florida has a similar law (Title XXXIII 501.160). Demand surge can and  
8 does occur due to supply and demand economics in situations that would not be  
9 considered price gouging and/or that would not be prevented by statutes  
10 prohibiting price gouging.

11

12 **Q. Does it make sense for North Carolina hurricane losses to include  
13 demand surge for very large events impacting other states even if those  
14 events were less significant in North Carolina?**

15

16 A. Yes, the intent of the model is to reflect economic conditions that will influence  
17 construction prices and other aspects of insured loss (such as, for example, the  
18 increased period of time a carrier has to pay for hotel rooms for insureds while  
19 their damaged homes are repaired) in the time period shortly after a catastrophe  
20 event occurs. Since labor and materials resources are exchanged by people  
21 across state lines, we believe the demand surge effect on prices in other states  
22 will have an effect in North Carolina.

23

1 **Q. You noted earlier that you and your team developed the provision in the**  
2 **filing for the net cost of reinsurance. First, what is reinsurance?**

3

4 A. Simply, reinsurance is insurance for insurers. When insurers are aware of  
5 scenarios in which the potential losses are greater than the company is willing or  
6 able to tolerate, they will frequently purchase reinsurance to mitigate the risk in  
7 those situations. For similar reasons, insurers may issue catastrophe bonds to  
8 protect themselves in those situations. Essentially the insurers will use a portion  
9 of the premium to purchase reinsurance. This is common across the industry.

10

11 **Q. What is catastrophe reinsurance, who buys it, and why do they buy it?**

12

13 A. Catastrophe reinsurance is a contract purchased by a primary insurance  
14 company and sold by a reinsurer, or a group of reinsurers, to transfer risk from  
15 loss due to large catastrophic events. Large catastrophe losses present a very  
16 real risk to the long-term viability of Homeowner insurers and their ability to follow  
17 through on their promise to policyholders to pay losses when they occur. There  
18 are numerous scenarios where the potential losses due to a single hurricane are  
19 far greater than the entire premium collected by all the companies for the entire  
20 state of North Carolina. To remain viable long term and protect against  
21 insolvency, the industry must purchase reinsurance to help cover this risk.

22

1 The most common type of contract used for catastrophe risk is called "Portfolio  
2 Excess of Loss", a.k.a. "Portfolio XOL", or just "XOL". A single XOL contract has  
3 an "attachment" and a "limit". An XOL covers the amount of portfolio loss caused  
4 by a single event in the amount which exceeds the XOL attachment with a  
5 maximum equal to the XOL limit. In some instances, there is co-participation,  
6 which means that only a percentage of the amount of loss in the XOL layer is  
7 covered. Portfolio XOL contracts (a.k.a. "treaties" since there are typically  
8 multiple reinsurers involved) cover the first event within a year of coverage. It is  
9 standard practice to write into the treaty a provision for the primary carrier to  
10 automatically purchase a "reinstatement" if they have a loss which triggers a  
11 reinsurance payment. The reinstatement premium allows for the full limit to be  
12 reinstated after the first event uses up the limit provided. There are cases where  
13 a limit is provided and if an event exhausts that limit, then there is no coverage  
14 available for the remainder of the contract period. It is typical of primary carriers  
15 to buy multiple treaties that stack on top of each other. In other words, a treaty  
16 will have an attachment equal to the attachment plus limit of another treaty.  
17 Primary carriers buy reinsurance to ensure the company is financially viable after  
18 very large and uncommon to rare events.

19

20 The costs associated with this catastrophe reinsurance are costs of doing  
21 business in the state. To reflect the portion of those costs that is not already  
22 covered in the filing, a provision for the net cost or reinsurance is included in the  
23 filing.

1 **Q. What was your role in this filing with respect to net cost of reinsurance?**

2 A. I worked with my colleagues within the Aon Catastrophe Actuarial team to  
3 determine a suitable provision for the net cost of reinsurance for the state overall  
4 and an allocation of that cost by territory and policy form. The provision used  
5 exposure data from all the Homeowner risks in the state so that a cost provision  
6 would be appropriate to use in a uniform rate schedule applicable to all insurers  
7 in the state.

8

9 **Q. Please describe how the reinsurance program was designed and priced**  
10 **for purposes of NCRB rate filings? Do you think it is reasonable?**

11

12 A. Yes, the Aon Catastrophe Actuarial team designed the reinsurance program  
13 for this rate filing. I manage this team and I am responsible for its work product.  
14 The basis of the reinsurance program structure and pricing is determined by an  
15 analysis of reinsurance programs placed by Aon for its reinsurance clients.  
16 Three components of the analysis are described here.

17

18 **Program attachment and total limit** describes the total amount of reinsurance  
19 coverage. Since companies vary substantially in size, so do their limit purchase  
20 and attachment for their bottom layers. To normalize for company size, we  
21 looked at the frequency with which a single event would trigger a recovery and  
22 the frequency with which a single event would exhaust the limit of the entire  
23 program for each company. This was calculated separately for the AIR and the  
24 RMS models. We then calculated the median attachment and exhaustion

1 (exhaustion = bottom layer attachment + total program limit) frequencies by  
2 model and by region (Southeast and Nationwide). The frequencies for  
3 attachment and exhaustion were averaged across the regions, which resulted in  
4 attachment and exhaustion frequency by model. Using portfolio loss distributions  
5 by model for the portfolio in the filing, we calculated the dollar amount of  
6 attachment and exhaustion (and therefore limit) by model. The attachment of the  
7 reinsurance program in the filing is the average of the AIR indicated attachment  
8 and RMS indicated attachment. The exhaustion of the reinsurance program in  
9 the filing is the average of the AIR indicated exhaustion and the RMS indicated  
10 exhaustion.

11 **Reinsurance Market Pricing Model** For AIR and RMS, a log-linear regression  
12 model was built to calculate fitted reinsurance price based on modeled expected  
13 ceded loss. Using these regression models, an indicated price for any layer can  
14 be calculated based on each catastrophe model (AIR and RMS). The selected  
15 prices by layer used in this rate filing are the averages of the AIR indicated prices  
16 and the RMS indicated prices.

17

18 Note: Because insight into reinsurance market pricing is an important proprietary  
19 asset for Aon, the log-linear models are considered a trade secret and therefore  
20 not disclosed in this public filing.

21

22 **Program Structure.** After the market pricing model is determined along with the  
23 program's attachment and limit, the program is then broken into layers. We run

1 an optimization analysis to find the five-layer catastrophe program that has the  
2 lowest deposit premium. The method is designed to calculate an indicated  
3 reinsurance premium that is as low as possible, subject to the market pricing  
4 model and program attachment and limit specifications.

5

6 The reinsurance structure determined by the method described above is shown  
7 in Exhibit RB-13. The pricing with loss analysis is shown in Exhibit RB-14.

8

9 **Q. Have you seen reinsurance costs going up in recent years?**

10

11 A. The global reinsurance market has experienced some extraordinary volatilities  
12 since 2019. Reinsurance prices have increased significantly in the U.S. for the  
13 past three years. This increase was initially driven by Florida in the Southeast  
14 region, but the significant increase has now been seen countrywide since 2021.

15

16

17 **Q. How was the net cost of reinsurance calculated?**

18

19 Net cost of reinsurance is Deposit Premium + Expected Reinstatement Premium  
20 - Expected Ceded Loss & LAE. The reinsurance program, the loss distribution  
21 from the portfolio as determined by event loss tables (ELTs) from cat models,  
22 and the LAE assumptions are input into a DFA (Dynamic Financial Analysis)  
23 program to calculate the average ceded loss and LAE and average reinstatement  
24 premium over a specified number of simulated years. The loss distribution which

1 is produced by the AIR model is already in the form of simulated loss experience  
2 for 100,000 years. The DFA program calculates for each year the total  
3 reinsurance recoveries and reinstatement premium paid. The program then  
4 calculates the average annual ceded loss & LAE and the average reinstatement  
5 premium. The loss distribution from RMS models is a list of possible catastrophic  
6 events. Instead of providing specific year and amount of loss from each event,  
7 each event has a parametric distribution for frequency and severity. The DFA  
8 program creates a simulation of 1,000,000 years of loss experience to make a  
9 table containing year, event ID, and specific amount of loss. From that point the  
10 calculation works the same as for the AIR model.

11

12 For the NCRB filing, our analysis shows that the expected reinsurance premium  
13 is \$1,441,145,541, expected ceded loss & LAE is \$281,154,841, and the net cost  
14 of reinsurance is \$1,159,990,688, as shown on Exhibit RB-17 and the summary  
15 on Exhibit RB-14. Allocation by territory is done using the method described  
16 above.

17

18 **Q. How was the reinsurance premium allocated?**

19

20 A. Reinsurance premium by layer is allocated to a territory based on that  
21 territory's share of expected ceded loss and loss adjustment expense (LAE) by  
22 layer. Exhibit RB-14 shows the total expected ceded loss and LAE by layer and  
23 Exhibit RB-16 shows the proportion of hurricane peril reinsurance premium,  
24 ceded average annual loss, and reinsurance margin (a.k.a. "net cost of



1 reinsurance”) allocated to each territory segment for each layer. Other perils  
2 were used in the calculation, but because they contributed such a small amount  
3 of expected ceded loss they were not shown on the exhibits. Exhibit RB-17  
4 shows the dollar amount of reinsurance margin allocated by territory and policy  
5 form.

6

7 **Q. Given your experience in catastrophe reinsurance, do you find this**  
8 **approach to be reasonable?**

9

10 A. Yes. Aon’s approach is based on detailed information on current reinsurance  
11 market rates and underlying model output.

12

13 **Q. Do you know whether the Rate Bureau has used in its 2024 Homeowner**  
14 **filing the Aon net cost of reinsurance results you provided?**

15

16 A. Yes, I am advised that the Rate Bureau has used in the filing both our  
17 statewide net cost of reinsurance results and those results allocated to the  
18 territory level.

19

20 **Q. Are you aware of the following provisions in the North Carolina statutes,**  
21 **in N.C.G.S. 58-36-10(7):**

22 *Property insurance rates established under this Article may include a provision to*  
23 *reflect the cost of reinsurance to protect against catastrophic exposure within this*  
24 *State. Amounts to be paid to reinsurers, ceding commissions paid or to be paid*  
25 *to insurers by reinsurers, expected reinsurance recoveries, North Carolina*  
26 *exposure to catastrophic events relative to other states’ exposure, and any other*

1 *relevant information may be considered when determining the provision to reflect*  
2 *the cost of reinsurance.*

3

4 A. Yes, I am. This NC statute provision is consistent with ASOP 53, Estimating  
5 Future Costs of Prospective Property/Casualty Risk Transfer and Risk Retention,  
6 which “applies to actuaries when performing actuarial services with respect to  
7 developing or reviewing future cost estimates (commonly known as actuarial  
8 indications) for prospective property/casualty risk transfer and risk retention. For  
9 example, this standard applies when actuaries are developing future cost  
10 estimates underlying product prices, estimating funding requirements for self-  
11 insured programs and captives, and developing reinsurance prices.”

12

13 **Q. Do you have an opinion whether the analysis you and Aon have**  
14 **performed on behalf of the Rate Bureau on the net cost of reinsurance for**  
15 **this filing has taken into consideration the provisions of that statute?**

16

17 A. Yes. Based on my experience with hurricane models and using modeled  
18 hurricane losses along with my experience with catastrophe reinsurance and  
19 determining catastrophe reinsurance costs for rate filings, it is my opinion that the  
20 net cost of reinsurance analysis for this filing properly considers all of the items  
21 set forth by the statute. Further, based on my experience in the actual  
22 marketplace, it is my opinion that a reasonable and appropriate provision for the  
23 net cost of reinsurance must be incorporated into Homeowner insurance rates in  
24 North Carolina for those rates to properly reflect and protect against the  
25 catastrophe exposure in this state.

1

2 **Q. Do you have an opinion regarding the appropriateness of the net cost of**  
3 **reinsurance provision incorporated into this Homeowner filing?**

4

5 A. Yes. Based on my experience with hurricane models and using modeled  
6 hurricane losses, along with my experience with catastrophe reinsurance and  
7 determining catastrophe reinsurance costs for rate filings, it is my opinion that the  
8 provision for the net cost of reinsurance in the filing, at the statewide and territory  
9 levels, is reasonable and appropriate.

10

11 **Q. Earlier, you stated that you and your team developed the compensation**  
12 **for assessment risk provision in the filing. Why did Aon develop that**  
13 **provision instead of Milliman?**

14

15 A. Due to new restrictions imposed by one of the catastrophe modeling  
16 companies, Milliman was unable to obtain the data they typically used in the  
17 compensation for assessment risk analysis. Mr. Anderson has addressed these  
18 challenges in his testimony in recent filings. Aon is very familiar with the  
19 questions related to compensation for assessment risk, and we routinely perform  
20 a very similar analysis for our clients. After consultation with Rate Bureau staff,  
21 Milliman, and the Rate Bureau's Property Rating Subcommittee, we all agreed  
22 that Aon would perform the compensation for assessment risk analysis for this  
23 rate review and filing.

24

1 **Q. Can you please describe the issues related to the compensation for**  
2 **assessment risk?**

3

4 A. Property insurance written in the residual market in North Carolina presents  
5 considerable risk for primary insurers that write property insurance. The North  
6 Carolina Insurance Underwriting Association (i.e., the Coastal Property Insurance  
7 Pool, or “Beach Plan”) and the North Carolina Joint Underwriting Association  
8 (i.e., the FAIR Plan) together serve as that residual market. The Beach Plan and  
9 FAIR Plan provide property insurance when policyholders are unable to purchase  
10 insurance coverage from companies in the voluntary market. In states like North  
11 Carolina with significant exposure to catastrophic events and/or where the  
12 availability of insurance is limited in the voluntary market, property insurance  
13 residual markets may grow to represent a sizable portion of the total insured risk.  
14 In North Carolina, the Beach Plan has become the predominant writer of  
15 homeowners insurance in the 18 coastal counties.

16

17 Similar to insurance companies writing voluntary business, the Beach and FAIR  
18 Plans use the premiums collected from policies they issue to fund the losses and  
19 expenses attributable to the coverages they insure. When premiums are greater  
20 than losses and expenses during a given year, the Beach Plan and the FAIR  
21 Plan accumulate surplus. That surplus is available to pay future losses and  
22 expenses in the event that they exceed collected premiums plus investment  
23 income. However, if the surplus of either the Beach Plan or FAIR Plan is

1 exhausted, the additional costs of that entity are then, by statute, passed on to  
2 property insurers in North Carolina in the form of an assessment. The potential  
3 overall industry assessment from the Beach Plan for any single year is capped at  
4 \$1 billion, but the potential assessment from the FAIR Plan is unlimited. If losses  
5 in the Beach Plan exceed the retained surplus, the \$1 billion industry  
6 assessment, and any other resources of the Beach Plan (such as reinsurance),  
7 any additional losses are passed through directly to residential property  
8 insurance policyholders in North Carolina.

9

10 This risk of potential assessment by the Beach Plan and/or FAIR Plan on  
11 property insurers in North Carolina requires that those companies be  
12 compensated for the additional risk to their capital. To quantify this risk, Aon has  
13 applied a procedure previously developed by Milliman and adopted by NCRB to  
14 incorporate a provision in property insurance rates (homeowners insurance,  
15 dwelling insurance, and mobile home insurance) that compensates insurers for  
16 that risk.

17

18 **Q. Can you please explain the procedure you used to determine the needed**  
19 **compensation for assessment risk?**

20

21 A. Yes. There are two steps in the methodology to quantify the compensation for  
22 assessment risk. The first step is to calculate the magnitude of the exposure

1 itself, and the second step is to determine the fair compensation to be paid to  
2 insurers for being required to bear that risk.

3

4 To quantify the magnitude of the exposure, it is necessary to estimate the  
5 expected value of the assessments on insurers arising from catastrophic losses  
6 incurred by the Beach Plan and/or FAIR Plan. Because an assessment on  
7 insurers results only after either the Beach Plan or FAIR Plan has exhausted  
8 other resources available to pay losses, we needed to determine the likelihood of  
9 that occurring as well as the amount by which the losses exceed those other  
10 resources.

11

12 Aon quantified the risk of assessment by the Beach Plan and FAIR Plan using a  
13 methodology similar to that developed by Milliman and presented in previous  
14 filings. First, Aon collected the Beach Plan's and FAIR Plan's exposures at the  
15 county level from the Beach Plan's and FAIR Plan's websites for the 2023-2024  
16 storm season. Then we reviewed the Beach Plan's and FAIR Plan's reinsurance  
17 programs in place for the 2023-2024 storm season, along with assumptions of  
18 the Beach Plan's and FAIR Plan's accumulated surplus available for the season.  
19 The accumulated surplus and available reinsurance are the "other resources"  
20 that are available to pay for hurricane losses during the 2023-2024 storm season.  
21 Aon then ran the AIR and RMS hurricane models on the Beach Plan's and FAIR  
22 Plan's exposures for the 2023-2024 storm season, calibrated modeled event  
23 losses based on the published PML information available on the Beach Plan's

1 and FAIR Plan's websites, and evaluated the impact of reinsurance on each  
2 modeled event. Aon utilized its in-house dynamic simulation model ReMetrica to  
3 calculate the Beach Plan and FAIR Plan deficits after applying their reinsurance  
4 and surplus. For each adjusted modeled loss, ReMetrica determined the amount  
5 of loss that would be covered by reinsurance and the remaining losses that  
6 would be funded either from the Beach Plan's or FAIR Plan's accumulated  
7 surplus, through assessments on property insurers in the state, or ultimately  
8 through assessments on North Carolina property insurance policyholders. We  
9 subtracted the accumulated surplus of the Beach Plan and FAIR Plan from the  
10 losses remaining after reinsurance, limited the assessable losses due to the  
11 Beach Plan exposures to \$1 billion, and calculated the average assessment on  
12 property insurers across all events simulated by the models. This average  
13 assessment on property insurers is equal to the expected value of the losses that  
14 would be funded through assessments on North Carolina property insurers.

15

16 As I mentioned earlier, this calculation produces a measure of the magnitude of  
17 the assessment exposure. That is, it represents the risk to insurers' capital that  
18 is associated with the exposure to Beach Plan or FAIR Plan assessments. The  
19 next step is to use the method previously developed by Milliman to measure the  
20 fair compensation to insurers for bearing this risk.

21

1 **Q. Can you please explain how you measured the compensation needed for**  
2 **bearing this risk?**

3

4 A. Yes. To measure the fair compensation for bearing this risk of assessment,  
5 we relied on publicly available data that quantifies the market price of  
6 catastrophe risk, taken from recently-issued insurance linked securities.

7 Insurance linked securities (ILS) are securities such as catastrophe bonds which  
8 have conditional payoffs that are very similar to reinsurance. Investors purchase  
9 these securities at significant yield premiums compared to risk-free bonds  
10 because the investors are exposed to loss of principal and interest if certain  
11 “insured events” occur.

12

13 **Q. What kind of ILS data are available and how is this information used to**  
14 **determine the compensation for assessment risk?**

15

16 A. We relied on insurance linked security yield information to price the  
17 compensation for assessment risk. Lane Financial, LLC is a firm that has  
18 specialized in the analysis of insurance linked securities. In the past, Lane  
19 published a table of data each year that summarized a variety of information that  
20 can be used to evaluate the fair compensation for bearing catastrophe risk. For  
21 each ILS in the table, Lane published the following data: the yield on the  
22 security; the excess return over the risk-free rate; the probability that the security  
23 will suffer a loss; and the expected value of loss anticipated on the security.

24 These data elements provide the foundation for the analysis of the proper



1 compensation for bearing the risk of Beach Plan or FAIR Plan assessments.

2 However, Lane has not published the insurance linked securities table since

3 March 2022.

4

5 Aon also collects and aggregates insurance linked securities information similar

6 to the information published by Lane. For each insurance linked security in Aon's

7 table, the following data are available: the peril and region the insurance linked

8 security covers; the yield on the security; the excess return over the risk-free

9 rate; the probability that the security will be attaching; and the expected value of

10 loss anticipated on the security. For the 2023 CAR study, the 2013 – 2021

11 information utilized was from Lane Financial and the 2022 data utilized was from

12 Aon.

13

14 There are a number of defined terms that are useful in describing the mechanics

15 of the compensation for assessment risk analysis.

16 ▪ The "*yield spread*" is the difference between the yield on a particular ILS and

17 the risk-free rate. If a \$100 million bond is issued with a yield spread of 10%,

18 this implies that the insurer issuing the bond would pay \$10 million in interest

19 in excess of the interest at the risk-free rate to encourage investors to

20 purchase such a security.

21 ▪ Continuing with the example of the \$100 million bond above, now assume

22 that the distribution of hurricane losses is such that, based on the probability

23 and amount of potential hurricane losses, an investor would anticipate having

1 an average loss of \$2 million per year. This amount is identified as the  
2 “expected loss.”

3 ■ Since the investor in this example receives compensation of \$10 million in  
4 excess of the risk-free rate for bearing the risk of loss, the “expected profit” to  
5 the investor is \$8 million (i.e., \$10 million in interest in excess of the interest at  
6 the risk-free rate minus \$2 million of expected losses).

7 ■ Finally, the “profit multiple” is the ratio of expected profit to expected loss. In  
8 the above example, the profit multiple would be \$8 million of expected profit  
9 divided by \$2 million of expected loss, or a profit multiple of 4.0.

10 The profit multiples derived from insurance linked securities provide an estimate  
11 of the compensation that investors require to bear catastrophe risk. This  
12 information tells us what investment returns are required by capital providers to  
13 take on the risk of loss from a catastrophic event. One particularly important  
14 feature of this metric is that it is a measure of compensation per dollar of  
15 expected loss. As a result, because the first step of our analysis determines the  
16 expected value of losses that would be funded through assessments, the profit  
17 multiple can be applied to those expected values to develop an estimate of the  
18 fair compensation for bearing such risk. This is the measure of risk we relied  
19 upon in evaluating the fair compensation for property insurers whose capital is  
20 exposed to Beach Plan and/or FAIR Plan assessments.

21

1 **Q. Generally speaking, which insurance linked securities have larger risk**  
2 **premiums and higher profit multiples?**

3

4 A. For exposures such as catastrophic events, securities that have a lower  
5 probability of incurring a loss have greater volatility and, as a result, have larger  
6 risk premiums. Securities with larger risk premiums have a larger ratio of  
7 expected profit to expected loss and, as such, have higher profit multiples.

8

9 **Q. Have you developed any exhibits that summarize the calculations used**  
10 **to develop the fair compensation to insurers for bearing the risk of Beach**  
11 **Plan and/or FAIR Plan assessments?**

12

13 A. Yes. Exhibit RB-18 contains ten pages of information required to develop the  
14 fair compensation for bearing Beach Plan and FAIR Plan assessment risk.

15     ▪ Page 1 of Exhibit RB-18 shows the curve fit to the ILS profit multiples  
16         based on all catastrophe-related securities issued in the last ten years. As  
17         I explained earlier, nine years of ILS data came from Lane and one year of  
18         ILS data came from Aon. This exhibit also includes the equation of the  
19         fitted curve, which can be used to determine the profit multiple for any  
20         layer to which insurer capital is exposed.

21     ▪ Page 2 of Exhibit RB-18 shows a summary of the Beach Plan's  
22         reinsurance program, and Page 6 shows a similar summary of the FAIR  
23         Plan's reinsurance program, both for 2023-2024 season. These

- 1 summaries include the various layers of reinsurance purchased and the  
2 coverage levels within those layers.
- 3 ■ Pages 3 and 7 display the profit multiples calculated for each layer of the  
4 Beach Plan's and FAIR Plan's loss distributions, based on the equation  
5 shown on Page 1. In order to determine the fair compensation to  
6 voluntary insurers for bearing the risk of assessments, we need to  
7 determine which layers contain losses that will be funded by assessments,  
8 as well as the corresponding expected losses within those layers. The  
9 profit multiples can then be applied to the expected losses to determine  
10 the appropriate compensation per dollar of expected loss in each layer.
- 11 ■ Pages 4 and 8 illustrate how potential losses for the Beach Plan  
12 Residential Account and FAIR Plan are funded. (The Beach Plan  
13 determines losses and assesses voluntary insurers separately for each  
14 account, while the FAIR Plan has only one account.) Because of the \$1  
15 billion annual cap on Beach Plan assessments, any amounts needed to  
16 pay claims in excess of the assessable amounts are to be collected  
17 through surcharges on property insurance policyholders statewide. For  
18 each event simulated by the hurricane models, losses are separated by  
19 account (Beach Plan Residential, Beach Plan Commercial, FAIR Plan  
20 Residential, and FAIR Plan Commercial). The losses for each account  
21 are then divided into layers based on the source of funding for those  
22 losses – Beach Plan or FAIR Plan surplus, assessments on voluntary  
23 insurers, private reinsurance, and ultimately any additional amounts in the

1 Beach Plan to be covered by policyholder surcharges. Finally, the losses  
2 associated with each event are accumulated in each of the loss layers to  
3 determine expected values.

- 4     ▪ Pages 4 and 8 illustrate the funding of potential losses within each layer.  
5     Since the purpose of this analysis is to determine the fair compensation  
6     for the risk of assessments on private insurers, the analysis must take into  
7     account the probability of losses occurring within each layer and the  
8     expected value of the losses that will be borne by private insurers. Pages  
9     5 and 9 of Exhibit RB-18 provide that analysis. Those pages show the  
10    expected value of the losses that would be covered by the Beach Plan  
11    Residential and FAIR Plan accounts, and the average annual amount of  
12    those losses that would be assessed to private insurers. Pages 5 and 9  
13    also display the average profit multiples associated with each layer of the  
14    loss distribution, and the product of the indicated profit multiples times the  
15    expected losses within each layer. The sum of those values is the  
16    indicated compensation for assessment risk for each account.  
17    ▪ The final step in the calculation is to determine the appropriate provision to  
18    be included in the homeowner insurance rates to compensate insurers for  
19    the risk of Beach Plan and/or FAIR Plan assessments. This provision is  
20    expressed as a percent of premium and is developed on Page 10 of  
21    Exhibit RB-18. Since assessments for Beach Plan and/or FAIR Plan  
22    losses are applied to all property insurance lines in the state, the table on  
23    Exhibit RB-18, Page 10 shows the development of a provision that will

1 produce an amount of revenue equal to the total required compensation of  
2 \$130.62 million when incorporated into the rates for homeowners, dwelling  
3 and mobile home insurance in North Carolina. As shown on this exhibit,  
4 that provision is 2.8% of total property insurance premium in the state.

5 **Q. Did you make any adjustments to the 2.8% compensation for**  
6 **assessment risk provision for North Carolina property insurance?**

7

8 A. Yes. Based on discussions during the rate review process, the Rate Bureau  
9 was made aware that some reinsurance contracts provide coverage for residual  
10 market assessments, including the potential non-recoupable assessments from  
11 the Beach Plan and FAIR Plan. As a result, it is possible that the reinsurance  
12 contracts purchased by North Carolina property insurance companies may  
13 include some coverage for assessments such that the exposure to Beach Plan  
14 and/or FAIR Plan assessments is no longer fully retained by the primary carrier.  
15 Given this information and the information that not all companies buy reinsurance  
16 that includes coverage for residual market assessments, the Rate Bureau made  
17 the assumption that 50% of the North Carolina property insurance companies'  
18 exposure to assessments from the Beach Plan and/or FAIR Plan is retained by  
19 the companies.

20

21 As a result, we multiplied this expected 50% market share by the 2.8% full  
22 compensation for assessment risk provision to determine an overall  
23 compensation for assessment risk provision of 1.4%.

24

1 **Q. In your opinion, is it appropriate to include a 1.4% provision for the**  
2 **compensation for assessment risk in homeowner insurance rates in North**  
3 **Carolina?**

4  
5 A. Yes. Insurance companies writing homeowner policies in North Carolina are  
6 exposed to the risk of Beach Plan and FAIR Plan assessments as a result of  
7 writing voluntary market property insurance in the state. Those insurance  
8 companies are entitled to receive fair compensation for bearing that risk, and it is  
9 appropriate to include that compensation in the homeowner rates. The  
10 compensation for assessment risk methodology we used here relies on a widely  
11 accepted measure of compensation to determine a provision that will fairly  
12 compensate insurers for bearing this additional risk to their capital. Moreover,  
13 the North Carolina statutes provide that prospective exposure to non-recoupable  
14 assessments shall be considered as an appropriate factor in the making of rates  
15 by the Rate Bureau.

16

17 **Q. Are you aware of North Carolina Senate Bill 452's provision that**  
18 **increased the Beach Plan's coverage limits?**

19

20 A. Yes, SB 452 was enacted into law as Session Law 2023-133 in October 2023.  
21 SB 452 increased the Beach Plan's coverage limits from \$750,000 to \$1 million  
22 on habitational property. SB 452 also increased the Beach Plan's coverage limits  
23 from \$3 million to \$4 million on commercial property, and from \$6 million to \$10  
24 million on structures with multiple firewall divisions.

1

2 **Q. Do you have an opinion on how SB 452's new coverage limits on Beach**  
3 **Plan policies would impact the NCRB Homeowner filing's hurricane, net**  
4 **cost of reinsurance, and compensation for assessment risks provisions?**

5

6 A. The new coverage limits on Beach Plan policies could potentially increase the  
7 exposure in the Beach Plan and increase the compensation for assessment risk  
8 provision. This stems from two potential exposure changes: 1) more policies will  
9 be eligible for coverage in the Beach Plan, and these policies may move from the  
10 voluntary market to the Beach Plan; and 2) some Beach Plan existing policies  
11 that were capped at the previous limits are now eligible for a higher coverage  
12 limit. The magnitude of the increases of the NCRB Homeowner filing's hurricane  
13 provision and net cost of reinsurance provision depend on how policies shift from  
14 the voluntary markets to the Beach Plan and the number of limit policies in the  
15 Beach Plan.

16

17 **Q. Do you have an opinion on whether or not NCRB should make any**  
18 **adjustments to this filing to account for the passage of SB 452?**

19

20 A. It is unclear how many policies in the Beach Plan will be subject to the new  
21 limits, and it is likewise unclear whether and how many additional policies would  
22 be written by the Beach Plan due to SB 452. It is also unclear how the Beach  
23 Plan's PML and reinsurance program will be impacted by SB 452. Therefore, the  
24 impact of SB 452 is not quantifiable at this time. Currently, I don't recommend  
25 any adjustments to account for SB 452 in this 2024 NCRB Homeowner filing.



