

north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

North Carolina Rate Bureau

December 8, 2008

Honorable James E. Long
Commissioner of Insurance
North Carolina Department of Insurance
P. O. Box 26387
Raleigh, North Carolina 27611

Re: Revision of Homeowners Insurance Rates

Dear Sir:

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 which indicate the need for (1) statewide average rate level changes of 19.5% for all Homeowners Forms; and (2) revised windstorm and hail exclusion credits.

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 F. Additionally, the pre-filed testimony of (a) Robert J. Curry, Assistant Vice President - Insurance Services Office, Inc.; (b) Shantelle Thomas, Chairman, Property Rating Subcommittee; (c) David Lalonde, Senior Vice President - AIR Worldwide Corporation; (d) Dr. James Vander Weide, Fuqua School of Business of Duke University; and (e) Dr. David Appel - Director - Milliman, Inc. 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 policies written to become effective on or after May 1, 2009.

Your approval of this filing is respectfully requested.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms

Enclosure

NORTH CAROLINA
HOMEOWNERS INSURANCE
REVISION OF RATES

INDEX

	<u>Page(s)</u>
Section A – Summary of Revision	
Statewide Rate Level Changes	A-1
Territory Rate Level Changes	A-2
Current and Revised Territory Base Rates	A-3-4
Section B – Material to be Implemented	
Revised Rules	B-1-2
Section C – Supporting Material	
Determination of Statewide Rate Level Change	C-1-4
Calculation of Territory Relative Changes	C-5-10
Derivation of Wind Exclusion Credits	C-11-14
Section D – Explanatory Material	
Explanatory Memorandum	D-1-7
Loss Development	D-8
Loss Trend Indices	D-9-13
Loss Experience By Cause-of--Loss	D-14
Premium Trend	D-15,17,19
Composite Trend	D-16,18,20
Expense Exhibit and Trend	D-21-25
Derivation of Excess Factor	D-26
Development of Excess Losses on a \$250 Deductible Level	D-27
Methodology for Calculating Wind Provisions by Territory	D-28
Modelled Hurricane Losses	D-29-31
Section E - Supplemental Material	E-1-362

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION A - SUMMARY OF REVISION

NORTH CAROLINA
HOMEOWNERS INSURANCE
STATEWIDE RATE LEVEL CHANGES

<u>FORM</u>	<u>PREMIUM WEIGHT (A)</u>	<u>FILED CHANGE</u>
OWNERS	\$1,498,766,325	19.5%
TENANT	\$24,074,875	19.8%
CONDOMINIUMS	\$13,213,524	15.5%
ALL FORMS	\$1,536,054,724	19.5%

(A) Year-ended 12/31/2005 aggregate premium at current level

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATEWIDE AND TERRITORY RATE LEVEL CHANGES

<u>Territory</u>	<u>Owners</u>	<u>Tenant</u>	<u>Condominiums</u>
05	32.1%	-12.9%	-11.1%
06	50.9%	-15.7%	-15.9%
32	32.9%	15.6%	8.7%
34	15.6%	4.1%	1.9%
36	13.0%	32.4%	17.6%
38	3.9%	29.7%	21.9%
39	1.2%	24.2%	16.7%
41	22.5%	10.5%	18.2%
42	69.8%	18.1%	15.4%
43	42.0%	3.6%	16.7%
44	22.2%	21.3%	12.8%
45	15.4%	21.3%	22.5%
46	9.7%	8.3%	14.3%
47	13.2%	15.2%	15.8%
53	13.8%	15.0%	14.0%
57	11.2%	25.7%	31.0%
60	9.2%	25.8%	23.1%
Statewide	19.5%	19.8%	15.5%

NORTH CAROLINA
 HOMEOWNERS INSURANCE
CURRENT AND REVISED BASE RATES (A)

<u>Territory</u>	<u>Current</u>			<u>Filed</u>		
	<u>Owners (B)</u>	<u>Tenant (C)</u>	<u>Condominiums (C)</u>	<u>Owners (B)</u>	<u>Tenant (C)</u>	<u>Condominiums (C)</u>
5	\$1,295	\$140	\$126	\$1,711	\$122	\$112
6	\$1,295	\$140	\$126	\$1,954	\$118	\$106
32	\$410	\$45	\$46	\$545	\$52	\$50
34	\$531	\$73	\$54	\$614	\$76	\$55
36	\$354	\$34	\$34	\$400	\$45	\$40
38	\$358	\$37	\$32	\$372	\$48	\$39
39	\$345	\$33	\$30	\$349	\$41	\$35
41	\$614	\$57	\$44	\$752	\$63	\$52
42	\$809	\$83	\$78	\$1,374	\$98	\$90
43	\$809	\$83	\$78	\$1,149	\$86	\$91
44	\$414	\$47	\$39	\$506	\$57	\$44
45	\$518	\$47	\$40	\$598	\$57	\$49
46	\$393	\$48	\$42	\$431	\$52	\$48
47	\$446	\$46	\$38	\$505	\$53	\$44
53	\$398	\$40	\$43	\$453	\$46	\$49
57	\$357	\$35	\$29	\$397	\$44	\$38
60	\$316	\$31	\$26	\$345	\$39	\$32

(A) Base Class is Protection Class 5, Frame

(B) Rates are for \$75,000 Coverage A

(B) Rates are for \$10,000 Coverage C

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSURERS

The filed base rates by territory are shown on page A-3. 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

NORTH CAROLINA
HOMEOWNERS INSURANCE
REVISED RULES

1. Wind Exclusion credits are revised to reflect the filed rates. See page B-2 for the manual rule corresponding to this revision.

ADDITIONAL RULE(S)

RULE A3

WINDSTORM OR HAIL EXCLUSION - TERRITORIES 05,06,42 AND 43 ONLY

	Territory 05	Territory 06	Territory 42	Territory 43
All Forms Except HO 00 04 AND HO 00 06	\$1,487	\$1,597	\$1,199	\$963
HO 00 04	67	65	54	41
HO 00 06	61	57	50	42

Table A3. Wind or Hail Exclusion Credit

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION C - SUPPORTING MATERIAL

NORTH CAROLINA

HOMEOWNERS INSURANCE- OWNERS FORMS

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

	(1)	(2)	(3)	(4)	(5)		
	<u>incurred losses (a)</u>	<u>excess losses (b)</u>	<u>[(1)-(2)] * excess factor (c)</u>	<u>modeled losses (d)</u>	<u>losses with LAE [(3)+(4)] * LAE (e)</u>		
2001	389,094,517	0	401,934,636	139,255,240	623,991,927		
2002	539,627,195	0	557,434,892	143,772,072	808,491,629		
2003	498,783,963	60,677,163	452,564,325	150,376,130	695,190,345		
2004	451,481,126	10,925,796	455,093,655	169,319,697	719,948,595		
2005	418,755,784	0	432,574,725	199,159,583	728,389,657		
	(6)	(7)	(8)	(9)	(10)	(11)	
	<u>current cost/amount factor</u>	<u>house-years</u>	<u>trended avg. loss cost (5) *(6)*CPF/(7)</u>	<u>average rating factor</u>	<u>trended base-class loss cost</u>	<u>yearly weights</u>	
2001	0.748	1,650,803	291.22	1.659	175.54	0.10	
2002	0.791	1,659,180	397.00	1.720	230.81	0.15	
2003	0.839	1,696,809	354.05	1.784	198.46	0.20	
2004	0.897	1,747,273	380.69	1.862	204.45	0.25	
2005	0.966	1,823,513	397.44	1.955	203.29	0.30	
			(12) weighted trended base-class loss cost		203.97		
			(13) credibility (8,577,577 house-years)		1.00		
			(14) fixed expense per policy		34.95		
			(15) (12) + (14)		238.92		
			(16) 1 - (variable expense + profit + contingencies)		0.571		
			(17) base rate excluding deviations and residual market reinsurance cost, (15) / (16)		418.42		
			(18) residual market reinsurance cost per policy		56.73		
			(19) (17) + (18)		475.15		
			(20) anticipated deviation		0.05		
			(21) deviation amount per policy, ((19) / (1.0 - (20))) - (19)		25.01		
			(22) required base rate per policy, (19) + (21)		500.16		
			(23) current base rate		418.69		
			(24) indicated rate-level change, (22) / (23)		1.195		

NORTH CAROLINA

HOMEOWNERS INSURANCE- TENANT FORM

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

	(1)	(2)	(3)	(4)	
	incurred losses	modeled losses	losses with LAE [(1)+(2)] * LAE	current cost/amount factor	
2001	9,387,069	533,617	11,636,965	0.835	
2002	9,312,903	540,914	11,558,527	0.855	
2003	8,698,383	544,714	10,842,153	0.882	
2004	6,904,786	583,354	8,783,588	0.907	
2005	6,627,108	657,362	8,544,683	0.931	
	(5)	(6)	(7)	(8)	(9)
	house-years	trended avg. loss cost (3) *(4)*CPF/(5)	average rating factor	trended base-class loss cost	yearly weights
2001	141,634	66.00	3.618	18.24	0.10
2002	139,215	68.29	3.703	18.44	0.15
2003	135,899	67.69	3.800	17.81	0.20
2004	137,491	55.74	3.895	14.31	0.25
2005	143,586	53.30	3.984	13.38	0.30
			(10) weighted trended base-class loss cost		15.74
			(11) credibility (697,825 house-years)		1.000
			(12) fixed expense per policy		8.28
			(13) (10) + (12)		24.02
			(14) 1 - (variable expense + profit + contingencies)		0.571
			(15) base rate excluding deviations and residual market reinsurance cost, (13) / (14)		42.07
			(16) residual market reinsurance cost per policy		5.68
			(17) (15) + (16)		47.75
			(18) anticipated deviation		0.05
			(19) deviation amount per policy, ((17) / (1.0 - (18))) - (17)		2.51
			(20) required base rate per policy, (16) + (18)		50.26
			(21) current base rate		41.95
			(22) indicated rate-level change, (20) / (21)		1.198

NORTH CAROLINA

HOMEOWNERS INSURANCE- CONDO UNIT OWNER FORM

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

	(1)	(2)	(3)	(4)	
	incurred losses	modeled losses	losses with LAE [(1)+(2)] * LAE	current cost/amount factor	
2001	4,403,574	345,651	5,570,841	0.824	
2002	3,812,587	369,392	4,905,461	0.849	
2003	3,927,709	378,303	5,050,952	0.878	
2004	4,934,833	402,992	6,261,269	0.904	
2005	4,201,800	476,672	5,487,848	0.925	
	(5)	(6)	(7)	(8)	(9)
	house-years	trended avg. loss cost (3) *(4)*CPF/(5)	average rating factor	trended base-class loss cost	yearly weights
2001	44,751	98.27	5.188	18.94	0.10
2002	47,715	83.62	5.332	15.68	0.15
2003	49,850	85.23	5.510	15.47	0.20
2004	51,967	104.34	5.696	18.32	0.25
2005	56,138	86.63	5.856	14.79	0.30
			(10) weighted trended base-class loss cost		16.36
			(11) credibility (250,420 house-years)		1.000
			(12) fixed expense per policy		5.68
			(13) (10) + (12)		22.04
			(14) 1 - (variable expense + profit + contingencies)		0.571
			(15) base rate excluding deviations and residual market reinsurance cost, (13) / (14)		38.60
			(16) residual market reinsurance cost per policy		5.44
			(17) (15) + (16)		44.04
			(18) anticipated deviation		0.05
			(19) deviation amount per policy, ((17) / (1.0 - (18)) - (17)		2.32
			(20) required base rate per policy, (16) + (18)		46.36
			(21) current base rate		40.14
			(22) indicated rate-level change, (20) / (21)		1.155

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATEWIDE RATE REVIEW ACCIDENT YEAR ENDED 12/31/2005

- (a) Incurred losses excluding hurricane have been adjusted by the following loss development factors:

Year Ended	Loss Development Factor
12/31/2001	1.000
12/31/2002	0.998
12/31/2003	0.998
12/31/2004	0.999
12/31/2005	1.017

- (b) Excess Losses are calculated on page D-27.
- (c) The Excess Factor is calculated on page D-26.
- (d) Modelled hurricane losses are calculated by multiplying the modelled hurricane loss cost per \$1000 of coverage developed by AIR Worldwide by total limits insurance years (in thousands of dollars.)
- (e) The trended loss adjustment expenses have been calculated to be 15.3% of the incurred losses for Owner Forms and 17.3% of the incurred losses for Tenant Forms and Condo Unit Owner Forms. These factors are developed on pages D-24-25.
- (f) The development of Current Cost/Amount Factors is shown on page D-16 for Owner Forms, D-18 for Tenant Forms and D-20 for Condo Unit Owner Forms.
- (g) The development of the Composite Projection Factor is shown on page D-16 for Owner Forms, D-18 for Tenant Forms and D-20 for Condo Unit Owner Forms.
- (h) The Average Rating Factor is the ratio of average rate at current manual level and average current base rate.
- (i) The Weighted Trended Base Class Loss Cost is the sum of the products, by year, of the Trended Base Class Loss Costs and the accident year weights.
- (j) The development of Fixed Expense per policy is shown on page D-25.
- (k) The development of the Expected Loss Ratio is shown on page D-23.
- (l) The anticipated deviation of 5% was selected by the North Carolina Rate Bureau.

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE-CLASS LOSS COST BY TERRITORY - OWNERS FORMS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
terr.	non-hurricane base class loss cost	current base rate	five--year house-years	credi-bility	credi-bility weighted base loss cost	modeled loss cost	total lc loss cost	indicated relativity terr (7) / SW (7)	indicated statewide base loss cost	indicated base loss cost terr (8) / SW (8) * (9)
5	122.43	1295	48,742	0.90	125.08	424.35	549.43	2.735	203.97	557.86
6	166.57	1295	34,678	0.70	161.28	479.61	640.89	3.191	203.97	650.87
32	183.07	410	488,270	1.00	183.07	44.60	227.67	1.133	203.97	231.10
34	179.81	531	253,656	1.00	179.81	65.95	245.76	1.223	203.97	249.46
36	161.91	354	446,160	1.00	161.91	17.16	179.07	0.891	203.97	181.74
38	144.67	358	546,083	1.00	144.67	20.09	164.76	0.820	203.97	167.26
39	132.02	345	605,969	1.00	132.02	18.98	151.00	0.752	203.97	153.39
41	233.13	614	119,303	1.00	233.13	85.80	318.93	1.588	203.97	323.90
42	116.17	809	338,015	1.00	116.17	329.92	446.09	2.221	203.97	453.02
43	120.37	809	303,343	1.00	120.37	238.48	358.85	1.786	203.97	364.29
44	167.25	414	89,822	1.00	167.25	35.32	202.57	1.008	203.97	205.60
45	156.40	518	405,822	1.00	156.40	87.81	244.21	1.216	203.97	248.03
46	142.25	393	141,146	1.00	142.25	26.06	168.31	0.838	203.97	170.93
47	149.53	446	672,742	1.00	149.53	51.59	201.12	1.001	203.97	204.17
53	140.57	398	756,504	1.00	140.57	42.90	183.47	0.913	203.97	186.22
57	157.30	357	935,352	1.00	157.30	18.76	176.06	0.876	203.97	178.68
60	142.09	316	2,391,970	1.00	142.09	9.44	151.53	0.754	203.97	153.79
s/w	148.94	418.69	8,577,577				200.87	1.000		

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - OWNERS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
terr	indicated base class loss cost	trended fixed expense	variable expense, profit, contingencies	current base-class rate	indicated net base-class rate ((1)+(2)*(4)) / (1.0-(3))	residual market reinsurance *	(5) + (6)	anticipated deviation	dollar deviation per exposure ((7) / (1.0- (8))) - (7)	indicated required base-class rate (7) + (9)	indicated rate level change (10) / (4)	filed rate level change
5	557.86	0.026	0.592	1,295	1,449.83	175.46	1,625.29	0.05	85.54	1,711	1.321	1.321
6	650.87	0.027	0.592	1,295	1,680.97	175.46	1,856.43	0.05	97.71	1,954	1.509	1.509
32	231.10	0.083	0.426	410	461.90	55.55	517.45	0.05	27.23	545	1.329	1.329
34	249.46	0.083	0.426	531	511.38	71.95	583.33	0.05	30.70	614	1.156	1.156
36	181.74	0.102	0.343	354	331.58	47.96	379.54	0.05	19.98	400	1.130	1.130
38	167.26	0.093	0.343	358	305.26	48.51	353.77	0.05	18.62	372	1.039	1.039
39	153.39	0.098	0.343	345	284.93	46.74	331.67	0.05	17.46	349	1.012	1.012
41	323.90	0.063	0.426	614	631.68	83.19	714.87	0.05	37.62	752	1.225	1.225
42	453.02	0.043	0.592	809	1,195.61	109.61	1,305.22	0.05	68.70	1,374	1.698	1.698
43	364.29	0.045	0.592	809	982.10	109.61	1,091.71	0.05	57.46	1,149	1.420	1.420
44	205.60	0.092	0.426	414	424.54	56.09	480.63	0.05	25.30	506	1.222	1.222
45	248.03	0.073	0.426	518	497.99	70.18	568.17	0.05	29.90	598	1.154	1.154
46	170.93	0.086	0.426	393	356.67	53.25	409.92	0.05	21.57	431	1.097	1.097
47	204.17	0.082	0.426	446	419.41	60.43	479.84	0.05	25.25	505	1.132	1.132
53	186.22	0.075	0.426	398	376.43	53.93	430.36	0.05	22.65	453	1.138	1.138
57	178.68	0.104	0.343	357	328.47	48.37	376.84	0.05	19.83	397	1.112	1.112
60	153.79	0.105	0.343	316	284.58	42.82	327.40	0.05	17.23	345	1.092	1.092

s/w

1.195 1.195

* = .113 x (base rate) / (1- comission - taxes)

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE-CLASS LOSS COST BY TERRITORY - TENANT FORM

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(10)
terr.	non-hurricane base class loss cost	current base rate	five--year house-years	credi- bility	credi- bility weighted base loss cost	modeled loss cost	total lc loss cost	indicated relativity terr (7) / SW (7)	indicated base loss cost terr (8) / SW (8) * (9)
5	27.67	140	1,026	0.10	16.66	15.34	32.00	1.974	31.07
6	6.17	140	1,036	0.10	14.51	15.67	30.18	1.862	29.31
32	14.47	45	90,443	1.00	14.47	0.56	15.03	0.927	14.59
34	35.21	73	22,037	0.50	25.33	1.00	26.33	1.624	25.56
36	16.03	34	65,606	0.90	15.97	0.18	16.15	0.996	15.68
38	17.59	37	86,716	1.00	17.59	0.22	17.81	1.099	17.30
39	13.90	33	38,586	0.70	14.36	0.20	14.56	0.898	14.13
41	31.38	57	4,973	0.20	18.63	1.71	20.34	1.255	19.75
42	11.94	83	24,261	0.50	13.69	12.35	26.04	1.606	25.28
43	10.83	83	14,663	0.40	13.60	7.83	21.43	1.322	20.81
44	26.38	47	3,557	0.20	17.63	0.55	18.18	1.122	17.66
45	16.11	47	33,008	0.60	15.84	1.63	17.47	1.078	16.97
46	15.75	48	6,614	0.20	15.50	0.37	15.87	0.979	15.41
47	15.72	46	41,741	0.70	15.64	0.80	16.44	1.014	15.96
53	12.11	40	79,715	1.00	12.11	0.52	12.63	0.779	12.26
57	14.99	35	58,216	0.80	15.08	0.24	15.32	0.945	14.87
60	13.80	31	125,625	1.00	13.80	0.11	13.91	0.858	13.50
s/w	15.44	41.95	697,825				16.21	1.000	

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - TENANT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
terr	indicated base class loss cost	trended fixed expense	variable expense,profit, contingencies	current base-class rate	indicated net base-class rate ((1)+(2)*(4)) / (1.0-(3))	residual market reinsurance *	(5) + (6)	anticipated deviation	dollar deviation per exposure ((7) / (1.0- (8))) - (7)	indicated required base-class rate (7) + (9)	indicated rate level change (10) / (4)	filed rate level change
5	31.07	0.056	0.597	140	96.55	18.97	115.52	0.05	6.08	122	0.871	0.871
6	29.31	0.060	0.597	140	93.57	18.97	112.54	0.05	5.92	118	0.843	0.843
32	14.59	0.203	0.458	45	43.77	6.10	49.87	0.05	2.62	52	1.156	1.156
34	25.56	0.116	0.458	73	62.78	9.89	72.67	0.05	3.82	76	1.041	1.041
36	15.68	0.246	0.366	34	37.92	4.61	42.53	0.05	2.24	45	1.324	1.324
38	17.30	0.229	0.366	37	40.65	5.01	45.66	0.05	2.40	48	1.297	1.297
39	14.13	0.243	0.366	33	34.94	4.47	39.41	0.05	2.07	41	1.242	1.242
41	19.75	0.147	0.458	57	51.90	7.72	59.62	0.05	3.14	63	1.105	1.105
42	25.28	0.093	0.597	83	81.88	11.25	93.13	0.05	4.90	98	1.181	1.181
43	20.81	0.091	0.597	83	70.38	11.25	81.63	0.05	4.30	86	1.036	1.036
44	17.66	0.171	0.458	47	47.41	6.37	53.78	0.05	2.83	57	1.213	1.213
45	16.97	0.185	0.458	47	47.35	6.37	53.72	0.05	2.83	57	1.213	1.213
46	15.41	0.165	0.458	48	43.04	6.50	49.54	0.05	2.61	52	1.083	1.083
47	15.96	0.178	0.458	46	44.55	6.23	50.78	0.05	2.67	53	1.152	1.152
53	12.26	0.211	0.458	40	38.19	5.42	43.61	0.05	2.30	46	1.150	1.150
57	14.87	0.241	0.366	35	36.76	4.74	41.50	0.05	2.18	44	1.257	1.257
60	13.50	0.244	0.366	31	33.22	4.20	37.42	0.05	1.97	39	1.258	1.258

s/w

1.198 1.198

* = .113 x (base rate) / (1- comission - taxes)

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE-CLASS LOSS COST BY TERRITORY - CONDOMINIUM FORM

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	non-hurricane base class loss cost	current base rate	five--year house-years	credi-bility	credi-bility weighted base loss cost	modeled loss cost	total lc loss cost	indicated relative terr (7) / SW (7)	indicated statewide base loss cost	indicated base loss cost terr (8) / SW (8) * (9)
5	14.12	126	3,749	0.20	15.11	14.20	29.31	1.754	16.36	28.70
6	8.36	126	3,519	0.20	13.96	13.54	27.50	1.646	16.36	26.93
32	18.06	46	22,143	0.60	16.98	0.50	17.48	1.046	16.36	17.11
34	34.31	54	4,266	0.20	19.15	0.86	20.01	1.197	16.36	19.58
36	15.55	34	25,056	0.70	15.49	0.18	15.67	0.938	16.36	15.35
38	15.74	32	55,814	1.00	15.74	0.20	15.94	0.954	16.36	15.61
39	11.92	30	19,324	0.60	13.30	0.20	13.50	0.808	16.36	13.22
41	6.17	44	421	0.00	15.36	1.86	17.22	1.031	16.36	16.87
42	11.32	78	15,508	0.50	13.34	11.35	24.69	1.478	16.36	24.18
43	22.54	78	5,345	0.30	17.51	7.71	25.22	1.509	16.36	24.69
44	10.56	39	812	0.10	14.88	0.50	15.38	0.920	16.36	15.05
45	15.27	40	4,664	0.30	15.33	1.60	16.93	1.013	16.36	16.57
46	25.09	42	505	0.10	16.33	0.40	16.73	1.001	16.36	16.38
47	10.98	38	6,156	0.30	14.05	0.80	14.85	0.889	16.36	14.54
53	17.97	43	20,565	0.60	16.93	0.47	17.40	1.041	16.36	17.03
57	14.07	29	13,397	0.50	14.72	0.24	14.96	0.895	16.36	14.64
60	12.36	26	49,176	0.90	12.66	0.11	12.77	0.764	16.36	12.50
s/w	15.36	40.14	250,420				16.71	1.000		

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE - CONDOMINIUM FORM

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
terr	indicated base class loss cost	trended fixed expense	variable expense,profit, contingencies	current base-class rate	indicated net base-class rate ((1)+(2)*(4)) / (1.0-(3))	residual market reinsurance *	(5) + (6)	anticipated deviation	dollar deviation per exposure ((7) / (1.0- (8))) - (7)	indicated required base-class rate (7) + (9)	indicated rate level change (10) / (4)	filed rate level change
5	28.70	0.058	0.596	126	89.13	17.07	106.20	0.05	5.59	112	0.889	0.889
6	26.93	0.055	0.596	126	83.81	17.07	100.88	0.05	5.31	106	0.841	0.841
32	17.11	0.125	0.446	46	41.26	6.23	47.49	0.05	2.50	50	1.087	1.087
34	19.58	0.103	0.446	54	45.38	7.32	52.70	0.05	2.77	55	1.019	1.019
36	15.35	0.173	0.356	34	32.97	4.61	37.58	0.05	1.98	40	1.176	1.176
38	15.61	0.164	0.356	32	32.39	4.34	36.73	0.05	1.93	39	1.219	1.219
39	13.22	0.193	0.356	30	29.52	4.06	33.58	0.05	1.77	35	1.167	1.167
41	16.87	0.160	0.446	44	43.16	5.96	49.12	0.05	2.59	52	1.182	1.182
42	24.18	0.076	0.596	78	74.52	10.57	85.09	0.05	4.48	90	1.154	1.154
43	24.69	0.075	0.596	78	75.59	10.57	86.16	0.05	4.53	91	1.167	1.167
44	15.05	0.136	0.446	39	36.74	5.28	42.02	0.05	2.21	44	1.128	1.128
45	16.57	0.153	0.446	40	40.96	5.42	46.38	0.05	2.44	49	1.225	1.225
46	16.38	0.135	0.446	42	39.80	5.69	45.49	0.05	2.39	48	1.143	1.143
47	14.54	0.148	0.446	38	36.40	5.15	41.55	0.05	2.19	44	1.158	1.158
53	17.03	0.134	0.446	43	41.14	5.83	46.97	0.05	2.47	49	1.140	1.140
57	14.64	0.218	0.356	29	32.55	3.93	36.48	0.05	1.92	38	1.310	1.310
60	12.50	0.192	0.356	26	27.16	3.52	30.68	0.05	1.61	32	1.231	1.231
s/w											1.155	1.155

* = .113 x (base rate) / (1- comission - taxes)

NORTH CAROLINA
HOMEOWNERS INSURANCE
DERIVATION OF WIND EXCLUSION CREDITS

The filed wind exclusion credits, Page B-2, are based on the following formula:

$$C = I - \frac{\frac{Ld + F}{(1 - V)R} X i + dB}{(1 - D)}$$

C = indicated percentage credit

I = indicated rate

F = provision in indicated rates for fixed expenses

V = variable expense provision

R = territory risk load factor = $(1 - \text{statewide variable expense loading}) / (1 - V)$. The statewide variable expense loading is 42.97%.

L = provision in filed rates for losses and loss adjustment expense = $1.0 - V - F$

d = percentage of pure-premium underlying indicated rate that is attributable to non-wind losses

i = indicated rate excluding residual market reinsurance cost and deviations

B = residual market reinsurance cost loaded for tax and commission

D = deviation loading

NORTH CAROLINA
HOMEOWNERS INSURANCE-OWNERS FORMS

Derivation of Wind Exclusion Credits

	<u>Territory 05</u>	<u>Territory 06</u>	<u>Territory 42</u>	<u>Territory 43</u>
C	1,424.11	1,594.12	1,097.86	856.02
I	\$1,711	\$1,954	\$1,374	\$1,149
F	0.023	0.021	0.029	0.037
V	0.596	0.596	0.596	0.596
R	1.413	1.413	1.413	1.413
L	0.381	0.383	0.375	0.367
d	0.187	0.215	0.225	0.290
i	1,449.83	1,680.97	1,195.61	982.10
B	175.46	175.46	109.61	109.61
D	0.05	0.05	0.05	0.05

The following calculation adjusts the indicated credit to reflect the filed rate and the average rating factors for policy form and protection class.

	<u>Territory 05</u>	<u>Territory 06</u>	<u>Territory 42</u>	<u>Territory 43</u>
1. Indicated base-class credit	1,424.11	1,594.12	1,097.86	856.02
2. Indicated base rate	1,711	1,954	1,374	1,149
3. Indicated non-wind base rate (a)	286.89	359.88	276.14	292.98
4. Filed base rate	1,711	1,954	1,374	1,149
5. Avg Protection/Construction Factor	1.042	0.998	1.091	1.125
6. Avg Form Factor	1.002	1.004	1.001	1.000
7. Filed Credit (b)	1,487	1,597	1,199	963

(a) (2) - (1)

(b) [(4) - (3)] x (5) x (6)

NORTH CAROLINA
HOMEOWNERS INSURANCE-TENANT FORM

Derivation of Wind Exclusion Credits

	<u>Territory 05</u>	<u>Territory 06</u>	<u>Territory 42</u>	<u>Territory 43</u>
C	66.42	66.17	52.44	39.55
I	122	118	98	86
F	0.081	0.090	0.094	0.107
V	0.597	0.597	0.597	0.597
R	1.417	1.417	1.417	1.417
L	0.322	0.313	0.309	0.296
d	0.533	0.491	0.536	0.648
i	96.55	93.57	81.88	70.38
B	18.97	18.97	11.25	11.25
D	0.050	0.050	0.050	0.050

The following calculation adjusts the indicated credit to reflect the filed rate and the average rating factors for policy form and protection class.

	<u>Territory 05</u>	<u>Territory 06</u>	<u>Territory 42</u>	<u>Territory 43</u>
1. Indicated base-class credit	66.42	66.17	52.44	39.55
2. Indicated base rate	122	118	98	86
3. Indicated non-wind base rate (a)	55.58	51.83	45.56	46.45
4. Filed base rate	122	118	98	86
5. Avg Protection/Construction Factor	1.014	0.986	1.026	1.047
7. Filed Credit (b)	67	65	54	41

(a) (2) - (1)

(b) [(4) - (3)] x (5)

NORTH CAROLINA
HOMEOWNERS INSURANCE-CONDOMINIUM FORM

Derivation of Wind Exclusion Credits

	<u>Territory 05</u>	<u>Territory 06</u>	<u>Territory 42</u>	<u>Territory 43</u>
C	61.89	58.77	48.81	40.60
I	112	106	90	91
F	0.082	0.083	0.080	0.077
V	0.596	0.596	0.596	0.596
R	1.413	1.413	1.413	1.413
L	0.322	0.321	0.324	0.327
d	0.517	0.509	0.543	0.699
i	89.13	83.81	74.52	75.59
B	17.07	17.07	10.57	10.57
D	0.050	0.050	0.050	0.050

The following calculation adjusts the indicated credit to reflect the filed rate and the average rating factors for policy form and protection class.