1

2 **Q. Does that conclude your testimony?**

3

4 A. Yes.

## Minchong Mao, FCAS, CCRMP, MAAA, Actuary

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200 E Randolph Street  
Chicago, IL 60601  
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Email: minchong.mao@aon.com

### Summary

- Over twenty years of experience with insurance, reinsurance, catastrophe risk management, actuarial pricing and management at State Farm Insurance Companies and Aon plc
- Commission Member, actuary representing the property insurance industry on the Florida Commission on Hurricane Loss Projection Methodology (FCHLPM) 2015-2018
- Strong leadership, work ethic, communication and teamwork skills
- Deep knowledge and experience in Insurance operations, including Actuary, Underwriting, and Claims.
- Extensive experience and understanding with catastrophe models, underlying science and methodologies

### Experience

Senior Managing Director, Actuary  
Aon Reinsurance Solutions  
April 2021– Present

Managing Director, Actuary  
Aon Reinsurance Solutions  
September 2018– April 2021

Major Responsibilities include:

- Manage the catastrophe actuarial and predictive analytics group within Aon Reinsurance Solutions which focuses on supporting Aon clients' ratemaking and underwriting needs.
- Implement and sign off Aon's ASOP 38 compliance framework.
- Provide rate filing support for Aon's clients through regulatory challenges.
- Serve on Impact Forecasting leadership steering committee to oversee Impact Forecasting's product strategies and priorities.
- Serve as Aon Impact Forecasting's signatory actuary during Florida Commission on Hurricane Loss Projection Methodology submissions.
- Manage Homeowner Return on Equity (ROE) Outlook study. Aon's Homeowners ROE Outlook calculates risk-adjusted returns for the US homeowners industry, provides the insurance industry with market reality diagnostics and profitability insights.
- Manage Residual Market Industry study. This product provides a holistic view of the residual market's impact on the property insurance industry and the individual company's risk profile.
- Serve as Aon's key corporate contact for China business development and expansion.

Catastrophe Modeling Manager, Actuary  
 State Farm Insurance Companies  
 Feb. 2005– Sept. 2018  
 Major Responsibilities included:

- Manage State Farm's catastrophe modeling unit. State Farm's catastrophe modeling practice grew into the industry's leading practice with high quality and productivity under my leadership.
- Manage vendor relationships with AIR, EQECAT, ARA, and RMS. Negotiate contract terms and conditions, engage vendors' support through regulatory challenges.
- Provide Actuarial opinions on State Farm's use of catastrophe models. Oversee the due diligence and model validation work to ensure catastrophe modeling practices at State Farm meet the Actuarial Standards and comply with laws and regulatory requirements.
- Serve as a resource to the Corporate Law department for litigation and legislative issues.
- Provide various catastrophe risk measures and analytics (PML, TVaR, Standard Deviations, etc.) for State Farm Fire and Affiliates for exposure management and reinsurance purposes.
- Provide catastrophe information to rating agencies such as AM Best, S&P and Moody's.
- Develop and deploy hazard analysis tools across the Enterprise for exposure underwriting and management.
- Utilize catastrophe data in Dynamic Financial Analysis projects to analyze capital adequacy and capital allocation; develop simulation tools to incorporate catastrophe risk into Enterprise Risk Management.
- Provide exposure information, technical support, risk analysis and documentation reviews for all State Farm's issuances of catastrophe bonds.
- Lead State Farm's compliance work to meet Office of the Superintendent of Financial Institutions (OSFI) B-9 - Earthquake Sound Practice requirements.
- Monitor modeling regulations in several jurisdictions (FL, LA, SC, HI, MD, etc.). Work with State Farm counsel to provide revisions to bills related to coastal issues and catastrophe risk management during legislative sessions.
- Represent the Actuarial department on State Farm Enterprise Catastrophe Response Team. Provide real time analysis for actual catastrophe events to assist Catastrophe Claims' resources deployment, Catastrophe Reserving and communicate with Senior Management about the potential impact.
- Serve as a homeowner pricing manager for Mississippi for two years, with major responsibilities including:
  - Manage the development and implementation of rates and rules for several personal lines which satisfy the financial objectives of the enterprise.
  - Coordinate the analyses of actuarial ratemaking process
  - Review rate proposals.
  - Serve as a key Actuarial resource for Market Areas and regulators.

Actuarial/Statistics/Modeling Analyst  
 Jan 2001– Feb. 2005

- Conducted homeowner rate revisions for Maine, Kansas, and Mississippi.
- Developed and maintained State Farm's rate revision tool for property lines.

### Other Professional Activities

- 2015 – 2018, Commission Member, Industry Actuary, Florida Commission on

Hurricane Loss Projection Methodology (FCHLPM). I was appointed by Florida CFO Jeff Atwater to this position in Jan. 2015.

- 2010 – 2013, advisory group member to the Insurance Bureau of Canada (IBC) and Office of the Superintendent of Financial Institutions (OSFI) to provide expert opinions on a study for insurance and economic impact of major earthquakes in Canada.
- 2011- 2013, advisory group member for the Insurance Bureau of Canada (IBC) and Office of the Superintendent of Financial Institutions (OSFI) to revise OSFI Guideline B-9 (Earthquake Exposure Management Sound Practice Guideline for insurance companies).
- 2012-2016, organized nine State Farm senior executives delegation (including State Farm's CEO, COO, CFO, CMO, General Counsel, CTO, CSO) visits to China. Established relationship and set up meetings with Chinese regulators and senior executives of top Chinese insurance companies. Participated in discussions, served as advisor and interpreter for State Farm delegations.
- 2012-2018, visiting instructor for Illinois State University Math Department Actuarial Science program. Present catastrophe modeling and regularity topics to actuarial graduate students.
- 2014- 2018, board member of the International Society of Catastrophe Managers (ISCM). Promote education and career development for Catastrophe Modeling professionals.
- 2016- Present, co-chair of a taskforce to create a credential and certificate program for catastrophe risk management professionals on behalf of Institute of Casualty Actuarial Society (iCAS) and International Society of Catastrophe Managers (ISCM).
- 2016- 2023, Member of Property /Casualty Extreme Events Committee, American Academy of Actuaries. This committee identifies issues relevant to the treatment of extreme catastrophe risks including sizing, insurability, pricing, funding, reserving, capital management, and loss mitigation. The committee also monitors federal and state catastrophe legislation and interacts with NAIC on these issues.
- 2016 – 2018, member of planning committee for the Reinsurance Association of America's annual catastrophe modeling conference.
- 2016 – Present, member of CAS Climate Change Committee. This committee recommends, supports and performs research on climate change and assesses the potential risk management implications for the insurance industry.
- 2023, I was invited to participate in the Insurance, Climate and AI forum at the Kennedy School of Government, Harvard University. The forum was initiated by President Obama's advisor on Science and Technology, Dr. Daniel Schrag. I provided key insights from insurance perspectives during the forum.

## Designations

- Fellow of Casualty Actuarial Society (FCAS, 2007)
- Certified Catastrophe Risk Management Professional (CCRMP, 2019)
- Associate of Society of Actuaries (ASA, 2010) Currently, I am not an active member at SOA.
- Member of American Academy of Actuaries (MAAA,2005)
- Microsoft Certified Solution Developer (MCSD)
- Microsoft Certified Professional (MCP)

## Education

- Master's degree in Computer Science, University of Missouri-Columbia, 2000
- Master's degree in Chemistry, Eastern Illinois University, 1997

- Bachelor's degree in Chemical Engineering, Beijing University of Chemical Technology, 1993

## Award

- Special Achievement awards for excellent performance and exceptional business achievements, Property and Casualty Actuarial Department, State Farm Insurance in 2002, 2009, 2011, 2012, 2014, 2015, and 2016.
- Casualty Actuarial Society (CAS) Above and Beyond Achievement Award in 2019 to recognize my leadership role to establish Certified Catastrophe Risk Management Professional (CCRMP) designation for CAS Institute. The "Above & Beyond Achievement Award" is made annually, to one or more members of the CAS, who have made extraordinary contributions to the society.

## Publications

- As a member of the American Academy of Actuaries Flood Working Group, I am one of the authors for the Monograph on Issues Surrounding National Flood Insurance Program - The National Flood Insurance Program: Challenges and Solutions. *American Academy of Actuaries*, April, 2017
- Akram Hazeen, Yan Zhang, Minchong Mao, Kraig A. Wheeler, and Mark E. McGuire, 6-[(4-Hydroxy-phen-yl)diazonyl]-1,10-phenanthroline-1-ium chloride monohydrate, *US National Library of Medicine, National Institutes of Health (NIH)*, Dec. 1, 2011.
- As a member of the American Academy of Actuaries Flood Working Group, I am one of the authors of the following Monographs:

**The National Flood Insurance Program: Challenges and Solutions (2017)**  
American Academy of Actuaries, April, 2017

**Uses of Catastrophe Model Output (2018)**. American Academy of Actuaries, July, 2018

**Wildfire: An Issue Paper - Lessons Learned from the 2017–2018 California Events (2019)**, American Academy of Actuaries, June, 2019

## Reference

- Available upon request.

North Carolina Rate Bureau  
Gross Modeled Hurricane Expected Losses including Cat LAE

<b>Territory</b>	<b>Owners</b>	<b>Tenants</b>	<b>Condo Unit Owners</b>	<b>Sum of Gross AAL Include LAE</b>
110	52,225,221	37,819	47,735	52,310,775
120	57,714,025	116,583	452,828	58,283,436
130	11,623,886	31,153	27,156	11,682,195
140	135,835,758	916,281	792,290	137,544,329
150	24,231,723	132,229	35,638	24,399,590
160	21,695,534	223,470	112,802	22,031,806
170	690,742	4,719	-	695,461
180	15,734,708	204,594	21,727	15,961,029
190	4,952,953	36,624	414	4,989,991
200	2,689,451	12,199	27	2,701,677
210	4,339,728	46,096	1,447	4,387,271
220	12,431,562	114,576	18,470	12,564,608
230	3,901,566	29,216	1,191	3,931,973
240	13,350,695	89,748	6,100	13,446,543
250	5,770,329	39,468	1,394	5,811,191
260	2,463,909	15,032	122	2,479,063
270	42,632,090	548,648	133,118	43,313,856
280	5,600,127	60,063	24,761	5,684,951
290	5,329,535	31,947	12,757	5,374,239
300	1,338,497	6,286	234	1,345,017
310	15,823,094	179,075	51,369	16,053,538
320	8,358,898	61,049	10,907	8,430,854
330	289,951	1,339	135	291,425
340	23,861,186	273,400	165,509	24,300,095
350	4,272,103	29,678	7,145	4,308,926
360	5,608,219	40,400	19,645	5,668,264
370	248,198	606	2,558	251,362
380	699,139	2,822	1,531	703,492
390	737,044	2,670	1,536	741,250
<b>Grand Total</b>	<b>484,449,871</b>	<b>3,287,790</b>	<b>1,950,546</b>	<b>489,688,207</b>

Modeled hurricane expected losses for North Carolina Rate Bureau, net of limits and deductibles. Results include demand surge and exclude storm surge. Losses represent 50/50 blend of AIRv9 100k Standard event set and RMSv21Historical event set. Results also include provisions for LAE.



**ACTUARIAL STANDARDS BOARD**

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**Actuarial Standard  
of Practice  
No. 38**

**Revised Edition**

**Catastrophe Modeling  
(for All Practice Areas)**

**Developed by the  
Catastrophe Modeling Task Force of the  
General Committee of the  
Actuarial Standards Board**

**Adopted by the  
Actuarial Standards Board  
July 2021**

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**Doc. No. 201**

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July 2021

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Catastrophe Modeling (for All Practice Areas)

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Actuarial Standard of Practice (ASOP) No. 38

This document contains the revision of ASOP No. 38, *Catastrophe Modeling (for All Practice Areas)*.

#### History of the Standard

The ASB first began work on a standard for modeling in the late 1990s. Motivated primarily to address the role catastrophe modeling of earthquakes and hurricanes played in casualty ratemaking, this work was focused on the use of specialized models where the actuary would have to rely on a model that was developed by professionals other than actuaries. As a result of this work, the ASB approved ASOP No. 38, *Using Models Outside the Actuary's Area of Expertise*, in June 2000 with the scope of the standard limited to the Property/Casualty area of practice. At the time, this was the only ASOP that specifically addresses modeling.

Over the ensuing years, the number and importance of modeling applications in actuarial science has increased, with the results of actuarial models often entering financial statements directly. Recognizing this trend, the ASB asked the Life Committee in 2010 to begin work on an ASOP focused on modeling. The Life Committee formed a task force to address this issue and, in February 2012, a discussion draft titled *Modeling in Life Insurance and Annuities* was released. Nineteen comment letters were received.

Based upon this feedback and numerous other discussions on the topic of modeling, in December 2012 the ASB created two multidisciplinary task forces under the direction of the General Committee: i) a general Modeling Task Force, charged with developing an ASOP to address modeling applications in all practice areas, and ii) a Task Force to consider expanding ASOP No. 38 to all practice areas while focusing exclusively on using catastrophe models.

An exposure draft titled *Modeling* was released in June 2013 with a scope that provides guidance to actuaries when selecting, designing, building, modifying, developing, or using models when performing actuarial services. ASOP No. 56, *Modeling*, was adopted by the ASB in December 2019. Changes have been made to this exposure draft of ASOP No. 38 to be consistent with ASOP No. 56 and other recent ASOPs.

The exposure draft of this revision of ASOP No. 38 was the work of the Catastrophe Modeling Task Force, whose membership has experience in life insurance, health insurance, property/casualty insurance, and enterprise risk management.

At the direction of the ASB, this standard was developed to apply to all practice areas and all forms of catastrophe models, including natural catastrophes such as hurricanes, earthquakes, and severe convective storms, and other catastrophes such as terrorist acts and pandemics.

Exposure Draft

The exposure draft was approved in September 2020 with a comment deadline of January 15, 2021. Four comment letters were received and considered in making changes that were reflected in the final ASOP.

Notable Changes from the Exposure Draft

Notable changes made to the exposure draft are summarized below. Additional changes were made to improve readability, clarity, or consistency.

1. Section 1.2, Scope, was revised to provide additional guidance to actuaries whose actuarial services involve reviewing or evaluating models.
2. In section 2, Definitions, the definition of “catastrophe model” was expanded to include a definition of model.
3. Section 3.2, Appropriate Reliance on Experts (now titled Catastrophe Models Developed by Experts), was revised to adopt language from ASOP No. 56, section 3.5(b).
4. An existing ASOP No. 38 example regarding validation to evaluate results derived from other models was reinserted into section 3.5.
5. A disclosure requirement for the extent of reliance on experts was added to section 4.1(b) and (c).

Notable Changes from the Existing ASOP

A cumulative summary of the notable changes from the existing ASOP are summarized below. Notable changes do not include additional changes made to improve readability, clarity, or consistency.

1. The ASOP was revised to apply to catastrophe models only and to all practice areas.
2. The scope was expanded to include the activities “selecting, reviewing, and evaluating” models in addition to the existing activity of “using” a model when performing actuarial services.
3. The scope was expanded to clarify that if the actuary determines that the guidance in the ASOP conflicts with the guidance in ASOP No. 56, the guidance of this ASOP will govern.

4. A new section specifically addressing reliance on data or other information supplied by others (section 3.8) was added.
5. The guidance on documentation (section 3.9) was updated and expanded to be consistent with current ASOPs.

The ASB thanks everyone who took the time to contribute comments and suggestions on the exposure draft.

The ASB would like to posthumously thank Martin M. Simons for his contribution to the ASOP No. 38 task force.

The ASB voted in July 2021 to adopt this standard.

Catastrophe Modeling Task Force

Shawna S. Ackerman, Chairperson

David A. Brentlinger

Bradley J. Davis

General Committee of the ASB

Susan E. Pantely, Chairperson

Geoff Bridges

Brian J. Mullen

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*The Actuarial Standards Board (ASB) sets standards for appropriate actuarial practice in the United States through the development and promulgation of Actuarial Standards of Practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.*

**ACTUARIAL STANDARD OF PRACTICE NO. 38**

**CATASTROPHE MODELING  
(FOR ALL PRACTICE AREAS)**

**STANDARD OF PRACTICE**

Section 1. Purpose, Scope, Cross References, and Effective Date

- 1.1 Purpose—This actuarial standard of practice (ASOP or standard) provides guidance to actuaries when performing actuarial services with respect to selecting, using, reviewing, or evaluating **catastrophe models**.
- 1.2 Scope—This ASOP applies to actuaries in any practice area when performing actuarial services with respect to selecting, using, reviewing, or evaluating **catastrophe models** to assess risk, including but not limited to **models** of hurricanes, earthquakes, severe convective storms, terrorist acts, and pandemics. This standard applies to the selection, use, review, or evaluation of **catastrophe models**, whether or not they are proprietary in nature.

If the actuary's actuarial services involve reviewing or evaluating **catastrophe models**, the reviewing or evaluating actuary should apply the guidance in this standard to the extent practicable within the scope of the actuary's assignment.

In addition to this standard, the actuary should follow the guidance in ASOP No. 56, *Modeling*, when selecting, using, reviewing, or evaluating **catastrophe models**. If the actuary determines that the guidance in this ASOP conflicts with the guidance in ASOP No. 56, the guidance of this ASOP will govern.

This standard does not apply to **models** of operational risks. This standard also does not apply to **models** of economic risks that deal with instances of extreme events such as hyperinflation or a stock market collapse.

This standard also does not apply when the actuary is only designing, developing, or modifying a **catastrophe model** (or a portion of a **catastrophe model**).

If the actuary departs from the guidance set forth in this ASOP in order to comply with applicable law (statutes, regulations, and other legally binding authority), or for any other reason, the actuary should refer to section 4. If a conflict exists between this standard and applicable law, the actuary should comply with applicable law.

- 1.3 Cross References—When this ASOP refers to the provisions of other documents, the reference includes the referenced documents as they may be amended or restated in the future, and any successor to them, by whatever name called. If any amended or restated document differs materially from the originally referenced document, the actuary should consider the guidance in this ASOP to the extent it is applicable and appropriate.
- 1.4 Effective Date—This standard is effective for work performed on or after December 1, 2021.

## Section 2. Definitions

The terms below are defined for use in this actuarial standard of practice and appear in bold throughout the ASOP.

- 2.1 Assumption—A type of explicit **input** to a **catastrophe model** that is derived from **data**, represents possibilities based on professional judgment, or may be prescribed by law or others. When derived from **data**, an **assumption** may be statistical, financial, economic, mathematical, or scientific in nature, and may be described as a **parameter**.
- 2.2 Catastrophe Model—A **model** of low-frequency events with high-severity or widespread potential effects. **Catastrophe models** may be used to explain a system, to study effects of different components, or to derive estimates.
- 2.3 Data—Facts or information that are either direct **input** to a **catastrophe model** or inform the selection of **input**. **Data** may be collected from sources such as records, experience, experiments, surveys, observations, benefit plan or policy provisions, or **output** from other **models**.
- 2.4 Expert—One who is qualified by knowledge, skill, experience, training, or education to render an opinion concerning the matter at hand.
- 2.5 Input—**Data** or **assumptions** used in a **catastrophe model** to produce **output**.
- 2.6 Intended Purpose—The goal or question, whether generalized or specific, addressed by the **catastrophe model** within the context of the assignment.
- 2.7 Model—A simplified representation of relationships among real world variables, entities, or events using statistical, financial, economic, mathematical, non-quantitative, or scientific concepts and equations. A **model** consists of three components: an information **input** component, which delivers **data** and **assumptions** to the **model**; a processing

component, which transforms **input** into **output**; and a results component, which translates the **output** into useful business information.

- 2.8 Output—The results of the **catastrophe model** including, but not limited to, point estimates, likely or possible ranges, and **data** or **assumptions** (as **input** for other **models**), behavioral expectations, or qualitative criteria on which decisions could be based.
- 2.9 Parameter—A type of statistical, financial, economic, mathematical, or scientific value that is used as **input** to **catastrophe models**. Examples of **parameters** include expected values in probability distributions and coefficients of formula variables.

### Section 3. Analysis of Issues and Recommended Practices

- 3.1 Introduction—In performing actuarial services, the actuary may find it appropriate to select, use, review, or evaluate **catastrophe models**. When selecting, using, reviewing or evaluating a **catastrophe model**, the actuary should do the following:
- a. determine the appropriate level of reliance on **experts**;
  - b. have a basic understanding of the **catastrophe model**;
  - c. evaluate whether the **catastrophe model** is appropriate for the **intended purpose**;
  - d. determine that appropriate validation of the **catastrophe model** and **output** has occurred; and
  - e. determine the appropriate use of the **catastrophe model** and **output**.

The actuary's level of effort in understanding and evaluating a **catastrophe model** should be consistent with the **intended purpose** and the **catastrophe model output's** materiality to the results of the actuarial analysis.

- 3.2 Catastrophe Models Developed by Experts—When selecting, using, reviewing, or evaluating a **catastrophe model** developed by **experts**, the actuary should take into account the following:
- a. whether the individual or individuals who developed the **catastrophe model** are **experts** in the applicable field;
  - b. the extent to which the **catastrophe model** has been reviewed or validated by **experts** in the applicable field, including known differences of opinion among



**experts** concerning aspects of the **catastrophe model** that could be material to the actuary's use of the **catastrophe model**; and

- c. whether there are industry or regulatory standards that apply to the **catastrophe model** or to the testing or validation of the **catastrophe model**, and whether the **catastrophe model** has been certified as having met such standards.

The actuary may rely on **experts** in the applicable field in the evaluation of items in section 3.2(a)-(c) and should disclose the extent of such reliance.

- 3.3 Understanding of the Catastrophe Model—The actuary should be familiar with the basic components of the **catastrophe model** and understand both the user **input** and the **catastrophe model output**, as discussed below.

- 3.3.1 Catastrophe Model Components—The actuary should be familiar with the basic components of the **catastrophe model** and have an understanding of how such components interrelate within the **catastrophe model**. In addition, the actuary should identify which fields of expertise were used in developing or updating the **catastrophe model** and should make a reasonable effort to determine if the **catastrophe model** is based on generally accepted practices within the applicable fields of expertise. The actuary should also be familiar with how the **catastrophe model** was tested or validated and the level of independent **expert** review and testing.

- 3.3.2 User Input—The actuary should take reasonable steps to confirm that the precision and accuracy of the user **input** are consistent with the **intended purpose** and should refer, as applicable, to ASOP No. 23, *Data Quality*, when selecting, using, or evaluating **data** used in the **catastrophe model**. Certain user **input** may be required to produce **catastrophe model output** for the specific application. User **input** can include **assumptions** or **data**. If the **catastrophe model** requires user **input**, the actuary should evaluate the reasonableness of the user **input** and should have an understanding of the relationship between the user **input** and **catastrophe model output**.

- 3.3.3 Catastrophe Model Output—The actuary should determine that the **catastrophe model output** is consistent with the **intended purpose**.

- 3.4 Appropriateness of the Catastrophe Model for the Intended Purpose—The actuary should evaluate whether the **catastrophe model** is appropriate for the **intended purpose** and take into account the following:

- 3.4.1. Applicability of Historical Data—To the extent historical **data** are used in the development of the **catastrophe model** or the establishment of **catastrophe model parameters**, the actuary should take into account the adequacy of the historical **data** in representing the range of reasonably expected outcomes consistent with current knowledge about the phenomena being analyzed.
- 3.4.2. Developments in Relevant Fields—The actuary should make a reasonable effort to be aware of significant developments in relevant fields of expertise that are likely to materially affect the **catastrophe model**.
- 3.5 Output Validation— The actuary should validate that the **output** reasonably represents that which is being modeled. Depending on the **intended purpose**, **output** validation may include the following:
- a. comparing **output** to those of an alternative **model(s)**, where appropriate;
  - b. comparing the **output** produced by the **catastrophe model** with historical observations, if applicable;
  - c. comparing the consistency and reasonableness of relationships within the **output**; and
  - d. evaluating the reasonableness of changes in the **output** due to variations in the user **input**.
- 3.6 Appropriate Use of the Catastrophe Model and Output—The actuary should evaluate the reasonableness of the **catastrophe model output**, considering the **input** and the **intended purpose**. The actuary should take into account the limitations of the **catastrophe model** and use professional judgment to determine whether it is appropriate to use the **catastrophe model output**. The actuary should also use professional judgment to determine whether any adjustments to the **catastrophe model output** are needed to meet the **intended purpose**. The actuary should disclose any such adjustments in accordance with section 4.1.
- 3.7 Reliance on Another Actuary—The actuary may rely on another actuary who has selected, used, reviewed, or evaluated the **catastrophe model**. However, the relying actuary should be reasonably satisfied that the other actuary is qualified to select, use, review, or evaluate the **catastrophe model** in accordance with applicable ASOPs, and the **catastrophe model** is appropriate for the **intended purpose**. The actuary should disclose the extent of any such reliance.

- 3.8 Reliance on Data or Other Information Supplied by Others—When relying on **data** or other information supplied by others, the actuary should refer to ASOP No. 23 and ASOP No. 41, *Actuarial Communications*, for guidance.
- 3.9 Documentation—The actuary should consider preparing and retaining documentation to support compliance with the requirements of section 3 and the disclosure requirements of section 4. If preparing documentation, the actuary should prepare such documentation in a form such that another actuary qualified in the same practice area could assess the reasonableness of the actuary’s work and should document the steps taken to comply with this standard in light of proprietary aspects of the **catastrophe model**, if any. The degree of such documentation should be based on the professional judgment of the actuary and may vary with the complexity and purpose of the actuarial services. In addition, the actuary should refer to ASOP No. 41 for guidance related to the retention of file material other than that which is to be disclosed under section 4.

Section 4. Communications and Disclosures

- 4.1 Required Disclosures in an Actuarial Report—When issuing an actuarial report to which this standard applies, the actuary should refer to ASOP Nos. 23, 41, and 56. In addition, the actuary should disclose the following in such actuarial reports, as appropriate:
- a. the **catastrophe model** used and the **intended purpose**;
  - b. the methodology used to validate the **catastrophe model** developed by **experts** (see section 3.2);
  - c. the extent of reliance on **experts** (see section 3.2);
  - d. a description of the user **input** that was incorporated into the **catastrophe model** (see section 3.3.2);
  - e. a description of adjustments made to the **catastrophe model output** (see section 3.6); and
  - f. the extent of any reliance placed upon the work of another actuary (see section 3.7).
- 4.2 Additional Disclosures in an Actuarial Report—The actuary also should include disclosures in accordance with ASOP No. 41 in an actuarial report for the following circumstances:
- a. if any material **assumption** or method was prescribed by applicable law;

- b. if the actuary states reliance on other sources and thereby disclaims responsibility for any material **assumption** or method selected by a party other than the actuary; and
  - c. if in the actuary's professional judgment, the actuary has deviated materially from the guidance of this ASOP.
- 4.3 Confidential Information—Nothing in this ASOP is intended to require the actuary to disclose confidential information.

## Appendix 8

### Background and Current Practices

*Note:* This appendix is provided for informational purposes and is not part of the standard of practice.

#### Background

Hurricane Andrew in 1992 and the Northridge Earthquake in 1994 led actuaries involved in evaluating hurricane and earthquake exposures to recognize the severe inadequacy of the traditional, empirical actuarial methods used for ratemaking for these exposures. Recognizing the need to replace these methods, many actuaries began using stochastic computer simulation models for their actuarial analysis of hurricane and earthquake exposure. Computer simulation models had been commonly used for some time by actuaries and others for the purpose of evaluating probable maximum loss but had not been widely used for ratemaking.

Over time, the output from catastrophe models became commonly used by property/casualty actuaries in developing rates for catastrophic perils as well as many other risk management purposes.

#### Current Practices

Catastrophe models are now widely used by actuaries in all practice areas for risk management analyses and calculating expected losses due to hurricanes, earthquakes, and terrorist acts. More recently, catastrophe models have also been developed to simulate wildfires, severe convective storms, tsunamis, and pandemics.

In addition, due to changes in regulations and financial reporting requirements, the number and importance of modeling applications in actuarial science has increased, with the results of actuarial models often entering financial statements directly.

Lastly, due to the evolution of enterprise risk management (ERM) practices and regulations, there has been increased use of catastrophe modeling as part of insurer stress testing and risk management across all practice areas. This trend is likely to continue to evolve and heighten in light of the emergence of the novel coronavirus and the COVID-19 pandemic.

**Appendix 2**

**Comments on the Exposure Draft and Responses**

The exposure draft of the proposed revision of ASOP No. 38, *Catastrophe Modeling (for All Practice Areas)*, was issued in September 2020 with a comment deadline of January 15, 2021. Four comment letters were received, some of which were submitted on behalf of multiple commentators, such as by firms or committees. For purposes of this appendix, the term “commentator” may refer to more than one person associated with a particular comment letter. The ASOP No. 38 Task Force carefully considered all comments received, and the ASB reviewed (and modified, where appropriate) the changes proposed by the ASOP No. 38 Task Force and the ASB General Committee.

Summarized below are the significant issues and questions contained in the comment letters and the responses. Minor wording or punctuation changes that were suggested but not significant are not reflected in the appendix, although they may have been adopted.

The term “reviewers” in appendix 2 includes the ASOP No. 38 Task Force, the ASB General Committee, and the ASB. Also, the section numbers and titles used in appendix 2 refer to those in the exposure draft, which are then cross referenced with those in the final ASOP.

<b>SECTION 1. PURPOSE, SCOPE, CROSS REFERENCES, AND EFFECTIVE DATE</b>	
<b>Section 1.2, Scope</b>	
Comment	One commentator requested a clearer definition of what is excluded from the scope of ASOP No. 38, noting that catastrophe models can be used to infer economic impacts beyond direct claims and that novel catastrophic perils may fall into a gray area in which ASOP No. 38 may or may not apply.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment. The reviewers note that section 1.2 does not limit the reason why a catastrophe model is used to perform actuarial services or whether the catastrophe model is a mature or novel catastrophe model.
Comment	One commentator suggested that section 1.2 should state that the guidance in the standard applies to the extent practicable within the scope of the actuary’s assignment when the actuary is reviewing or evaluating a catastrophe model.
Response	The reviewers agree and made the change.
Comment	One commentator suggested that “review or evaluation” be removed from the scope of the standard or alternatively that the scope be changed to exclude an actuary performing a regulatory review.
Response	The reviewers believe the revised guidance is appropriate and made no change in response to this comment.