	<u>Territory 05</u>	<u>Territory 06</u>	<u>Territory 42</u>	<u>Territory 43</u>
1. Indicated base-class credit	61.89	58.77	48.81	40.60
2. Indicated base rate	112	106	90	91
3. Indicated non-wind base rate (a)	50.11	47.23	41.19	50.40
4. Filed base rate	112	106	90	91
5. Avg Protection/Construction Factor	0.987	0.977	1.015	1.026
7. Filed Credit (b)	61	57	50	42

(a) (2) - (1)

(b) [(4) - (3)] x (5)

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION D - EXPLANATORY MATERIAL

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, AAIS, 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 licensed companies writing homeowners insurance in this State, 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).

Experience utilized in the filing was collected under the Personal Lines Statistical Plan and the 2006 Official Statistical Programs of ISO, the Statistical Plan for Homeowners Policies, Mobilehome Policies, and Dwelling Policies and the 2006 Statistical Programs of ISS, the Homeowners Statistical Plan developed by AAIS and the 2006 Statistical Programs of the AAIS, the Homeowners Statistical Plan developed by the NISS and the 2006 Statistical Programs of the NISS. In substance, the statistical plans of all 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 filing of experience is accompanied by an affidavit executed by an officer of the statistical agent responsible for and acquainted with the statistical procedures employed for the production of this end product. Further, the licensing of an organization and its appointment as a statistical agent in the various states is 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 consolidated by them as statistical agents.

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

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 extend into the statistical records of the companies.

Tabulations of experience reported to Independent Statistical Services, Inc., American Association of Insurance Services, and National Independent Statistical Service are provided to the Insurance Services Office. The Insurance Services Office combines the experience of all statistical agents and develops the analysis included in this filing. This work is performed at the direction of the North Carolina Rate Bureau.

Statewide Rate Level Exhibits

1. Experience

Homeowners insurance experience was compiled on a calendar accident year basis for the years ended December 31, 2005, 2004, 2003, 2002, and 2001. For any twelve-month period, the accident year experience brings together the losses resulting from accidents occurring during that period with the premiums and number of houses "earned" during the same period. Since this filing utilizes a computer model to measure losses attributable to hurricanes, actual hurricane losses have been removed from the ratemaking experience.

2. Average Rating Factors

The earned premiums at present manual rates for the homeowners insurance coverages are calculated by multiplying the number of insured houses earned during the experience period by the rates in effect at the time of review. Earned premiums at present rates are 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 by territory. The average rating factor is used to convert the pure-premiums incurred during the experience period to the base-class level.

3. 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.

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

From reports of prior years, similarly aged experience was obtained so that there are available 5 successive reports for the earliest year, 4 successive reports for the next earliest year, 3 successive reports for the middle year and 2 successive reports for the second most recent year.

Homeowners claims generally are settled at and are sufficiently matured as of 63 months, by which time nearly all homeowners 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 writers reporting to the ISS, and are as follows:

<u>Accident Year Ended</u>	<u>Factor to Develop to 63 Months</u>
December 31, 2005	1.017
December 31, 2004	0.999
December 31, 2003	0.998
December 31, 2002	0.998
December 31, 2001	1.000

The derivation of the factors shown above is presented on Page D-8. By applying these factors, the reported incurred losses have been changed to the amounts at which it is believed they will ultimately be settled.

In order to insure stability in rate levels while maintaining adequacy in the event of wide swings in hurricane and other wind losses, an excess wind procedure and a hurricane loss model have been utilized. Hence, violent 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 avoided. The incurred non-modelled excess losses are those losses which result from unusually severe wind activity (other than hurricane). They are removed from the experience used in developing rates. In order to reflect the impact of excess wind losses (that are not related to hurricanes and not accounted for in the hurricane model) on a long-term basis, the non-modelled losses are multiplied by an excess factor of 1.034. The derivation of the excess factor is shown on Page D-26. The modelled losses used in this filing are based on analysis performed by AIR-Worldwide on behalf of the North Carolina Rate Bureau. See pages D-29-31 for details.

4. Loss Adjustment Expense

The homeowners loss adjustment expenses are determined as an average percentage of the North Carolina incurred losses for the corresponding five calendar accident years, based on a North Carolina expense call. The high and low years are excluded in the average. See pages D-24-25.

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

5. 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 loss ratio.

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:

$$Z_p = \sqrt{\text{five year house years} / \text{full credibility standard}} \text{ (truncated to the nearest tenth)}$$

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for the Tenants Form, and 190,000 house years for the Condo Unit Owner Forms.

6. Loss Trend

Loss Trend for Owners Forms is based on external trend information and loss cost information. The external portion of the trend relies on several indices; the Boeckh Residential Index and the Modified Consumer Price Index are averaged (weighted 55% and 45%, respectively) and comprise the Current Cost Index. For Forms 4 and 6, in addition to loss cost information, the Modified Consumer Price Index is used.

The loss trending procedure is accomplished in two steps. In the first step Current Cost Factors are applied to each year's losses. The Current Cost Factors are derived from the external indices and, when applied to a given year's losses, translate these losses to a cost level which represents November 15, 2007. In order to trend losses from November 15, 2007 to one year beyond the assumed effective date of January 1, 2009, a Loss Projection Factor is applied. This projection factor is based on the annual change inherent in the latest twelve quarterly points of the Current Cost Index.

In reviewing the loss trends, the annual rates of change in owners-forms pure-premium during the 2001-2005 experience period are lower than the observed annual changes in the external indices. Therefore, to project losses to a 2005 level, a -2% annual trend is used for the owners forms.

Since the external indices necessarily ignore the effect of policy deductibles, a First Dollar procedure to trend from the first dollar of loss is incorporated into the calculation of the Loss Projection Factor.

The procedures described above are displayed on Pages D-9-12, D-14, D-16, D-18, D-20.

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

7. Expense Trend

The average annual change in expenses is based on the All Items Consumer Price Index and the Compensation Cost Index. The expected average annual change in expenses has been selected to be 3.2% based on analysis and review of these data, which are displayed on Pages D-21-22.

8. Premium Trend

The historical average relativities are used to calculate an average annual change. This rate of change, after being adjusted for distorting effects such as the introduction of policies covering newly constructed homes, is used to estimate the average relativity at the point in time corresponding to the mid-point of the latest quarter of the Current Cost Index (11/15/2007). The Current Amount Factor for a given year is calculated as the adjusted ratio of the 11/15/2007 average relativity and the given year's average relativity. In order to calculate the Premium Projection Factor, the adjusted annual rate of change is compounded over the time period between 11/15/2007 and 7/1/2009 (six months beyond the assumed effective date).

9. Trend Periods

The effective date assumed in this filing is January 1, 2009 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 July 1, 2008.
- losses are trended from July 1 of the given year to January 1, 2010
- general expense and other acquisition expense percentages, since they are based on 2003-2005 data, are trended from July 1, 2004 to July 1, 2009.
- loss adjustment expense percentages, since they are based on 2001-2005 data, are trended from July 1, 2003 to January 1, 2010

10. Expense Loadings (other than L.A.E.)

These quantities represent the portion of the premium income expended on taxes, general expenses, commissions and other acquisition expenses. They are determined from special calls for North Carolina expense experience and reflect the 2003, 2004, and 2005 results as reported by all companies licensed in North Carolina during those years. The provision for the net cost of reinsurance is 15.8%. See also pre-filed testimony of D. Appel. The breakdown of these expenses is set forth on Page D-23. The provisions for general, other acquisition and loss adjustment expenses are trended in order to reflect the fact that the dollar costs of these expense components do not vary, by territory, with the premium charged. The fixed expense loadings used to determine the indicated statewide rate-level changes for the Tenant and Condominium forms are calculated so as to produce an overall dollar-value loading that is 50% of the corresponding loading for the Owners forms. The provision for the residual market reinsurance cost is 11.3%. See also pre-filed testimony of D. Appel.

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

Determination of Base-Class Loss Costs by Territory

1. Non-Modelled Base-Class Loss Cost

A five-year non-modelled base-class loss cost by territory is derived by dividing five-year territory losses excluding hurricane by the product of the five-year average rating factor and five-year house-years. The territory losses excluding hurricane include a territory wind provision. The calculation of the territory non-hurricane wind provision is described on page D-28.

2. Credibility

The five-year base-class loss cost excluding hurricane is assigned a credibility value based upon the number of house-years underlying this loss cost. The standard for full credibility is 60,000 house years for the Owners Forms, 75,000 house years for Tenants Forms, and 50,000 house years for Condo Unit Owners Forms, with partial credibility equal to

$$\sqrt{\text{five year house years} / \text{full credibility standard}}$$

truncated to the nearest tenth. The complement of credibility is assigned to the statewide five-year base-class loss cost excluding hurricane.

3. Five-year Modelled Hurricane Base-Class Loss Cost

The five-year modelled hurricane base-class loss cost is derived by dividing five-year modelled hurricane territory losses by the product of the five-year average rating factor and five-year house-years.

4. Five-year Total Base-Class Loss Cost

The five-year base-class loss cost for total losses is the sum of the five-year credibility weighted base-class loss cost excluding hurricane and the five-year modelled hurricane base-class loss cost.

5. Indicated Relativity for Base-Class Loss Costs

The total loss costs by territory are made to be relative to the state by taking the ratio of the by-territory loss costs and the statewide average loss cost.

6. Indicated Base-Class Loss Costs By Territory

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.

HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

Determination of Base Rates by Territory

1. Fixed Expenses By Territory

The statewide provisions for general and other acquisition expenses are adjusted in order to reflect the varying size of the current rates by territory. This is accomplished by multiplying the statewide provisions (in percentage form) by the ratio of the current statewide average rate and the current average rate for the given territory.

2. Variable Expenses and Residual Market Reinsurance Cost

The variable expense loadings include provisions for commissions, taxes, and the net cost of reinsurance. The provision for the net cost of reinsurance varies by territory. The residual market reinsurance cost is reflected as a percentage of the current base rate by territory and is loaded for the effects of taxes and commission. (See testimony of D. Appel.)

3. Calculation of Indicated Base-Class Rates By Territory

The calculation of the revised rates is based on the following formula:

$$\text{Revised Rate} = [(\text{Base-Class Loss Cost}) + (\text{Fixed Expense Provision} * \text{Current Rate})] / (1 - \text{Variable Expense Provision}) + (\text{Residual Market Reinsurance Cost})$$

The calculation includes the reflection of the necessary provisions for profit, deviations, and contingencies. In order to reflect the varying risk to hurricane losses, the profit and reinsurance provisions vary by territory. (See testimony of D. Appel.)

Credibility Factor Determination

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of territory rate level indications which depend, in part, on the determination of the individual territory's formula non-hurricane loss cost.

The territory credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Loss cost" 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:

$$Z_p = \sqrt{\text{five year house years} / \text{full credibility standard}} \quad (\text{truncated to the nearest tenth})$$

The full credibility standard is 60,000 house years for the Owners Forms, 75,000 house years for the Tenants Form, and 50,000 house years for the Condo Unit Owners Form.

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSS DEVELOPMENT (ALL FORMS)

Incurred Losses as of:

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1994	76,940,067	77,424,129	76,510,853	76,466,012	76,068,620
1995	275,526,649	280,782,943	280,248,953	279,991,248	278,970,910
1996	1,203,842,024	1,233,419,919	1,238,584,102	1,241,887,395	1,238,993,238
1997	285,472,082	290,942,980	291,323,015	290,930,159	289,830,905
1998	441,642,050	449,304,415	449,418,632	450,487,446	450,049,977
1999	518,141,619	530,020,021	532,723,817	532,846,371	533,780,041
2000	417,798,408	424,460,692	425,394,119	426,030,136	426,747,829
2001	342,868,982	350,036,795	352,714,491	352,919,603	352,244,256
2002	447,239,059	457,743,099	458,672,696	458,355,943	
2003	560,960,942	572,032,872	574,199,639		
2004	399,441,615	404,618,227			
2005	391,795,746				

Link Ratios

Accident Year	27:15	39:27	51:39	63:51
1994	1.006	0.988	0.999	0.995
1995	1.019	0.998	0.999	0.996
1996	1.025	1.004	1.003	0.998
1997	1.019	1.001	0.999	0.996
1998	1.017	1.000	1.002	0.999
1999	1.023	1.005	1.000	1.002
2000	1.016	1.002	1.001	1.002
2001	1.021	1.008	1.001	0.998
2002	1.023	1.002	0.999	
2003	1.020	1.004		
2004	1.013			
	27:15	39:27	51:39	63:51
Average	1.018	1.001	1.000	0.998

Loss Development Factors

2001	2002	2003	2004	2005
1.000	0.998	0.998	0.999	1.017

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR

QUARTER ENDING DECEMBER 31, 2007

PART A: ESTABLISHMENT OF MONTHLY CURRENT COST INDEX (CCI) WITH:
 45% WEIGHT TO MODIFIED CONSUMER PRICE INDEX (MCPI)
 55% WEIGHT TO BOECKH RESIDENTIAL INDEX (BRI) FOR N.C.
 (MCPI BASE: 1967 = 100 BRI BASE: 1967 = 100)

<u>MO</u>	<u>BRI</u>	<u>MCPI</u> <u>2005</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u> <u>2006</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u> <u>2007</u>	<u>CCI</u>	<u>QCCI</u>
1	790.3	394.5	612.2		839.3	400.0	641.6		888.5	405.9	671.3	
2	798.6	396.8	617.8		849.3	402.0	648.0		890.3	409.1	673.8	
3	799.3	399.1	619.2	616.4	848.2	404.5	648.5	646.0	891.5	410.4	675.0	673.4
4	800.1	399.5	619.8		854.0	405.8	652.3		889.3	410.7	673.9	
5	810.7	399.8	625.8		860.0	405.9	655.7		887.5	410.7	672.9	
6	810.0	398.1	624.6	623.4	862.9	404.5	656.6	654.9	887.6	409.4	672.4	673.1
<u>MO</u>	<u>BRI</u>	<u>MCPI</u> <u>2005</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u> <u>2006</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u> <u>2007</u>	<u>CCI</u>	<u>QCCI</u>
7	814.7	397.6	627.0		866.7	403.7	658.4		890.2	409.2	673.8	
8	818.4	397.5	629.0		874.7	404.6	663.2		898.4	409.8	678.5	
9	818.8	399.3	630.0	628.7	878.4	405.7	665.7	662.4	899.3	411.3	679.7	677.3
10	821.7	400.8	632.3		885.2	407.0	670.0		905.1	413.3	683.8	
11	834.5	401.3	639.6		889.2	406.4	671.9		907.2	413.9	685.2	
12	836.1	400.2	639.9	637.3	890.5	404.7	671.9	671.3	905.7	412.8	683.9	684.3

PART B: CALCULATION OF CURRENT COST FACTORS (CCF)

	(1)	(2)	(3)	(4)	(5)	(6)
				CCI Change Relative to 2005	Selected Change Relative to 2005	Current Cost Factor**
<u>YEAR</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>	<u>Level</u>	<u>Level*</u>	
2001	645.1	379.8	525.7	1.192	0.922	1.007
2002	668.2	384.1	540.4	1.159	0.941	1.028
2003	704.5	386.6	561.4	1.116	0.960	1.049
2004	762.8	392.6	596.2	1.051	0.980	1.070
2005	812.8	398.7	626.5	1.000	1.000	1.092

* Factor represents a -2% annual trend from 2001 to 2005.