Comment	One commentator recommended that section 1.2 should state that the application of the standard be based on the actuary’s professional judgement as to the materiality of the model output for the intended user.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment. The reviewers note that section 3.1 addresses materiality.
Comment	One commentator recommended that section 1.2 should state that the guidance in the standard applies only to the extent of the actuary’s responsibilities and adopt the language from ASOP No. 56 section 1.2.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator suggested that the scope of the standard be expanded to include elements similar to ASOP No. 56.
Response	The reviewers believe the revised guidance is appropriate and made no change in response to this comment.
Comment	Several commentators questioned what constituted a conflict between ASOP No. 38 and ASOP No. 56 versus what constituted a difference and asked how potential conflicts are meant to be resolved.
Response	The reviewers believe the revised guidance is appropriate and made no change in response to this comment. The reviewers note that ASOP No. 1, <i>Introductory Standard of Practice</i> , section 4.4, states, “When an actuary believes that multiple ASOPs have conflicting provisions when applied to a specific situation and none provide explicit guidance concerning which governs, the actuary should apply professional judgment and may wish to contact the ABCD for confidential guidance on appropriate practice.”
<b>SECTION 2. DEFINITIONS</b>	
<b>Section 2.2, Catastrophe Model</b>	
Comment	Two commentators suggested clarifying the definition of catastrophe model.
Response	The reviewers agree and made changes similar to those suggested by the commentators to improve clarity.
Comment	One commentator suggested a definition for “model” be added to ASOP No. 38.
Response	The reviewers agree and made the change.
<b>SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES</b>	
<b>Section 3.1, Introduction</b>	
Comment	One commentator suggested that the use of the term “validation” used in sections 3.1(d) and 3.5 be clarified to distinguish if the terms are being used differently.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment. The reviewers note section 3.1 introduces validation and section 3.5 provides details on the validation of catastrophe model output.

<b>Section 3.2, Appropriate Reliance on Experts (now titled Catastrophe Models Developed by Experts)</b>	
Comment	One commentator recommended changing “should consider” to “may consider” regarding the appropriate level of reliance on experts to be consistent with the corresponding language in ASOP No. 56, section 3.5.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator recommended changing the language in section 3.2(b) to mirror ASOP No. 56, section 3.5(b).
Response	The reviewers agree and made the change.
Comment	One commentator noted that this section, does not include the language of ASOP No. 56, section 3.5(d), which considers whether the science underlying the expertise is likely to produce useful models for the intended purpose.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator recommended that ASOP No. 38 be expanded to require disclosure of reliance on experts.
Response	The reviewers agree and made the change.
Comment	One commentator suggested that the ASOP be expanded to explicitly allow reliance on an expert to select, use, review, or evaluate the catastrophe model.
Response	The reviewers believe the guidance is appropriate and consistent with the suggestion, and made no change in response to this comment.
<b>Section 3.5, Appropriate Validation (now titled Output Validation)</b>	
Comment	One commentator requested that results derived from alternate models or methods, where available and appropriate, which is part of current ASOP No. 38, be added.
Response	The reviewers partially agree and modified the language.
<b>Section 3.7, Reliance on Another Actuary</b>	
Comment	One commentator suggested that ASOP No. 56 be added to the requirements for reliance on another actuary.
Response	The reviewers believe the revised guidance is appropriate and made no change in response to this comment.





# Statement of Compliance with Actuarial Standard of Practice 38

## Minchong Mao, FCAS, MAAA

### Background

Actuarial Standard of Practice 38 provides guidance to the actuary in using models that incorporate specialized knowledge outside the actuary's own area of expertise when developing an actuarial work product. When using such a model, the standard requires that the actuary perform five specific tasks, as described below using the numbering system of the standard. This document certifies that Minchong Mao, FCAS, MAAA, has performed these tasks for the catastrophe loss model(s) relied upon in the actuarial work product to which it is attached. It is intended that actuaries utilizing the actuarial work product in their insurance ratemaking efforts can rely on my model evaluation in accordance with Section 3.7 of the standard of practice. In July 2021, Actuarial Standards Board(ASB) adopted revision of ASOP No. 38. This document reflected the most current requirements in the 2021 revision.

### Model Versions Covered by this document

- AIR Hurricane model for the United States v17.0.0 utilized in Touchstone versions 2020, 2021 and later, released in 2021
- AIR Severe Thunderstorm Model for the United States v7.0 implemented in Touchstone version 5, 6, 7, 8, 2020, 2021 and later
- AIR Winter Storm Model for the United States v1.5 implemented in Touchstone version 5, 6, 7, 8, 2020, 2021 and later
- AIR Wildfire Model for the United States v2 implemented in Touchstone version 6, 7, 8, 2020, 2021 and later
- AIR Earthquake and Fire Following Model for the United States v10.1 implemented in Touchstone version 6, 7, 8, 2020, 2021 and later. This version included Time Dependent Earthquake Hazard Adjustment.

### 3.2 Appropriate Reliance on Experts

*Catastrophe Models Developed by Experts—When selecting, using, reviewing, or evaluating a catastrophe model developed by experts, the actuary should take into account the following:*

- a. whether the individual or individuals who developed the catastrophe model are experts in the applicable field;*
- b. the extent to which the catastrophe model has been reviewed or validated by experts concerning aspects of the catastrophe model that could be material to the actuary's use of the catastrophe model; and*
- c. whether there are industry or regulatory standards that apply to the catastrophe model or to the testing or validation of the catastrophe model, and whether the catastrophe model has been certified as having met such standards.*



For those aspects of the model that are outside my area of expertise, I have relied on the list of experts provided by the modeler. Please see the modeler's ASOP 38 document and supporting documentation for additional information.

- a. The individuals listed as employees of the modeler appear to be experts in their respective fields.
- b. The modeler has provided documentation of reviews by outside experts. Many of these reviewers are well-recognized experts in their fields. I have reviewed the findings of the outside experts and found no significant differences of opinion with respect to the validity of the model.
- c. Standards for catastrophe loss models have been promulgated by a few states. Most notably, the Florida Commission on Hurricane Loss Projection Methodology was created to review catastrophe loss models. The model(s) used in this work product, or derivatives thereof, have been certified by the Florida Commission on Hurricane Loss Projection Methodology.

### 3.3 Understanding of the Model

*The actuary should be familiar with the basic components of the catastrophe model and understand both the user input and the catastrophe model output, as discussed below.*

I have reviewed the modeler's ASOP 38 document and supporting documentation describing the model's components, input, and output, as well as other documentation, to comply with this requirement. In addition, I have specialized in actuarial applications of catastrophe model output since 2005.

*3.3.1 Catastrophe Model Components—The actuary should be familiar with the basic components of the catastrophe model and have an understanding of how such components interrelate within the catastrophe model. In addition, the actuary should identify which fields of expertise were used in developing or updating the catastrophe model and should make a reasonable effort to determine if the catastrophe model is based on generally accepted practices within the applicable fields of expertise. The actuary should also be familiar with how the catastrophe model was tested or validated and the level of independent expert review and testing.*

I am reasonably familiar with the basic components of the model and have a basic understanding of how such components interrelate within the model. I have identified the fields of expertise used in developing and updating the model and have determined that the model is based on generally accepted practices within the applicable fields of expertise. I am reasonably familiar with how the model was validated and have reviewed the documentation of reviews by outside experts.

*3.3.2 User Input—The actuary should take reasonable steps to confirm that the precision and accuracy of the user input are consistent with the intended purpose and should refer, as applicable, to ASOP No. 23, Data Quality, when selecting, using, or evaluating data used in the catastrophe model. Certain user input may be required to produce catastrophe model output for the specific application. User input can include assumptions or data. If the catastrophe model requires user input, the actuary should evaluate the reasonableness of the user input and should have an understanding of the relationship between the user input and catastrophe model output.*

I understand the user input required to produce model output, including the level of detail required to produce results that are consistent with insurance ratemaking and risk management applications.



*3.3.3 Catastrophe Model Output—The actuary should determine that the catastrophe model output is consistent with the intended purpose.*

I have determined that the model output is consistent with the insurance ratemaking applications for which it was used. We most often use event loss detail in our work, so we are always careful that our results balance to the model's prepared exhibits.

## 3.4 Appropriateness of the Model for the Intended Application

*The actuary should evaluate whether the catastrophe model is appropriate for the intended purpose and take into account the following:*

*3.4.1. Applicability of Historical Data—To the extent historical data are used in the development of the catastrophe model or the establishment of catastrophe model parameters, the actuary should take into account the adequacy of the historical data in representing the range of reasonably expected outcomes consistent with current knowledge about the phenomena being analyzed.*

*3.4.2. Developments in Relevant Fields—The actuary should make a reasonable effort to be aware of significant developments in relevant fields of expertise that are likely to materially affect the catastrophe model.*

The catastrophe model(s) we have relied upon were developed for purposes related to the management of risk. I have evaluated the model(s) in light of available alternatives and determined that the catastrophe loss model is the most appropriate method of estimating expected catastrophe loss distributions for insurance ratemaking.

Some additional considerations include the following:

3.4.1. Applicability of Historical Data: Historical data is relied upon extensively in the development and validation of catastrophe loss models. Smoothing procedures are applied in cases where reasonably foreseeable events are underrepresented in the historical data.

3.4.2. Developments in Relevant Fields: Catastrophe loss models are typically updated on an annual basis in order to incorporate the most current scientific research and information from recent catastrophe events.

I have made a reasonable effort to be aware of significant developments in the relevant fields of expertise. In particular, meteorological studies related to the current period of elevated hurricane activity are important in determining which of a model's frequency assumptions should be utilized in insurance ratemaking applications involving hurricane-exposed risk portfolios. Aon maintains a documentation library containing current research in the science of catastrophe perils.



## 3.5 Output Validation

*The actuary should validate that the output reasonably represents that which is being modeled. Depending on the intended purpose, output validation may include the following:*

- a. comparing output to those of an alternative model(s), where appropriate;*
- b. comparing the output produced by the catastrophe model with historical observations, if applicable;*
- c. comparing the consistency and reasonableness of relationships within the output; and*
- d. evaluating the reasonableness of changes in the output due to variations in the user input.*

a. Aon conducts extensive testing of each model that we license whenever a new model is released. Output from Model output is checked for reasonability against other models and for consistency with the modeler's representations as to changes incorporated in the current version. I have reviewed the results of these tests and found the model used in this analysis to provide reasonable output.

b. Catastrophes, by their nature, involve significant uncertainty in the amount of insured losses they produce. In light of this uncertainty, the model has been shown to produce reasonable estimates of losses incurred from historical events.

I have reviewed the modeler's ASOP 38 document and supporting documentation describing comparisons of model output to historical observations and found that the model produces reasonable estimates.

c. I have reviewed the relationships among output results and found them to be consistent and reasonable.

d. Aon conducts extensive testing of each model that we license with respect to the sensitivity of model output to variations in the user input and model assumptions. I have reviewed the results of these tests and obtained an understanding of the model's sensitivity.

## 3.6 Appropriate Use of the Model

*The actuary should evaluate the reasonableness of the catastrophe model output, considering the input and the intended purpose. The actuary should take into account the limitations of the catastrophe model and use professional judgment to determine whether it is appropriate to use the catastrophe model output. The actuary should also use professional judgment to determine whether any adjustments to the catastrophe model output are needed to meet the intended purpose. The actuary should disclose any such adjustments in accordance with section 4.1.*

In my professional judgment, it is appropriate to use the model results, without adjustment, for the purposes of the actuarial work product to which this document is attached.



### 3.7 Reliance on Another Actuary

*The actuary may rely on another actuary who has selected, used, reviewed, or evaluated the catastrophe model. However, the relying actuary should be reasonably satisfied that the other actuary is qualified to select, use, review, or evaluate the catastrophe model in accordance with applicable ASOPs, and the catastrophe model is appropriate for the intended purpose. The actuary should disclose the extent of any such reliance.*

Actuaries utilizing the actuarial work product to which this document is attached can rely on my complete evaluation of the model(s) used as described above. In doing so, they should document the extent of such reliance in their work.

Minchong Mao FCAS, MAAA

A handwritten signature in black ink, appearing to read 'Minchong Mao', is written in a cursive style.

Nov. 1 2021



# Statement of Compliance with Actuarial Standard of Practice 38

## Minchong Mao, FCAS, MAAA

### Background

Actuarial Standard of Practice 38 provides guidance to the actuary in using models that incorporate specialized knowledge outside the actuary's own area of expertise when developing an actuarial work product. When using such a model, the standard requires that the actuary perform five specific tasks, as described below using the numbering system of the standard. This document certifies that Minchong Mao, FCAS, MAAA, has performed these tasks for the catastrophe loss model(s) relied upon in the actuarial work product to which it is attached. It is intended that actuaries utilizing the actuarial work product in their insurance ratemaking efforts can rely on my model evaluation in accordance with Section 3.7 of the standard of practice. In July 2021, Actuarial Standards Board(ASB) adopted revision of ASOP No. 38. This document reflected the most current requirements in the 2021 revision.

### Model Versions Covered by this document

- RMS North Atlantic Hurricane Model v21, released in 2021, implemented in RiskLink V21
- RMS North America Earthquake Model v17.0, released in 2017, implemented in RiskLink V17, 18, 18.1 and 21
- RMS Sever Convective Strom Model for the United States, released in 2014, implemented in RiskLink V17,18, 18.1 and 21
- RMS Winter Storm Model for the United States, release in 2013, implemented in RiskLink V17,18, 18.1 and 21

### 3.2 Appropriate Reliance on Experts

*Catastrophe Models Developed by Experts—When selecting, using, reviewing, or evaluating a catastrophe model developed by experts, the actuary should take into account the following:*

- a. whether the individual or individuals who developed the catastrophe model are experts in the applicable field;*
- b. the extent to which the catastrophe model has been reviewed or validated by experts concerning aspects of the catastrophe model that could be material to the actuary's use of the catastrophe model; and*
- c. whether there are industry or regulatory standards that apply to the catastrophe model or to the testing or validation of the catastrophe model, and whether the catastrophe model has been certified as having met such standards.*

For those aspects of the model that are outside my area of expertise, I have relied on the list of experts provided by the modeler. Please see the modeler's ASOP 38 document and supporting documentation for additional information.



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- a. The individuals listed as employees of the modeler appear to be experts in their respective fields.
- b. The modeler has provided documentation of reviews by outside experts. Many of these reviewers are well-recognized experts in their fields. I have reviewed the findings of the outside experts and found no significant differences of opinion with respect to the validity of the model.
- c. Standards for catastrophe loss models have been promulgated by a few states. Most notably, the Florida Commission on Hurricane Loss Projection Methodology was created to review catastrophe loss models. The model(s) used in this work product, or derivatives thereof, have been certified by the Florida Commission on Hurricane Loss Projection Methodology.

### 3.3 Understanding of the Model

*The actuary should be familiar with the basic components of the catastrophe model and understand both the user input and the catastrophe model output, as discussed below.*

I have reviewed the modeler's ASOP 38 document and supporting documentation describing the model's components, input, and output, as well as other documentation, to comply with this requirement. In addition, I have specialized in actuarial applications of catastrophe model output since 2005.

*3.3.1 Catastrophe Model Components—The actuary should be familiar with the basic components of the catastrophe model and have an understanding of how such components interrelate within the catastrophe model. In addition, the actuary should identify which fields of expertise were used in developing or updating the catastrophe model and should make a reasonable effort to determine if the catastrophe model is based on generally accepted practices within the applicable fields of expertise. The actuary should also be familiar with how the catastrophe model was tested or validated and the level of independent expert review and testing.*

I am reasonably familiar with the basic components of the model and have a basic understanding of how such components interrelate within the model. I have identified the fields of expertise used in developing and updating the model and have determined that the model is based on generally accepted practices within the applicable fields of expertise. I am reasonably familiar with how the model was validated and have reviewed the documentation of reviews by outside experts.

*3.3.2 User Input—The actuary should take reasonable steps to confirm that the precision and accuracy of the user input are consistent with the intended purpose and should refer, as applicable, to ASOP No. 23, Data Quality, when selecting, using, or evaluating data used in the catastrophe model. Certain user input may be required to produce catastrophe model output for the specific application. User input can include assumptions or data. If the catastrophe model requires user input, the actuary should evaluate the reasonableness of the user input and should have an understanding of the relationship between the user input and catastrophe model output.*

I understand the user input required to produce model output, including the level of detail required to produce results that are consistent with insurance ratemaking and risk management applications.

*3.3.3 Catastrophe Model Output—The actuary should determine that the catastrophe model output is consistent with the intended purpose.*



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I have determined that the model output is consistent with the insurance ratemaking applications for which it was used. We most often use event loss detail in our work, so we are always careful that our results balance to the model's prepared exhibits.

### 3.4 Appropriateness of the Model for the Intended Application

*The actuary should evaluate whether the catastrophe model is appropriate for the intended purpose and take into account the following:*

*3.4.1. Applicability of Historical Data—To the extent historical data are used in the development of the catastrophe model or the establishment of catastrophe model parameters, the actuary should take into account the adequacy of the historical data in representing the range of reasonably expected outcomes consistent with current knowledge about the phenomena being analyzed.*

*3.4.2. Developments in Relevant Fields—The actuary should make a reasonable effort to be aware of significant developments in relevant fields of expertise that are likely to materially affect the catastrophe model.*

The catastrophe model(s) we have relied upon were developed for purposes related to the management of risk. I have evaluated the model(s) in light of available alternatives and determined that the catastrophe loss model is the most appropriate method of estimating expected catastrophe loss distributions for insurance ratemaking.

Some additional considerations include the following:

3.4.1. Applicability of Historical Data: Historical data is relied upon extensively in the development and validation of catastrophe loss models. Smoothing procedures are applied in cases where reasonably foreseeable events are underrepresented in the historical data.

3.4.2. Developments in Relevant Fields: Catastrophe loss models are typically updated on an annual basis in order to incorporate the most current scientific research and information from recent catastrophe events.

I have made a reasonable effort to be aware of significant developments in the relevant fields of expertise. In particular, meteorological studies related to the current period of elevated hurricane activity are important in determining which of a model's frequency assumptions should be utilized in insurance ratemaking applications involving hurricane-exposed risk portfolios. Aon maintains a documentation library containing current research in the science of catastrophe perils.

### 3.5 Output Validation

*The actuary should validate that the output reasonably represents that which is being modeled. Depending on the intended purpose, output validation may include the following:*

*a. comparing output to those of an alternative model(s), where appropriate;*





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- b. comparing the output produced by the catastrophe model with historical observations, if applicable;*
- c. comparing the consistency and reasonableness of relationships within the output; and*
- d. evaluating the reasonableness of changes in the output due to variations in the user input.*

a. Aon conducts extensive testing of each model that we license whenever a new model is released. Output from Model output is checked for reasonability against other models and for consistency with the modeler's representations as to changes incorporated in the current version. I have reviewed the results of these tests and found the model used in this analysis to provide reasonable output.

b. Catastrophes, by their nature, involve significant uncertainty in the amount of insured losses they produce. In light of this uncertainty, the model has been shown to produce reasonable estimates of losses incurred from historical events.

I have reviewed the modeler's ASOP 38 document and supporting documentation describing comparisons of model output to historical observations and found that the model produces reasonable estimates.

c. I have reviewed the relationships among output results and found them to be consistent and reasonable.

d. Aon conducts extensive testing of each model that we license with respect to the sensitivity of model output to variations in the user input and model assumptions. I have reviewed the results of these tests and obtained an understanding of the model's sensitivity.

### 3.6 Appropriate Use of the Model

*The actuary should evaluate the reasonableness of the catastrophe model output, considering the input and the intended purpose. The actuary should take into account the limitations of the catastrophe model and use professional judgment to determine whether it is appropriate to use the catastrophe model output. The actuary should also use professional judgment to determine whether any adjustments to the catastrophe model output are needed to meet the intended purpose. The actuary should disclose any such adjustments in accordance with section 4.1.*

In my professional judgment, it is appropriate to use the model results, without adjustment, for the purposes of the actuarial work product to which this document is attached.

### 3.7 Reliance on Another Actuary

*The actuary may rely on another actuary who has selected, used, reviewed, or evaluated the catastrophe model. However, the relying actuary should be reasonably satisfied that the other actuary is qualified to select, use, review, or evaluate the catastrophe model in accordance with applicable ASOPs, and the*



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*catastrophe model is appropriate for the intended purpose. The actuary should disclose the extent of any such reliance.*

Actuaries utilizing the actuarial work product to which this document is attached can rely on my complete evaluation of the model(s) used as described above. In doing so, they should document the extent of such reliance in their work.

Minchong Mao FCAS, MAAA

A handwritten signature in black ink that reads 'Minchong Mao'. The signature is written in a cursive style with a large, sweeping 'M'.

Nov. 1 2021

**North Carolina Rate Bureau  
Homeowners Insurance Rate Filing  
Support for Selected Reinsurance Structure**

<b>Layer</b>	<b>Return Periods</b>	
	<b>Attachment</b>	<b>Exhaustion</b>
4740M XS 10953M	149	279
3500M XS 7453M	81	149
2500M XS 4953M	45	81
2000M XS 2953M	23	45
1500M XS 1453M	11	23

The table above shows the All Peril 50/50 RMSv21/TSv9 blend attachment and exhaustion points which combine modeled loss with Catastrophe LAE for the North Carolina Rate Bureau portfolio, along with the selected reinsurance program.

**North Carolina Rate Bureau  
Homeowners Insurance Rate Filing  
Reinsurance Program Summary**

Reinsurance Layer	Rate-On-Line	Deposit Premium	Reinstatement Premium	Expected Total Premium	Expected Ceded Loss	Net Cost of Reinsurance
4740M XS 10953M	5.50%	260,226	1,477	261,703	27,085	234,618
3500M XS 7453M	7.70%	270,200	2,775	272,975	36,332	236,643
2500M XS 4953M	10.60%	263,750	4,843	268,593	46,608	221,985
2000M XS 2953M	14.60%	291,200	9,772	300,972	68,687	232,285
1500M XS 1453M	21.10%	316,200	20,702	336,902	102,443	234,459
<b>Total</b>		<b>1,401,576</b>	<b>39,569</b>	<b>1,441,145</b>	<b>281,155</b>	<b>1,159,990</b>

*Dollar amounts are in thousands*

The table above shows indicated rates-on-line for the filing's reinsurance structure along with analysis of modeled catastrophe losses. Rate-on-Line values have been selected using the current Loss-On-Line approach, which is a benchmarking analysis done using reinsurance treaties placed by Aon.

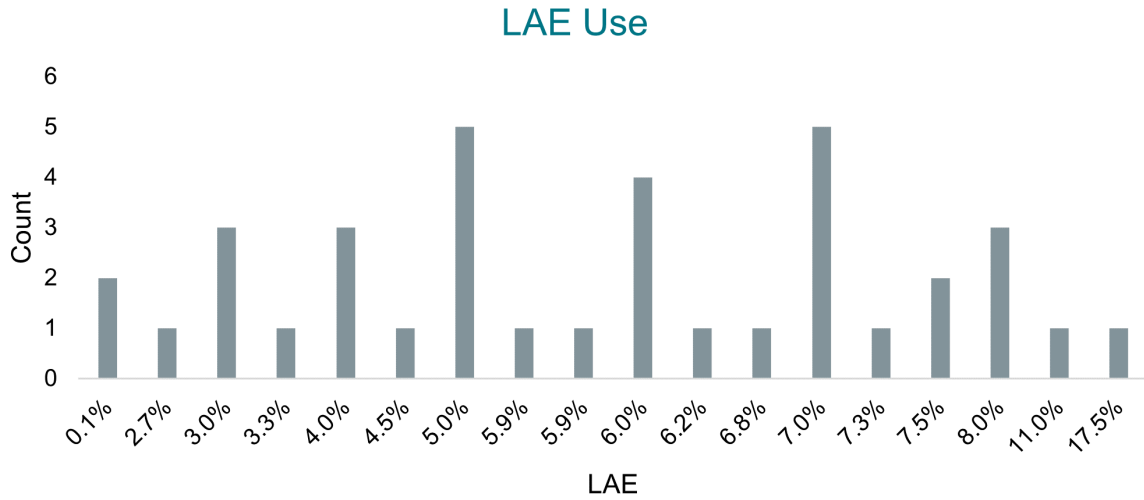
Deposit Premium is Rate-On-Line \* Layer Limit

Expected Ceded Loss and Expected Reinstatement premium are the average annual amounts of each based on a simulation of catastrophe losses subject to the reinsurance program.

Expected Total Premium = Deposit Premium + Expected Reinstatement Premium

Net Cost of Reinsurance = Expected Total Premium - Expected Ceded Loss

**North Carolina Rate Bureau  
Homeowners Insurance Rate Filing  
Support for Selected Catastrophe LAE Factor**



This chart shows Catastrophe LAE factors applied to modeled catastrophe event losses in AM Best SRQ Submissions by Aon clients in 2022

- A weighted average was used where factors varied by peril
- Multiple factors were counted where factors varied by company within a group
- Reflects all clients that included a provision for LAE

The mean factor is 6.00%, the median is 6.00%, and the mode is 5.00%.

North Carolina Rate Bureau  
Reinsurance Cost Allocation  
CY 2021  
RMSv21/TSv9

Layer 1: 1500M XS 1453M

Peril/Territory	Premium	Ceded AAL	Reins Margin
<b>HU</b>	<b>79.14%</b>	<b>78.39%</b>	<b>79.47%</b>
110	7.65%	7.36%	7.78%
120	9.40%	9.35%	9.43%
130	1.90%	1.81%	1.94%
140	21.86%	21.96%	21.81%
150	4.25%	4.15%	4.29%
160	3.80%	3.68%	3.85%
170	0.12%	0.12%	0.12%
180	2.82%	2.75%	2.85%
190	0.88%	0.85%	0.89%
200	0.46%	0.44%	0.47%
210	0.77%	0.75%	0.78%
220	2.12%	2.06%	2.15%
230	0.66%	0.64%	0.67%
240	2.33%	2.29%	2.34%
250	0.98%	0.95%	0.99%
260	0.43%	0.42%	0.43%
270	7.24%	7.26%	7.23%
280	0.92%	0.93%	0.91%
290	0.89%	0.87%	0.90%
300	0.22%	0.22%	0.23%
310	2.53%	2.56%	2.51%
320	1.33%	1.34%	1.33%
330	0.05%	0.05%	0.05%
340	3.90%	3.90%	3.90%
350	0.67%	0.68%	0.67%
360	0.80%	0.82%	0.79%
370	0.04%	0.04%	0.03%
380	0.08%	0.08%	0.08%
390	0.07%	0.07%	0.07%
FF	0.00%	0.00%	0.00%
<b>OW</b>	<b>16.02%</b>	<b>16.85%</b>	<b>15.65%</b>
<b>WT</b>	<b>4.84%</b>	<b>4.76%</b>	<b>4.88%</b>
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

North Carolina Rate Bureau  
Reinsurance Cost Allocation  
CY 2021  
RMSv21/TSv9

Layer 2: 2000M XS 2953M

Peril/Territory	Premium	Ceded AAL	Reins Margin
<b>HU</b>	<b>86.35%</b>	<b>84.99%</b>	<b>86.75%</b>
110	6.46%	5.99%	6.60%
120	10.32%	10.31%	10.32%
130	1.72%	1.59%	1.76%
140	24.17%	24.49%	24.08%
150	4.20%	4.02%	4.25%
160	4.21%	4.05%	4.26%
170	0.12%	0.11%	0.12%
180	3.03%	2.91%	3.06%
190	0.97%	0.93%	0.98%
200	0.52%	0.50%	0.53%
210	0.86%	0.83%	0.87%
220	2.49%	2.38%	2.52%
230	0.77%	0.73%	0.78%
240	2.67%	2.59%	2.69%
250	1.16%	1.11%	1.17%
260	0.50%	0.49%	0.50%
270	8.69%	8.62%	8.71%
280	1.13%	1.13%	1.13%
290	1.07%	1.02%	1.08%
300	0.26%	0.25%	0.27%
310	3.15%	3.14%	3.15%
320	1.62%	1.60%	1.63%
330	0.06%	0.06%	0.06%
340	4.49%	4.41%	4.51%
350	0.74%	0.73%	0.74%
360	0.83%	0.84%	0.83%
370	0.04%	0.04%	0.04%
380	0.07%	0.07%	0.07%
390	0.05%	0.05%	0.06%
FF	0.00%	0.00%	0.00%
<b>OW</b>	<b>11.86%</b>	<b>13.70%</b>	<b>11.32%</b>
<b>WT</b>	<b>1.79%</b>	<b>1.31%</b>	<b>1.93%</b>
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

North Carolina Rate Bureau  
Reinsurance Cost Allocation  
CY 2021  
RMSv21/TSv9

Layer 3: 2500M XS 4953M

Peril/Territory	Premium	Ceded AAL	Reins Margin
<b>HU</b>	<b>90.85%</b>	<b>89.38%</b>	<b>91.15%</b>
110	5.49%	4.85%	5.63%
120	10.96%	11.02%	10.95%
130	1.57%	1.41%	1.61%
140	25.92%	26.48%	25.80%
150	4.04%	3.82%	4.08%
160	4.49%	4.32%	4.53%
170	0.11%	0.10%	0.11%
180	3.10%	2.98%	3.13%
190	1.02%	0.98%	1.03%
200	0.56%	0.53%	0.56%
210	0.89%	0.86%	0.90%
220	2.74%	2.63%	2.76%
230	0.84%	0.80%	0.84%
240	2.86%	2.78%	2.88%
250	1.28%	1.23%	1.29%
260	0.54%	0.53%	0.54%
270	9.68%	9.62%	9.70%
280	1.28%	1.29%	1.28%
290	1.20%	1.14%	1.21%
300	0.29%	0.27%	0.29%
310	3.59%	3.55%	3.60%
320	1.80%	1.76%	1.80%
330	0.06%	0.06%	0.06%
340	4.75%	4.62%	4.78%
350	0.77%	0.76%	0.78%
360	0.86%	0.86%	0.86%
370	0.04%	0.04%	0.04%
380	0.06%	0.06%	0.06%
390	0.05%	0.05%	0.05%
<b>OW</b>	<b>7.97%</b>	<b>9.81%</b>	<b>7.58%</b>
<b>WT</b>	<b>1.18%</b>	<b>0.81%</b>	<b>1.26%</b>
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