** = Col: (5) * 684.3 / 626.5

NORTH CAROLINA
HOMEOWNERS INSURANCE - FORMS 2, 3, 3W/15

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR
QUARTER ENDING DECEMBER 31, 2007

PART C: COMPUTATION OF LOSS PROJECTION FACTOR

CAL. YEAR	QUARTER ENDING	TIME (2X)	4X ²	AVG. CCI (Y)	Z=LN(Y)	2XZ	FITTED CCI
2005	MAR. 31	-11	121	616.4	6.424	-70.664	620.0
2005	JUN. 30	-9	81	623.4	6.435	-57.915	626.0
2005	SEP. 30	-7	49	628.7	6.444	-45.108	632.1
2005	DEC. 31	-5	25	637.3	6.457	-32.285	638.3
2006	MAR. 31	-3	9	646.0	6.471	-19.413	644.5
2006	JUN. 30	-1	1	654.9	6.484	-6.484	650.8
2006	SEP. 30	1	1	662.4	6.496	6.496	657.1
2006	DEC. 31	3	9	671.3	6.509	19.527	663.5
2007	MAR. 31	5	25	673.4	6.512	32.560	670.0
2007	JUN. 30	7	49	673.1	6.512	45.584	676.5
2007	SEP. 30	9	81	677.3	6.518	58.662	683.1
2007	DEC. 31	11	121	684.3	6.528	71.808	689.8
			572		77.790	2.768	

EQUATIONS:

$$Y = E^{A+BX}$$

$$Z = A+BX$$

$$SZ = NA + BSX$$

$$SXZ = ASX + BSX^2$$

WHERE A = MEAN OF FITTED LINE
 B = AVERAGE QUARTERLY INCREMENT
 S = SUMMATION
 N = NUMBER OF OBSERVATIONS

$$2SXZ = 2.768 \text{ OR } SXZ = 1.3840 \quad S4X = 572 \text{ OR } SX = 143$$

$$A \text{ (MEAN OF FITTED LINE)} = 77.790/12 = 6.483$$

$$B \text{ (AVG. QUARTERLY INCREMENT)} = 1.3840/143 = 0.0097$$

$$\text{QUARTERLY RATE OF CHANGE} = E^{0.0097 - 1} = 0.010$$

$$\text{ANNUAL RATE OF CHANGE} = (E^{0.0097})^4 = 1.040 \text{ OR } 4.0\%$$

$$\text{LOSS PROJECTION FACTOR*} = (E^{0.0097})^{25.5/3} = 1.086$$

* TO PROJECT LOSSES FROM 11/15/07 TO 1/1/10

NORTH CAROLINA

HOMEOWNERS INSURANCE - FORMS 4 AND 6

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR

QUARTER ENDING DECEMBER 31, 2007

PART A: ESTABLISHMENT OF MONTHLY CURRENT COST INDEX (CCI) WITH:
MODIFIED CONSUMER PRICE INDEX ONLY (BASE: 1967 = 100)

<u>MO.</u>	<u>MCPI</u> <u>2005</u>	<u>QCCI</u>	<u>MCPI</u> <u>2006</u>	<u>QCCI</u>	<u>MCPI</u> <u>2007</u>	<u>QCCI</u>
01	303.2		303.7		304.2	
02	304.7		304.9		306.5	
03	306.6	304.8	307.0	305.2	307.7	306.1
04	306.8		308.0		307.4	
05	306.8		307.6		307.1	
06	304.6	306.1	306.0	307.2	305.4	306.6
<u>MO.</u>	<u>MCPI</u> <u>2005</u>	<u>QCCI</u>	<u>MCPI</u> <u>2006</u>	<u>QCCI</u>	<u>MCPI</u> <u>2007</u>	<u>QCCI</u>
7	303.4		304.7		304.3	
8	303.4		305.3		304.4	
9	305.1	304.0	306.3	305.4	305.7	304.8
10	306.1		307.3		307.1	
11	305.8		306.3		307.2	
12	304.5	305.5	304.3	306.0	305.7	306.7

PART B: CALCULATION CURRENT COST FACTORS (CCF)

AVERAGE ANNUAL CCI
YEAR CCI

2001	306.2
2002	305.3
2003	303.0
2004	304.0
2005	305.1

CURRENT COST FACTORS
BASED ON AVERAGE CCI VALUE FOR
QUARTER ENDING 12/31/2007 = 306.7

1.002
1.005
1.012
1.009
1.005

NORTH CAROLINA
HOMEOWNERS INSURANCE - FORMS 4 & 6

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR
QUARTER ENDING DECEMBER 31, 2007

PART C: COMPUTATION OF LOSS PROJECTION FACTOR

CAL. YEAR	QUARTER ENDING	TIME (2X)	2 4X	AVG. CCI (Y)	Z=LN(Y)	2XZ	FITTED CCI
2005	MAR. 31	-11	121	304.8	5.720	-62.920	305.1
2005	JUN. 30	-9	81	306.1	5.724	-51.516	305.3
2005	SEP. 30	-7	49	304.0	5.717	-40.019	305.4
2005	DEC. 31	-5	25	305.5	5.722	-28.610	305.5
2006	MAR. 31	-3	9	305.2	5.721	-17.163	305.6
2006	JUN. 30	-1	1	307.2	5.727	-5.727	305.8
2006	SEP. 30	1	1	305.4	5.722	5.722	305.9
2006	DEC. 31	3	9	306.0	5.724	17.172	306.0
2007	MAR. 31	5	25	306.1	5.724	28.620	306.1
2007	JUN. 30	7	49	306.6	5.726	40.082	306.2
2007	SEP. 30	9	81	304.8	5.720	51.480	306.4
2007	DEC. 31	11	<u>121</u>	306.7	<u>5.726</u>	<u>62.986</u>	306.5
			572		68.673	0.107	

EQUATIONS:

$$Y = E^{A+BX}$$

$$Z = A+BX$$

$$SZ = NA + BSX$$

$$SXZ = ASX + BSX^2$$

WHERE A = MEAN OF FITTED LINE
 B = AVERAGE QUARTERLY INCREMENT
 S = SUMMATION
 N = NUMBER OF OBSERVATIONS

$$2SXZ = 0.107 \text{ OR } SXZ = 0.0535 \quad S4X = 572 \text{ OR } SX = 143$$

$$A \text{ (MEAN OF FITTED LINE)} = 68.673/12 = 5.723$$

$$B \text{ (AVG. QUARTERLY INCREMENT)} = 0.0535/143 = 0.0004$$

$$\text{QUARTERLY RATE OF CHANGE} = E^{-1} = 0.0004$$

$$\text{ANNUAL RATE OF CHANGE} = (E^{0.0004})^4 = 1.002 \text{ OR } 0.2\%$$

$$\text{LOSS PROJECTION FACTOR} = (E^{0.0004})^{25.5/3} = 1.003$$

* TO PROJECT LOSSES FROM 11/15/07 TO 1/1/10

NORTH CAROLINA

HOMEOWNERS INSURANCE

NOTES TO DETERMINATION OF TREND

Modified Consumer Price Index - source: Bureau of Labor Statistics. Weights applied to individual Consumer Price Index components are as follows:

Owners Forms

48%	House Furnishings
20%	Medical Care
16%	Apparel Commodities
16%	Entertainment Commodities

Tenant and Condominium Forms

54%	House Furnishings
10%	Medical Care
18%	Apparel Commodities
18%	Entertainment Commodities

NORTH CAROLINA
HOMEOWNERS INSURANCE

ANNUAL PURE-PREMIUM AND SEVERITY RATES OF CHANGE
(Experience Adjusted to a Common Deductible)

Owners

Year	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure
	Ex. Wind,	Ex. Wind,		Ex. Wind		Ex. Wind		Fire		Fire		Theft		Theft
	O.P.D.	O.P.D.	Ex. Wind	Ex. Wind	Fire	Fire	Theft	Theft	Liability	Liability	O.P.D.	O.P.D.	Water	Water
2001	3937	196.45	3,682	216.68	6,723	109.53	1,785	22.45	4,103	10.16	2261	20.22	2926	54.32
2002	4003	223.53	3,092	295.89	7,023	120.17	1,871	20.13	3,479	8.02	1816	72.36	2930	75.20
2003	4647	200.9	4,005	227.25	7,209	107.43	2,010	18.49	4,344	8.00	1950	26.35	3875	66.99
2004	5833	196.16	5,447	221.55	11,317	116.94	2,071	16.84	3,934	6.69	3604	25.39	4136	55.69
2005	5922	185.47	5,373	202.09	10,152	107.75	2,217	16.30	3,038	4.20	2639	16.62	4781	57.22
Ann. Change	12.7%	-2.4%	14.1%	-4.2%	13.9%	-0.6%	5.5%	-7.9%	-4.7%	-17.7%	10.5%	-13.4%	14.2%	-1.9%

Tenant

Year	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure
	Ex. Wind,	Ex. Wind,		Ex. Wind		Ex. Wind		Fire		Fire		Theft		Theft
	O.P.D.	O.P.D.	Ex. Wind	Ex. Wind	Fire	Fire	Theft	Theft	Liability	Liability	O.P.D.	O.P.D.	Water	Water
2001	2354	61.35	2,292	66.24	3,157	17.45	1,637	27.42	6,610	11.77	1719	4.89	2355	4.7
2002	2397	56.71	1,970	65.79	3,499	20.15	1,776	24.82	5,611	6.61	932	9.08	1871	5.13
2003	3039	58.44	2,771	64.02	4,214	19.83	2,031	23.16	8,575	10.09	1440	5.58	2752	5.37
2004	2951	46.37	2,812	50.09	4,912	15.70	1,991	19.96	5,563	6.21	1773	3.73	3261	4.48
2005	3102	41.67	2,919	45.34	5,668	17.45	2,084	17.51	4,426	3.83	1747	3.67	2647	2.88
Ann. Change	7.9%	-9.3%	8.8%	-9.8%	16.3%	-2.5%	6.2%	-10.6%	-7.8%	-20.6%	7.0%	-13.6%	8.2%	-10.6%

Condo

Year	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure	Severity	Pure
	Ex. Wind,	Ex. Wind,		Ex. Wind		Ex. Wind		Fire		Fire		Theft		Theft
	O.P.D.	O.P.D.	Ex. Wind	Ex. Wind	Fire	Fire	Theft	Theft	Liability	Liability	O.P.D.	O.P.D.	Water	Water
2001	2320	83.05	2,371	96.71	3,920	20.88	1,665	13.27	3,099	6.15	2739	13.66	2083	42.74
2002	2153	63.99	2,003	77.94	3,162	13.61	1,525	9.73	1,470	1.93	1516	13.95	2186	38.73
2003	2492	68.77	2,415	77.74	3,411	15.07	1,778	9.08	3,833	4.58	1950	8.97	2373	40.04
2004	3347	83.29	3,243	94.23	7,546	25.61	1,710	9.79	3,527	4.24	2623	10.94	2996	43.65
2005	3167	66.68	3,043	74.33	5,145	17.27	2,092	9.39	3,363	3.92	2268	7.65	2997	36.09
Ann. Change	11.2%	-1.7%	10.3%	-3.3%	15.2%	2.6%	5.9%	-6.6%	10.9%	-1.1%	1.7%	-13.1%	11.0%	-2.2%

NORTH CAROLINA
HOMEOWNERS INSURANCE

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

Owners Forms

	<u>X</u>	<u>Y =</u> <u>Avg. Rel.</u>	<u>Z=ln Y</u>	<u>X*Z</u>
2001	-2.000	1.465	0.382	-0.764
2002	-1.000	1.521	0.419	-0.419
2003	0.000	1.584	0.460	0.000
2004	1.000	1.663	0.509	0.509
2005	2.000	1.757	<u>0.564</u>	<u>1.128</u>
			2.334	0.454

A (mean of fitted line) = (Sum Z)/5 = $2.334 / 5 = 0.467$
 B (average annual increment) = (Sum X*Z)/10 = $0.454 / 10 = 0.045$

Average Annual Rate of Change = $e^{0.045 - 1} = 0.046$

Latest Year Relativity trended from 01/01/05 to 11/15/2007
 $1.757 * 1.046^{34.5 / 12} = 2.000$

NORTH CAROLINA
HOMEOWNERS INSURANCE

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

Owners Forms

	(1)	(2)	(3)	(4)	(5)
	Average	(2) = 2.000 (A)	Current Amount Factor	Current Cost Factor	Current Cost/ Amount Factor
	<u>Rel.</u>	<u>/(1)</u>	<u>[(2)-1]*.95+1</u>	<u>Factor</u>	<u>Factor</u>
2001	1.465	1.365	1.347	1.007	0.748
2002	1.521	1.315	1.299	1.028	0.791
2003	1.584	1.263	1.250	1.049	0.839
2004	1.663	1.203	1.193	1.070	0.897
2005	1.757	1.138	1.131	1.092	0.966

(6) Premium Projection Factor*	(19.5 /12)	1.039	=	1.064
(7) Loss Projection Factor			=	1.086
(8) Adjustment to Trend from First Dollar of Loss (B)			=	1.009
(9) Annual Loss Trend Correction % (LTA)			=	1.000
(10) Total Period LTA			=	1.000
(11) Composite Projection Factor for Loss Ratio = (7) * (8) * (10) / (6)			=	1.030

(A) 2.000 is the projected average relativity at 11/15/07

(B) Trend From First Dollar is calculated as follows:

$$1 + ((X-1) Y / (X Z))$$

Where: X = Loss trend (weighted current cost factor * loss projection factor).

Y = Losses eliminated by \$250 deductible.

Z = Five year total adjusted losses.

Premium projection factor reflects trend from 11/15/07 to 07/01/09

* reflects .85 tempering factor applied to the annual change

NORTH CAROLINA
HOMEOWNERS INSURANCE

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

Tenant Form

	<u>X</u>	<u>Y =</u> <u>Avg. Rel.</u>	<u>Z=ln Y</u>	<u>X*Z</u>
2001	-2.000	2.666	0.981	-1.962
2002	-1.000	2.722	1.001	-1.001
2003	0.000	2.791	1.026	0.000
2004	1.000	2.875	1.056	1.056
2005	2.000	2.964	<u>1.087</u>	<u>2.174</u>
			5.151	0.267

A (mean of fitted line) = (Sum Z)/5 = $5.151 / 5 = 1.030$
 B (average annual increment) = (Sum X*Z)/10 = $0.267 / 10 = 0.027$

Average Annual Rate of Change = $e^{0.027 - 1} = 0.027$

Latest Year Relativity trended from 01/01/05 to 11/15/2007
 $2.964 * 1.027^{34.5 / 12} = 3.200$

NORTH CAROLINA
HOMEOWNERS INSURANCE

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

Tenant Form

	(1) Average Rel.	(2) (2) = 3.200 (A) /(1)	(3) Current Amount Factor <u>[(2)-1]*1.0+1</u>	(4) Current Cost Factor	(5) Current Cost/ Amount Factor
2001	2.666	1.200	1.200	1.002	0.835
2002	2.722	1.176	1.176	1.005	0.855
2003	2.791	1.147	1.147	1.012	0.882
2004	2.875	1.113	1.113	1.009	0.907
2005	2.964	1.080	1.080	1.005	0.931
(6) Premium Projection Factor			(19.5 /12) 1.027		= 1.044
(7) Loss Projection Factor					= 1.003
(8) Adjustment to Trend from First Dollar of Loss (B)					= 1.001
(9) Annual Loss Trend Correction % (LTA)					= 1.000
(10) Total Period LTA					= 1.000
(11) Composite Projection Factor for Loss Ratio = (7) * (8) * (10) / (6)					= 0.962

(A) 3.200 is the projected average relativity at 11/15/07

(B) Trend From First Dollar is calculated as follows:

$$1 + ((X-1) Y / (X Z))$$

Where: X = Loss trend (weighted current cost factor * loss projection factor).

Y = Losses eliminated by \$250 deductible.

Z = Five year total adjusted losses.

Premium projection factor reflects trend from 11/15/07 to 07/01/09

NORTH CAROLINA
HOMEOWNERS INSURANCE

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

Condominium Unit Owner's Form

	<u>X</u>	<u>Y =</u> <u>Avg. Rel.</u>	<u>Z=ln Y</u>	<u>X*Z</u>
2001	-2.000	3.728	1.316	-2.632
2002	-1.000	3.827	1.342	-1.342
2003	0.000	3.933	1.369	0.000
2004	1.000	4.062	1.402	1.402
2005	2.000	4.175	<u>1.429</u>	<u>2.858</u>
			6.858	0.286

A (mean of fitted line) = (Sum Z)/5 = $6.858 / 5 = 1.372$
 B (average annual increment) = (Sum X*Z)/10 = $0.286 / 10 = 0.029$

Average Annual Rate of Change = $e^{0.029 - 1} = 0.029$

Latest Year Relativity trended from 01/01/05 to 11/15/2007
 $4.175 * 1.029^{34.5 / 12} = 4.533$

NORTH CAROLINA
HOMEOWNERS INSURANCE

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

Condominium Unit Owner's Form

	(1) Average Rel.	(2) (2) = 4.533 (A) /(1)	(3) Current Amount Factor [(2)-1]*1.0+1	(4) Current Cost Factor	(5) Current Cost/ Amount Factor
2001	3.728	1.216	1.216	1.002	0.824
2002	3.827	1.184	1.184	1.005	0.849
2003	3.933	1.153	1.153	1.012	0.878
2004	4.062	1.116	1.116	1.009	0.904
2005	4.175	1.086	1.086	1.005	0.925

(6) Premium Projection Factor	(19.5 /12) 1.029	= 1.048
(7) Loss Projection Factor		= 1.003
(8) Adjustment to Trend from First Dollar of Loss (B)		= 1.001
(9) Annual Loss Trend Correction % (LTA)		= 1.000
(10) Total Period LTA		= 1.000
(11) Composite Projection Factor for Loss Ratio = (7) * (8) * (10) / (6)		= 0.958

(A) 4.533 is the projected average relativity at 11/15/07

(B) Trend From First Dollar is calculated as follows:

$$1 + ((X-1) Y / (X Z))$$

Where: X = Loss trend (weighted current cost factor * loss projection factor).

Y = Losses eliminated by \$250 deductible.

Z = Five year total adjusted losses.

Premium projection factor reflects trend from 11/15/07 to 07/01/09

NORTH CAROLINA
HOMEOWNERS INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	
Jul-06	203.5	
Aug-06	203.9	193.8
Sep-06	202.9	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	
Jan-07	202.4	
Feb-07	203.5	196.7
Mar-07	205.4	
Apr-07	206.7	
May-07	207.9	199.5
Jun-07	208.4	
Jul-07	208.3	
Aug-07	207.9	201.4
Sep-07	208.5	
Oct-07	208.9	
Nov-07	210.2	200.8
Dec-07	210.0	

NORTH CAROLINA
HOMEOWNERS INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	3.16%	3.22%	3.19%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.06%	2.85%	2.96%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.83%	3.06%	2.95%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.67%	2.90%	3.28%
(5) Average Annual Index (D)			
Year Ended 6/30/2005	191.69	185.20	
Year Ended 12/31/2005	195.29	188.53	
Year Ended 6/30/2006	198.99	190.93	
Year Ended 12/31/2006	201.59	193.35	
Year Ended 6/30/2007	204.14	196.23	
Year Ended 12/31/2007	207.34	199.60	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 6/30/2005	1.10	1.08	1.09
Year Ended 12/31/2005	1.08	1.07	1.08
Year Ended 6/30/2006	1.06	1.05	1.06
Year Ended 12/31/2006	1.04	1.04	1.04
Year Ended 6/30/2007	1.03	1.02	1.03
Year Ended 12/31/2007	1.01	1.01	1.01

Selected Annual Change in Expenses = 3.2%

Notes: (A) All items CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service. Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All items) + .50 (CCI).

(D) Average year ended index for period shown.

NORTH CAROLINA
HOMEOWNERS INSURANCE

EXPENSE DATA

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Average</u>
Commission & Brokerage	155,934,365	173,078,969	185,408,344	
Written Premium	1,124,917,876	1,228,985,154	1,318,912,322	
Ratio:	0.139	0.141	0.141	0.140
Total Other Acquisitions	86,082,520	79,107,574	81,103,556	
Earned Premium excluding deviations	1,297,705,871	1,380,947,208	1,460,350,836	
Earned Premium at current manual level	1,410,996,297	1,487,539,761	1,570,073,991	
Ratio:	0.061	0.053	0.052	0.055
General Expense	57,319,707	54,731,487	55,535,077	
Earned Premium excluding deviations	1,297,705,871	1,380,947,208	1,460,350,836	
Earned Premium at current manual level	1,410,996,297	1,487,539,761	1,570,073,991	
Ratio:	0.041	0.037	0.035	0.038
Taxes, Licenses & Fees	29,370,527	34,874,259	33,422,698	
Written Premium including deviations)	1,124,917,876	1,228,985,154	1,318,912,322	
Ratio:	0.026	0.028	0.025	0.026
Commission & Brokerage	0.140			
Taxes, Licenses & Fees	0.026			
Underwriting profit	0.095			
Contingencies	0.010			
Net Cost of Reinsurance	0.158			
Total	0.429			
Expected Loss and Fixed Expense Ratio =	1 -	0.429	=	0.571
Residual Market Reinsurance Cost	0.113			

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS ADJUSTMENT EXPENSE EXHIBIT

	2001	2002	2003	2004	2005	Average
Allocated LAE	6,598,932	8,089,895	7,752,515	10,738,049	7,004,402	
Unallocated LAE	61,569,009	75,007,616	77,565,138	68,716,877	58,876,161	
Total LAE	68,167,941	83,097,511	85,317,653	79,454,926	65,880,563	
Incurred Losses	434,631,670	584,955,292	713,224,150	516,934,235	498,619,859	
Ratio: LAE/I.L.	0.157	0.142	0.12	0.154	0.132	0.141 (A)

(A) A selection of .143 was made by excluding the high and low years (2003 and 2004)

NORTH CAROLINA
HOMEOWNERS INSURANCE

CALCULATION OF TRENDED EXPENSE LOADINGS

(1) Factor for trending losses:

Forms 1-3,5:	1.049	*	1.096	=	1.150
Form 4 :	1.012	*	1.004	=	1.016
Form 6 :	1.012	*	1.004	=	1.016

(2) Factor for trending LAE based on Current Expense Index:

All Forms:			(78.0 / 12)		
	1.032			=	1.227

(3) Factor for trending premiums

Forms 1-3,5:	1.193	*	(19.5 / 12)	1.039	=	1.270
Form 4:	1.113	*	(19.5 / 12)	1.027	=	1.162
Form 6:	1.116	*	(19.5 / 12)	1.029	=	1.169

All Forms 1.26734 = weighted average of trend factors by form using premium at manual level as weights

(4) Factor for trending GE, OA expenses based on Current Expense Index:

All Forms:			(60.0 / 12)		
	1.032			=	1.171

(5) Expense loadings for General and Other Acquisition Expenses:

i: General Expense =	0.038	Other Acquisition =	0.055	Total =	0.093
ii: Trended Total =	0.093	*	1.171 / 1.26734	=	0.08593
iii: Current average rate =			695.95		
iv: Average all-forms loading =			695.95 * 0.08593	=	59.80

	Selected Fixed Expense Relativity	Average Dollar Load**	Average Rating Factor	Base Dollar Loading***
Forms 1-3,5:	1.00	62.91	1.800	34.95
Form 4:	0.50	31.46	3.800	8.28
Form 6:	0.50	31.46	5.534	5.68
All Forms:	0.9505 *			

(6) Expense loading for Loss Adjustment Expense:

Forms 1-3,5:	1 + (0.143	*	1.227	/	1.150) =	1.153
Form 4:	1 + (0.143	*	1.227	/	1.016) =	1.173
Form 6:	1 + (0.143	*	1.227	/	1.016) =	1.173

* weighted average of by-form selected relativities; five-year using house-years as weights

** for owners, value shown is 59.80 divided by average selected relativity. For Forms 4 and 6, value shown is value shown for Forms 1-3,5 multiplied by the selected relativities for Forms 4,6

*** equals Average Dollar Load divided by Average Rating Factor

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF EXCESS FACTOR (EXCLUDES HURRICANE LOSSES)

(1)*	(2)**	(3)***	(4)#	(5)	(6)	(7)	(8)	(9)	(10)
Combined Reported Wind Losses	Combined Reported Total Losses	Total minus Wind (2) - (1)	Wind / Total minus Wind	Capped Wind Ratio < (5 X med)	Capped Excess Wind Ratio (5)-Ave(5)	Capped Excess Wind Losses (3) x (6)	Non-Modelled Excess Wind Ratio Above The Cap	Excess Wind Losses Above The Cap (8) X (3)	Modelled Excess Wind Losses (7) + (9)
Year									
1950	1,388,467	312,200	0.070	0.070	0.000	0	0.000	0	0
1951	1,422,207	290,780	0.064	0.064	0.000	0	0.000	0	0
1952	1,440,159	792,365	0.171	0.171	0.017	13,470	0.000	0	13,470
1956	2,297,877	1,928,925	0.261	0.261	0.107	206,395	0.000	0	206,395
1957	2,117,102	839,255	0.123	0.123	0.000	0	0.000	0	0
1961	301,538	2,663,173	0.128	0.128	0.000	0	0.000	0	0
1962	272,921	3,126,852	0.096	0.096	0.000	0	0.000	0	0
1963	694,065	5,638,155	0.140	0.140	0.000	0	0.000	0	0
1964	607,512	6,064,576	0.111	0.111	0.000	0	0.000	0	0
1965	671,048	6,901,947	0.108	0.108	0.000	0	0.000	0	0
1966	719,568	8,005,594	0.099	0.099	0.000	0	0.000	0	0
1967	915,862	8,050,817	0.128	0.128	0.000	0	0.000	0	0
1968	498,227	10,627,905	0.049	0.049	0.000	0	0.000	0	0
1969	563,307	13,143,012	0.045	0.045	0.000	0	0.000	0	0
1970	2,479,513	17,038,702	0.170	0.170	0.016	232,947	0.000	0	232,947
1971	2,627,662	21,885,664	0.136	0.136	0.000	0	0.000	0	0
1972	1,260,381	21,914,689	0.061	0.061	0.000	0	0.000	0	0
1973	2,266,976	30,436,168	0.080	0.080	0.000	0	0.000	0	0
1974	9,401,408	43,362,415	0.277	0.277	0.123	4,177,204	0.000	0	4,177,204
1975	5,485,456	53,538,527	0.114	0.114	0.000	0	0.000	0	0
1976	2,972,442	52,540,898	0.060	0.060	0.000	0	0.000	0	0
1977	3,476,744	60,315,936	0.061	0.061	0.000	0	0.000	0	0
1978	10,628,669	70,487,546	0.178	0.178	0.024	1,436,133	0.000	0	1,436,133
1979	3,105,986	71,072,268	0.046	0.046	0.000	0	0.000	0	0
1980	6,474,397	106,691,350	0.065	0.065	0.000	0	0.000	0	0
1981	4,950,144	109,000,823	0.048	0.048	0.000	0	0.000	0	0
1982	9,654,141	118,487,782	0.089	0.089	0.000	0	0.000	0	0
1983	9,722,115	123,552,849	0.085	0.085	0.000	0	0.000	0	0
1984	21,436,988	140,713,231	0.180	0.180	0.026	3,101,182	0.000	0	3,101,182
1985	30,960,043	179,473,338	0.208	0.208	0.054	8,019,718	0.000	0	8,019,718
1986	16,262,975	157,609,675	0.115	0.115	0.000	0	0.000	0	0
1987	23,190,753	185,616,181	0.143	0.143	0.000	0	0.000	0	0
1988	66,411,702	243,501,978	0.375	0.375	0.221	39,136,951	0.000	0	39,136,951
1989	83,498,398	278,467,229	0.428	0.428	0.274	53,421,460	0.000	0	53,421,460
1990	37,671,988	220,252,894	0.206	0.206	0.052	9,494,207	0.000	0	9,494,207
1991	18,151,400	219,353,728	0.090	0.090	0.000	0	0.000	0	0
1992	26,654,935	222,532,035	0.136	0.136	0.000	0	0.000	0	0
1993	97,830,965	321,921,890	0.437	0.437	0.283	63,417,732	0.000	0	63,417,732
1994	28,862,821	278,066,775	0.116	0.116	0.000	0	0.000	0	0
1995	52,370,482	291,974,195	0.219	0.219	0.065	15,574,241	0.000	0	15,574,241
1996	40,901,941	332,747,529	0.140	0.140	0.000	0	0.000	0	0
1997	37,382,138	303,669,980	0.140	0.140	0.000	0	0.000	0	0
1998	120,075,356	394,840,091	0.437	0.437	0.283	77,758,420	0.000	0	77,758,420
1999	58,232,430	350,186,938	0.199	0.199	0.045	13,137,953	0.000	0	13,137,953
2000	86,652,848	447,040,839	0.240	0.240	0.086	30,993,367	0.000	0	30,993,367
2001	29,726,203	371,449,659	0.087	0.087	0.000	0	0.000	0	0
2002	46,670,010	511,786,136	0.100	0.100	0.000	0	0.000	0	0
2003	112,051,939	466,385,684	0.316	0.316	0.162	57,402,067	0.000	0	57,402,067
2004	63,671,790	411,759,191	0.183	0.183	0.029	10,094,535	0.000	0	10,094,535
2005	46,280,057	374,183,940	0.141	0.141	0.000	0	0.000	0	0
Total	1,233,364,056	7,672,224,309	6,447,526,065	7.699	7.699	1.867	387,617,982	0	387,617,982
Avg.				0.154	0.154	0.037		0.000	

Average of Column (5) = 0.154
 Median Rank (25) = M = 0.128
 Median * 5 = 0.640
 Excess Factor = 1.0 + [(Ave(8) + Ave(9)) / (1.0 + Avg (5) - Ave(6))] = 1.033

* Dwelling E.C. Premiums for 1950-59.
 ** Dwelling E.C. Losses for 1950-59.
 *** All Dwelling E.C. Losses for 1950-59 are assumed to be Wind Losses.