North Carolina Rate Bureau  
Reinsurance Cost Allocation  
CY 2021  
RMSv21/TSv9

Layer 4: 3500M XS 7453M

Peril/Territory	Premium	Ceded AAL	Reins Margin
<b>HU</b>	<b>94.39%</b>	<b>93.26%</b>	<b>94.57%</b>
110	4.89%	4.07%	5.02%
120	11.53%	11.65%	11.51%
130	1.47%	1.27%	1.50%
140	27.57%	28.47%	27.44%
150	3.85%	3.60%	3.89%
160	4.71%	4.56%	4.73%
170	0.10%	0.09%	0.10%
180	3.11%	2.99%	3.13%
190	1.06%	1.03%	1.07%
200	0.59%	0.57%	0.59%
210	0.91%	0.88%	0.92%
220	2.94%	2.85%	2.95%
230	0.89%	0.86%	0.90%
240	2.97%	2.90%	2.98%
250	1.37%	1.33%	1.38%
260	0.56%	0.55%	0.56%
270	10.27%	10.27%	10.27%
280	1.39%	1.40%	1.38%
290	1.30%	1.25%	1.31%
300	0.31%	0.29%	0.31%
310	3.91%	3.88%	3.92%
320	1.93%	1.89%	1.93%
330	0.07%	0.07%	0.07%
340	4.89%	4.76%	4.91%
350	0.78%	0.77%	0.79%
360	0.86%	0.87%	0.86%
370	0.04%	0.04%	0.04%
380	0.06%	0.06%	0.06%
390	0.04%	0.04%	0.04%
<b>OW</b>	<b>4.84%</b>	<b>6.22%</b>	<b>4.63%</b>
<b>WT</b>	<b>0.77%</b>	<b>0.52%</b>	<b>0.81%</b>
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

North Carolina Rate Bureau  
Reinsurance Cost Allocation  
CY 2021  
RMSv21/TSv9

Layer 5: 4740M XS 10953M

Peril/Territory	Premium	Ceded AAL	Reins Margin
<b>HU</b>	<b>96.93%</b>	<b>96.28%</b>	<b>97.00%</b>
110	4.47%	3.56%	4.58%
120	11.91%	12.10%	11.89%
130	1.37%	1.15%	1.39%
140	29.07%	30.47%	28.91%
150	3.65%	3.36%	3.68%
160	4.85%	4.73%	4.86%
170	0.10%	0.08%	0.10%
180	3.10%	2.94%	3.11%
190	1.09%	1.05%	1.09%
200	0.60%	0.59%	0.60%
210	0.92%	0.88%	0.93%
220	3.08%	3.02%	3.09%
230	0.93%	0.90%	0.93%
240	3.05%	2.96%	3.06%
250	1.44%	1.40%	1.44%
260	0.57%	0.56%	0.58%
270	10.79%	10.85%	10.78%
280	1.47%	1.50%	1.47%
290	1.37%	1.32%	1.38%
300	0.32%	0.30%	0.32%
310	4.15%	4.14%	4.16%
320	2.01%	1.96%	2.01%
330	0.07%	0.07%	0.07%
340	4.82%	4.65%	4.84%
350	0.75%	0.73%	0.75%
360	0.85%	0.86%	0.85%
370	0.04%	0.04%	0.04%
380	0.06%	0.06%	0.06%
390	0.04%	0.04%	0.04%
<b>OW</b>	<b>2.52%</b>	<b>3.36%</b>	<b>2.43%</b>
<b>WT</b>	<b>0.55%</b>	<b>0.36%</b>	<b>0.57%</b>
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

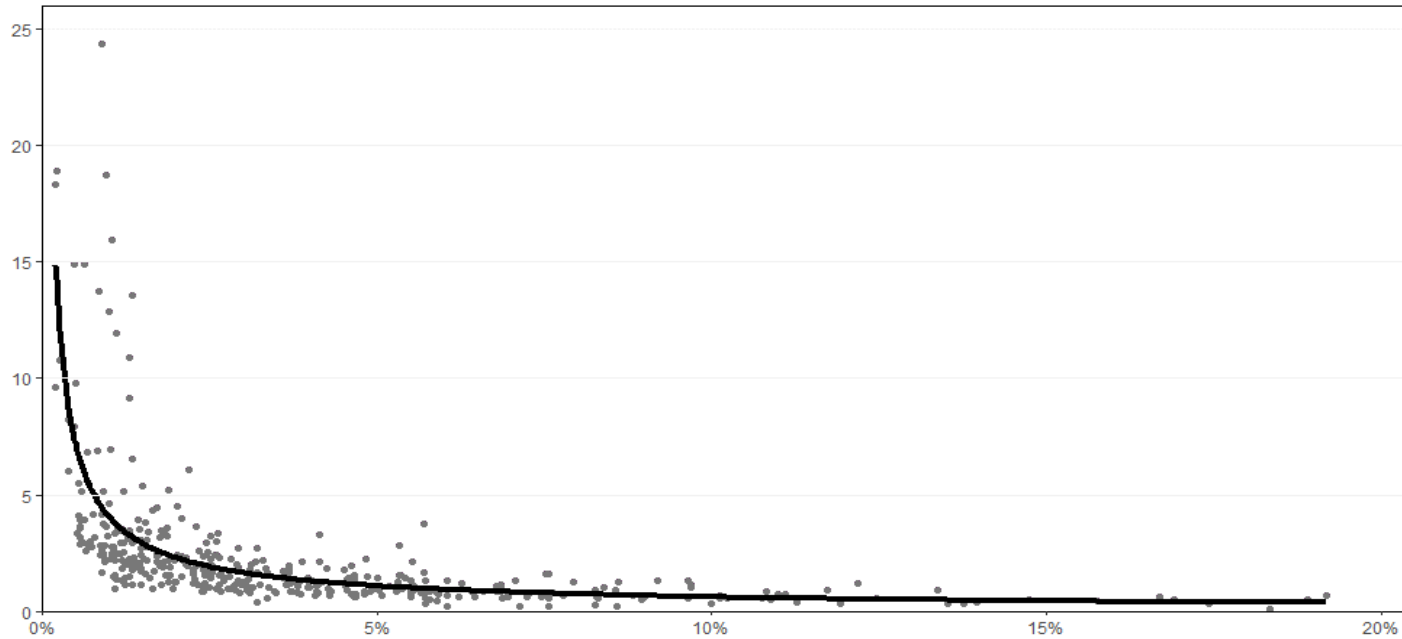
**North Carolina Rate Bureau  
Reinsurance Margin Allocation  
CY 2021  
RMSv21/TSv9**

Territory	Owners	Tenant	Condo	Total
110	69,041,637	52,684	75,477	69,169,798
120	124,480,366	268,475	1,096,146	125,844,987
130	19,031,262	54,150	50,104	19,135,515
140	295,131,724	2,148,623	1,876,114	299,156,461
150	47,668,083	263,058	73,254	48,004,395
160	51,433,945	542,491	282,777	52,259,213
170	1,292,061	7,732	0	1,299,793
180	36,080,258	440,041	46,098	36,566,396
190	11,770,021	82,284	943	11,853,249
200	6,415,378	28,339	66	6,443,783
210	10,549,462	103,238	3,382	10,656,083
220	32,685,302	280,886	47,264	33,013,452
230	9,671,468	67,595	2,776	9,741,838
240	34,540,085	209,263	14,935	34,764,282
250	15,401,428	95,158	3,311	15,499,896
260	6,653,215	35,365	266	6,688,845
270	129,729,713	1,542,796	385,920	131,658,430
280	18,253,904	181,749	80,006	18,515,658
290	15,079,263	81,590	32,521	15,193,374
300	3,605,051	14,873	569	3,620,494
310	53,471,147	573,403	176,565	54,221,115
320	27,282,152	188,788	37,743	27,508,683
330	889,178	3,904	384	893,466
340	86,055,296	985,432	668,505	87,709,234
350	13,558,237	95,412	24,700	13,678,348
360	20,755,871	166,418	88,021	21,010,309
370	893,457	1,936	11,194	906,587
380	2,367,558	11,281	6,445	2,385,285
390	2,575,560	8,282	7,877	2,591,719
<b>Total</b>	<b>1,146,362,082</b>	<b>8,535,246</b>	<b>5,093,363</b>	<b>1,159,990,688</b>

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan  
North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan**

**Catastrophe Bond Profit Multiples**

**Profit Multiples by Probability of Loss**



Source: Lane Financial LLC, Annual Securitization Reviews (<http://lanefinancialllc.com>) and Aon ILS Cat bond data.

Notes: Based on near-term cat bonds issued from January 2013 to March 2022.

Includes all U.S. bonds with a probability of first loss between 0.05% and 20.0%; excludes bonds with no stated profit multiples.

Equation of the fitted curve:

$$y = 0.09154 x^{-0.82495}$$

Equation to determine average Profit Multiple over specific interval:

$$\text{Avg PM} = \int_a^b 0.09154 x^{-0.82495} dx / (b - a)$$

## North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan

### Summary of 2023 Reinsurance Structure

Risk Finance Structure <sup>(1)</sup>	Attachment Point (\$ Millions)	Exhaustion Point (\$ Millions)	Coverage
Reinsurance Layer 1	\$1,875	\$2,100	85.5%
Reinsurance Layer 2	\$2,100	\$2,430	100.0%
Reinsurance Layer 3	\$2,430	\$2,630	100.0%
Reinsurance Layer 4	\$2,630	\$2,880	100.0%
Reinsurance Layer 5	\$2,880	\$3,380	100.0%
Reinsurance Layer 6	\$3,380	\$3,630	100.0%
Reinsurance Layer 7	\$3,630	\$3,805	100.0%

Source: [https://www.nciua-nciua.org/html/mbr\\_co.htm](https://www.nciua-nciua.org/html/mbr_co.htm)

Note: The above reinsurance covers aggregate losses for all Beach Plan accounts combined (Residential & Commercial).

(1) Each layer of reinsurance provides Annual Aggregate coverage, which implies that a reinstatement provision is not applicable.

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan**

**Determination of Average Profit Multiple by Layer of Loss**  
(\$ in Millions)

<u>Annual Aggregate Layer</u>	<u>Source of Funding</u>	<u>Total Beach Plan</u>		<u>Attachment Probability</u>	<u>Exhaustion Probability</u>	<u>Indicated Profit Multiple</u>
		<u>Layer Attachment</u>	<u>Layer Exhaustion</u> <sup>(1)</sup>			
\$0 to 908	Surplus	\$0	\$908	47.87%	6.84%	0.32
\$908 to 1,875	Company Assessments	\$908	\$1,875	6.84%	3.17%	1.12
\$1,875 to 2,100	Reinsurance Layer 1 + Company Assessments	\$1,875	\$2,100	3.17%	2.78%	1.66
\$2,100 to 2,430	Reinsurance Layer 2	\$2,100	\$2,430	2.78%	2.29%	1.90
\$2,430 to 2,630	Reinsurance Layer 3	\$2,430	\$2,630	2.29%	2.08%	2.15
\$2,630 to 2,880	Reinsurance Layer 4	\$2,630	\$2,880	2.08%	1.83%	2.35
\$2,880 to 3,380	Reinsurance Layer 5	\$2,880	\$3,380	1.83%	1.47%	2.71
\$3,380 to 3,630	Reinsurance Layer 6	\$3,380	\$3,630	1.47%	1.32%	3.11
\$3,630 to 3,805	Reinsurance Layer 7	\$3,630	\$3,805	1.32%	1.21%	3.37
\$3,805 & Higher	Policyholder Surcharges	\$3,805	\$47,504	1.21%	0.0010%	14.21

(1) The Layer Exhaustion for the highest layer assumes 100K year return period and is consistent with prior year's analysis.

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan  
Residential Accounts Only**

**Illustration of How Hurricane Losses are Funded**

Voluntary Market Assessments Limited to \$1 Billion on All Beach Plan Accounts Combined  
(\$ in Millions)

<u>Annual Aggregate Layer</u>	<u>Total Beach Plan</u>			<u>Beach Plan: Residential Share of Layer</u>	<u>Hurricane Losses Funded by:</u>			
	<u>Layer Attachment</u>	<u>Layer Exhaustion</u>	<u>Total Losses in Layer</u>		<u>Beach Plan Surplus</u>	<u>Private Reinsurance</u>	<u>Assessment on Member Companies <sup>(1)</sup></u>	<u>Policyholder Surcharges</u>
\$0 to 908	\$0	\$908	\$908	\$811.9	\$811.9	-	-	-
\$908 to 1,875	\$908	\$1,875	\$967	\$865.3	-	-	\$865.3	-
\$1,875 to 2,100	\$1,875	\$2,100	\$225	\$201.3	-	\$172.1	\$29.2	-
\$2,100 to 2,430	\$2,100	\$2,430	\$330	\$295.2	-	\$295.2	-	-
\$2,430 to 2,630	\$2,430	\$2,630	\$200	\$178.9	-	\$178.9	-	-
\$2,630 to 2,880	\$2,630	\$2,880	\$250	\$223.6	-	\$223.6	-	-
\$2,880 to 3,380	\$2,880	\$3,380	\$500	\$447.3	-	\$447.3	-	-
\$3,380 to 3,630	\$3,380	\$3,630	\$250	\$223.6	-	\$223.6	-	-
\$3,630 to 3,805	\$3,630	\$3,805	\$175	\$156.5	-	\$156.5	-	-
\$3,805 & Higher	\$3,805	\$47,504	\$43,699	\$39,089.9	-	-	-	\$39,089.9
<b>Total</b>					<b>\$811.9</b>	<b>\$1697.3</b>	<b>\$894.5</b>	<b>\$39,089.9</b>

(1) Total losses paid by Member Companies (\$894.5 M) reflects the Residential portion of the \$1 Billion Beach Plan assessment on the total Voluntary Market.

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan  
Residential Accounts Only**

**Determination of the Cost of Reinsurance Provided to the NCIUA by the Voluntary Market**  
Voluntary Market Assessments Limited to \$1 Billion on All Beach Plan Accounts Combined  
(\$ in Millions)

<u>Annual Aggregate Layer</u>	<u>Beach Plan: Residential Share of Layer</u>	<u>Potential Assessment Paid by Member Companies</u> <sup>(1)</sup>	<u>Expected Losses</u> <sup>(2)</sup>		<u>Indicated Profit Multiple</u> <sup>(4)</sup>	<u>Cost of Funding Assessments</u> <sup>(5)</sup>
			<u>Total</u>	<u>Exposed</u> <sup>(3)</sup>		
\$0 to 908	\$811.9	-	\$113.06	-	0.32	-
\$908 to 1,875	\$865.3	\$865.3	\$39.98	\$39.98	1.12	\$44.87
\$1,875 to 2,100	\$201.3	\$29.2	\$6.00	\$0.87	1.66	\$1.45
\$2,100 to 2,430	\$295.2	-	\$7.46	-	1.90	-
\$2,430 to 2,630	\$178.9	-	\$3.90	-	2.15	-
\$2,630 to 2,880	\$223.6	-	\$4.34	-	2.35	-
\$2,880 to 3,380	\$447.3	-	\$7.45	-	2.71	-
\$3,380 to 3,630	\$223.6	-	\$3.12	-	3.11	-
\$3,630 to 3,805	\$156.5	-	\$1.98	-	3.37	-
\$3,805 & Higher	\$39,089.9	-	\$33.19	-	14.21	-
<b>Total</b>		<b>\$894.5</b>	<b>\$220.48</b>	<b>\$40.85</b>		<b>\$46.32</b>

(1) Page 4.

(2) From AIR & RMS hurricane models.

(3) Expected loss subject to Beach Plan assessments of Voluntary Market.

(4) See Page 3.

(5) = Exposed Expected Losses x Profit Multiple (based on Cat Bond data).



## North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan

### Summary of 2023 Reinsurance Structure

Risk Structure (1)	Attachment Point (in million)	Exhaustion Point (in million)	Coverage
Reinsurance Layer 1	\$132	\$216	100.0%

Source: [https://www.ncjua-nciua.org/html/mbr\\_co.htm](https://www.ncjua-nciua.org/html/mbr_co.htm)

Notes: The above reinsurance covers aggregate losses for all FAIR Plan accounts combined (Residential & Commercial).

(1) Each layer of reinsurance provides Annual Aggregate coverage, which implies that a reinstatement provision is not applicable.

### North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan

#### Determination of Average Profit Multiple by Layer of Loss (\$ in Millions)

<u>Annual Aggregate Layer</u>	<u>Source of Funding</u>	<u>Total FAIR Plan</u>		<u>Attachment Probability</u>	<u>Exhaustion Probability</u>	<u>Indicated Profit Multiple</u>
		<u>Layer Attachment</u>	<u>Layer Exhaustion <sup>(1)</sup></u>			
\$0 to 17	Surplus	\$0	\$17	54.33%	22.20%	0.21
\$17 to 132	Company Assessments	\$17	\$132	22.20%	7.98%	0.46
\$132 to 216	Reinsurance	\$132	\$216	7.98%	5.17%	0.87
\$216 & Higher	Company Assessments	\$216	\$6,425	5.17%	0.0010%	4.68

(1) The Layer Exhaustion for the highest layer assumes 100K year return period and is consistent with prior year's analysis.

**North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan  
Residential Accounts Only**

**Illustration of How Hurricane Losses are Funded**  
Reflecting Unlimited Industry Exposure to FAIR Plan Assessments  
(\$ in Millions)

<u>Annual Aggregate Layer</u>	<u>Total FAIR Plan</u>			<u>FAIR Plan: Residential Share of Layer</u>	<u>Hurricane Losses Funded by:</u>		
	<u>Layer Attachment</u>	<u>Layer Exhaustion</u>	<u>Total Losses in Layer</u>		<u>FAIR Plan Surplus</u>	<u>Private Reinsurance</u>	<u>Assessment on Member Companies</u>
\$0 to 17	\$0	\$17	\$17	\$15.7	\$15.7	-	-
\$17 to 132	\$17	\$132	\$115	\$106.2	-	-	\$106.2
\$132 to 216	\$132	\$216	\$84	\$77.5	-	\$77.5	-
\$216 & Higher	\$216	\$6,425	\$6,209	\$5,731.5	-	-	\$5,731.5
Total					\$15.7	\$77.5	\$5,837.7

**North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan  
Residential Accounts Only**

**Determination of the Cost of Reinsurance Provided to the NCJUA by the Voluntary Market**  
Reflecting Unlimited Industry Exposure to FAIR Plan Assessments  
(\$ in Millions)

<u>Annual Aggregate Layer</u>	<u>FAIR Plan: Residential Share of Layer</u>	<u>Potential Assessment Paid by Member Companies</u> <sup>(1)</sup>	<u>Expected Losses</u> <sup>(2)</sup>		<u>Indicated Profit Multiple</u> <sup>(4)</sup>	<u>Cost of Funding Assessments</u> <sup>(5)</sup>
			<u>Total</u>	<u>Exposed</u> <sup>(3)</sup>		
\$0 to 17	\$15.7	-	\$4.35	-	0.21	-
\$17 to 132	\$106.2	\$106.2	13.59	\$13.59	0.46	\$6.30
\$132 to 216	\$77.5	-	4.97	-	0.87	-
\$216 & Higher	\$5731.5	\$5731.5	16.68	16.68	4.68	\$78.00
Total		\$5837.7	\$39.60	\$30.28		\$84.30

(1) See Page 8.

(2) From AIR & RMS hurricane models.

(3) Expected loss subject to FAIR Plan assessments of Voluntary Market.

(4) See Page 7.

(5) = Exposed Expected Losses x Profit Multiple (based on Cat Bond data).

**North Carolina Insurance Underwriting Association (NCIUA) -- Beach Plan  
North Carolina Joint Underwriting Association (NCJUA) -- FAIR Plan  
Residential Accounts Only**

**Determination of the Compensation for Bearing the Risk of Beach Plan & FAIR Plan Assessments  
(\$ in Millions)**

(1) Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCIUA (Beach Plan):	\$46.32
(2) Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCJUA (FAIR Plan):	\$84.30
(3) Total Cost of Reinsurance Provided by the Voluntary Market to the Residential Accounts in the NCIUA & NCJUA:	<u>\$130.62</u>

<u>Policy Form</u>	(4) Estimated 2023 Industry Written Premium @ <u>Manual Rates</u>	(5) = (4) / Total (4) % of Total Industry <u>Premium</u>	(6) = (3) x (5) Allocated Compensation for Risk of <u>Assessment</u>	(7) = (6) / (4) Compensation for Assessment Risk as % of 2023 <u>Manual Premium</u>
Homeowners	\$4,022.1	86.9%	\$113.49	2.8%
Dwelling Fire & EC	\$401.9	8.7%	\$11.34	2.8%
MobileHome	\$205.2	4.4%	\$5.79	2.8%
Total	\$4,629.1	100.0%	\$130.62	2.8%

(8) Estimated Market Share of Companies that Retain Assessment Risk	50%	
(9) Retained Compensation for Assessment Risk Provision:	<table border="1"><tr><td align="center">1.4%</td></tr></table>	1.4%
1.4%		

(1) From Page 5.  
 (2) From Page 9.  
 (3) = (1) + (2)  
 (4) Industry Written Premium includes NCIUA and NCJUA.  
 (8) NCRB Property Rating Sub-Committee selection  
 (9) = (7) \* (8)

**PREFILED TESTIMONY  
OF  
PAUL D. ANDERSON**

**2024 HOMEOWNERS INSURANCE RATE FILING BY THE  
NORTH CAROLINA RATE BUREAU**

**Q. Please state your name and business address.**

A. My name is Paul D. Anderson. My business address is 17335 Golf Parkway, Brookfield, WI 53045.

**Q. By whom are you employed?**

A. I am employed by Milliman, Inc. (Milliman) and have been employed by Milliman since February 1, 2007.

**Q. What is your educational background?**

A. I received a Bachelor of Science in Actuarial Science from Drake University in Des Moines, Iowa in 1993.

**Q. Do you have any additional certifications or qualifications?**

A. Yes. I have been a Fellow of the Casualty Actuarial Society (CAS) since 2002 and a Certified Specialist in Predictive Analytics of the CAS Institute (iCAS) since 2018. Since 2002, I have served on several committees of the Casualty Actuarial Society, including the following:

- Syllabus & Examination Committee: April 2004 to July 2006;
- Volunteer Support Task Force: February 2012 to April 2013;
- Volunteer Resources Committee: April 2013 to March 2020;
- Vehicle Technology & Impact on Loss Trends Planning Committee: October 2017 to August 2018;
- Participation Survey Task Force: January 2018 to January 2019;
- Crash Course in Vehicle Technology & Driverless Cars Committee (chairperson): February 2020 to Present; and
- Volunteer Resources Advisory Committee: June 2020 to Present.

I have also been a member of the American Academy of Actuaries since 2002 and meet all of the continuing education requirements of that organization as well as those of the Casualty Actuarial Society.

**Q. What is your employment background?**

A. I was employed by Allstate Insurance Company from June 1993 until January 2007. While at Allstate, I held various actuarial roles. I began my career as an Auto Pricing Analyst and, over time, I assumed increasing responsibility in various departments that included Property Pricing, Auto Pricing, Property Research, and Auto Research. On the pricing teams, I assisted in developing rates for property and auto insurance products in most states across the country. On the research teams, I assisted in developing new property and auto risk classification plans to be implemented by Allstate's pricing teams. From 2006 until January 2007, I served as a Senior Manager for Allstate's Eastern region, which included assisting in the oversight of the pricing strategies for approximately half the country, including North Carolina.

In February 2007 I began my career at Milliman. Since 2007, I have completed, managed, or overseen numerous property and auto pricing analyses for a variety of clients. My clients have included small single-state insurance companies, industry-leading national insurance companies, start-up insurtech insurance companies, government entities, the North Carolina Rate Bureau, and other entities with similar coastal property exposure in states such as Florida, Hawaii, and Texas. These client assignments have included such projects as pricing analyses to evaluate overall rate adequacy, predictive modeling assignments to develop new risk classification plans, and analyses of catastrophe losses to evaluate the adequacy and allocation of property premiums corresponding to catastrophe risk.

**Q. What is Milliman?**

A. Milliman is among the world's largest providers of actuarial, risk management, and related technology and data solutions. Milliman was founded in Seattle in 1947 as Milliman & Robertson and today has offices in principal cities worldwide, covering markets in North America, Latin America, Europe, Asia and the Pacific, the Middle East, and Africa. Milliman employs more than 4,800 people, including actuaries and specialists ranging from clinicians to economists. The firm has consulting practices in employee benefits, financial services, healthcare, life insurance, and property and casualty insurance. Milliman serves the full spectrum of business, education, financial, governmental, union, and nonprofit organizations.

**Q. What are your current responsibilities at Milliman?**

A. I am responsible for managing and overseeing the personal lines and insurance-related predictive analytics portion of Milliman's Milwaukee Casualty practice. The personal lines and predictive analytics team conducts a variety of property and auto pricing, product development, and predictive modeling assignments, primarily for insurance companies. Over the last five years, we have completed property analyses for nearly every state in the country, including North Carolina.

**Q. Were you engaged to provide actuarial services to the North Carolina Rate Bureau (the Rate Bureau) in relation to its 2024 homeowners rate filing?**

A. Yes, I was.

**Q. What was the scope of that engagement?**

A. Milliman was engaged for several aspects of the 2024 homeowners rate filing. My role was to review the contingency provision in this filing. I was also engaged to conduct an independent review and provide feedback on the actuarial analyses underlying the filing. In this role, I participated in many of the discussions in which ISO presented preliminary data and analyses to the Rate Bureau. In addition, my role also included participating in the Rate Bureau's Property Rating Subcommittee meetings in which the 2024 homeowners filing was discussed. During these discussions, I offered feedback and insights to assist in the Subcommittee's selections and decisions related to this filing.

**Q. Is your firm being compensated for this engagement?**

A. Yes, it is.

**Q. Is that compensation in any way contingent on the provision of favorable testimony in support of the proposed filing?**

A. No, it is not.

**Q. Have you completed your review of the 2024 homeowners rate filing?**

A. Yes, I have.

**Q. Were there any constraints placed on your review, such as limited or delayed access to data or limited time that may have hindered your complete review?**

A. No, I was provided all the data and information that were necessary, and I had adequate time for a complete review. My review was not limited in any way.

**Q. What is the overall indicated change in homeowners rates in this filing?**

A. This filing shows the need for an overall 42.2% statewide average rate increase. This includes a 42.4% change to owners rates, a 34.3% change to tenants rates, and a 44.6% change to condominium unit owners rates.

**Q. Please describe the overall ratemaking methodology that underlies the filing.**

A. The approach in this filing is generally consistent with prior homeowners filings submitted by the Rate Bureau. Consistent with the *Statement of Principles*



*Regarding Property and Casualty Insurance Ratemaking* as published by the Casualty Actuarial Society, the indicated rates reflect the expected value of future costs associated with insuring homeowners policies. These expected costs include claims, claim settlement expenses, operational and administrative expenses, and the cost of capital.

The statewide rate-level indications for homeowners insurance are developed based on a loss cost methodology (instead of a loss ratio methodology). The indicated rate-level change is calculated for each segment (i.e., owners, tenants, and condominium unit owners) by comparing the required base class rate per policy to the current average base class rate. The required base class rate per policy is calculated by first projecting the losses and loss adjustment expenses for the policy period for which the filed rates are expected to be in effect. For the owners, tenants, and condominium unit owners forms, losses are projected excluding historical hurricane losses. In addition to the exclusion of historical hurricane losses, the projected losses for owners forms are adjusted to remove excess wind losses and an excess factor is applied based on an average of the excess wind losses over 30 years of historical experience. Base class loss costs are calculated by dividing the trended and adjusted incurred losses and loss adjustment expenses for each historical accident year by the corresponding earned house years and average rating factors. The base class loss costs by year are weighted together to develop a weighted trended non-hurricane base class loss cost. For each homeowners segment (owners, tenants, and condominium unit owners), a trended modeled hurricane base class loss cost and a provision for the trended fixed expense per policy are also developed and added to the weighted trended non-hurricane base class loss cost to determine the total base class loss cost with fixed expense.

Following the development of the base class loss cost with fixed expense, other expected underwriting expenses associated with issuing homeowners insurance policies are incorporated to determine the required base class rate per policy. These expected underwriting expenses include provisions for underwriting profit, contingencies, dividends, compensation for assessment risk, net cost of reinsurance, and deviations. As mentioned above, the required base class rate per policy is compared to the current average base class rate to develop the overall statewide indicated rate-level change. This comparison of the required and current base class rates is consistent with the *Statement of Principles* referenced above, is commonly used throughout the industry, and as such, is an actuarially sound method of developing an indicated rate-level change.

**Q. Are there any changes in the ratemaking methodology or presentation in the filing as compared to prior filings?**

A. The 2024 homeowners filing is generally consistent with prior filings, but there is one component of this filing that relies on a different approach as compared to the 2020 homeowners filing.

In this filing, the Rate Bureau determined the compensation for assessment risk provision in a different manner than in the 2020 homeowners filing. In prior filings, the Rate Bureau retained Milliman to develop the compensation for assessment risk provision. Due to the lack of availability of the detailed data required for the 2020 homeowners filing, Milliman relied on data from the prior year and trended that data forward to determine the provision for the 2020 filing. With this filing, Aon confirmed that they had access to the necessary detailed data and, as such, the Rate Bureau retained Aon to develop the compensation for assessment risk provision. Aon used simulated event-level hurricane losses based on the most recent exposure year and replicated the methodology used by Milliman in the 2018 homeowners filing. To reflect that some insurance companies no longer retain exposure to assessments from the Beach and FAIR Plans pursuant to the companies' respective reinsurance agreements, Aon then modified the calculated compensation for assessment risk provision by multiplying it by 50%.

This approach, though a change from the 2020 homeowners filing, was used by the Rate Bureau in its Dwelling Insurance rate filing submitted in July, 2023, and the change is reasonable, actuarially sound, and has minimal impact on the rate-level indications.

**Q. How are the expected losses determined?**

- A. This filing uses the latest available five years of historical loss experience to determine expected losses other than hurricane losses. These five years include accident years ending December 31, 2017, through December 31, 2021. Using five years of experience is consistent with North Carolina statutes and prior homeowners rate filings. It is also consistent with generally accepted ratemaking practices because the use of five years of historical experience balances stability of the overall rate level with responsiveness to the most recent conditions. Because severe weather-related events can cause volatility in the loss experience, hurricane losses and excess wind losses (for owners forms only) have been removed from the historical loss experience. Each of the five years of losses has been developed to ultimate amounts and has been adjusted to a common \$1,000 deductible level for owners forms and a \$500 deductible level for tenants and condominium unit owners forms. Losses are developed to ultimate because the final incurred losses for an accident year are often different from initial loss estimates due to the late reporting of claims or as yet unknown settlement amounts on known claims.

After these initial adjustments, a provision for excess wind losses is applied to each accident year for the owners forms, and a provision for loss adjustment expenses is applied to each accident year for all homeowners forms. The excess factor of 1.094 for the owners forms in the filing is determined using ISO's standard excess loss procedure, using a 30-year experience period as noted earlier. This procedure evaluates historical non-hurricane loss experience back to 1992 to develop a ratio

of the long-term average excess loss ratio to the long-term average normal loss ratio.

Following these additional adjustments, in order to reflect the expected change in costs, the losses are trended from the midpoint of each experience period to the policy period for which the filed rates are assumed to be in effect. Similar to prior homeowners filings, historical claim frequency, loss severity, and pure premium experience were considered in the evaluation of loss trends. The historical experience is adjusted to the prospective period using selected loss trends that are based on the data described above.

In addition to reflecting a loss trend, a premium trend is also determined by combining current amount factors with premium projection factors for each accident year. The current amount factors are developed by comparing the average policy amount relativity for each accident year to the comparable relativity for the most recent year in the experience period. The premium projection factors are calculated based on the fitted annual change in the average policy amount relativity for each policy form.

In my opinion, the selections and methodologies referenced above, including the excess factor, the loss adjustment expense factors, the loss trend factors, and the premium trend factors, are reasonable and actuarially sound.

After adjusting the losses for each of the items mentioned above, each year's trended losses and loss adjustment expenses are divided by the earned house years to determine the average trended loss cost. The average trended loss costs are converted to trended base class loss costs by dividing by the average rating factor applicable to each accident year. Finally, these base class loss costs are weighted together to develop a Weighted Trended Non-Hurricane Base Class Loss Cost. The weights applied to each accident year are consistent among all of the policy forms and assign more weight to the more recent years in order to be more responsive to the most recent loss experience.

In my opinion, the methodology used to develop average loss costs and the weights assigned to each of the homeowners policy forms are reasonable and are consistent with widely used actuarial ratemaking practices.

**Q. In the previous response, you mentioned a loss adjustment expense provision. How are the homeowners provisions for loss adjustment expense determined?**

A. The allocated and unallocated loss adjustment expenses are included with non-hurricane losses by applying a trended loss adjustment expense factor. Using information received from the Rate Bureau's data call for expense experience, loss adjustment expenses are summarized for calendar years 2018 through 2022. Consistent with prior homeowners filings, a three-year average is calculated after

removing the highest and lowest ratio of expenses to losses from the five years of historical expense experience referenced above. By excluding the highest and lowest ratios observed in the historical experience period, this methodology reduces the volatility in the average loss adjustment expense ratio that may result from variation in the underlying incurred losses from year to year. After the average loss adjustment expense ratio is calculated, it is adjusted to reflect the difference in the loss adjustment expense trend and the loss trend.

A separate provision for hurricane-related loss adjustment expenses is included in the modeled hurricane losses based on data and a recommendation provided by Aon.

**Q. In your opinion, are the provisions for loss adjustment expenses reasonable?**

A. Yes, the loss adjustment expense provisions are reasonable. It is common practice in the industry to use an average of historical experience to determine a loss adjustment expense provision, and it is reasonable to adjust that provision for expected differences in the loss adjustment expense trend and the loss trend, as we have done here.

**Q. Is credibility considered in the rate-level indication?**

A. Yes, credibility is considered. At the statewide level, based on the volume of data supporting the statewide rate-level indications, all three homeowners segments (owners, tenants, and condominium unit owners) are considered fully credible. The full credibility standards are 240,000 house years for owners, 285,000 house years for tenants, and 190,000 house years for condominium unit owners. When the territorial rate-level indications are calculated, partial credibility is determined using the square root rule and full credibility standards of 60,000 house years for owners, 75,000 house years for tenants, and 50,000 house years for condominium unit owners. The application of the square root rule is a long-standing actuarial methodology used throughout the industry.

**Q. How is hurricane exposure reflected in each policy form's rate-level indication?**

A. Similar to the Rate Bureau's 2020 homeowners filing, this filing reflects hurricane exposure in each of the owners, tenants, and condominium unit owners sections of the rate-level indication by using modeled hurricane losses rather than actual hurricane loss experience. Although there are actual hurricane losses in the experience period, the hurricane and excess wind losses have been removed from the historical loss experience, as noted in my testimony above. Actual hurricane losses have a significant amount of variability even when evaluating twenty or more years of historical loss experience in a state. As such, it is universally accepted by the property and casualty insurance industry that hurricane models

provide the most reliable approach to determining anticipated average annual hurricane losses over an extended time period. Hurricane models can be used to simulate 100,000 or more years of events, which provides a broader perspective on potential insured losses as compared to only evaluating the last several decades of losses. This broader perspective provides a more reliable estimate of the average frequency and severity of insured hurricane losses. Similarly, it provides a more reliable estimate of the frequency and severity of rare, but very severe events that may not have occurred within the last 100 years of recorded history, but have the potential to occur next year.

**Q. How is the provision for expected hurricane losses determined?**

A. The provision for average annual hurricane losses in this filing is consistent with prior homeowners filings in that expected hurricane losses are developed through the use of hurricane models of two independent catastrophe modelers. To facilitate the use of two hurricane models, the Rate Bureau retained Aon to run both models and to develop modeled hurricane losses using the blended results of these two models. I reviewed the exposure data provided as input to each model, and it is my opinion that the data were reasonable and consistent with other sections of this filing. I am also familiar with the assumptions selected as inputs to each model, and it is my opinion that the assumptions were applied consistently in both the AIR and RMS models such that the resulting output of both models is comparable. However, because Aon ran both models, I am relying on the work and opinion of Minchong Mao of Aon as they relate to specific details about the modeling process. The reliance on Aon to run both models and to develop modeled hurricane losses using the blended results of these two models is consistent with prior homeowners filings.

The Rate Bureau requested that Aon combine the results of the two hurricane models by averaging the results from each model. This approach of giving equal weight to each model is intuitive, easy to understand, and the most reasonable method of blending two hurricane models. This blending approach (i.e., averaging) is also a common practice among insurance companies that consider multiple hurricane models. Based on my review of the blended model results, it is my opinion that the resulting hurricane losses reflected in this filing are reasonable and can be relied upon for the various purposes for which modeled hurricane losses are used in this filing. Additionally, since both models are equally credible, it is also my opinion that assigning equal weight to each model is the most reliable blending method and the most actuarially sound approach to consider two hurricane models.

**Q. What model versions and modeling assumptions were used to develop estimated hurricane losses?**

A. The current AIR model is Touchstone v9 and the current RMS model is RiskLink v21. To develop the expected hurricane losses, Aon relied on AIR's Standard

event set and on RMS' Historical event set. These event sets were used instead of AIR's Warm Sea-Surface Temperature (WSST) event set and RMS' Medium-Term Rate event set. Although many primary insurance companies consider the WSST and Medium-Term Rate event sets when developing expected hurricane losses for indicated rates in states other than North Carolina, the event sets selected for this filing are reasonable and actuarially sound.

Both the AIR and RMS models were run with aggregate demand surge included, which was identified as loss amplification in the RMS model. This standard procedure accounts for the expected additional cost for labor and materials after a very large hurricane occurs. Historical experience shows that, when major catastrophic events occur, the increased demand for building materials, labor, temporary housing, and other basic necessities can exceed the supply of these same items, which consequently increases their cost. Running models with demand surge is consistent with the Rate Bureau's prior homeowners filings and is the common practice by insurance companies when developing rates based on modeled hurricane losses. Although the demand surge component of each model was used in this filing, the storm surge component of each model was not used to develop hurricane losses.

**Q. Were any other calculations applied to the hurricane losses derived from the models?**

A. Yes. Before providing the blended hurricane losses, Aon applied a hurricane-specific provision for loss adjustment expense. After Aon provided the modeled hurricane losses (including LAE), ISO calculated a Trended Modeled Hurricane Base Class Loss Cost for each segment. The trended modeled hurricane base class loss costs have been adjusted for LAE and trended such that the resulting amounts are evaluated at a point in time consistent with the amounts developed for the weighted trended non-hurricane base class loss costs.

**Q. How is the provision for commission and brokerage determined?**

A. The provision for commission and brokerage is determined based on the latest three-year average of the ratio of homeowners commission and brokerage expense relative to homeowners actual written premium (i.e., written premium including deviations). Deviations are included in the premium amounts underlying this calculation in order to be consistent with the actual calculation of commission and brokerage amounts paid by individual companies within the industry.

**Q. In your opinion, is the provision for commission and brokerage reasonable?**

A. Yes, the commission and brokerage provision is reasonable. It is common practice in the industry to use a three-year average to determine a commission and brokerage provision.

**Q. How is the provision for taxes, licenses, and fees determined?**

- A. The provision for taxes, licenses, and fees is determined based on the latest three-year average of the ratio of homeowners taxes, licenses, and fees expense relative to homeowners actual written premium (i.e., written premium including deviations). Deviations are included in the premium amounts underlying this calculation in order to be consistent with the actual calculation of taxes, licenses, and fees paid by individual companies within the industry.

**Q. In your opinion, is the provision for taxes, licenses, and fees reasonable?**

- A. Yes, the taxes, licenses, and fees provision is reasonable. As with the commission and brokerage provision, it is common practice in the industry to use a three-year average to determine a taxes, licenses, and fees provision.

**Q. How is the provision for other acquisition expense determined?**

- A. The provision for other acquisition expense is based on the latest three-year average of the ratio of homeowners other acquisition expense relative to homeowners earned premium at current manual level (i.e., earned premium excluding deviations).

The three-year average provision is added to the general expense provision to determine a total fixed expense provision. The fixed expense provision is then trended from the midpoint of the experience period to the midpoint of the trend period based on an expense trend derived from cost indices. Following this, the trended fixed expense provision is applied to the statewide average homeowners premium (adjusted for premium trend) to develop an average all-forms fixed expense load. This all-forms fixed expense load is allocated to each policy form based on a relativity of 1.00 for owners and a relativity of 0.50 for tenants and condominium unit owners. The average fixed expense load for each policy form is then adjusted to the base class level by dividing by each policy form's average rating factor and premium projection factor. The resulting amounts are the fixed expense amounts per policy for each policy form.

**Q. In your opinion, is the provision for other acquisition expense reasonable?**

- A. Yes, the other acquisition expense provision is reasonable. It is common practice in the industry to use a three-year average to determine an other acquisition expense provision, and to trend fixed expense provisions to account for inflation.

**Q. How is the provision for general expense determined?**

- A. The provision for general expense is determined based on the latest three-year average of the ratio of homeowners general expense relative to homeowners

earned premium at current manual level (i.e., earned premium excluding deviations).

The three-year average provision is added to the other acquisition expense provision to determine a total fixed expense provision. The fixed expense provision is then trended from the midpoint of the experience period to the midpoint of the trend period based on an expense trend derived from cost indices. As noted above, this trended fixed expense provision is applied to the statewide average trended homeowners premium, allocated to each policy form, and adjusted to the base class level to develop the fixed expense amounts per policy for each policy form.

**Q. In your opinion, is the provision for general expense reasonable?**

A. Yes, the general expense provision is reasonable. It is common practice in the industry to use a three-year average to determine a general expense provision, and to trend fixed expense provisions to account for inflation.

**Q. Is a provision for policyholder dividends included in the filing?**

A. Yes, the Rate Bureau reviewed historical homeowners data and developed a provision for expected policyholder dividends. The Rate Bureau evaluated five years of historical experience and selected a provision for policyholder dividends of 0.5%. This was based on a five-year average ratio of the total policyholder dividends issued by homeowners insurers in North Carolina to the total direct written premium of those same companies.

The Actuarial Standard of Practice (ASOP) No. 29 regarding *Expense Provisions in Property/Casualty Insurance Ratemaking* states:

*The Statement of Principles Regarding Property and Casualty Insurance Ratemaking* of the Casualty Actuarial Society (CAS) classifies policyholder dividends as an expense to operations. When the actuary determines that policyholder dividends are a reasonably expected expense and are associated with the risk transfer, the actuary may include a provision in the rate for the expected amount of policyholder dividends. In making this determination, the actuary should consider the following: the company's dividend payment history, its current dividend policy or practice, whether dividends are related to loss experience, the capitalization of the company, and other considerations affecting the payment of dividends.

As stated in ASOP NO. 29, policyholder dividends are classified as an operating expense. In addition to the above excerpt from the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking*, the Statement also provides that indicated rates should reflect the expected costs associated with insuring homeowners policies, including all operating expenses. As such, since policyholder dividends are classified as an operating expense, it is consistent with



the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* and ASOP No. 29 to include a provision for policyholder dividends in the proposed rates reflected in this filing.

**Q. In your opinion, is the provision for dividends reasonable?**

- A. Yes, the provision for dividends is reasonable. It is reasonable and actuarially sound to calculate a five-year average ratio to determine a provision for dividends, and to treat this provision in a similar manner as a variable underwriting expense.

By reviewing five years of historical experience to determine a provision for dividends, the Rate Bureau is complying with the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* by considering the dividend payment history and ensuring that the selected provision is a reasonably expected expense.

**Q. Is a contingency provision included in the filing?**

- A. Yes, the Rate Bureau is including a 1% contingency provision in this filing. This is consistent with prior homeowners rate filings submitted by the Rate Bureau.

In addition to being consistent with prior Rate Bureau filings, the use of a contingency provision is common within the property and casualty insurance industry. According to the *Actuarial Standard of Practice No. 30: Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*, “the actuary should include a contingency provision if the assumptions used in the ratemaking process produce cost estimates that are not expected to equal average actual costs, and if this difference cannot be eliminated by changes in other components of the ratemaking process.” There are several reasons why expected cost estimates may not be equal to actual costs. Some of these reasons include adverse court decisions, extension of coverage for unforeseen or unintended exposures, regulatory delay or reduction in filed rate changes, and unexpected large losses not sufficiently recognized in the normal ratemaking process. For these reasons, among others, a contingency provision is appropriate and necessary in my opinion.

Included with this filing as Exhibit RB-21 is an exhibit I prepared that summarizes the estimated impact of delays in the filing process within the State of North Carolina. The delay in obtaining rate changes, whether caused by the regulatory review process or other delays inherent in the filing process, is merely one of several items listed above that supports the use of a contingency provision in a rate-level indication. Exhibit RB-21 lists the 21 property rate filings submitted by the Rate Bureau between 2008 and 2022. For each filing, I compared the effective date assumed in the rate filing to the actual effective date. This difference, which reflects the delay due to the filing process, ranges from 0 months in the 2019 dwelling filing, to 22 months in the 2011 dwelling filing. After determining the length

of delay for each filing, I applied the net trend (i.e., the loss trend offset by the premium trend) in that filing for the number of months of delay to determine the estimated impact of the delay in the filing process on the overall rate level. The estimated impact of delay varies across the 21 filings, ranging from -1.9% in the 2021 MH(C) mobile homeowners filing to +5.9% in the 2008 MH(C) mobile homeowners filing, with an average impact of +1.0%.

Based on prior filings submitted by the Rate Bureau, my experience with property filings submitted by insurance companies in other states, and the 1.0% estimated impact of delays in the North Carolina filing process, it is my opinion that a 1% contingency provision is reasonable, consistent with common actuarial practice, and appropriate based on fundamental actuarial principles. Again, the impact of delays in the filing process is only one of many reasons that justifies a contingency provision.

**Q. Are you providing expert testimony concerning the underwriting profit provision?**

A. No, I am relying on the work and opinion of Dr. Zanjani as to the underwriting profit provision. The scope of my analysis and testimony relates to other aspects of the proposed rate filing.

**Q. Are you providing expert testimony concerning the development of the compensation for assessment risk provision?**

A. No, as noted earlier in my testimony, the Rate Bureau retained Aon to develop the compensation for assessment risk provision. Because Milliman developed this provision in property rate filings submitted by the Rate Bureau prior to the 2023 Dwelling Insurance rate filing, I reviewed Aon's methodology and results to ensure that the compensation for assessment risk provision in this filing is consistent with those previous filings. However, because Aon completed the analysis to determine this provision, I am relying on the work and opinion of Minchong Mao of Aon as to the underlying details and development of the compensation for assessment risk provision. The scope of my analysis and testimony relates to other aspects of the proposed rate filing.

**Q. In your opinion, is it appropriate to include a 1.4% provision for the compensation for assessment risk in homeowners rates in North Carolina?**

A. Yes. Insurance companies writing homeowners policies in North Carolina are exposed to the risk of Beach Plan or FAIR Plan assessments as a result of writing voluntary market property insurance in the state. As such, for those insurance companies that retain this exposure, they are entitled to receive fair compensation for bearing that risk and it is appropriate to include that compensation in the homeowners rates. The current provision is based on an analysis completed by Aon that relies on a widely accepted measure of compensation that will fairly

compensate insurers for bearing this additional risk to their capital. Moreover, the North Carolina statutes provide that prospective exposure to non-recoupable assessments shall be considered as an appropriate factor in the making of rates by the Rate Bureau.

**Q. Earlier, when describing the overall ratemaking methodology that underlies this filing, you said that the expected underwriting expenses include a provision for the net cost of reinsurance. Can you please explain this issue?**

A. Yes. Homeowners insurance is one of several types of coverages that has exposure to potential catastrophic events. In such coverages (homeowners, mobile homeowners, and other property coverages), individual catastrophic events can result in significant losses that exceed the amount of liability the typical insurer can reasonably assume for solvency and financial stability considerations and that can jeopardize the insurer's ability to pay claims. As a result, in these lines of business, insurers routinely purchase reinsurance to mitigate their exposure to extreme events. In order to accurately reflect the expected costs associated with insuring property policies, as discussed in the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking*, it is appropriate to include the cost of this reinsurance in the ratemaking process for these lines of insurance.

**Q. Please elaborate on why it is appropriate to include a provision for the net cost of reinsurance in homeowners rates in North Carolina.**

A. Insurance companies writing homeowners policies in North Carolina incur a significant cost for bearing the risk of properties exposed to catastrophic events. Regardless of whether the risk of catastrophic losses is retained by the primary insurer or transferred to a reinsurer, the market cost of bearing that risk is a legitimate cost of the risk transfer inherent in the purchase of property insurance and must be included in the rates. As I mentioned, this is a foundational actuarial principle included in the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking*. As such, the net cost of reinsurance should be included in the North Carolina homeowners rates and the North Carolina statutes specifically authorize the inclusion of this provision.

**Q. How does this filing reflect the net cost of reinsurance?**

A. For many years, the Rate Bureau has included a provision for the net cost of reinsurance. For this filing, the Rate Bureau engaged Aon, one of the world's largest reinsurance brokers, to develop the provision for the net cost of reinsurance. It is my understanding that Aon was retained by the Rate Bureau based on their ability to access relevant data and experience from the reinsurance market, their expertise with catastrophe-related issues, and their prominence in the reinsurance industry. This is consistent with prior homeowners rate filings submitted by the Rate Bureau.

**Q. In your opinion, is it appropriate to allocate reinsurance costs within North Carolina in a way that is proportional to risk?**

A. Yes. The risk associated with insuring properties exposed to catastrophic events varies geographically within North Carolina. As such, the cost for bearing that risk should be allocated proportionally to the measurement of risk. In its analysis of reinsurance costs for this filing, Aon provides the statewide provision for the net reinsurance cost and allocates the reinsurance costs to each policy form and each territory. This allocation is appropriate and consistent with the objective of producing rates that are not inadequate, not excessive, and not unfairly discriminatory across policyholders.

**Q. Are you providing expert testimony concerning the development of the net cost of reinsurance provision?**

A. No, I am relying on the work and opinion of Minchong Mao of Aon as to the development of the net cost of reinsurance provision.

**Q. Is a provision for deviations included in the filing?**

A. No, the Rate Bureau reviewed historical data and considered whether to apply a provision for deviations but elected not to include one in this filing.

**Q. Does the filing review the rate-level adequacy by territory?**

A. Yes. With this filing, the Rate Bureau developed indicated rate-level changes by territory using a similar methodology as the statewide indication. A base class loss cost is calculated for each territory using the historical loss experience. In addition, a credibility value is assigned to each territory for each policy form based on the number of house years underlying each loss cost. As mentioned above, for territorial ratemaking, the full credibility standards are 60,000 house years for the owners forms, 75,000 house years for the tenants form, and 50,000 house years for the condominium unit owners form. Using the credibility for each territory, a credibility-weighted loss cost is determined by territory. Additional calculations are applied to each territory to reflect modeled hurricane losses, expenses, dividends, and reinsurance in a similar manner as applied at a statewide level. The result of these calculations is an indicated rate-level change by territory.

In my opinion, the methodology used to develop the indicated rate-level change by territory and by policy form is reasonable and is consistent with widely used actuarial ratemaking practices.

**Q. Does the filing review the wind exclusion credits and wind mitigation credits?**

- A. Yes. Based on the indicated rates by territory (for Territories 110 to 160) and by policy form that are being proposed with this filing, the wind exclusion credits and wind mitigation credits are being updated in a corresponding manner. Using the underlying formula for the statewide rate-level indication, an adjustment is made to the appropriate components of the indication formula to reflect the non-wind losses as a percent of the total losses. The indicated non-wind rate is subtracted from the indicated overall rate to determine the indicated wind exclusion credit for each territory. The wind mitigation credits for Territories 110 to 160 are being revised in a manner proportional to the wind exclusion credits.

In my opinion, the methodology used to develop the revised wind exclusion credits and wind mitigation credits is reasonable and is consistent with widely used actuarial ratemaking practices.

**Q. Does the filing review the wind-only rates?**

- A. Yes. Based on the indicated wind exclusion credits by territory (for Territories 110 to 160) and by policy form that are being proposed with this filing, the wind-only rates are also being updated in a corresponding manner. Using the proposed wind exclusion credits by territory, a fixed expense component is added to each credit to develop the proposed wind-only rates.

In my opinion, the methodology used to develop the revised wind-only rates is reasonable and is consistent with widely used actuarial ratemaking practices.

**Q. Does the filing review any other rating factors used in the premium calculation process?**

- A. No. The only changes reflected in this filing are to base rates, wind exclusion credits, and wind mitigation credits as discussed above.

**Q. What are the indicated rate levels for this filing?**

- A. The indicated rate level is the actuarially sound and correct rate level for each policy form and each territory. It is the indicated rate change by territory that is needed to cover the expected losses and expenses while still providing a fair and reasonable profit. The indicated rate level is also the rate level that complies with the statutory requirement that rates not be excessive, inadequate, or unfairly discriminatory.

For owners forms, the statewide indicated rate-level change is 42.4%. Due to differences by territory in historical loss experience, modeled hurricane losses, and other expenses, the indicated change by territory varies throughout the state. For many of the western territories, the indicated change is less than 42.4%, but for several of the territories closer to the coast, the indicated change is greater than 42.4%. By contrast, the statewide indicated rate-level changes for tenants and

condominium unit owners are 34.3% and 44.6%, respectively, and similar to the owners forms, the indicated changes by territory vary across the state.

In my opinion, the Rate Bureau's indicated rate-level changes for owners, tenants, and condominium unit owners are reasonable, actuarially sound, and appropriately reflect the expected costs for homeowners insurance in North Carolina.

**Q. What are the filed rate levels for this filing?**

A. In this filing, the filed rate levels are equal to the indicated rate levels for each policy form and each territory.

**Q. I understand that you are not providing an opinion concerning the underwriting profit (profit) provision, the compensation for assessment risk (CAR) provision, or the net cost of reinsurance (NCOR) provision. If I ask you to assume that the provisions for profit, CAR, and NCOR are reasonable and actuarially sound, then, in your opinion, is the overall rate-level indication shown in the homeowners filing by the North Carolina Rate Bureau reasonable and actuarially sound?**

A. Yes, if I assume that the provisions for profit, CAR, and NCOR are reasonable, then, in my opinion, the overall homeowners rate-level indication shown by the Rate Bureau, and the rate-level indications for each policy form and each territory, are reasonable and actuarially sound.

**Q. Assuming that the provisions for profit, CAR, and NCOR are reasonable, do you have an opinion whether the proposed rates reasonably provide for the expected costs for homeowners insurance in North Carolina?**

A. Yes, if I assume that the provisions for profit, CAR, and NCOR are reasonable, then, in my opinion, the proposed rates in this filing reasonably reflect the expected costs for homeowners insurance in North Carolina.

**Q. Assuming that the provisions for profit, CAR, and NCOR are reasonable, what is your opinion on whether the proposed homeowners rates are not excessive, not inadequate, and not unfairly discriminatory?**

A. If I assume that the provisions for profit, CAR, and NCOR are reasonable, then, in my opinion, the proposed homeowners rates in this filing are not excessive, not inadequate, and not unfairly discriminatory.

**Q. Does this conclude your testimony?**

A. Yes, it does.

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## SUMMARY

Property & Casualty (P&C) actuary with more than 30 years of experience in actuarial applications and related fields including ratemaking, product development, predictive modeling, state pricing, field proposals, rate filings, actuarial and statistical research, classification analysis, data analytics, and economic modeling. Experienced in Private Passenger Automobile (including preferred, standard, and non-standard), Personal Property (including homeowners, renters, condominium owners, mobile home, and dwelling), other miscellaneous Personal Lines (including boats, motorcycles, recreational vehicles, and personal umbrella), and various Commercial Lines of Business. Has sound knowledge of product development, product pricing, product implementation, and project management for Personal Lines products. Has working knowledge of other key insurance functions including claims, corporate finance, marketing, reinsurance, sales, and underwriting. Has demonstrated the ability to lead and manage teams of employees to achieve desired business results in various capacities. Has unique combination of analytic ability, business intuition, project management, leadership, and communication skills.

## EMPLOYMENT HISTORY

Milliman, Inc. 2007 - Present  
Brookfield, Wisconsin

### *Principal and Consulting Actuary*

Specialize in personal lines insurance company clients and predictive analytics of both personal and commercial lines of insurance. Experience has included ratemaking and pricing analyses for insurance companies, product development and implementation, classification analysis using multivariate statistical techniques, catastrophe reinsurance analysis, loss reserving, segmentation analysis to support sales and marketing initiatives, impact analysis of proposed state and federal legislation, and merger and acquisition analysis. Has also provided expert testimony to support Auto and Property regulatory issues.

Allstate Insurance Company 1993 - 2007  
Northbrook, Illinois

### *Senior Manager – Auto & Property Pricing (2006-2007)*

Oversaw and directed all personal lines Auto and Property pricing, rate filings, and other actuarial work related to the pricing function for 10 states accounting for over \$4 billion of premium. Assisted in the oversight of all personal lines actuarial work related to the pricing function for an additional 12 states. Served as the primary department expert on all Property pricing initiatives. Directly managed a staff of 10 to 12 employees and participated in the leadership team that oversaw the management of a department with more than 130 employees.

*Team Leader – Property & Specialty Lines Research (2005-2006)*

Managed all research projects for personal lines Property and for Specialty Lines, all of which were completed using multivariate statistical analyses. Measured the impact of rating algorithm changes as they were implemented in various states. Oversaw the enhancement and improvement of analysis techniques used within the team. Led a team of 8 to 10 staff.

*Research Manager (1999-2001, 2003-2005)*

At different times, managed research teams for personal lines Auto, Economics & Modeling, and personal lines Property. Oversaw the development of countrywide pricing models based on multivariate statistical techniques, the evaluation of risk characteristics to be used as new rating elements, and the development of implementation tools to be used by pricing teams. Oversaw the development of Auto and Property economic models that measured the lifetime profitability of personal lines insurance customers. Led teams of staff ranging in size from 3 to 6 analysts.

*Pricing Manager (1997-1999, 2001-2003)*

Managed all personal lines Auto and Property pricing, rate filings, and other actuarial work related to the pricing function for California. Managed all personal lines Property pricing, rate filings, and other actuarial work related to the pricing function for 14 states including Alabama, Florida, Louisiana, and Mississippi. Led teams of staff ranging in size from 3 to 6 analysts.

*Pricing Analyst, Research Analyst (1993-1997)*

Produced rate proposals, rate filings, and quarterly rate-level indications for various states. Retrieved, manipulated, and analyzed large volumes of data to evaluate countrywide rating plans using multivariate statistical analyses.