NORTH CAROLINA

HOMEOWNERS INSURANCE

DEVELOPMENT OF EXCESS LOSSES ON \$250 DEDUCTIBLE LEVEL

YEAR	(1) EXCESS RATIO*	(2) ADJUSTED WIND LOSSES	(3) (1)X(2) ADJUSTED EXCESS LOSSES
2001	0.000	31,019,086	0
2002	0.000	48,865,403	0
2003	0.512	118,510,084	60,677,163
2004	0.159	68,715,696	10,925,796
2005	0.000	51,280,402	0

* From calculation of excess factor; ratio of excess losses to reported wind losses.

NORTH CAROLINA

HOMEOWNERS INSURANCE

METHODOLOGY FOR CALCULATING WIND PROVISIONS BY TERRITORY - OWNER FORMS

In order to develop Wind Provisions by territory*, the statewide provision is distributed using each territory's "expected" wind losses. This procedure is illustrated in the following example. (All hurricane losses accounted for by the model have been removed. Modeled hurricane losses are not included in this procedure):

	(1)	(2)	(3)	(4)
	Long-Term** Ratio of Wind to Non-Wind Losses	Non-Wind Losses for Latest Five Years	"Expected" Wind Losses for Latest Five Years <u>(1) x (2)</u>	"Expected" Wind Distribution <u>(3) ÷ Total (3)</u>
Territory				
A	.250	\$16,000,000	\$4,000,000	.400
B	.200	6,000,000	1,200,000	.120
C	.600	8,000,000	4,800,000	.480
			Total 10,000,000	1.000

	(5)	(6) "Expected" Wind Distribution			(9) Territory Wind Provision		
	Statewide Wind Provision***	Territory A	Territory B	Territory C	Territory A <u>(5) x (6)</u>	Territory B <u>(5) x (7)</u>	Territory C <u>(5) x (8)</u>
Year							
x	\$4,000,000	.400	.120	.480	\$1,600,000	\$480,000	\$1,920,000
x+1	1,000,000	.400	.120	.480	400,000	120,000	480,000
x+2	2,000,000	.400	.120	.480	800,000	240,000	960,000
x+3	3,000,000	.400	.120	.480	1,200,000	360,000	1,440,000
x+4	2,000,000	.400	.120	.480	800,000	240,000	960,000

* In calculating the five-year non-hurricane loss costs by territory shown in Column (1) of page C-5, actual non-modeled wind losses by territory are replaced with the losses arrived at using this procedure.

** Average of yearly ratios of non-modeled wind to non-wind losses based on territory experience for all available years.

*** Statewide Wind Provision = (Non Hurricane Incurred Losses - Excess Losses) x Excess Factor
- (Non Hurricane Losses - Non Hurricane Wind Losses)

NORTH CAROLINA
HOMEOWNERS INSURANCE
MODELED HURRICANE LOSSES

Owners Forms

<u>Territory</u>	<u>AIR Loss Cost Per \$1,000</u>	<u>Estimated 2005 Total Limit Insurance-Years (000) (a)</u>	<u>Modeled Hurricane Losses</u>
5	2.4540	4,239,457	10,403,628
6	2.7990	2,863,814	8,015,817
32	0.2470	37,749,265	9,324,069
34	0.3930	14,378,888	5,650,903
36	0.0950	31,566,737	2,998,840
38	0.1100	44,301,044	4,873,115
39	0.1110	47,474,086	5,269,624
41	0.5990	6,308,289	3,778,665
42	2.1130	25,978,925	54,893,468
43	1.6380	18,070,169	29,598,937
44	0.2350	4,055,452	953,031
45	0.5790	22,489,067	13,021,170
46	0.1870	8,190,938	1,531,705
47	0.3350	42,989,999	14,401,650
53	0.2500	68,771,203	17,192,801
57	0.1130	62,138,414	7,021,641
60	0.0640	159,851,858	10,230,519
Statewide			199,159,583

(a) Includes a factor of 1.8 to reflect total limits coverage

NORTH CAROLINA
HOMEOWNERS INSURANCE
MODELED HURRICANE LOSSES

Tenant Form

<u>Territory</u>	<u>AIR Loss Cost Per \$1,000</u>	<u>Estimated 2005 Total Limit Insurance-Years (000) (a)</u>	<u>Modeled Hurricane Losses</u>
5	1.5200	9,407	14,298
6	1.4920	10,114	15,089
32	0.0560	606,564	33,968
34	0.0970	170,898	16,577
36	0.0180	514,015	9,252
38	0.0220	712,104	15,666
39	0.0200	351,408	7,028
41	0.1780	39,362	7,007
42	1.2850	232,724	299,051
43	0.8240	132,634	109,290
44	0.0570	25,576	1,458
45	0.1670	231,088	38,592
46	0.0410	52,175	2,139
47	0.0830	331,196	27,489
53	0.0520	691,946	35,981
57	0.0230	522,293	12,013
60	0.0110	1,133,129	12,464
Statewide			657,362

(a) Includes a factor of 1.2 to reflect total limits coverage

NORTH CAROLINA
HOMEOWNERS INSURANCE
MODELED HURRICANE LOSSES

Condominium Form

<u>Territory</u>	<u>AIR Loss Cost Per \$1,000</u>	<u>Estimated 2005 Total Limit Insurance-Years (000) (a)</u>	<u>Modeled Hurricane Losses</u>
5	1.3500	38,389	51,826
6	1.2840	40,579	52,103
32	0.0440	307,210	13,517
34	0.0810	60,495	4,900
36	0.0150	358,681	5,380
38	0.0170	940,005	15,980
39	0.0180	301,140	5,421
41	0.1580	4,099	648
42	1.0380	228,323	236,999
43	0.7130	71,032	50,646
44	0.0450	2,954	133
45	0.1400	47,844	6,698
46	0.0350	1,413	49
47	0.0710	82,506	5,858
53	0.0410	358,359	14,693
57	0.0200	204,648	4,093
60	0.0100	772,797	7,728
Statewide			476,672

(a) Includes a factor of 1.4 to reflect total limits coverage

SECTION E
SUPPLEMENTAL MATERIAL

NORTH CAROLINA
HOMEOWNERS INSURANCE

SUPPLEMENTAL MATERIAL

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 12B. 11 NCAC 10.1105 specifies that additional detail be provided under each of these items. These materials are contained on the pages indicated.

<u>Item</u>	<u>Page</u>
1. North Carolina earned premiums at actual and current rate levels; losses and loss adjustment expenses, each on a paid and incurred basis; the loss ratio anticipated at the time rates were promulgated for the experience period.	E-2-279
2. Credibility factor development and application.	E-280
3. Loss development factor derivation and application on both paid and incurred bases and in both dollars and numbers of claims.	E-281-301
4. Trending factor development and application.	E-302
5. Changes in premium base resulting from rating exposure trends.	E-303
6. Limiting factor development and application.	E-304
7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees.	E-305-308
8. Percent rate change.	E-309
9. Final proposed rates.	E-310
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	E-311-345
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	E-346-353
12. Investment earnings on capital and surplus.	E-354
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	E-355
14. Additional supplemental information (as per 11 NCAC 10.1105)	E-356-360
15. Change in Methodology	E-362

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

1. NORTH CAROLINA EARNED PREMIUMS AT THE ACTUAL AND CURRENT RATE LEVEL
- LOSSES AND LOSS ADJUSTMENT EXPENSES, EACH ON PAID AND INCURRED BASES WITHOUT TRENDING OR OTHER MODIFICATION FOR THE EXPERIENCE PERIOD, INCLUDING THE LOSS RATIO ANTICIPATED AT THE TIME THE RATES WERE PROMULGATED FOR THE EXPERIENCE PERIOD
- | | |
|---|-----------|
| Earned premiums at collected and current levels. | E-3 |
| Paid/incurred losses and loss adjustment expense. | E-4 |
| Anticipated loss ratios. | E-5 |
| (a) Companies excluded - rate level, trend, loss development, relativity, and investment income. | E-6 |
| (b) Not applicable to Homeowners insurance. | |
| (c) Adjustments to premium, losses, loss adjustment expenses, expenses and exposures. | E-7 |
| (d) Actual earned premiums and calculation of earned premium at present rates. | E-8 |
| (e) Written and earned premiums and market shares for the ten largest writers. | E-9 |
| (f) Composite loss and premium information from each of the latest two annual statements for the 50 largest writers.
Part 2, line 3
Part 3, line 3
Page 15, line 3 | E-10-14 |
| (g) Deviations. | E-15-254 |
| (h) Dividends. | E-255-256 |
| (i) Losses and loss adjustment expenses. | E-257 |
| (j) Not applicable to homeowners insurance. | |
| (k) Excess (catastrophe) and nonexcess (noncatastrophe) losses. | E-258 |
| (l) Losses by cause. | E-259-279 |

NORTH CAROLINA
HOMEOWNERS INSURANCE

EARNED PREMIUMS AT ACTUAL AND CURRENT RATE LEVEL

I. EARNED PREMIUM AT COLLECTED LEVEL

Year	Owner's Forms	Tenant Form	Condo Unit Form
2001	\$ 764,416,868	\$ 23,930,952	\$ 10,007,026
2002	833,708,732	23,585,208	10,853,523
2003	935,714,638	21,307,849	11,160,676
2004	1,041,610,966	21,232,361	11,955,974
2005	1,142,231,391	22,438,672	13,218,836

II. EARNED PREMIUM AT CURRENT LEVEL

Year	Owner's Forms	Tenant Form	Condo Unit Form
2001	\$ 1,153,852,025	\$ 21,474,361	\$ 9,417,164
2002	1,194,963,717	21,611,621	10,269,192
2003	1,258,279,926	21,616,070	10,949,178
2004	1,356,756,842	22,457,569	11,776,371
2005	1,498,766,325	24,074,875	13,213,524

NORTH CAROLINA
HOMEOWNERS INSURANCE

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 (a)

	Owners' Forms	Tenant Form	Condo Unit Form
2001	\$389,283,414	\$9,403,438	\$4,419,069
2002	539,972,860	9,340,481	3,812,257
2003	666,717,660	9,081,917	4,005,620
2004	497,552,585	7,016,122	5,021,452
2005	430,841,866	6,652,396	4,300,969

- (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' forms this factor is 15.3%. For the tenant and condo-unit forms this factor is 17.3%. For ISO, ISS, and NISS, these losses are adjusted to the \$250 base deductible. Data reported to the AAIS reflect the reported deductible.

NORTH CAROLINA
HOMEOWNERS INSURANCE

ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

The anticipated loss and LAE ratio included in the 2006 filing was .558 The anticipated loss and LAE ratio included in the 2005 filing was .644.

NORTH CAROLINA
HOMEOWNERS INSURANCE

EXCLUDED COMPANIES

(The market shares shown are based on 2005 page 15 Homeowners written premium.)

The average policy amount relativities used in the premium trend procedure and the pure premiums and severities used in the development of loss trend factors are based on the experience of companies reporting to the Insurance Services Office (full statistical plan), the Independent Statistical Service, and the National Insurance Statistical Service. 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. Based on 2005 written premium, the ISO (full statistical plan), ISS, and NISS experience represents approximately 99% of the total North Carolina Homeowners market.

The loss development factors used in the calculation of the statewide rate level indications are based on ISO North Carolina experience and on the North Carolina experience of three major companies reporting to the ISS. Based on 2005 written premium, this combined experience represents 84.6% of the total North Carolina Homeowners market. See also the prefiled testimony of R. Curry and S. Thomas.

Loss experience for the following insurers is not included in the filed experience: Alliance Mutual Insurance Company, American Reliable Insurance, Chubb Insurance, LM Property and Casualty Insurance, Shelby Insurance, Virginia Mutual Insurance and Windsor Mount Joy Insurance. The experience for Alliance Mutual Insurance Company, American Reliable Insurance, LM Property and Casualty Insurance, Shelby Insurance, Virginia Mutual Insurance and Windsor Mount Joy Insurance was not included because it was not available at the time the filing was being compiled. Experience for Chubb Insurance was not included because sufficient detail was not available. Based on 2005 written premium, data for these companies represents 1.7% of the total North Carolina Homeowners market.

House-years by year are as follows:

	<u>Owners' Forms</u>	<u>Tenant Form</u>	<u>Condo Unit Form</u>
2001	1,650,803	141,634	44,751
2002	1,659,180	139,215	47,715
2003	1,696,809	135,899	49,850
2004	1,747,273	137,491	51,967
2005	1,823,513	143,586	56,138

NORTH CAROLINA
HOMEOWNERS INSURANCE

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 R. Curry, S. Thomas and D. LaLonde.

Losses reported to ISO, ISS, and NISS are adjusted to the \$250 base deductible level 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 reported to the AAIS reflect the reported deductible.

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).

Additionally, due to the volatile nature and the catastrophic potential of hurricane losses, they have been removed from the actual data and replaced with expected hurricane losses produced by a model designed by AIR-Worldwide.

NORTH CAROLINA
HOMEOWNERS INSURANCE

EARNED PREMIUM AT PRESENT RATES CALCULATION

The adjusted earned premium at present rates for data reported to ISO (excluding Stat Agent Plan data), ISS, and NISS is calculated in the following manner for each individual insured:

Premium = Territory Base Rate x Form Factor x Amount of Insurance Factor x Protection-Construction Factor x Age Of Dwelling Factor x Optional Coverage Factor.

The results are then summed over all territories to generate the statewide adjusted earned premium at present rates used to calculate the average rating factors shown on pages C-1, C-2 and C-3.

A sample calculation for a single insured is shown below. This sample insured is in territory 32, Form HO-3 w/15, \$75,000 amount of insurance, protection class 8, masonry construction.

(1) Territory 32 base rate	\$410
(2) Form factor for HO-5	1.30
(3) Amount of insurance factor for \$75,000	1.000
(4) Protection-construction factor for protection class 8, masonry	1.10
(5) Age Of Dwelling Factor	1.000
(6) Optional Coverage Factor	1.000
(7) Adjusted premium at present rates (1)x(2)x(3)x(4)x(5)x(6)	\$586.30

Earned premium at present rates for data reported to the AAIS is calculated by applying "on-level" factors to the reported premiums. The on-level factors are derived using the standard "parallelogram" method which accounts for past approved rate changes and their varying effect by year. Earned premium at present rates for data reported under the Statistical Agent Plan of ISO is derived by applying current-rate adjustment factors (calculated from manual-level premiums using the extension-of-exposure procedure described above) to reported premiums.

TOP TEN HOMEOWNERS INSURANCE WRITERS

<u>COMPANY NAME</u>	2005 (a) <u>WRITTEN PREMIUM</u>	2005 <u>WRITTEN PREMIUM</u> <u>MARKET SHARE</u>	2005 (a) <u>EARNED PREMIUM</u>	2005 <u>EARNED PREMIUM</u> <u>MARKET SHARE</u>
STATE FARM FIRE & CAS CO	269,878,119	19.02%	264,453,530	19.20%
NATIONWIDE MUTUAL FIRE INS CO	193,732,051	13.65%	202,134,771	14.68%
N C FARM BUREAU MUTUAL INS CO	193,579,099	13.64%	184,419,388	13.39%
ALLSTATE INSURANCE COMPANY	101,629,417	7.16%	103,119,743	7.49%
ERIE INSURANCE EXCHANGE	57,086,436	4.02%	57,370,185	4.17%
UNITED SERVICES AUTOMOBILE ASSOC	43,029,363	3.03%	39,874,214	2.90%
ALLSTATE INDEMNITY COMPANY	40,444,997	2.85%	32,144,868	2.33%
NATIONWIDE MUTUAL INS CO	38,320,768	2.70%	24,610,049	1.79%
UNITRIN AUTO AND HOME INSURANCE COMPANY	36,407,984	2.57%	35,435,812	2.57%
AUTO OWNERS INS CO	28,323,539	2.00%	27,068,878	1.97%
TOTAL	\$ 1,002,431,773	70.64%	\$ 970,631,438	70.49%
Grand Total	1,419,141,549		1,377,049,943	

E-9

(a) Per the 2005 Annual Statement, Statutory Page 14, Line 4.0.