## EXPERT WITNESS EXPERIENCE

Pre-filed Expert Testimony – Various Private Passenger Automobile and Residential Property Insurance Rate Filings submitted by the North Carolina Rate Bureau

- *2023 Dwelling Insurance Filing*
- *2023 Private Passenger Automobile Insurance Filing*
- *2022 Mobile Homeowners MH(C) Insurance Filing*
- *2022 Mobile Homeowners MH(F) Insurance Filing*
- *2022 Dwelling Insurance Filing*
- *2021 Mobile Homeowners MH(C) Insurance Filing*
- *2021 Mobile Homeowners MH(F) Insurance Filing*
- *2020 Dwelling Insurance Filing*
- *2020 Homeowners Insurance Filing*
- *2019 Dwelling Insurance Filing*
- *2019 Mobile Homeowners MH(C) Insurance Filing*
- *2019 Mobile Homeowners MH(F) Insurance Filing*
- *2019 Private Passenger Automobile Insurance Filing*
- *2018 Homeowners Insurance Filing*
- *2018 Dwelling Insurance Filing*
- *2017 Homeowners Insurance Filing*
- *2016 Dwelling Insurance Filing*



## EDUCATION

BS in Actuarial Science from Drake University, Des Moines, Iowa

## PROFESSIONAL QUALIFICATIONS

Certified Specialist in Predictive Analytics (CSPA), 2018  
Fellow of the Casualty Actuarial Society (FCAS), 2002  
Member of the American Academy of Actuaries (MAAA), 2002  
Associate of the Casualty Actuarial Society (ACAS), 1998  
Member of the Midwest Actuarial Forum, 1998

## PROFESSIONAL ACTIVITIES

Volunteer Chairperson, CAS Crash Course Seminar Task Force, 2021 - Present  
Member, CAS Volunteer Resources Task Force, 2021 - Present  
Chairperson, CAS Crash Course in Vehicle Technology & Driverless Cars Committee, 2020 - 2021  
Member, CAS Volunteer Resources Advisory Committee, 2020 - 2021  
Member, CAS Participation Survey Task Force, 2018 - 2019  
Member, Vehicle Technology & Impact on Loss Trends Planning Committee, 2017 - 2018  
Member, iCAS Predictive Analytics Syllabus Committee, 2017 - 2018  
Member, CAS Volunteer Resources Committee, 2013 - 2020  
Member, CAS Volunteer Support Task Force, 2012 - 2013  
Member, CAS Examination Committee, 2004 - 2006

## PUBLICATIONS

*"Keep on trucking: COVID-19 and its impact on commercial auto"*, Milliman Insight, April 2020.  
*"PIP PIP hooray! The changing Michigan auto market"*, Milliman Insight, April 2020.  
*"Nowhere to drive: The impact of COVID-19 on the auto insurance industry"*, Milliman Insight, March 2020.  
*"Better Visibility: Predictive modeling helps to steady medical malpractice underwriting"*, Best's Review, February 2008.

## PRESENTATIONS

Numerous presentations at Casualty Actuarial Society (CAS) and other Property & Casualty insurance industry meetings and seminars from 2007 through the present with a focus on personal lines Auto and Property issues, as well as predictive analytics topics.

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**Estimated Impact of Delays in Rate Filing Process**

NCRB Rate Filing	Policy Type / Coverage	Premium Weight	(1)	(2)	(3)	(4)	(5)	(6)
			Assumed Effective Date	Actual Effective Date	# of Months of Delay	Selected Loss Trend	Selected Premium Trend	Estimated Impact of Delay in Filing Process
2022 MH(C)	Mobile Home Structures	\$64,510,959	7/1/23	10/1/23	3	12.0%	3.2%	2.1%
	Adjacent Structures	5,337,948	7/1/23	10/1/23	3	6.0%	5.0%	0.2%
	Personal Effects Liability	11,872,318 2,467,108	7/1/23 7/1/23	10/1/23 10/1/23	3 3	2.8% 8.0%	4.8% 1.0%	-0.5% 1.7%
	<b>Total</b>	<b>\$84,188,333</b>						<b>1.6%</b>
2022 MH(F)	Owners	\$47,454,596	7/1/23	10/1/23	3	9.0%	3.8%	1.2%
	Tenants	114,906	7/1/23	10/1/23	3	2.8%	1.2%	0.4%
	<b>Total</b>	<b>\$47,569,502</b>						<b>1.2%</b>
2022 Dwelling	Fire	\$71,710,360	2/1/23	6/1/23	4	6.5%	5.0%	0.5%
	EC	246,871,993	2/1/23	6/1/23	4	7.0%	5.0%	0.6%
	<b>Total</b>	<b>\$318,582,353</b>						<b>0.6%</b>
2020 HO	Owners	\$2,161,073,789	8/1/21	6/1/22	10	6.0%	1.1%	4.0%
	Tenants	76,318,464	8/1/21	6/1/22	10	0.5%	-2.0%	2.1%
	Condos	31,251,398	8/1/21	6/1/22	10	5.0%	0.0%	4.1%
	<b>Total</b>	<b>\$2,268,643,651</b>						<b>4.0%</b>
2021 MH(C)	Mobile Home Structures	\$55,402,780	11/1/21	5/1/22	6	-2.0%	2.7%	-2.3%
	Adjacent Structures	4,435,898	11/1/21	5/1/22	6	10.2%	4.4%	2.7%
	Personal Effects Liability	10,600,963 2,198,331	11/1/21 11/1/21	5/1/22 5/1/22	6 6	-2.0% 8.0%	4.4% 0.7%	-3.1% 3.5%
	<b>Total</b>	<b>\$72,637,972</b>						<b>-1.9%</b>
2021 MH(F)	Owners	\$41,984,133	11/1/21	5/1/22	6	1.0%	2.7%	-0.8%
	Tenants	95,516	11/1/21	5/1/22	6	-2.0%	1.0%	-1.5%
	<b>Total</b>	<b>\$42,079,649</b>						<b>-0.8%</b>
2020 Dwelling	Fire	\$71,555,474	9/1/21	11/1/21	2	0.0%	1.2%	-0.2%
	EC	229,061,439	9/1/21	11/1/21	2	9.0%	1.5%	1.2%
	<b>Total</b>	<b>\$300,616,913</b>						<b>0.9%</b>
2019 Dwelling	Fire	\$83,923,771	7/1/20	7/1/20	0	2.0%	1.1%	0.0%
	EC	241,506,295	7/1/20	7/1/20	0	3.2%	0.8%	0.0%
	<b>Total</b>	<b>\$325,430,066</b>						<b>0.0%</b>
2019 MH(C)	Mobile Home Structures	\$52,069,226	2/1/20	6/1/20	4	3.5%	1.6%	0.6%
	Adjacent Structures	4,212,665	2/1/20	6/1/20	4	4.0%	2.8%	0.4%
	Personal Effects	10,255,303	2/1/20	6/1/20	4	2.0%	4.1%	-0.7%
	Liability	2,410,058	2/1/20	6/1/20	4	5.0%	n/a	1.6%
	<b>Total</b>	<b>\$68,947,252</b>						<b>0.5%</b>
2019 MH(F)	Owners	\$51,661,941	2/1/20	6/1/20	4	0.7%	-0.5%	0.4%
	Tenants	66,881	2/1/20	6/1/20	4	2.0%	2.1%	0.0%
	<b>Total</b>	<b>\$51,728,822</b>						<b>0.4%</b>
2018 HO	Owners	\$2,017,285,314	10/1/19	5/1/20	7	4.6%	1.0%	2.0%
	Tenants	72,370,871	10/1/19	5/1/20	7	-3.1%	-1.4%	-1.0%
	Condos	29,047,171	10/1/19	5/1/20	7	1.9%	0.2%	1.0%
	<b>Total</b>	<b>\$2,118,703,356</b>						<b>1.9%</b>
2018 Dwelling	Fire	\$102,088,428	6/1/18	2/1/19	8	0.2%	2.3%	-1.3%
	EC	187,663,877	6/1/18	2/1/19	8	0.4%	2.1%	-1.1%
	<b>Total</b>	<b>\$289,752,305</b>						<b>-1.2%</b>
2017 HO	Owners	\$2,010,516,565	6/1/18	10/1/18	4	3.1%	1.1%	0.7%
	Tenants	62,551,401	6/1/18	10/1/18	4	-3.1%	-1.0%	-0.7%
	Condos	24,591,783	6/1/18	10/1/18	4	1.9%	0.5%	0.5%
	<b>Total</b>	<b>\$2,097,659,749</b>						<b>0.6%</b>
2014 HO	Owners	\$2,257,970,589	7/1/14	6/1/15	11	5.3%	2.3%	2.7%
	Tenants	45,065,871	7/1/14	6/1/15	11	2.9%	-1.0%	3.6%
	Condos	22,629,842	7/1/14	6/1/15	11	5.4%	0.0%	5.0%
	<b>Total</b>	<b>\$2,325,666,302</b>						<b>2.7%</b>

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**Estimated Impact of Delays in Rate Filing Process**

NCRB Rate Filing	Policy Type / Coverage	Premium Weight	(1) Assumed Effective Date	(2) Actual Effective Date	(3) # of Months of Delay	(4) Selected Loss Trend	(5) Selected Premium Trend	(6) Estimated Impact of Delay in Filing Process
2014 MH(C)	Property	\$77,349,418	6/1/15	10/1/15	4	3.0%	2.8%	0.1%
	Liability	1,546,804	6/1/15	10/1/15	4	2.8%	n/a	0.9%
	<b>Total</b>	<b>\$78,896,222</b>						<b>0.1%</b>
2014 MH(F)	Owners	\$44,750,216	6/1/15	10/1/15	4	4.6%	2.2%	0.8%
	Tenants	100,658	6/1/15	10/1/15	4	2.5%	-0.2%	0.9%
	<b>Total</b>	<b>\$44,850,874</b>						<b>0.8%</b>
2012 HO	Owners	\$2,168,814,729	6/1/13	7/1/13	1	5.4%	3.0%	0.2%
	Tenants	32,405,190	6/1/13	7/1/13	1	4.0%	0.0%	0.3%
	Condos	18,252,996	6/1/13	7/1/13	1	4.0%	2.0%	0.2%
	<b>Total</b>	<b>\$2,219,472,915</b>						<b>0.2%</b>
2011 Dwelling	Fire	\$84,664,174	6/1/11	4/1/13	22	3.6%	2.9%	1.3%
	EC	150,823,062	6/1/11	4/1/13	22	4.1%	2.8%	2.3%
	<b>Total</b>	<b>\$235,487,236</b>						<b>2.0%</b>
2008 HO	Owners	\$1,498,766,325	1/1/09	5/1/09	4	4.4%	3.9%	0.2%
	Tenants	24,074,875	1/1/09	5/1/09	4	0.2%	2.7%	-0.8%
	Condos	13,213,524	1/1/09	5/1/09	4	0.2%	2.9%	-0.9%
	<b>Total</b>	<b>\$1,536,054,724</b>						<b>0.1%</b>
2008 MH(C)	Property	\$76,284,985	10/1/07	12/1/08	14	7.5%	2.4%	5.9%
	Liability	1,161,840	10/1/07	12/1/08	14	4.0%	n/a	4.7%
	<b>Total</b>	<b>\$77,446,825</b>						<b>5.9%</b>
2008 MH(F)	Owners	\$43,659,180	10/1/07	12/1/08	14	6.6%	5.8%	0.9%
	Tenants	158,638	10/1/07	12/1/08	14	0.4%	-4.1%	5.5%
	<b>Total</b>	<b>\$43,817,818</b>						<b>0.9%</b>

**Average Estimated Impact of Delays in Filing Process: 1.0%**

(1), (4), (5) From historical NCRB rate filings

(2) From historical NCRB settlement agreements or circulars

(6) =  $\{ [1 + (4)] / [1 + (5)] \} ^ { \{ [(2) - (1)] / 365 \} - 1}$

**PREFILED TESTIMONY  
OF  
GEORGE ZANJANI**

**HOMEOWNERS INSURANCE RATE FILING  
NORTH CAROLINA RATE BUREAU  
JANUARY, 2024**

**I. Qualifications and Summary**

Q: What is your name, occupation, and business address?

A: My name is George Zanjani. I am Professor of Finance and the holder of the Frank Park Samford Chair of Insurance at the University of Alabama. My business address is 1074 Alderwood Lane NE, Marietta, Georgia 30068.

Q: Please describe your educational and employment background.

A: A complete curriculum vitae is attached as Exhibit RB-23 with this testimony. To summarize, my undergraduate studies were at Stanford University from 1987-1990, where I earned an A.B./B.S in Economics and Biology. I joined the commercial lines actuarial department of Fireman's Fund Insurance Companies in 1990 as an Assistant Actuarial Analyst. Upon leaving in 1994, I was a Senior Actuarial Analyst, an Associate of the Casualty Actuarial Society, and the head of the company's Workers Compensation actuarial unit. I did my graduate studies in Economics at the University of Chicago, earning a Ph.D. in 2000. I joined the Research Department of the Federal Reserve Bank of New York in the Capital Markets Function as a Research Economist in 2000, leaving as a Senior Economist in 2008. I joined the Robinson College of Business of Georgia State University in 2008 as an Associate Professor of Risk Management and Insurance and was honored as the inaugural holder of the AAMGA Distinguished Chair in Risk Management and Insurance in 2011. I started my current position in 2017.

Q: Please elaborate on some of your professional activities.

A: My professional career has been focused on insurance. After four years of actuarial work in commercial lines insurance, my dissertation addressed the economics of insurance pricing. I specialized on insurance issues while at the Federal Reserve Bank of New York. In particular, I served for the Bank on the Presidential Working Group on Financial Markets during its review of the renewal of the Terrorism Risk Insurance Act in 2006 and on the Committee on the Global Financial System Task Force on Institutional Investors, Global Savings, and Asset Allocation.

My academic service activities include 1) service as referee for various academic journals, 2) service as an associate editor of the *Journal of Insurance Issues*, and 3) (current) service as a senior editor for the *Journal of Risk and Insurance* and as an associate editor for *Insurance: Mathematics and Economics*. In addition, I have served on the Board of the American Risk and Insurance Association and served as President of that association. I have also served as President of the Risk Theory Society.

As an academic, I continue to write on insurance pricing, participate in academic conferences on insurance, and engage in various sponsored research and consulting activities related to insurance. The latter activities include three research projects on capital allocation sponsored by the Casualty Actuarial Society during the last decade and a project on the financial crisis and the insurance industry sponsored by the Society of Actuaries in 2009. In addition, I have taught various courses at the undergraduate and graduate levels over the past decade, including classes on financial risk management, risk modeling, and property-casualty insurance.

Q: Have you published any papers or books?

A: Yes. I have published various articles, book chapters, reviews, and white papers on insurance pricing and other aspects of insurance markets. Published or forthcoming work includes articles on insurance topics in the *American Economic Review*, *Insurance: Mathematics and Economics*, the *Journal of Banking and Finance*, the *Journal of Financial Economics*, the *Journal of Public Economics*, the *Journal of Risk and Insurance*, *Management Science*, *North American Actuarial Journal*, and *Variance*. My co-authors and I have two chapters in the 2013 edition of the Handbook of Insurance, one on capital allocation for insurance companies, and the other on the financial pricing of insurance. Two papers have won awards for their contributions to the field of actuarial science: I received the 2010 ARIA award from the Casualty Actuarial Society and shared the 2015 Charles A. Hachemeister Prize (also from the Casualty Actuarial Society) with a co-author.

Q: Are you a member of any professional organizations?

A: I am a member of the American Economic Association, the American Finance Association, the American Risk and Insurance Association, the European Group of Risk and Insurance Economists, and the Risk Theory Society. I am also an Associate of the Casualty Actuarial Society. I served on the Board of Directors of the American Risk and Insurance Association from 2007 to 2014 and served as President in 2012-2013. I served as President of the Risk Theory Society in 2012.

Q: Have you ever testified in insurance rate regulatory proceedings?

A: Yes. I have offered testimony in Workers Compensation insurance rate filings in Florida (2015 and 2017), Massachusetts (2020, 2022, and 2023), and Virginia (2016). In addition, I have supplied testimony for various rate filings in North Carolina starting in 2019, including Workers Compensation, Private Passenger Auto, Homeowners, Mobile Homeowners, Flood, and Dwelling.

Q: What was the nature of your testimony in those previous cases?

A: In the Florida, Massachusetts, and Virginia cases, I offered testimony on the underwriting profit factors used in the rates. Specifically, I evaluated the suitability of the methods and assumptions used to develop those factors, as well as whether the rate of return on capital implied by those factors was reasonable. For the North Carolina filings, I estimated the rate of return on capital implied by the selected underwriting profit factors and assessed whether that rate of return was reasonable.

Q: What is the purpose of your testimony in this proceeding?

A: I was asked by the North Carolina Rate Bureau, as a financial economist with expertise in insurance, 1) to assist the Bureau with the underwriting profit factor selection, 2) to determine the expected return on insurance net worth implicit in the filing, and 3) to assess whether the expected return on net worth constitutes a reasonable rate of return and thus whether the selected underwriting profit factor satisfies North Carolina's statutory requirements.

Q; Please summarize the main findings of your testimony.

A: The first task was to determine the range for a reasonable rate of return on capital. I started by creating a set of estimates of the cost of insurance equity relevant for the North Carolina Homeowners insurance market. I consulted various third-party estimates of the cost of equity for the property-casualty insurance industry. I also generated my own estimates using a single-factor risk premium approach, where the cost of equity was determined by 1) the historical excess return of the overall stock market over bonds, 2) the historical correlation of the equity prices of the firms serving the North Carolina Homeowners market with the overall stock market, and 3) the current level of bond yields. Finally, I adjusted the cost of equity to account for the significant presence of private companies in the North Carolina market. The cost of equity estimates resulting from this exercise ranged from about 9.9% to 21.6%.

Next, I calculated a weighted average cost of capital (WACC) by estimating the percentage of debt in the typical insurance holding company capital structure and weighting together the cost of equity with cost of debt based on this fraction. The resulting range for the WACC was about 8.7% to 17.9%.

The next task was to determine the projected rate of return on capital associated with the selected underwriting profit provision. Using a pro forma return model similar to that used in previous filings, I analyzed how the selected underwriting profit provision used in the filing translates into an expected return on net worth. Consistent with previous filings, and with North Carolina law stipulating that the investment income earned on capital and surplus is not to be considered in determining the appropriate rate of return for the insurance industry, I refer to the expected return on net worth without including investment income on capital and surplus as the *statutory return*. When calculating the expected return on net worth including investment income earned on capital and surplus, I refer to the figure as the *total return*. My calculations for Homeowners are detailed in Exhibit RB-24 and are summarized below:

Return Definition	Homeowners
Statutory Return	7.43%
Total Return	11.62%

I next considered two adjustments to the model that I believe produce a more accurate representation of the rate of return produced by the selected underwriting profit factor. First, I adjusted the asset portfolio allocations (across bonds, stocks, and various other investments) to reflect the allocations actually supporting North Carolina Homeowners business, rather than the overall average North Carolina industry allocations. Second, I adjusted the prospective portfolio yields to reflect current market conditions, as opposed to the average of current

market yields and embedded yields. The combined effect of these changes is to increase the statutory return to 7.72% and the total return to 12.99%.

I then compared the projected returns on capital associated with the selected underwriting factor with the cost of equity and WACC ranges described above. The projected statutory return was below the range of estimates in both cases, while the projected total return fell comfortably within the range of cost of equity estimates and the range of WACC estimates. These findings hold after adjusting the portfolio allocations and prospective yields as described above. I therefore conclude that the expected return implied by the underwriting profit provision used in the filing is not excessive on a statutory return basis, and is reasonable and not excessive on a total return basis.

## II. Expected Return on Net Worth

Q: In general terms, how did you determine the expected return on net worth implied by the underwriting profit provision used in the filing?

A: I used a *pro forma* return model similar to that used in previous filings in North Carolina. The model accounts for underwriting income, installment payment income, investment income on unearned premium and loss/loss adjustment expense (LAE) reserves, and taxes as a percentage of premium. Total after-tax income from these sources (as a percentage of premium) is then related to net worth (as a percentage of premium) to obtain an expected return on net worth.

Q: What do you mean by *pro forma*?

A: The model is *pro forma* in the sense that it assumes 1) that the indicated rate change will be implemented and 2) that all loss, expense, and investment return realizations will coincide with their projected expected values.

The results of the model and supporting information are presented in Exhibit RB-24.

Q: Could you state what you mean by “net worth”?

A: Net worth is the book value of equity of a company under Generally Accepted Accounting Principles (GAAP) rather than Statutory Accounting Principles (SAP).

Q: Did you account for investment income on capital and surplus in calculating the expected return?

A: It is my understanding that North Carolina law provides that insurance rates are to be set such that those rates are expected to provide a return to insurers that is equal to the returns of industries of comparable risk and that, in calculating that expected return, the investment income on capital and surplus is to be excluded from consideration. Therefore, I present the expected return projected to result from the selected underwriting profit provision excluding investment income on capital and surplus. However, for informational purposes, I also present the expected return projected to result from the selected underwriting profit provision including investment income on capital and surplus. I am also aware that a revision to the ratemaking

statutes will become effective after this filing is proposed to become effective providing that investment income on capital and surplus is to be considered. The information I present in my exhibits demonstrates that the selected underwriting profit provision complies with North Carolina law even when that change in the law becomes effective.

Q: Would you please elaborate on the elements of the return and how they are calculated?

A: The return is composed of underwriting profit (Line 2 of Exhibit RB-24, Pages 1 and 1A), installment fee income (Line 3 of Exhibit RB-24, Pages 1 and 1A) and investment gain on insurance transaction (Line 7 of Exhibit RB-24, Pages 1 and 1A). In the calculation that includes investment income on surplus for informational purposes, I additionally include investment gain on surplus (Line 8 of Exhibit RB-24, Page 1A). (Please note that, in my exhibits and sometimes in my testimony, I refer to investment income on surplus as a shorthand reference to investment income on capital and surplus.) All of the foregoing income components are adjusted for taxes. The components are discussed in greater detail below:

*Underwriting profit and installment fee income* - As a matter of arithmetic and definition, the underwriting profit as a percentage of premium matches the underwriting profit provision selected by the NCRB. It is the percentage of premium left over after accounting for the loss and expense provisions, with the projected loss and LAE ratio and fixed expense ratios being adjusted to reflect the indicated rate change. Installment fee income is based on the average installment charges as a percentage of premium over the past five years (Exhibit RB-24, Page 3). The underwriting profit income and installment fee income are both assumed to be taxed at the current corporate rate of 21% (Line 4 of Exhibit RB-24, Pages 1 and 1A), as revised in the Tax Cut and Jobs Act of 2017. I also account for additional tax liabilities relating to IRS rules regarding the treatment of unearned premium reserves and of loss reserves (Line 5 of Exhibit RB-24, Pages 1 and 1A). Details of the calculation of these additional tax liabilities are found on Pages 4 to 6 of Exhibit RB-24.

*Net Investment Gain on Insurance Transaction* – This portion of the return reflects investment income on investible funds generated by the insurance transaction. Specifically, this quantity is calculated as the product of an investment yield and the average loss/LAE and unearned premium reserves that are actually held at the insurance company. An adjustment is made for investment income on agents balances (specifically, to account for the fact that agents balances, which are premiums held by agents and not yet remitted to the company, are not available for investment by the insurance company). I also adjust for investment income on reinsurance balances in the case of Homeowners insurance, accounting for the additional income that the company receives on funds that have not yet been remitted to the reinsurer, as well as the investment income that it is not able to collect on funds that have not yet been recovered from the reinsurer. The details of the estimation of investible reserves and the investment income generated from those reserves are found on Pages 7 to 9 of Exhibit RB-24, with the adjustments for balances shown on Pages 1 and 1A. The tax liability is based on a weighted average of estimated tax rates on the different sources of investment income, with the weights based on the composition of the overall property-casualty industry portfolio.



*Investment Gain on Surplus* – This portion of the return would reflect investment income generated from surplus. The investment yield is applied to investible surplus, the amount of which is based on the ten-year average premium-to-surplus ratio for groups writing Homeowners insurance in North Carolina from Page 14 of Exhibit RB-24. The tax liability is again based on a weighted average of estimated tax rates on the different sources of investment income, with the weights based on the composition of the overall North Carolina industry portfolio.

These components of after-tax return, all denominated as a percent of premium, are then summed and related to net worth. This is accomplished by multiplying the returns as a percent of premium by the product of the premium-to-surplus ratio from Page 14 of Exhibit RB-24 and the inverse of the industry-wide net worth-to-surplus ratio from Page 15 of Exhibit RB-24.

Q: Please explain how the investment yield is calculated.

A: My understanding is that the accepted approach in North Carolina, based on a decision by the Commissioner in the 1990's, is to estimate the investment yield as an average of the "embedded yield" based on the industry statutory annual statement reports and a "current yield" based on current market rates. I have followed this convention in the analysis presented in Exhibit RB-24, though I contemplate the consequences of this convention in more detail later in my testimony.

For the current yield, I start with the overall weighted average invested asset portfolio for the North Carolina insurance market (using total North Carolina Direct Premiums Written (DPW) for weights) and use various sources to estimate the current market yields for those assets. Sources for current market rates, and a summary of the overall calculation, are provided on Page 11 of Exhibit RB-24. For each of the bond subcategories, I obtain a maturity distribution for the North Carolina industry portfolio in that subcategory from the Schedule D summary exhibits and match each maturity level from the exhibits to a corresponding bond yield of similar maturity, so that the average yield shown on Page 11 is a weighted average across maturities according to the North Carolina industry portfolio. The overall pre-tax current yield on the industry portfolio as thus determined is 6.52%. The embedded yield calculations, based on the actual investment income reported by the industry, are shown on Pages 12 and 13 of Exhibit RB-24; the pre-tax embedded yield is 3.86%. For the pro forma calculations, I average these two figures to obtain 5.19% (shown on Page 10 of Exhibit RB-24).

The tax liability for investment income is determined for each asset class, reflecting tax advantages as appropriate on municipal bond interest, preferred and common stock dividends, and capital gains on stock. The expected return on equity is split into a capital gain and dividend component, for tax purposes, based on the experience of the S&P 500 over the 1998-2022 period.

Q: What is the expected return on net worth?

A: To calculate the implied return on insurance company equity, components of after-tax return are summed and related to net worth, which, as a percentage of premium, is calculated based on the product of the premium-to-surplus ratio from Page 14 of Exhibit RB-24 and the inverse of

the industry-wide net worth-to-surplus ratio from Page 15 of Exhibit RB-24. This approach indicates that the selected underwriting profit factor of 9.0% for Homeowners insurance, if achieved, would yield an expected statutory return on net worth of 7.43% (without including investment income on surplus) and a total return on net worth of 11.62% (when including investment income on surplus).

Q: Have you considered the impact of any other alternative assumptions on your estimates?

A: Yes, I have considered the impact of an alternative investment yield calculation.

Specifically, I considered the combined impact of two changes.

First, I based the asset distribution on a premium-weighted average of the portfolio allocations used by the companies writing Homeowners in North Carolina. The pro forma model relied on the weighted average invested asset distribution for the North Carolina insurance industry. While I have followed this convention in Exhibit RB-24, the asset allocation for the North Carolina Homeowners market could be different. Basing the allocation assumption on the portfolios of the companies actually writing Homeowners business in North Carolina, in my opinion, offers a much closer approximation to the average investment portfolio supporting North Carolina Homeowners underwriting.

Second, I based the investment yield solely on the current yield. The practice of averaging embedded yields with current yields makes little difference when the yields are relatively close together. But there is a significant divergence between the current yields on investments and embedded yields, with the pre-tax current yield being more than 260 basis points higher than the embedded yield. The current yield, in my opinion, is the better indicator of investment yields for a prospective ratemaking exercise, where the relevant questions concern the terms on which money will be invested today and in the future.

The combined effect of these two changes is to raise the projected statutory return to 7.72% and the projected total return to 12.99%.

Q: How was the underwriting profit factor determined?

A: The Bureau selected the 9.0% provision. I participated in the Bureau's Property Rating Subcommittee meeting for the discussion of the profit portion of the rate review. I described for the committee my pro forma profit analysis and provided arrays of underwriting profit provisions and their associated returns on net worth, both without including investment income on surplus and including investment income on surplus. The returns shown in those arrays spanned the range for the cost of capital that I had provided. Following my presentation and the committee discussion, the committee selected the underwriting profit factor.

### **III. Rate of Return on Capital**

Q: What steps did you take in the course of assessing whether the returns described above would produce a reasonable rate of return on capital?

A: I first established ranges for reasonable estimates of the cost of capital. I then compared the estimated statutory and total returns on net worth determined in Section II above to these cost of capital ranges.

Q: How did you establish ranges for reasonable estimates of the cost of capital?

A: The cost of capital for an industry is a difficult figure to pin down, and part of my approach is based on a belief in the wisdom of considering estimates from a variety of sources. I started by gathering various third-party estimates of the cost of capital for property-casualty firms associated with publicly traded holding companies. I also made an independent set of estimates of the same tailored specifically for the North Carolina Homeowners market. I then made adjustments to all of these estimates to account for the presence of private companies in the North Carolina market.

Q: Please describe the third-party estimate sources and methodologies.

A: Kroll (formerly Duff & Phelps) and Damodaran Online (an open-access website maintained by Aswath Damodaran, a valuation expert affiliated with New York University) both publish estimates for the property-casualty industry. Kroll updates the estimates quarterly (the estimates reported below are from 6/30/2023), while Damodaran Online updates the estimates annually (1/1/2023).

Kroll reports estimates from a variety of methodologies. Some estimates are produced using factor models, where the industry's sensitivity to a pricing factor (or sensitivities to a set of factors) are measured and used to generate a cost of capital. For example, single factor models (such as the Capital Asset Pricing Model, or CAPM) typically mark the overall stock market return in excess of a "base" fixed income return as the pricing factor. The cost of capital is generated in this case by estimating a risk premium for each factor, adjusting that risk premium to account for the sensitivity of the industry in question to that factor, and then adding the adjusted risk premium to the current yield of the "base" fixed income instrument to produce a cost of capital. In addition to CAPM estimates, Kroll also reports a "CAPM + size premium" estimate to recognize the higher cost of capital endured by smaller firms and thus correct for the average size of firms within an industry. The "Buildup Method" employs a related approach, adding a size premium and an industry premium to the standard market risk premium. The Fama-French-5-factor model extends the single risk factor framework of the CAPM to a five factor risk framework, thus pricing an industry's equity on the basis of its sensitivity to four additional factors in addition to overall market returns. Kroll also utilizes discounted cash flow (DCF) models, where free cash flow or dividends are forecasted into the future, with the cost of capital estimate being the implied discount rate on the future cash flows that explains the current equity valuation. In general, the two classes of methods---factor models and DCF models---are perhaps the two most widely accepted and widely deployed methods for estimating the cost of equity.

Damodaran reports estimates from a single-factor CAPM model. However, rather than estimating the risk premium associated with the stock market based on simple averages of historical excess returns (as is typically done), he attempts to modify the premium to account for the current level of stock market valuation. This distinction is one example of the substantial

variation in implementation of factor models, which can have significant effects on the estimates. There is also substantial methodological variation in implementation of the DCF model, which is estimated with different time period stages, with time-varying growth rates. All of this underscores the importance of consulting multiple sources of estimates and testing sensitivities where possible. Damodaran uses a 10-year Treasury yield as the risk-free rate in his model, and I updated the rate for the 10-year Treasury yield to 4.58% (the three month average up to 10/25/2023) to be consistent with the other parts of the analysis.

The approaches described above all produce estimates of the cost of equity. This cost of equity is then weighted together with an estimated cost of debt for the industry to produce a WACC for publicly traded firms. The weights are based on the composition of the capital structure (equity versus debt) for the industry.

Q: Please describe how you derived your independent estimates of the cost of equity capital for publicly traded firms.

A: I used a single factor model, also referred to as a “risk premium” approach in previous filings in North Carolina. This approach estimates the cost of equity as

$$r + \beta * (ERP)$$

where  $r$  is the current yield on a reference fixed income instrument,  $ERP$  is the estimated expected excess return of the stock market over that fixed income yield, and  $\beta$  is the estimated covariation between the equity of the property-casualty industry and the overall stock market (more precisely, the covariance of property-casualty equities with the S&P 500, divided by the variance of the S&P 500).

For the reference interest rate, I tried four different fixed income assets---the 3-month Treasury Bill, the 10-year Treasury Note, the Moody’s Seasoned Aaa Corporate Bond Index, and the Moody’s Seasoned Baa Corporate Bond Index. In each case, I estimated the equity risk premium as the average excess return of the S&P 500 over the return on the reference fixed income asset over the 1928-2022 period. To calculate the average returns, I used the formula from Blume (1974)<sup>1</sup> by weighting together the arithmetic average and the geometric average, as in:

$$\left[ \frac{N-T}{N-1}(1 + \pi_A) + \frac{T-1}{N-1}(1 + \pi_G) \right]^{\frac{1}{T}}$$

where  $N$  is the sample size,  $T$  is the return horizon (corresponding to the maturity of the fixed income asset),  $\pi_A$  is the arithmetic average return in the sample, and  $\pi_G$  is the geometric average return in the sample.

For  $\beta$  (beta), I estimated a weighted average beta for the North Carolina Homeowners market. For each publicly traded holding company associated with an operating subsidiary underwriting Homeowners insurance in North Carolina in 2022, I pulled the beta provided by S&P Global

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<sup>1</sup> Blume, M.E. (1974), “Unbiased Estimates of Long-Run Expected Rates of Return,” *Journal of the American Statistical Association* (September), pp. 634-8.

(based on 1-year and 3-year daily returns). I then calculated a weighted average based on 2022 North Carolina Homeowners DPW.

Given current yields for the reference fixed income assets and estimates for the equity risk premium and beta, I then calculated a cost of equity according to the formula given above.

Next, I estimated a WACC for the North Carolina market. For the capital structure, I estimated a weighted average debt percentage for the North Carolina Homeowners market. For each publicly traded holding company, I calculated the percentage of debt in the capital structure based on the latest fiscal year report. For the cost of debt, I used the figure from Damodaran Online, based on a 4.58% 10-year Treasury rate.

Q: What were the results?

A: The following table lists the cost of equity and the WACC for publicly traded companies, including the estimates I produced and those reported by Kroll and Damodaran Online for the property-casualty industry.

<b>Cost of Capital for Publicly Traded Companies</b>							
<b>Source</b>	<b>Method</b>	<b>Current Yield (10/25/2023)</b>	<b>Equity Risk Premium</b>	<b>Cost of Equity</b>		<b>WACC</b>	
Kroll	CAPM			8.0%		7.2%	
Kroll	CAPM + Size Premium			8.4%		7.5%	
Kroll	Build-Up			8.9%		7.9%	
Kroll	Fama-French 5-factor			8.7%		7.8%	
Kroll	DCF (1-stage)			14.7%		12.5%	
Kroll	DCF (3-stage)			17.5%		14.7%	
Damodaran Online	Implied Premium			9.35%		8.52%	
				<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
Zanjani	Risk Premium over T-Bill	5.59%	8.19%	10.46%	10.84%	9.61%	9.93%
Zanjani	Risk Premium over T-Note	4.58%	6.50%	8.45%	8.75%	7.89%	8.15%
Zanjani	Risk Premium over Aaa Bond	5.34%	5.62%	8.68%	8.94%	8.09%	8.31%
Zanjani	Risk Premium over Baa Bond	6.36%	4.41%	8.98%	9.19%	8.35%	8.52%

I have also shown the current yield and equity risk premium elements for each of my own estimates to facilitate replication. Other parameters I used were calculated as described above: 1) the weighted average beta for the North Carolina industry (0.5948 to 0.6407), 2) the cost of debt (4.65%), and 3) the percentage of debt in the capital structure (14.66%).

To illustrate, the higher cost of equity for my "Risk Premium over T-Bill" method is:

$$5.59\% + 0.6407 \times 8.19\% = 10.84\%,$$

and the WACC is:

$$(1 - .1466) \times 10.84\% + .1466 \times 4.65\% = 9.93\%.$$

Note that the estimates for capital structure and the cost of debt differ across sources, so the relationship between the cost of equity and the WACC for Kroll and Damodaran Online will not follow the exact formula listed above.

Q: Do you believe any adjustments are necessary to the estimated cost of equity in the context of this filing?

A: Yes. All of the foregoing estimates are based on the data of publicly traded companies, which have the easiest access to financing and thus the lowest costs of capital. However, I found that operating companies affiliated with publicly traded holding companies wrote only 29.6% of the 2022 Homeowners DPW for North Carolina. The remainder was underwritten by companies associated with private, often mutual, ownership---a segment well known to have more difficulty in accessing the capital markets. The industry average cost of equity needs to be adjusted upward to account for this non-public ownership.

Q: How much higher is the cost of equity for non-public firms?

A: Research dating back at least as far as the 1960's has demonstrated that private equity trades at a substantial discount to public equity. The discount is thought to derive from a variety of factors, including the illiquid nature of private equity stakes (also known as a "lack of marketability") as well as information, monitoring, and control issues. The discount translates into a higher cost of equity. For example, if a public firm's cost of equity is estimated at 10% and the equity of a comparable private firm is selling at a 20% discount to that of the public firm, the private firm's cost of equity would be estimated as:

$$12.5\% = 10\% / (1 - 20\%)$$

The discount is difficult to estimate. Exhibit RB-25 summarizes some of the academic research on the private firm discount. Studies have taken a variety of approaches to measurement. "IPO" studies compare the prices of pre-IPO share transactions in a private company with post-IPO share prices after the company is public. "Acquisition" studies compare the valuations of acquired private companies versus the valuations of acquired public companies. "Restricted stock" and "private placement" studies compare the prices of restricted stock issued by public companies with the prices of their traded shares.

All the approaches have their flaws. IPO studies, for example, are thought to have a bias toward overstating the discount because of the differences in timing of transactions. Restricted stock and private placement studies tend to understate the discount: Since they confine their attention to public companies, they do not account for factors other than the discount for lack of marketability (DLOM), and, moreover, the actual restrictions on marketability for private placements have been loosened significantly over the years by the Securities and Exchange Commission.

On balance, however, the studies point to a substantial discount. For purposes of this testimony, I use a discount of 25%, which is somewhat below the average of the averages of the three groups in Exhibit RB-25 (when taking the midpoint of the ranges for the studies with ranges of estimates).

Q: How would this affect the estimated cost of equity for the industry?

A: Assuming a 25% private company discount and a 29.6% market share for public companies, I calculated adjusted estimates of the private cost of equity and the public cost of equity:

$$70.4\% * \left( \frac{COE}{(1 - 0.25)} \right) + (29.6\%) * (COE),$$

where *COE* is the estimated cost of equity for public companies. The adjusted estimates are as follows:

<b>Cost of Capital, Adjusted for Non-Public Ownership</b>					
<b>Source</b>	<b>Method</b>	<b>Cost of Equity</b>		<b>WACC</b>	
Kroll	CAPM	9.9%		8.7%	
Kroll	CAPM + Size Premium	10.4%		9.1%	
Kroll	Build-Up	11.0%		9.5%	
Kroll	Fama-French 5-factor	10.7%		9.4%	
Kroll	DCF (1-stage)	18.2%		15.2%	
Kroll	DCF (3-stage)	21.6%		17.9%	
Damodaran Online	Implied Premium	11.55%		10.33%	
		<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
Zanjani	Risk Premium over T-Bill	12.92%	13.38%	11.71%	12.10%
Zanjani	Risk Premium over T-Note	10.43%	10.80%	9.58%	9.90%
Zanjani	Risk Premium over Aaa Bond	10.72%	11.04%	9.83%	10.10%
Zanjani	Risk Premium over Baa Bond	11.09%	11.34%	10.15%	10.36%

Q: How do these figures speak to the issue of whether or not the pro forma expected return on net worth is reasonable?

A: There are at least two schools of thought on this issue.

The first is that the “net worth” in the pro forma return exhibit should be interpreted as an equity investment akin to the equity considered in the cost of equity analysis. Thus, it should be entitled to a similar rate of return. Under this school of thought, the return on net worth calculated in the previous section should be compared directly with the cost of equity figures in the table above. If one does this, the projected returns are, in my opinion, clearly not excessive, even when including investment income on surplus in the calculation of the return. The projected total return of 11.62% is within the span of estimates, which range from 9.9% to 21.6%. If one instead focuses on the statutory return by excluding investment income on surplus, the projected return of 7.43% is below the range of estimates. Similar conclusions apply when testing robustness by 1) adjusting the investment portfolio to the allocations matched to the North Carolina Homeowners market and 2) substituting current yields for embedded yields.

A second school of thought is that, although the capital of the operating subsidiaries may be fully financed by equity, the holding companies are the source of that equity. Thus, one should “look through” the operating subsidiaries to the level of the holding companies to determine a cost of capital, which is important because the holding companies---unlike the insurance subsidiaries---typically hold significant debt in the capital structure. Holding companies that are typically classified as property-casualty companies have, in recent history and on average, had in the neighborhood of 20% debt. Thus, the cost of capital for the holding company is, under this school of thought, calculated as a weighted average of the cost of equity and the cost of debt, with the weights based on each component’s share of the capital structure. The result is the WACC discussed above, which, as can be seen above, is typically lower than the cost of equity due to the lower cost of debt.

On the other hand, the market value of the capital of the holding company will be different from the book value of the capital invested in the insurance subsidiaries. Thus, a particular return on net worth at the level of the operating subsidiary will translate into a lower (higher) return on holding company capital if the market value of the holding company capital exceeds (is less than) the net worth of the insurance subsidiaries.

Stock market valuations at current levels put the market-to-net worth ratio of the public companies that own the major underwriters of Homeowners insurance in North Carolina, on average, well above one. However, even if one assumes that the market value of holding company capital is equal to the net worth of the operating subsidiaries, the table demonstrates that a total return on net worth of 11.62% for the North Carolina Homeowners market is reasonable and not excessive; it falls well within the span of estimates (8.7% to 17.9%). The statutory return on net worth of 7.43% falls below the span of estimates and so is clearly not excessive. Similar conclusions hold after adjusting projected returns to account for the investment portfolio of companies serving the North Carolina Homeowners market and the current level of investment yields.

In summary, the expected returns on net worth calculated in Section II are, in my opinion, consistent with a reasonable and not excessive return on invested capital when viewed on a total return basis and not excessive when viewed on a statutory return basis.

#### **IV. Conclusion**

- Q: Based on your knowledge and experience and on the studies and analyses you have performed, have you come to any conclusions regarding the underwriting profit factor selected by the Bureau and used in its indicated rate level calculations in this filing?
- A: Yes. Based on my pro forma return analysis detailed in Exhibit RB-24, I found that the expected statutory return on net worth implied by the selected 9.0% underwriting profit factor for Homeowners insurance was 7.43% (not including investment income on surplus). The expected total return on net worth was 11.62% (including investment income on surplus). When making adjustments that I regard as appropriate to account for the asset distribution relevant for this line of business and the yields currently in the marketplace, the expected statutory and total returns rose to 7.72% and 12.99%, respectively. After reviewing the cost of capital estimates for the industry produced by third parties and producing my own estimates tailored to the North



Carolina market, I found the expected total return on net worth resulting from the selected underwriting profit factor to be consistent with a reasonable and not excessive return on invested capital. The expected statutory return on net worth is consistent with a return on invested capital that is not excessive.

An important caveat to this analysis, however, is that all conclusions are predicated on the assumption that the indicated rate level is achieved. In the event that a lower rate level is implemented, the expected rate of return could be inadequate.

Q: Does that conclude your testimony?

A: Yes.

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### Education

**Ph.D.**, Economics, University of Chicago, 2000  
**ACAS**, Casualty Actuarial Society, 1994  
**A.B./B.S.**, Economics and Biology, Stanford University, 1990

### Work Experience

#### **University of Alabama (Tuscaloosa, Alabama)**

**Professor of Finance and Frank Park Samford Chair of Insurance, 2017-**

#### **University of Cologne**

*Gen Re Visiting Professor, 2023*

#### **Georgia State University (Atlanta, Georgia)**

*AAMGA Distinguished Chair in Risk Management & Insurance, 2011-2017*  
*Associate Professor, 2008-2017*

#### **Nanyang Technological University (Singapore)**

*Visiting Senior Research Fellow, 2011-12, 2013-2014*

#### **Federal Reserve Bank of New York (New York, New York)**

*Senior Economist, 2006-2008*  
*Economist, 2000-2006*

#### **Fireman's Fund Insurance Companies (Novato, California)**

*Senior Actuarial Analyst, 1993-94*  
*Actuarial Analyst, 1991-1993*  
*Assistant Actuarial Analyst, 1990-1991*

### Publications: Refereed Scholarly

“Economic Capital and RAROC in a Dynamic Model,” (with Daniel Bauer), *Journal of Banking and Finance*, 125: Article 106071, (2021) [Winner of Casualty Actuarial Society Hachemeister Prize, 2015]

- “Capital Allocation Techniques: Review and Comparison,” (with Daniel Bauer and Qiheng Guo), *Variance*, 14(2), (2021)
- “Dynamic Capital Allocation with Irreversible Investments,” (with Daniel Bauer, Shinichi Kamiya, and Xiaohu Ping), *Insurance: Mathematics and Economics* 85: 138-52, (2019)
- “What Drives Tort Reform Legislation? Economics and Politics of the State Decisions to Restrict Liability Torts,” (with Yiling Deng), *Journal of Risk & Insurance* 85: 959-991, (2018)
- “Egalitarian Equivalent Capital Allocation,” (with Shinichi Kamiya), *North American Actuarial Journal* 21: 382-96, (2017)
- “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” (with Daniel Bauer), *Management Science* 62: 1431-1457 (2016)
- “Economic Analysis of Risk and Uncertainty Induced by Health Shocks: A Review and Extension,” (with Tomas J. Philipson), in *Handbook of the Economics of Risk and Uncertainty*, Volume 1, Mark J. Machina and W. Kip Viscusi (eds.), North Holland: Elsevier (2014)
- “Capital Allocation and Its Discontents,” (with Daniel Bauer), in *Handbook of Insurance* (2<sup>nd</sup> edition), Georges Dionne (ed.), New York: Springer (2013)
- “Financial Pricing of Insurance,” (with Daniel Bauer and Richard D. Phillips), in *Handbook of Insurance* (2<sup>nd</sup> edition), Georges Dionne (ed.), New York: Springer (2013)
- “Insurance Risk, Risk Measures, and Capital Allocation: Navigating a Copernican Shift,” (with Michael R. Powers), *Annual Review of Financial Economics* 5: 201-223 (2013)
- “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” (with Darius Lakdawalla), *Journal of Risk & Insurance* 79, pp. 449-76 (2012)
- “An Economic Approach to Capital Allocation,” *Journal of Risk and Insurance* 77, pp. 523-549 (2010) [Winner of Casualty Actuarial Society ARIA Award, 2010]
- “Federal Financial Exposure to Catastrophic Risk,” (with J. David Cummins and Michael Suher), in *Measuring and Managing Federal Financial Risk*, Deborah Lucas (ed.), Chicago: University of Chicago Press (2010)
- “Public versus Private Underwriting of Catastrophe Risk: Lessons from the California Earthquake Authority,” in *Risking House and Home: Disasters, Cities, Public Policy*, John M. Quigley and Larry A. Rosenthal (eds.), Berkeley: Berkeley Public Policy Press (2008)

“Regulation, Capital, and the Evolution of Organizational Form in U.S. Life Insurance,” *American Economic Review* 97, pp. 973-983 (2007)

“Insurance, Self Protection, and the Economics of Terrorism,” (with Darius Lakdawalla), *Journal of Public Economics* 89, pp. 1891-1905 (2005)

“Terrorism Insurance Policy and the Public Good,” (with Darius Lakdawalla), *St. John’s Journal of Legal Commentary* 18, pp. 463-469 (2004)

“The Production and Regulation of Health Insurance: Limiting Opportunism in Proprietary and Non-Proprietary Organizations,” (with Tomas Philipson) in *Individual Decisions for Health*, Bjorn Lindgren (ed.), pp. 194-206, Routledge International Studies in Health Economics, Routledge: London (2003)

“Pricing and Capital Allocation in Catastrophe Insurance,” *Journal of Financial Economics* 65, pp. 283-305 (2002) [reprinted in *Insurance and Risk Management Volume I: Economics of Insurance Markets*, Gregory Niehaus (ed.), Northampton: Edward Elgar Publishing, (2008)]

## **Publications: Professional/Practitioner**

Book review of “Moral Hazard in Health Insurance,” *Journal of Economic Literature* 53, pp. 682-3 (2015)

“Microinsurance Lessons from History,” (with Rick Koven), *Microinsurance Learning and Knowledge (MILK)* (2013)

“Institutional Investors and Asset Allocations: Accounting and Regulation of Private Defined Benefit Pension Plans and Other Institutional Investors in the United States, Mexico, and Australia,” (with John Broadbent, Michael Palumbo, and Julio Santaella), *CGFS Publication No. 27, Working Group on Institutional Investors, Global Savings, and Asset Allocation* (2006)

“An Overview of Political Risk Insurance” (with Kausar Hamdani and Elise Liebers), *CGFS Publication No. 22, Working Group on Foreign Direct Investment in the Financial Sector of Emerging Market Economies* (2005)

## **Work in Progress**

“Life Insurance and Annuity Pricing During the Financial Crisis, Revisited,” (with Daniel Bauer, Lars Powell, and Boheng Su), working paper, 2023

“Dynamic Capital Allocation in General Insurance,” (with Daniel Bauer and Qiheng Guo), working paper, 2023

- "The Ignorance of Crowds: Understanding Reserving Errors in the Liability Crisis of 1997-2001," (with Eren Cifci, Qianlong Liu, Steve Mildenhall, Lars Powell, and Kenny Wunder), working paper, 2023
- "Market Discipline and Guaranty Funds in Life Insurance," (with Martin Grace, Shinichi Kamiya, and Robert W. Klein), working paper, 2023
- "The Effect of Government Guarantees on Market Discipline in the Property-Casualty Insurance Industry," (with Yiling Deng, Ty Leverty, and Kenny Wunder), working paper, 2023
- "An Integrated Approach to Measuring Asset and Liability Risks in Financial Institutions," (with Daniel Bauer), working paper, 2023
- "Optimal Insurance Contracts with Insurer Background Risk," (with Xiaohu Ping), working paper, 2015
- "The Effect of Banking Crises: Evidence from Non-Life Insurance Consumption," (with Shinichi Kamiya and Jackie Li), working paper, 2015
- "Bankruptcy in the Core and Periphery of Financial Groups: The Case of the Property-Casualty Insurance Industry" working paper, 2010
- "The Rise and Fall of the Fraternal Life Insurer: Law and Organizational Form in U.S. Life Insurance, 1870-1920," working paper, (*revise and resubmit, Journal of Law & Economics*), 2007
- "Organizational Form and the Underwriting Cycle: Theory with Evidence from the Pennsylvania Fire Insurance Market, 1873-1909," working paper, 2004
- "Consumption versus Production of Insurance," (with Tomas Philipson), *NBER Working Paper #6225*, 1997

## **External Research Projects and Consulting**

- 2023 Using Industry Level Experience to Improve Company Loss Reserving, sponsored by CAS
- 2023 Expert Witness, Insurance Rate Filings, North Carolina
- 2023 Expert Witness, Workers' Compensation Rate Filings, Massachusetts
- 2022 Expert Witness, Insurance Rate Filings, North Carolina
- 2021 Expert Witness, *Golson v. Provident Life*, Alabama
- 2021 Expert Witness, Workers' Compensation Rate Filings, Massachusetts
- 2021 Expert Witness, Insurance Rate Filings, North Carolina
- 2020 Expert Witness, Insurance Rate Filings, North Carolina
- 2019 NCCI Review of Cost of Capital Methodology
- 2019 Expert Witness, Workers' Compensation Rate Filings, Massachusetts
- 2019 Expert Witness, Insurance Rate Filings, North Carolina

- 2018 NCCI Review of TCJA
- 2017 Expert Witness, Workers' Compensation Rate Hearing, Florida
- 2016 Expert Witness, Assigned Risk Workers' Compensation Rate Hearing, Virginia
- 2015 Expert Witness, Workers' Compensation Rate Hearing, Florida
- 2015 NCCI Revision of Underwriting Profit and Contingency Internal Rate of Return Model
- 2015 An Extension of the Project on the Costs of Holding Capital, sponsored by the CAS
- 2013 Microinsurance Centre Lessons from History Project
- 2012 Allocation of the Costs of Holding Capital, sponsored by the CAS,
- 2011 CRO Risk Index Project, co-sponsored by SOA and Bloomberg, co-founder
- 2009 "The Financial Crisis and Lessons for Insurers," \$50,000 SOA grant, role: report co-author

## **Papers Presented at Professional Meetings**

- 2023 "Life Insurance and Annuity Pricing During the Financial Crisis, Revisited" EGRIE Annual Seminar, Malaga, Spain
- 2023 "Life Insurance and Annuity Pricing During the Financial Crisis, Revisited" IME Annual Conference, Edinburgh, UK
- 2023 "Understanding Loss Reserving Errors in the Liability Catastrophe of 1997-2001," IME Annual Conference, Edinburgh, UK
- 2023 "Understanding Loss Reserving Errors in the Liability Catastrophe of 1997-2001," Gen Re Seminar, Cologne, Germany
- 2022 "Understanding Loss Reserving Errors in the Liability Catastrophe of 1997-2001," Conference in Honor of J.David Cummins and Mary Weiss, Temple University, Philadelphia
- 2020 "Life Insurance and Annuity Pricing During the Financial Crisis, Revisited" WRIEC, virtual meeting
- 2019 "An Integrated Approach to Measuring Asset and Liability Risks in Financial Institutions," EGRIE Annual Meeting, Rome, Italy
- 2019 "An Integrated Approach to Measuring Asset and Liability Risks in Financial Institutions," ARIA Annual Meeting, San Francisco, CA
- 2019 "An Integrated Approach to Measuring Asset and Liability Risks in Financial Institutions," RTS Annual Seminar, Tuscaloosa, AL
- 2017 "The Effect of Government Guarantees on Market Discipline in the Property-Casualty Insurance Industry," NBER Insurance Project Workshop, Boston, MA
- 2015 "The Marginal Cost of Risk in a Multi-Period Model," NBER Insurance Project Workshop, Stanford, CA
- 2015 "The Marginal Cost of Risk in a Multi-Period Model," CAS Annual Meeting, Philadelphia, PA
- 2015 "Dynamic Capital Allocation," IME Annual Conference, Liverpool UK
- 2015 "What Drives Tort Reform Legislation? Economics and Politics of the State Decisions to Restrict Liability Torts," ASSA Annual Meeting, Boston, MA
- 2014 "The Marginal Cost of Risk in a Multi-Period Model," CAS Centennial, New York, NY
- 2014 "Market Discipline and Guaranty Funds in Life Insurance," EGRIE Annual Seminar, St. Gallen, CH
- 2014 "Dynamic Capital Allocation with Irreversible Investments," EGRIE Annual Seminar, St. Gallen, CH
- 2014 "What Drives Tort Reform Legislation? Economics and Politics of the State Decisions to Restrict Liability Torts," ARIA Annual Meeting, Seattle, WA
- 2014 "The Marginal Cost of Risk in a Multi-Period Model," ARIA Annual Meeting, Seattle, WA
- 2014 "Market Discipline and Guaranty Funds in Life Insurance," ARIA Annual Meeting, Seattle, WA
- 2014 "The Marginal Cost of Risk in a Multi-Period Model," IME Conference, Shanghai, CN
- 2014 "The Effect of Banking Crises: Evidence from Non-Life Insurance Consumption," Risk Theory Seminar, Munich, Germany
- 2013 "The Effect of Banking Crises: Evidence from Non-Life Insurance Consumption," ASSA Annual Meeting, Philadelphia, PA
- 2013 "Optimal Insurance Contracts with Insurer Background Risk," EGRIE Annual Meeting, Paris, FR
- 2013 "The Effect of Banking Crises: Evidence from Non-Life Insurance Consumption," ARIA Annual Meeting, Washington D.C.

- 2013 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” IRFRC Catastrophe Risk Conference, Singapore
- 2013 “Optimal Insurance Contracts with Insurer Background Risk,” ARIA Annual Meeting, Washington D.C.
- 2013 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” CEAR/ETH Indices of Risk and New Risk Measures Conference, Zurich, CH
- 2012 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” CAS Spring Meeting, Phoenix, AZ
- 2012 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” Symposium: Risk and Catastrophic Events, State College, PA
- 2012 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” ASSA Annual Meeting, Chicago, IL
- 2011 “The Marginal Cost of Risk, Risk Measures, and Capital Allocation,” NBER Insurance Project Workshop, Cambridge, MA
- 2010 “Bankruptcy in the Core and Periphery of Financial Groups: The Case of the Property-Casualty Insurance Industry,” ASSA Annual Meeting, Atlanta, GA
- 2009 “Bankruptcy in the Core and Periphery of Financial Groups: The Case of the Property-Casualty Insurance Industry,” Risk Management and Corporate Governance Conference, Loyola University of Chicago
- 2009 “Bankruptcy in the Core and Periphery of Financial Groups: The Case of the Property-Casualty Insurance Industry,” ARIA Annual Meeting, Providence, RI
- 2008 “An Economic Approach to Capital Allocation,” Risk Theory Society, Annual Meeting, Fort Collins, CO
- 2007 “Federal Financial Exposure to Catastrophic Risk,” ARIA Annual Meeting, Quebec City, CA
- 2007 “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” EFMA Annual Meeting, Vienna, AT
- 2007 “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” 5<sup>th</sup> Infiniti Conference on International Financial Integration, Dublin, IE
- 2007 “Federal Financial Exposure to Catastrophic Risk,” NBER Conference on Measuring and Managing Federal Financial Risk, Evanston, IL
- 2006 Insuring Catastrophic Losses: The Status of TRIA and Proposed Natural Disaster Backstops, Wash., D.C.
- 2006 “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” Risk Theory Society, Annual Meeting, Richmond, VA
- 2006 “Public versus Private Underwriting of Catastrophe Risk: Lessons from the California Earthquake Authority,” Berkeley Symposium on Real Estate, Catastrophic Risk, and Public Policy
- 2006 “Catastrophe Bonds, Reinsurance, and the Optimal Collateralization of Risk Transfer,” NBER Insurance Project Workshop, Cambridge, MA
- 2005 “Regulation, Capital, and the Evolution of Organizational Form in U.S. Life Insurance,” NBER Insurance Project Workshop, Cambridge, MA
- 2004 “The Rise and Fall of the Fraternal Life Insurer: Law and Organizational Form in U.S. Life Insurance,” NBER Insurance Project Workshop, Cambridge, MA
- 2004 “Regulation, Capital, and the Evolution of Organizational Form in U.S. Life Insurance,” American Finance Association, Annual Meeting, San Diego, CA
- 2003 “Insurance, Self-Protection, and the Economics of Terrorism,” Risk Theory Society, Annual Meeting, Atlanta, GA
- 2003 “Terrorism Insurance Policy and the Public Good,” St. John’s Journal of Legal Commentary 10<sup>th</sup> Annual Legal Symposium: Terrorism and its Impact on Insurance: Legislative Responses and Coverage Issues, Queens, NY
- 2003 “Insurance, Self-Protection, and the Economics of Terrorism,” NBER Insurance Project Workshop, Cambridge, MA
- 2002 “Pricing and Capital Allocation in Catastrophe Insurance,” CAS Risk and Capital Management Seminar, Toronto, CA
- 2002 “Market Discipline and Government Guarantees in U.S. Life Insurance,” Risk Theory Society, Annual Meeting, Urbana-Champaign, IL
- 2001 “Pricing and Capital Allocation in Catastrophe Insurance,” Risk Theory Society, Annual Meeting, Montreal

*Other Conferences Talks and Panel Participation*

- 2018 Surplus Lines Automation Conference, Florida
- 2017 International Conference on Business Sciences, Cairo University, Egypt

- 2016 IIF Insurance Colloquium, Basel, Switzerland
- 2016 Surplus Lines Association of California, California (keynote)
- 2014 Surplus Lines Automation Conference, Florida
- 2011 PRMIA Annual Risk Leadership Conference, Atlanta, GA
- 2011 7<sup>th</sup> International Microinsurance Conference, Rio de Janeiro, Brazil
- 2010 Property Loss Research Bureau Eastern Adjusters Conference, Atlanta, GA (keynote)
- 2008 NCOIL Annual Meeting, Duck Key, FL
- 2007 Capital Markets Symposium on Securitized Insurance Risk, New York, NY
- 2006 Insuring Catastrophic Losses: The Status of TRIA and Proposed Natural Disaster Backstops, Wash., D.C.
- 2006 Catastrophe Bonds and Insurance Linked Securities Summit, New York, NY
- 2005 12<sup>th</sup> Annual International Conference Promoting Business Ethics, New York, NY