**2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,159,549	591,209	606,044	1,144,715
2 Allied lines	1,197,472	340,862	364,136	1,174,198
3 Farmowners	442,576	196,763	216,956	422,383
4 Homeowners	26,775,476	12,994,113	14,305,761	25,463,828
5 Comm multi peril	9,802,731	4,417,289	4,798,168	9,421,852
6 Mortgage guaranty	0	0	0	0
8 Ocean marine	442,997	163,885	182,069	424,814
9 Inland marine	2,142,066	1,031,659	1,080,118	2,093,606
10 Financial guaranty	2,519	966	966	2,519
11 Medical malpractice	254,068	113,152	127,594	239,626
12 Earthquake	337,349	175,556	186,344	326,561
13 Group A & H	355,694	26,051	21,715	360,029
14 Credit A & H	117	1,061	959	219
15 Other A & H	21,335	16,844	18,721	19,458
16 Worker's comp	4,769,013	1,264,968	1,504,081	4,529,900
17 Other liability	6,055,538	2,728,425	3,012,847	5,771,116
18 Products liability	439,009	187,726	206,884	419,851
19 Auto liability	29,402,987	9,057,958	9,548,303	28,912,642
21 Auto phys. damage	19,866,872	6,083,089	6,372,479	19,577,481
22 Aircraft	50,737	9,383	15,637	44,483
23 Fidelity	269,407	123,420	135,246	257,581
24 Surety	391,347	231,894	250,349	372,893
26 Burglary + theft	34,548	15,083	18,055	31,576
27 Boiler and machinery	188,010	93,765	92,840	188,935
28 Credit	15,733	1,117	2,462	14,388
29 International	719	97	83	734
30 Reinsurance	275,074	73,257	53,878	294,453
31 Miscellaneous	68,117	122,917	122,270	68,764
32 TOTALS	104,761,061	40,062,510	43,244,963	101,578,607

**2005 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,225,015	606,044	648,059	1,182,999
2 Allied lines	1,165,107	364,136	387,815	1,141,427
3 Farmowners	478,157	216,956	236,184	458,928
4 Homeowners	27,502,259	14,305,761	14,888,887	26,919,133
5 Comm multi peril	10,108,436	4,798,168	5,022,304	9,884,299
6 Mortgage guaranty	0	0	0	0
8 Ocean marine	515,951	182,069	205,452	492,568
9 Inland marine	2,355,552	1,080,118	1,160,756	2,274,915
10 Financial guaranty	2,519	966	966	2,519
11 Medical malpractice	230,373	127,594	103,840	254,127
12 Earthquake	330,643	186,344	181,667	335,321
13 Group A & H	440,301	21,715	23,853	438,163
14 Credit A & H	-109	959	561	288
15 Other A & H	16,657	18,721	11,287	24,091
16 Worker's comp	5,477,935	1,504,081	1,913,775	5,068,241
17 Other liability	7,282,035	3,012,847	3,435,752	6,859,130
18 Products liability	578,730	206,884	239,914	545,700
19 Auto liability	29,854,181	9,517,438	9,556,746	29,814,873
21 Auto phys. damage	20,100,719	6,372,480	6,356,312	20,116,886
22 Aircraft	30,897	15,637	12,116	34,418
23 Fidelity	328,889	135,246	163,347	300,788
24 Surety	575,213	250,349	314,470	511,091
26 Burglary + theft	36,835	18,055	20,466	34,424
27 Boiler and machinery	139,597	92,840	77,480	154,957
28 Credit	18,567	2,462	3,430	17,599
29 International	12,295	83	610	11,767
30 Reinsurance	217,959	53,878	42,398	229,440
31 Miscellaneous	49,246	122,270	113,890	57,626
32 TOTALS	109,073,958	43,214,098	45,122,338	107,165,717

2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	<u>Adjusted or in Process</u>				<u>Incurred But Not Reported</u>			Net Losses Unpaid Excluding LAE	Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding IBNR	Reinsurance				
					Direct	Assumed	Ceded		
1 Fire	108,696	168,810	89,445	188,061	65,849	110,208	82,184	281,934	45,809
2 Allied lines	383,242	210,428	375,748	217,922	232,737	672,492	531,243	591,908	64,802
3 Farmowners	72,808	28,305	28,472	72,641	46,040	25,030	25,742	117,970	32,181
4 Homeowners	3,658,374	1,798,508	1,682,475	3,774,406	2,045,539	1,405,481	1,280,793	5,944,633	1,645,068
5 Comm multi peril	3,553,398	3,321,523	2,998,977	3,875,943	2,620,036	2,644,126	2,213,443	6,926,661	2,652,223
6 Mortgage guaranty	0	0	0	0	0	0	0	0	0
8 Ocean marine	166,974	73,391	118,531	121,834	111,212	57,452	72,926	217,573	30,073
9 Inland marine	205,207	117,163	137,034	185,337	50,983	106,480	-16,980	359,780	103,324
10 Financial guaranty	0	0	0	0	68	13	125	-44	-197
11 Medical malpractice	117,232	456,828	239,145	334,915	53,979	286,392	150,533	524,753	180,014
12 Earthquake	9,722	706	6,433	3,995	77,917	9,160	54,468	36,604	18,170
13 Group A & H	7,820	115,263	100,026	23,057	29,369	34,598	29,387	57,638	5,566
14 Credit A & H	555	163	497	221	736	0	431	526	40
15 Other A & H	3,192	37,585	30,350	10,427	5,216	3,036	1,174	17,504	1,050
16 Worker's comp	8,256,888	6,873,822	8,651,833	6,478,877	6,151,605	4,811,614	5,975,904	11,466,192	1,548,177
17 Other liability	3,969,221	3,020,960	3,139,393	3,850,787	8,881,105	5,349,261	6,498,649	11,582,504	3,098,412
18 Products liability	1,456,508	703,187	909,225	1,250,470	3,031,712	1,696,017	2,587,589	3,390,610	1,076,696
19 Auto liability	16,713,974	9,648,819	10,563,722	15,799,071	7,166,629	5,035,420	4,631,187	23,369,933	5,278,726
21 Auto phys. damage	455,040	332,844	256,899	530,984	158,161	272,862	233,687	728,321	344,337
22 Aircraft	475,055	273,613	685,188	63,480	72,250	60,706	75,450	120,986	13,400
23 Fidelity	91,961	21,279	32,351	80,889	125,203	33,665	45,240	194,517	26,385
24 Surety	174,543	49,599	117,104	107,038	121,700	17,906	97,994	148,650	19,129
26 Burglary + theft	1,165	1,403	4,782	-2,214	2,195	2,895	-1,558	4,435	512
27 Boiler and machinery	15,417	18,966	7,525	26,858	18,538	28,442	14,269	59,569	6,672
28 Credit	0	-280	-92	-188	4,246	6,937	3,648	7,347	525
29 International	0	29,267	4,122	25,145	0	19,345	1483	43,006	767
30 Reinsurance	0	1,186,491	347,285	839,206	0	1,173,837	318,493	1,694,550	16,561
31 Miscellaneous	178	-4	54	120	7479	12,841	7,502	12,938	3463
32 TOTALS	39,897,172	28,488,638	30,526,524	37,859,286	31,080,504	23,876,214	24,915,006	67,900,998	16,211,885

**2005 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 3A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	<u>Adjusted or in Process</u>				<u>Incurred But Not Reported</u>			Net Losses Unpaid Excluding LAE	Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding IBNR	Direct	Assumed	Reinsurance Ceded		
1 Fire	217,384	227,666	182,581	262,470	72,540	61,949	65,103	331,855	44,202
2 Allied lines	1,259,684	305,416	1,276,168	288,932	1,594,203	657,085	1,914,467	625,753	239,419
3 Farmowners	88,789	38,670	29,778	97,681	57,885	21,700	28,517	148,749	34,892
4 Homeowners	4,475,010	2,210,745	2,303,345	4,382,411	5,022,736	1,990,154	3,332,259	8,063,042	2,169,932
5 Comm multi peril	3,945,309	3,540,986	3,269,515	4,216,780	3,121,687	2,658,435	2,635,261	7,361,640	2,667,406
6 Mortgage guaranty	0	0	0	0	0	0	0		
8 Ocean marine	195,238	110,900	152,912	153,226	171,035	52,470	95,030	281,701	51,341
9 Inland marine	381,326	157,663	246,372	292,616	203,968	164,255	108,710	552,130	133,272
10 Financial guaranty	0	0	0	0	94	9	104	-2	0
11 Medical malpractice	105,079	680,964	194,671	591,372	52,318	250,438	122,930	771,199	180,474
12 Earthquake	3,800	863	2,434	2,229	70,680	15,955	52,614	36,250	16,278
13 Group A & H	3,816	115,800	100,173	19,543	26,128	28,036	26,134	47,573	5,214
14 Credit A & H	207	93	197	104	408	0	163	348	22
15 Other A & H	5,313	45,028	36,986	13,355	2,917	1,961	1116	17,118	876
16 Worker's comp	8,472,330	6,737,340	8,565,990	6,643,680	6,604,429	5,045,473	6,317,098	11,976,484	1,512,397
17 Other liability	3,744,954	3,352,183	2,789,998	4,307,139	9,496,407	6,554,218	6,896,681	13,461,083	3,714,576
18 Products liability	1,334,079	720,273	797,774	1,256,579	2,947,094	1,420,795	2,521,237	3,103,231	1,200,516
19 Auto liability	17,047,685	10,060,753	10,824,489	16,283,949	7,635,130	5,225,898	4,880,749	24,264,229	5,390,529
21 Auto phys. damage	473,091	363,180	291,020	545,250	228,453	259,279	214,406	818,576	418,205
22 Aircraft	446,906	251,648	640,774	57,780	50,957	55,309	52,485	111,561	9,997
23 Fidelity	85,498	33,510	32,891	86,117	141,422	53,952	46,172	235,319	31,799
24 Surety	46,953	224,382	51,119	220,217	82,869	44,881	79,953	268,014	86,157
26 Burglary + theft	1,468	1,518	4,748	-1,762	3,420	6,673	2503	5829	1142
27 Boiler and machinery	10,179	10,851	6,898	14,132	17,628	33,201	14,210	50,750	5,965
28 Credit	0	6593	938	5656	6,253	12,292	7,998	16,202	398
29 International	0	31,948	5,901	26,047	0	51,148	1210	75,987	59
30 Reinsurance	0	1,370,865	339,278	1,031,587	0	1,399,079	309,201	2,121,465	30,137
31 Miscellaneous	205	1	122	83	13034	16,821	10,357	19,581	5526
32 TOTALS	42,344,405	30,699,839	32,147,071	40,797,173	37,623,695	26,081,467	29,736,668	74,766,667	18,150,730

EXHIBIT (1) (f) (iii)

2004 & 2005 NORTH CAROLINA HOMEOWNERS INSURANCE (a)		
	<u>2004</u>	<u>2005</u>
Written Premium	1,277,064,495	1,373,096,489
Earned Premium	1,205,074,603	1,325,450,638
Dividends	5,260,230	5,646,877
Unearned Prem Reserves	665,940,484	711,203,450
Losses Paid	510,651,071	510,512,510
Losses Incurred	524,925,665	524,399,140
Losses Unpaid	208,664,371	220,955,342
Defense & Cost Containment Paid	6,942,330	7,130,889
Defense & Cost Containment Incurred	9,804,534	7,523,528
Defense & Cost Containment Unpaid	22,521,300	22,809,090
Commissions	179,792,917	193,438,921
Taxes	36,466,023	35,232,106

(a) Top 50 Writers

HOMEOWNERS

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. 9-1-99

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

AIU Insurance Company

- All Forms: 10%. Eff. 2-1-86

AMEX Assurance Company

- Form 3: Various downward deviation based on amount of insurance.
- Form 6: Various downward deviation based on amount of insurance.
- 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 rowhouse.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory Eff. 8-15-02

AXA Re Property & Casualty 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

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

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%.
- Premium Credit for Exclusion of Farm Employees employed in violation of law: Credit \$1 per policy. Eff. 11-1-97

All America Insurance Company

Withdrawn

Allstate Indemnity Company

- Claims Rating Deviation – determined by the number of chargeable claims, credits vary.
- Claims Free Discount – 10% discount for no claims for 60 consecutive months.
- New/renovated Home Discount – credit varies.
- Home and Auto Discount Deviation –credit varies.
- The Good Hands People Discount Deviation – 1%
- Zone Deviation - credit varies per zone.
- Eff 12-1-03 PC065706

Allstate Insurance Company

- Deviation by amount of insurance. Credit varies.
- Deductible factors Forms 2, 3 & 3 Deluxe Plus; \$100/\$250 theft-1.067; \$500 ded. -.910; \$1000 ded.-.790; \$2500 ded-.620. Forms 4 & 6: Deductible factors; \$100/\$250 theft - 1.023; \$500 ded - .830; \$1000 ded - .670.
- Protective devise discount for broad/deluxe, deluxe plus and renters/condos: discount varies.
- Age 55 & Retired Discount Factor. Credit varies when certain criteria met.
- Personal Property Replacement Cost Deviation subject to certain requirements.
- Age of Home Discount Deviation for HO 2 and HO 3 deluxe and deluxe plus forms.
- Waterbed Liability Deviation HO4 and HO6.
- Dwellings in the course of construction availability for HO 2 and HO 3 deluxe plus forms 55% of expected finished value.
- Home and auto discount deviation HO2 and HO 3 deluxe and deluxe plus and HO 4 and Ho 6 when certain criteria is met.
- Installment payment plan for electronic funds transfer.
- Three or four family dwelling rating structure: does not defferentiate between 3 or 4 family dwellings in a town or row house structure.
- Deviation by wind/hail deductible
- Installment payment plan – waived installation charges – payroll deduction option for allstate employees.
- Good hands people discount all forms.
- Residence rental coverage HO 01, HO 02 and HO 03 no charge for coverage. Eff 8-15-02

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

American Automobile Insurance Company

- 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.
- Deviations by territories and forms: Credit varies. Eff. 12-01-03
- PC065125

American Bankers Insurance Company of Florida

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%. Eff. 5-1-92

American Centennial Insurance Company

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

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

American Employers Insurance Company

- 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

American Fire & Casualty Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 15% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 8-15-02

American & Foreign Insurance Company

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 -\$99,999 -7% surcharge;\$100000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer. Eff. 9-1-99

American Home Assurance Company

- HO-3 Premier Base Class Premium Deviation by territory: 5% credit.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation.
- Age of Dwelling Discount: New Homes – 10 yrs. Credit varies. Eff. 11-19-01

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

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 to base premium 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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

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

American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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