## Service Activities in Academic and Professional Organizations

Senior Editor, *Journal of Risk and Insurance* (2019- )  
Associate Editor, *Insurance: Mathematics and Economics* (2022-)  
International Research Advisory Board, Risk and Insurance Research Center, NCCU, Taiwan  
American Risk & Insurance Association President (2012-13)  
Risk Theory Society President (2011-2012)  
American Risk & Insurance Association Board Member (2007-2014)  
Editorial Board, *Journal of Insurance Issues* (2012-2014)  
Huebner Colloquium Panelist (2016-2019)

### External Committees

*American Risk & Insurance Association Program Committee, various years; ARIA Nominations Committee, 2015, 2016, 2018; Kulp-Wright Book Award Committee, 2005*

Discussant: *EGRIE Annual Seminar, Malaga, 2023; ARIA Annual Meeting, Los Angeles, 2022; WRIEC 2020; EGRIE Annual Meeting, Rome, 2019; ARIA Annual Meeting, San Francisco, 2019; ARIA Annual Meeting, Chicago, 2018; ARIA Annual Meeting, Boston, 2016; SIFR Insurance Conference, Stockholm, 2015; EGRIE Annual Seminar, St. Gallen, 2014; ARIA Annual Meeting, Seattle, 2014; ARIA Annual Meeting, San Diego, 2011; CEAR Workshop on Insurance for the Poor, Atlanta, 2010; CEAR Workshop on Risk Perception and Subjective Beliefs, Atlanta, 2010; Midwest Finance Association Annual Meeting, Chicago, 2009; 5<sup>th</sup> Infiniti Conference, Dublin, 2007; EFMA Annual Meeting, Vienna, 2007; AEA Annual Meeting, San Diego, 2004*

Session Chair: *ARIA Annual Meeting, Chicago, 2018, ARC, Atlanta, 2017; IME, Atlanta, 2017; ARIA Annual Meeting, San Diego, 2011; Midwest Finance Association Annual Meeting, Chicago, 2009; ARIA Annual Meeting, Quebec City, 2007; EFMA Annual Meeting, Vienna, 2007;*

Referee for *Asia-Pacific Journal of Risk and Insurance, Astin Bulletin, Australian Social Monitor, Contemporary Economic Policy, Current Issues in Economics and Finance, Defense and Peace Economics, European Economic Review, Financial Review, Geneva Papers: Issues and Practice, Geneva Risk and Insurance Review, Health Affairs, Insurance: Mathematics and Economics, Journal of Banking and Finance, Journal of Business, Journal of Finance, Journal of Financial Intermediation, Journal of Financial Services Research, Journal of Law and Economics, Journal of Mathematical Economics, Journal of Money, Credit, and Banking, Journal of Political Economy, Journal of Risk and Insurance, Management Science, Mathematical Social Sciences, North American Actuarial Journal, Proceedings of the National Academy of Sciences, Review of Financial Studies, Risk Management and Insurance Review, Scandinavian Actuarial Journal, and Science.*



### Working Group Participation

*Committee on the Global Financial System, Working Group on Institutional Investors, Global Savings, and Asset Allocation (2006); Presidential Working Group on Financial Markets, Working Group on Terrorism Insurance (2006)*

### Continuing Education Activities

- 2004-2007 Central Banking Seminar, Federal Reserve Bank of New York, Topics: Introduction to U.S. Financial Markets; Introduction to Non-bank Financial Institutions
- 2009 Texas Farm Bureau Program, Georgia State University, Topic: Securitization, the Insurance Industry, and the Panic of 2007
- 2009-2012 Horst K. Jannott Visiting Fellows Program, Georgia State University, Topics: Securitization, the Insurance Industry, and the Panic of 2007; Introduction to Statistics

<b>NCRB - Pro Forma Statutory Rate of Return HOMEOWNERS INSURANCE</b>			
	<b>Pre-Tax</b>	<b>Tax Liability</b>	<b>Post-Tax</b>
<b>1 Premiums</b>	100.00%		
Loss & LAE	44.97%		
Commissions	12.00%		
Other Acquisition & General	6.88%		
Taxes, Licenses, & Fees	2.80%		
Policyholder Dividends	0.50%		
Net Cost of Reinsurance	22.99%		
Compensation for Assessment Risk	0.86%		
<b>2 Pro Forma Underwriting Profit</b>	9.00%		
<b>3 Installment Fee Income</b>	0.29%		
<b>4 Regular Tax</b>		1.95%	
<b>5 Additional Tax Due to IRS Treatment of Reserves</b>		0.09%	
<b>6 Total Return from Underwriting Post-Tax</b>			7.25%
<b>7 Investment Gain on Insurance Transaction</b>	2.16%		
Less Investment Income on Agent and Reinsurance Balances	0.65%		
<b>Net Investment Gain on Insurance Transaction</b>	1.51%	0.26%	1.26%
<b>8 Total Return as a Percent of Premium (post-tax)</b>			8.51%
<b>9 Premium-to-Net Worth Ratio</b>			0.87
<b>10 Total Return as a Percent of Net Worth (post-tax)</b>			7.43%

*Lines (1) to (8) are expressed as a percentage of premium.*

## Assumptions and Parameters

(a) Underwriting Income Tax Rate	21.00%
(b) Investment Income Tax Rate	17.07%
(c) Pre-tax Investment Yield	5.19%
(d) Premium-to-Surplus Ratio	0.98
(e) Net Worth-to-Surplus Ratio	1.122
(f) Installment Fee Income	0.29%
(g) Additional Tax Due to IRS Treatment of Loss Reserves and UEPR	0.09%
(h) Net Cost of Reinsurance	22.99%
(i) Compensation for Assessment Risk	0.86%

**Notes to Exhibit RB-24 Page 1**

- 1 The expense provisions are those used in Exhibit RB-1, adjusted for the proposed rate change.
- 2 Selected by North Carolina Rate Bureau
- 3 See Exhibit RB-24, Page 3
- 4  $[(2) + (3)] \times (a)$
- 5 See Exhibit RB-24, Pages 4-6
- 6  $(2) + (3) - (4) - (5)$
- 7 Investment income on agents balances is calculated as  $0.1517 \times 1.021 \times (c)$ , where 0.1517 is a factor for agents balances held for less than 90 days and 1.021 is a factor to correct for overdue balances. From this figure, we deduct investment income on net reinsurance balances, which we estimate at 0.105 of the total cost of reinsurance times (c). The estimate for net reinsurance balances is based on ceded balances payable plus funds held plus other amounts due reinsurers minus reinsurance recoverables. These amounts are taken from the aggregated Schedule F as reported in the latest available edition of A.M. Best Aggregates & Averages.
- 8  $(6) + (7)$
- 9  $(d) / (e)$
- 10  $(8) \times (9)$

**Assumptions**

- (a) Current corporate tax rate, based on the Tax Cut and Jobs Act of 2017.
- (b) See Exhibit RB-24, Pages 11-13. Calculated as 1- average post-tax yield/average pre-tax yield.
- (c) See Exhibit RB-24, Page 10
- (d) See Exhibit RB-24, Page 14
- (e) See Exhibit RB-24, Page 15
- (f) See Exhibit RB-24, Page 3
- (g) See Exhibit RB-24, Pages 4-6
- (h) Net Cost of Reinsurance based on the analysis of Aon incorporated in the filing, adjusted for the indicated rate change.
- (i) Compensation for Assessment Risk based on the analysis of Aon incorporated in the filing, adjusted for the indicated rate change.

<b>NCRB - Pro Forma Statutory Rate of Return (Including Investment Income on Surplus) HOMEOWNERS INSURANCE</b>			
	<b>Pre-Tax</b>	<b>Tax Liability</b>	<b>Post-Tax</b>
<b>1 Premiums</b>	100.00%		
<b>Loss &amp; LAE</b>	44.97%		
<b>Commissions</b>	12.00%		
<b>Other Acquisition &amp; General</b>	6.88%		
<b>Taxes, Licenses, &amp; Fees</b>	2.80%		
<b>Policyholder Dividends</b>	0.50%		
<b>Net Cost of Reinsurance</b>	22.99%		
<b>Compensation for Assessment Risk</b>	0.86%		
<b>2 Pro Forma Underwriting Profit</b>	9.00%		
<b>3 Installment Fee Income</b>	0.29%		
<b>4 Regular Tax</b>		1.95%	
<b>5 Additional Tax Due to IRS Treatment of Reserves</b>		0.09%	
<b>6 Total Return from Underwriting Post-Tax</b>			7.25%
<b>7 Investment Gain on Insurance Transaction</b>	2.16%		
<b>Less Investment Income on Agent and Reinsurance Balances</b>	0.65%		
<b>Net Investment Gain on Insurance Transaction</b>	1.51%	0.26%	1.26%
<b>8 Investment Gain on Surplus</b>	5.79%	0.99%	4.80%
<b>9 Total Return as a Percent of Premium (post-tax)</b>			13.31%
<b>10 Premium-to-Net Worth Ratio</b>			0.87
<b>11 Total Return as a Percent of Net Worth (post-tax)</b>			11.62%
<i>Lines (1) to (8) are expressed as a percentage of premium.</i>			

## Assumptions and Parameters

(a) Underwriting Income Tax Rate	21.00%
(b) Investment Income Tax Rate	17.07%
(c) Pre-tax Investment Yield	5.19%
(d) Premium-to-Surplus Ratio	0.98
(e) Net Worth-to-Surplus Ratio	1.122
(f) Installment Fee Income	0.29%
(g) Additional Tax Due to IRS Treatment of Loss Reserves and UEPR	0.09%
(h) Net Cost of Reinsurance	22.99%
(i) Compensation for Assessment Risk	0.86%

**Notes to Exhibit RB-24 Page 1A**

1 The expense provisions are those used in Exhibit RB-1, adjusted for the proposed rate change.

2 Selected by North Carolina Rate Bureau

3 See Exhibit RB-24, Page 3

4  $[(2) + (3)] \times (a)$

5 See Exhibit RB-24, Pages 4-6

6  $(2) + (3) - (4) - (5)$

7 Investment income on agents balances is calculated as  $0.1517 \times 1.021 \times (c)$ , where 0.1517 is a factor for agents balances held for less than 90 days and 1.021 is a factor to correct for overdue balances. From this figure, we deduct investment income on net reinsurance balances, which we estimate at 0.105 of the total cost of reinsurance times (c). The estimate for net reinsurance balances is based on ceded balances payable plus funds held plus other amounts due reinsurers minus reinsurance recoverables. These amounts are taken from the aggregated Schedule F as reported in the latest available edition of A.M. Best Aggregates & Averages.

8  $(c) \times [1 / (d) + 0.1777 \times 0.5285]$ , where 0.1777 is the prepaid expense ratio minus the total cost of reinsurance from Page 7, and 0.5285 is the UEPR ratio from Page 7.

9  $(6) + (7) + (8)$

10  $(d) / (e)$

11  $(9) \times (10)$

**Assumptions**

(a) Current corporate tax rate, based on the Tax Cut and Jobs Act of 2017.

(b) See Exhibit RB-24, Pages 11-13. Calculated as  $1 - \text{average post-tax yield} / \text{average pre-tax yield}$ .

(c) See Exhibit RB-24, Page 10

(d) See Exhibit RB-24, Page 14

(e) See Exhibit RB-24, Page 15

(f) See Exhibit RB-24, Page 3

(g) See Exhibit RB-24, Pages 4-6

(h) Net Cost of Reinsurance based on the analysis of Aon incorporated in the filing, adjusted for the indicated rate change.

(i) Compensation for Assessment Risk based on the analysis of Aon incorporated in the filing, adjusted for the indicated rate change.

**NORTH CAROLINA  
HOMEOWNERS INSURANCE  
INSTALLMENT PAYMENT INCOME**

<b>Year</b>	<b>Installment Charges</b>	<b>Direct Written Premium</b>	<b>Percentage</b>
2022	8,722,495	3,643,680,035	0.24%
2021	7,260,311	3,255,596,441	0.22%
2020	8,572,708	3,043,529,552	0.28%
2019	9,772,684	2,831,680,169	0.35%
2018	9,491,438	2,660,370,763	0.36%
Selected Value			0.29%

Source: NCRB

**North Carolina  
HOMEOWNERS INSURANCE  
Calculation of Additional Tax Liability**

<b>1. Collected Direct Earned Premium for Current Year</b>	100.00%
<b>2. Unearned (Net) Premium Reserve 12/31/Current</b>	39.93%
<b>3. Unearned (Net) Premium Reserve 12/31/Prior</b>	37.84%
<b>4. Increase: (2) - (3)</b>	2.09%
<b>5. 20% of Increase = Taxable Income</b>	0.42%
<b>6. Additional Tax Liability due to Unearned Premium Reserve</b>	0.09%
<b>7. Unpaid Net Loss Current Year</b>	11.82%
<b>8. Discounted Unpaid Net Loss Prior Year</b>	11.27%
<b>9. Unpaid Net Loss Prior Year</b>	11.20%
<b>10. Discounted Unpaid Net Loss Prior Year</b>	10.64%
<b>11. Additional Income</b>	-0.01%
<b>12. Additional Tax Liability due to Loss Reserve Discounting</b>	0.00%
<b>13. Total Additional Tax Liabilities (6) + (12)</b>	0.09%

**NORTH CAROLINA  
HOMEOWNERS INSURANCE  
Calculation of Taxable Income**

Calculation of Unpaid Loss for Current Accident Year (AY)					Calculation of Discounted Unpaid Loss for Current AY			Calculation of Discounted Unpaid Loss for Prior AY			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
AY Avg Acc Date	AY Pay Pattern	Percent Unpaid	Total Losses	Unpaid Losses	AY at 12/31 yr t	Discount Factor	Discounted Unpaid Loss	AY at 12/31/yr t-1	Unpaid Losses	Discount Factor	Discounted Unpaid Loss
0.5	76.64%	23.36%	44.965	10.51	2022	0.957799	10.0620				
1.5	94.54%	5.46%	42.612	2.33	2021	0.938725	2.1834	2021	9.955	0.954554	9.5030
2.5	98.72%	1.28%	40.381	0.51	2020	0.937004	0.4825	2020	2.204	0.933939	2.0585
3.5	99.70%	0.30%	38.268	0.11	2019	0.928864	0.1059	2019	0.488	0.936815	0.4572
4.5	99.93%	0.07%	36.265	0.03	2018	0.914064	0.0231	2018	0.108	0.932041	0.1007
5.5	99.98%	0.02%	34.366	0.01	2017	0.916039	0.0051	2017	0.024	0.914064	0.0219
6.5	100.00%	0.00%	32.568	0.00	2016	0.913154	0.0011	2016	0.005	0.916039	0.0049
7.5	100.00%	0.00%	30.863	0.00	2015	0.910177	0.0000	2015	0.001	0.913154	0.0011
								2014	0.000	0.910177	0.0000
<b>Totals</b>				<b>13.49</b>	<b>12.86</b>			<b>12.79</b>		<b>12.15</b>	



**Notes to Pages 4 and 5**

Page 4

- 2 [Page 8, line (2) divided by Page 8, line (1)] times one minus the Cost of Reinsurance from Page 7
- 3 (2) divided by 1 plus the 10 year average growth rate of Homeowners premiums in North Carolina
- 4 (2) - (3)
- 5 (4) x 20%
- 6 (5) x current corporate tax rate
- 7 Unpaid current-year net losses at year-end as a percent of current year premium.  
Sum of Page 5, Column (5) x (ratio of the net loss and LAE ratio from Page 7 to the direct loss and LAE ratio from Page 1)
- 8 Discounted unpaid current-year losses at year-end as a percent of current year premium.  
Sum of Page 5, Column (8) x (ratio of the net loss and LAE ratio from Page 7 to the direct loss and LAE ratio from Page 1)
- 9 Unpaid prior-year losses at year-end as a percent of current year premium.  
Sum of Page 5, Column (10) x (ratio of the net loss and LAE ratio from Page 7 to the direct loss and LAE ratio from Page 1)
- 10 Discounted unpaid prior-year losses at year-end as a percent of current year premium.  
Sum of Page 5, Column (12) x (ratio of the net loss and LAE ratio from Page 7 to the direct loss and LAE ratio from Page 1)
- 11 Change in loss reserve discount: [ (7) - (8) ] - [ (9) - (10) ]
- 12 (11) x current corporate tax rate
- 13 (6) + (12)

Page 5

- 1 Midpoint of number of years since end of accident period
- 2 Homeowners accident year payout pattern developed from North Carolina policy year losses (Source: ISO)
- 3 1 - (2)
- 4 Latest period losses are based on projected loss ratio from Page 1. For previous years,  
losses are detrended at the 10 year average premium growth rate for Homeowners in North Carolina.
- 5 (3) x (4)
- 6 Accident Year at current year end
- 7 IRS discount factors for Multiple Peril Lines from Revenue Procedure 2023-10
- 8 (5) x (7)
- 9 Accident Year at prior year end
- 10 Column (3), previous period x Column (4), current period
- 11 IRS discount factors for Multiple Peril Lines from Revenue Procedure 2021-54
- 12 (10) x (11)

**NCRB Investment Income Calculation  
HOMEOWNERS INSURANCE**

**Projected Investment Earnings on Loss, Loss  
Adjustment Expense and Unearned Premium Reserves**

**A. UNEARNED PREMIUM RESERVES**

1. Direct Earned Premiums		1,000,000
2. Mean Unearned Premium Reserve	52.85%	528,538
3. Deductions for Prepaid Expenses		
Commissions & Brokerage	12.00%	
Taxes, Licenses, & Fees (5/6)	2.33%	
Other Acquisition & General (1/2)	3.44%	
Cost of Reinsurance	28.57%	
Total	46.34%	
4. Deduction for Prepaid Expense: (2) x (3)		244,916
5. Net Unearned Premium Reserve Subject to Investment (2) - (4)		283,622

**B. Loss and Loss Expense Reserves**

1. Direct Earned Premiums		1,000,000
2. Expected Net Incurred Loss & LAE-to-Direct Premium Ratio	39.39%	393,926
3. Expected Mean Loss and LAE Reserve-to-Incurred Ratio	33.74%	132,905

**C. Net Policyholder Funds Subject to Investment (A5 + B3)** 416,527

**D. Average Rate of Return** 5.19%

**E. Investment Earnings from Net Reserves: ( C ) x ( D )** 21,624

**F. Average Rate of Return as a Percent of Direct Earned Premiums: ( E ) / ( A1 )** 2.16%

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES**

**EXPLANATORY NOTES**

Line A-1

Calculations displayed are per million of direct earned premiums.

Line A-2

The mean unearned premium reserve (UEPR) is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the direct earned premium for the current calendar year ended 12/31. The data are for North Carolina Homeowners (NC HO) insurance (from statutory Page 14 of the Annual Statement).

1 NC HO Direct Earned Premium for most recent calendar year	3,418,913,643
2 NC HO UEPR at end of most recent calendar year	1,910,955,876
3 NC HO UEPR at end of previous calendar year	1,703,096,979
4 Mean NC HO UEPR	1,807,026,428
5 Ratio [ (4) / (1) ]	52.85%

Line A-3

Deduction for prepaid expenses

Certain production expenses, such as commissions and reinsurance, are assumed to be incurred when the policy is written and before the premium is paid. In addition, half of Other Acquisition and General expenses and 5/6 of Taxes, Licenses and Fees are assumed to be prepaid.

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES**

**EXPLANATORY NOTES**

Line B-2

Ratio is calculated as the expected direct loss and LAE ratio from Page 1 minus the difference between the total cost of reinsurance from Line A-3 and the net cost of reinsurance from Page 1.

Line B-3

The mean loss reserve is calculated by multiplying the incurred losses in (2) by the ratio for mean loss reserves to incurred losses. The latter figures are based on total statutory Page 14 figures for North Carolina Homeowners direct losses incurred and direct losses unpaid. The adjustment for loss expense reserves is based on nationwide industry aggregates for the Homeowners line.

6 Direct Losses Incurred	2018	2,349,919,704
7 Direct Losses Incurred	2019	1,561,396,362
8 Direct Losses Incurred	2020	1,861,156,269
9 Direct Losses Incurred	2021	1,592,119,157
10 Direct Losses Incurred	2022	2,316,094,568
11 Direct Losses Unpaid	2017	398,416,653
12 Direct Losses Unpaid	2018	732,364,300
13 Direct Losses Unpaid	2019	526,638,529
14 Direct Losses Unpaid	2020	583,782,316
15 Direct Losses Unpaid	2021	560,103,530
16 Direct Losses Unpaid	2022	896,965,689
17 Mean Loss Reserve	2018	565,390,477
18 Mean Loss Reserve	2019	629,501,415
19 Mean Loss Reserve	2020	555,210,423
20 Mean Loss Reserve	2021	571,942,923
21 Mean Loss Reserve	2022	728,534,610
22 Ratio	2018	24.06%
23 Ratio	2019	40.32%
24 Ratio	2020	29.83%
25 Ratio	2021	35.92%
26 Ratio	2022	31.46%
27 Average Loss Reserve		32.32%
28 Ratio of LAE Reserves to Loss Reserves		0.187
29 Ratio of Incurred LAE to Incurred Loss		0.137
30 Loss & LAE Reserve [ (27) x (1+(28))/(1+(29)) ]		0.337

**NORTH CAROLINA  
HOMEOWNERS INSURANCE**

**ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES**

**EXPLANATORY NOTES**

Line E

The average rate of return is the average of the pretax current yield calculated on Page 11 and the pretax embedded yield. The embedded yield (see Page 12) is the sum of the ratio of investment income to invested assets for the most recent year plus the ten year average ratio of capital gains to invested assets (see Page 13). The current yield is the estimated currently available rate of return (including both income and capital gains) on the industry investment portfolio (see Page 11).

Embedded Yield	3.86%
Current Yield	6.52%
Average	5.19%

Portfolio Yield and Tax Rate - Current Yield					
Investable Asset	Percent of Assets	Estimated Prospective Pre-Tax Return	Tax Rate	Estimated Prospective Post-Tax Return	
<b>Bonds</b>					
US Gov't	9.73%	4.91%	21.00%	3.88%	
Municipal	21.05%	3.52%	5.25%	3.33%	
Industrial	34.16%	5.44%	21.00%	4.30%	
Preferred Stock	0.46%	7.01%	13.13%	6.09%	
Common Stock	18.38%	13.78%	19.44%	11.10%	
Mortgage Loans	1.32%	7.17%	21.00%	5.67%	
Real Estate	0.76%	7.92%	21.00%	6.26%	
Cash & Short-term Investments	5.43%	5.59%	21.00%	4.42%	
Other Long-Term Investments	8.71%	8.13%	18.67%	6.61%	
<b>Rate of Return Before Expenses</b>	100.00%	6.81%	18.43%	5.55%	
<b>Investment Expenses</b>		0.29%	21.00%	0.23%	
<b>Portfolio Rate of Return</b>		6.52%	18.31%	5.33%	

**Sources**

Preferred Stock	Current yield on iShares Preferred Stock Index ETF, 10/25/23
Real Estate	REIT Sector WACC; source: Damodaran Online, using 4.583 for Treasury bond yield (source: Damodaran Online)
Cash	3 month Treasury rate, averaged over 3 months (source: US Treasury)
Municipal	Maturity weighted avg of 3 month avg MBIS Investment Grade yield curve; linearly interpolated
Industrial	Three month average of HQM par yields (source: FRED); linearly interpolated
Treasury	Three month average of Treasury yields; linearly interpolated (source: US Treasury)
Common Stock	0.0819 ERP (source: Damodaran Online) plus 3 month average T-Bill Rate
Other LTI	Average of yields on bond portfolio, preferred stock, common stock, mortgages, and real estate.
Investment Expenses	Investment Expenses from statutory Page 12 of the Annual Statement (Exhibit of Net Investment Income) divided by the average of the last two years' Cash and Invested Assets from statutory Page 2 of the Annual Statement (Assets), as compiled in A.M. Best's Aggregates and Averages.

<b>Portfolio Yield and Tax Rate Embedded Yield</b>		
	<b>Income</b>	<b>Tax Rate</b>
<b>Bonds</b>		
<b>Taxable</b>	31,319,900	21.00%
<b>Non-Taxable</b>	6,002,714	5.25%
<b>Stocks</b>		
<b>Taxable</b>	10,532,139	13.13%
<b>Non-Taxable</b>	3,239,275	5.25%
<b>Mortgage Loans</b>	1,409,375	21.00%
<b>Real Estate</b>	1,933,499	21.00%
<b>Contract Loans</b>	202	21.00%
<b>Cash &amp; Short Term Inv</b>	1,967,412	21.00%
<b>All Other</b>	22,850,110	21.00%
<b>Total</b>	79,254,626	18.12%
<b>Inv. Expenses</b>	6,410,961	21.00%
<b>Net Inv. Income</b>	72,843,665	17.87%
<b>Mean Invested Assets</b>	2,251,339,204	
<b>Inv. Inc. Yield Rate</b>	3.24%	17.87%
<b>Capital Gains (10 yr. avg.) (% of Inv. Assets)</b>	0.62%	0.00%
<b>Invest. Yield Rate (pre-tax)</b>	3.86%	14.98%
<b>Invest. Yield Rate (post-tax)</b>	3.28%	

Source: A.M. Best's Aggregates and Averages, 2023 Edition, Page 12 - Exhibit of Net Investment Income (Column 2 - Earned During Year). For capital gains, see Exhibit RB-24, Page 13.

**Realized Capital Gains or Losses  
As a Percentage of Mean Invested Assets  
(Amounts in Thousands of Dollars)**

<b>Calendar Year</b>	<b>Mean Invested Assets</b>	<b>Realized Capital Gains Amount</b>	<b>Percent</b>
<b>2013</b>	1,473,600,834	12,163,890	0.83%
<b>2014</b>	1,543,882,375	12,093,078	0.78%
<b>2015</b>	1,567,611,077	9,887,732	0.63%
<b>2016</b>	1,596,937,470	8,086,268	0.51%
<b>2017</b>	1,676,831,258	15,725,303	0.94%
<b>2018</b>	1,733,729,297	10,825,733	0.62%
<b>2019</b>	1,822,857,949	11,238,484	0.62%
<b>2020</b>	1,975,605,647	10,933,304	0.55%
<b>2021</b>	2,156,355,790	18,153,320	0.84%
<b>2022</b>	2,251,339,204	2,090,986	0.09%
<b>Total</b>	<b>17,798,750,898</b>	<b>111,198,098</b>	<b>0.62%</b>

"Mean Invested Assets" is the average of current and prior year values for Total Invested Assets (Page 2). Source for data is 2013-2023 editions of A.M. Best's Aggregates and Averages. Figures are net of capital gains taxes.



**North Carolina**

**HOMEOWNERS INSURANCE**

**Premium-to-Surplus Ratios**

<b>Year</b>	<b>Ratio</b>
<b>2022</b>	1.09
<b>2021</b>	0.90
<b>2020</b>	0.93
<b>2019</b>	0.96
<b>2018</b>	1.02
<b>2017</b>	0.98
<b>2016</b>	0.98
<b>2015</b>	0.98
<b>2014</b>	0.98
<b>2013</b>	0.98
<b>Average</b>	0.98

Data from NAIC Statutory Filings and from A.M. Best's  
 Aggregates and Averages, various years, for all groups writing  
 Homeowners insurance in North Carolina, weighted by North  
 Carolina Homeowners direct premiums written.

**North Carolina**  
**HOMEOWNERS INSURANCE**  
**Calculation of Ratio of GAAP Net Worth to Statutory Surplus**

	2018	2019	2020	2021	2022
<b>Policyholder Surplus</b>	742,079,084,495	847,278,658,173	910,066,482,410	1,028,834,642,825	958,964,082,808
<b>+ Deferred Acquisition Costs</b>	43,991,738,565	46,002,606,289	48,118,482,109	51,883,319,641	54,714,320,843
<b>+ Non-Admitted DTA Provision</b>	6,314,927,861	6,045,409,090	6,001,020,602	5,674,496,962	6,641,006,360
<b>+ Non-admitted Assets (non-tax part)</b>	46,502,063,197	50,520,441,190	51,971,123,366	62,815,925,708	54,765,183,036
<b>+ Provision for Reinsurance</b>	2,737,598,756	2,944,031,835	3,290,710,172	3,665,749,561	2,962,166,230
<b>+ Provision for FASB 115(after-tax)</b>	912,505,274	32,483,869,271	57,249,505,836	30,528,918,187	(69,664,596,475)
<b>- Surplus Notes</b>	(11,660,367,237)	(11,606,263,627)	(13,225,869,920)	(13,699,558,971)	(15,548,449,729)
<b>GAAP-adjusted Net Worth</b>	830,877,550,911	973,668,752,221	1,063,471,454,574	1,169,703,493,912	992,833,713,073
<b>Ratio of Net Worth to Surplus</b>	1.12	1.15	1.17	1.14	1.04
<b>Five Year Average</b>	1.122				

Source: ISO

## Sample of Findings on the Private Company Discount

Study	Years	Discount	Type
Emory (1994)	1992-1993	45%	IPO
Willamette Management Associates (various)	1975-1997	29% to 60%	IPO
Garland and Reilly (2004)	1998-2002	35%	IPO
Larcker et al. (2018)	2017	39% to 47%	IPO
Koeplin et al. (2000)	1984-1998	20% to 30%	Acquisitions
Block (2007)	1999-2006	20% to 25%	Acquisitions
Officer (2007)	1979-2003	15% to 30%	Acquisitions
Paglia and Harjoto (2010)	1993-2008	65% to 70%	Acquisitions
Jaffe et al. (2018)	1985-2014	0%	Acquisitions
Lohrey (2020)	2005-2015	48% to 62%	Acquisitions
Goetz (2021)	1997-2014	13%	Acquisitions
Silber (1991)	1981-1988	34%	Restricted Stock
Johnson (1999)	1991-1995	20%	Restricted Stock
Bajaj et al. (2001)	1990-1995	7%	Private placements
Comment (2012)	2004-2010	5% to 6%	Private placements
Finnerty (2013)	1991-1997	21%	Private placements
Finnerty (2013)	1997-2007	15%	Private placements
Chen et al. (2015)	1999-2012	10%	Private placements

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\* The Willamette research studies were unpublished but reported in *Business Valuation Discounts and Premiums*, Chapter 5, by Shannon Pratt (New York: John Wiley & Sons, Inc., p. 85).