American Professionals Insurance Company

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

American Protection Insurance Company

- All Forms: Optional Higher Deductibles Factors.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices: Credit varies by protection class & territory.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies.
- All Forms except 3w/15 & 6w/1731: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation; Credit varies based on territories.
- Form 6: Base Rate Deviation; Credit varies based on territories.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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.
- Additional Amounts of Insurance (KIP only): 25%-.01, 50%-.02.
- 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 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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

American Reliable Insurance Company

- Loss Free Renewal Credit: Credit applies to any policy that has been loss free for the previous 12 months under an existing American Reliable Insurance Company policy.
- Mature Retiree Credit: If certain criteria are met, a credit of -10% of the Base Premium will be applied.
- New Roof Credit: If the roof has been professionally installed within five years of the inception or renewal date, the premium shall be reduced by 5%. Not to be combined with the Age of Dwelling Credit. Eff 11-6-02

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; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 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.
- 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. 12-12-91

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

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

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 all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85. Eff. 10-1-94

AMICA Mutual Insurance Company

- New Home Credit; Forms 2 & 3: credit varies by age.
- Form 2 & 3: Repair or Replacement Cost Protection; For the specified additional amount of insurance for coverage A only the additional amount of insurance at 25% the factor will be 1.00.
- Optional Higher Deductibles - Fixed dollar amount deductible credits - HO 00 02 & HO 00 03 credit varies.
- Personal Property Limits - \$1 per \$1,000 of increased limits for all forms. \$1 charge waived for increased limits from 50% to 70% of Coverage A if the HO 04 90 is not attached to the policy.
- Premium Payment Option - Eliminate the additional charge of \$2 for first installment payment plan. \$2 charge for each remaining installments.
- Eliminate the additional charge for each installment payments for members of any AMICA Group.
- Ordinance or Law: 25% of Coverage A provided without charge. Reduce charges for limits excess of 25% of Coverage A.
- Refrigerated Property: \$10 charge is waived.
- Premium Determination HO 00 04 - rate deviation varies by policy amount.
- Multi-Line Discount - all territories except Terr 5,6,42,43. 2% discount applies to the total homeowner premium if a policyholder has both auto and Homeowners coverage with Amica.
- Eff.9-1-04 PC072760

Armed Forces Insurance Exchange

- Protective Device Credits: All protection classes & all territories; Factors vary. Maximum credit waived.
- Fixed dollar amount deductible factors credit varies.
- Wind or Hail deductibles credit varies.
- New Home Credit; All Forms, except 4 & 6: New - 20%; 2% less credit each additional yr.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Base class premium discount for form HO 6.
- Base premium deviation based on insurance amt. credit varies all forms except HO 4 and HO 6.
- Minimum policy premium waived.
- Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
- Home Day Care Coverage E: Reduce base premium by 50%; Coverage F; Premiums reduced by 50%.
- Other exposures - medical payments to others increase limits credit varies.
- Installment Payment Charge waived
- Wind or Hail Deductible: Credit & surcharge vary.
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount)
- Hurricane Deductible Factors credit varies. Eff 6-1-03

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 to company 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: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to company base premium. Eff. 6-1-93

Associates Insurance Company

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 -

11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.

- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8. Eff. 03-05-02

Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Coverage 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 Coverage A amount is \$100000 or above for all SAS Institute Inc. Employees. Eff. 1-1-96

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 insured has 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

Auto Owners Insurance Company

- Form HO 00 06 - Deviate 0% at amount of insurance \$10,000 and taper to 5% at \$15,000. Deviate 5% for all amounts of insurance above \$15,000.
- Deductibles 100 flat 10% charge - \$60 max charge.
- Protective Device Credit - 2% - 15% for eligible devices.
- Mature Homeowner Discount - The discount applied is 18% of the total premium for insureds 65 years of age or older and 13% of the total premium for insureds between the ages of 55 and 64.
- Townhouse or rowhouse charge - Charge the same rate for all protection classes, creating a deviation for pc9,9e,9s & 10. Surcharge 1-2 family 1.00, 34 family 1.10, 5+ 1.25.
- Credit card, fund transfer card, forgery and counterfeit money - Premiums vary for increased limits.
- Form 6: Units Regularly Rented to Others: Waiver \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Loss assessment Rates for Forms HO 3 and HO 6 will be the same as all other forms.
- Building Additions & Alterations at Other Residences; Eliminate \$1 - HO-277 is endorsed on policy.
- Other Insured Location Occupied by Insured Section II - rate 2, 3, and 4 family as one family.
- Section II liability - Residence employees - charges are waived.
- Business Pursuits - No additional cost except Corp Punishment for Form 3 only.
- Personal Injury - No cost to insured.
- Permitted Incidental Occupancies - Residence Premises - No charge for property exposure to business in other structures.
- Special Personal Property Coverage -Provides all risk coverage to Form 3 or Form 6 subject to certain exclusions.
- All Forms: 10% credit on selective optional coverages rated as flat dollar charge per fixed amount of coverage.
- All Forms: Optional deductible charges: \$100flat - +10% - Maximum charge \$60. Min. charges waived.
- All Forms: Protective device credit: 2% applied to premium chart premium for dwellings for each of following heat/smoke detectors, deadbolt locks or fire extinguishers.
- All Forms: Protective devices factors: Credit varies 2% - 15%.
- Form 3: New Home Credit: New-18%; 1% less credit 1st & 2nd yr.; 2% less credit 3rd - 9th yrs. of age.
- Mature Homeowners Credit: 18% for insureds 65 yrs. of age or older: 13% for insureds between the ages of 55 & 64: 0% for insureds between the ages of 50 & 54. Discount will apply to primary, secondary or seasonal residences.
- Form 3: Townhouse or rowhouse charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Loss Assessment: Same rates apply to Form 3 & Form 6 with HO-32 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.

- All Forms: Credit Card, Fund Transfer Card & Counterfeit Money Coverage: \$1000 limit no charge; \$2500-\$2; \$5000-\$3; \$7500-\$4; \$10000-\$5.
- Multi-Policy Discount: 7% credit applies to primary, secondary & seasonal residence when named insured has both a private passenger auto policy & homeowners policy written with an Auto-Owners Insurance Group Company.
- Seasonal Discount - Forms 3 & 6 - certain criteria 5% discount.
- Section II liability watercraft - certain criteria - rates vary.
- Life/Homeowners Multi-Policy Discount 5%.
- Eff. 12-2-03 PC067715

Automobile Insurance Company of Hartford, Conn.

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Base Rate Deviation by territory.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
- Personal Property Replacement Cost: \$20 minimum premium is deleted. Eff. 2-28-01

Bankers Standard Insurance Company

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%. Eff. 9-1-99

Blue Ridge Insurance Company

Withdrawal 2-24-03

Boston Old Colony Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

Camden Fire Insurance Association, The

- All Forms, except 4 & 6: New Home Credit; New -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%; 10 yrs.-6%; 11 yrs.-4%; 12 yrs.-4%; 13 yrs.-2%; 14 yrs.-2%.
- All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures 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 & 3w15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waives charge to increase Coverage C limit 50% to 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. 9-13-02

Central Mutual Insurance Company

CENTRAL PREMIER TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- New Home Credit for Forms 2,3&3w/15: credits vary.
- Package Credit Forms 2, 3, 3w/15 & 6: credit varies if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credit varies..
- Personal Property Replacement Cost All Forms except 4&6: surcharge 1.035.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL ADVANTAGE TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- Form 6: Deviation by amount of insurance: credits vary.
- Forms 2, 3, & 3w/15 New Home Credit: Credit varies for homes new to 14yrs. of age.
- Forms 2, 3, 3w/15 & 6: Package Credit if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost for forms 2,3,3w/15 surcharge 1.035.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL TIER

- Deviation by amount of insurance, Forms 2, 3 & 3w/15: public protection class & territory: Variable credits.
- Deviation by amount of insurance form 6 credit varies.
- New Home Credit: Forms 2, 3 & 3 w/15: Credit varies for homes new to 14 yrs. of age.
- Package Credit Forms 2, 3, 3 w/15 & 6: credit varies if company carries private passenger automobile/homeowners coverage based on territory.
- Fixed Dollar Amount Deductibles Credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost Forms 2 & 3: surcharge factor 1.035.
- Installment Payment Plan: Charge waved when the insured uses Electronic Funds Transfer.
- Forms 4 & 6: Deviation by amount of insurance: Credits vary.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL BENEFIT TIER

- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Eff 9-1-03 PC062814

The Charter Oak Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary.
- Deductible Credits: Credit varies by amount of deductible.
- Personal Property - Increased Limit Covge C: \$1 per \$1000. Forms 2, 3 & 3w15
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit Forms 2, 3 & 3w15: 5%.
- Loss Free Credit: 3+ yrs. loss free 5% credit Forms 2, 3 & 3w15.
- Final premium adjustment factor of .92Forms 2, 3 & 3w15:.
- Inflation Guard: Premium charge waived.Forms 2 & 3:
- Safety Seminar Credit: Certain criteria apply.Forms 3: 5%
- PC072527 Eff 5-28-04, PC055166 Eff. 11-01-02

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

The Cincinnati Insurance Company

- New home credit HO 2, HO 03, HO 03 w/HO 32 36 1-9 yrs credit varies.
- Base Rate Deviations By Territories Credit varies based on territory.
- Installment Payment Plan: Delete the \$3 charge each installment.
- Homeowners Enhancement Deviation.
- Watercraft Liability deviation. Eff 4-1-04 PC065698

Commercial Insurance Company of Newark, New Jersey

- Forms 1, 2 & 3: 20% credit if criteria is met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits: Coverage A all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria are met.
- Amount of Insurance Deviation; \$50000 - \$225000 & above credit varies 9% - 39%. Eff. 12-9-88

Consolidated American Insurance Company

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3W/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%;6 or more yrs-10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge. Eff. 8-1-92

Continental Insurance Company

- All Forms, except 4 & 6: Base Rate Deviations based on territory. Credits vary 0% - 15.6%.
- Forms 4 & 6: Base Rate Deviations based on territory. Credits vary
- Earthquake Rate Deviations.
- Deductible Credits Deviation – based on Coverage A Limit..
- New Home Discount: 1 year – 18%, 1-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria are met.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Ins Co.
- 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

Continental National 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: Coverage 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 the base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage, charge will be deleted when certain coverages & increased limits options are selected. Eff. 1-1-01

Economy Premier Assurance Company

- Form 3: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- Form 6: Base premium is calculated with a factor of 9.1% below the HO 4 base rates.
- Form 4: Base rate deviation by territory: Credit varies
- Forms 4 & 6: Policy Amount Relativities by Territory Deviation: Credits of 2.7% - 14%.
- Form HE-7: Contract provided at no additional charge.
- Form HE-7w/HE-20: Base premium is calculated with a factor of 1.02 applied to HO-3 rates.
- Form HE-7w/HE-21: Base premium is calculated with a factor of 1.04 applied to HO-3 rates.
- Forms HE-7, 6 & 4: Homeowners Pak II Credit: 10% credit in territories 32-43 who qualify.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- New Home Discount: 0 - 15 yrs. of age: Credit varies 3% - 18%.
- Personal Injury Protection Liability Deviation: Provided with no additional charge.
- Forms 4 & 6: Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Forms HE-7, 4 & 6: Credits for higher deductibles.
- Premium Credits for Protective Devices: Credits vary 1% - 15%.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.
- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Form HE-7: Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation. Eff. 8-15-02

Electric Insurance Company

- Base rate deviation by territory: Credit varies. Forms 2, 3 & 3 w15:
- Base Rate Credit - 11%. Forms 4 & 6:
- Reduced Factor Personal Property Replacement Cost form HO-1, HO-2, and HO-3 - 1.02 (Coverage C) is automatically increased to 70% of Coverage A. HO-04 and HO-6 1.25 RC Coverage also applies to articles or classes of property separately described and specifically insured in this policy.
- Protective Device Credits: Credits vary 2% - 15%.
- Deductible Factors Forms HO-4 & HO-6 Credit varies
- Decreased Rates for Unscheduled Jewelry, Watches and Furs.
- Decreased Rates for Silverware, Goldware & Pewterware: Additional premium for each \$500 increase - \$2.

- Decreased Rates for Firearms: Additional premium for each \$100 increase - \$1.
- New Home Credit Forms 2 & 3; 0 - 10 yrs. of age; Credit varies 2% - 25%.
- Multi-Policy Discount. Forms 2, 3, 4 & 6: 10%
- Eff. 12-20-03 PC067230

EMCASC0 Insurance Company

- Downward base rate deviation Forms 2 & 3: 15%.
- Optional Section I & II Rates; 15% deviation.
- Personal Property Replacement Cost Coverage C: forms 2 & 3 Use 1.00 factor: Forms 4 & 6: Use 1.40 factor.
- Optional Higher Flat deductible credits: all forms \$500-10%; \$1000-23%; \$2500-37. Windstorm or Hail ded's vary by ded amount for HO 2 & 3.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Additional Amount of Insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer: transaction fee is waived when the electronic funds transfer options is selected. Eff. 8-1-02

Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms; \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1000 - 32%; \$2500 - 45%.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- : Additional amount of insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waive when the electronic funds transfer options is selected Eff. 8-1-02

Erie Insurance Exchange

- Base Rate Deviations Forms HO 00 022, HO 00 03, HO 00 08, HE-7, HE-7/20 & HE-7/21: Key Premium deviations: Variable credits based on zones.
- Amount of Insurance Deviation All Forms except HO 00 04 & HO 00 06; key factors by amount of insurance.
- Multi-Policy Discount: 5% credit applied to the Homeowner adjusted base premium if the Policyholder also has a voluntary private passenger automobile policy with The ERIE Insurance Exchange or ERIE Insurance Company.
- New Home Discount: Credits vary 2% - 18% for new to 9 yrs. of age.
- Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- Increased Special Limits of Liability HO 04 65 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost: HO 00 02 & HO 00 03 The charge for this coverage is 12%, but it includes the increase in Coverage C to 70% of Coverage A at no additional charge. The deviation varies by rating zone. HO 00 04 & HO 00 06 - no deviation. HE-7 - no deviation.
- Secondary Residence Premises - Subtract \$1 for duplication of coverage. Step B is omitted.
- Townhouse or rowhouse charge - waived.
- Units Rented to Others Form HO 00 06 HO 1733 Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
- Building Addition & Alterations Increased Coverage C limit - : Form 00 04 HO 0451 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only (HO 32 20): \$1 charge.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06 No charge.
- Refrigerated Property Coverage: Charge waived.
- Personal Property Increased Limits; HE 7 - \$2 per \$1000.
- Premium payment plan service charge – installment payments- \$3 per installment.
- Eff. 2-1-04 PC067210

Farmers Insurance Exchange

- Base Rate Deviations: Forms 3 & 4: Credits vary 6% - 11.5% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, Credit by territory varies.
- Protection - Construction Factors Deviation by territory: All Forms, except 4 & 6.

- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.
- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.
- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Age 50 Plus Discount.
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Non Smoker Discount: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies. Eff 9-16-04 PC074857

Federal Insurance Company

- Elimination of maximum credit for protective devices.
- Forms 2, 3, 3w/15 & HE-7: Coverage A amount 950,000 & above; Key Factors vary.
- Forms 2, 3, 3w/15, 4 & 6: Gated Community Credit; 5% for house located in gated community meeting certain criteria.
- Personal Property Increased Limits: Form 2 & 3-\$1 per \$1000: Form 3w/15-\$1.50 per \$1000 of coverage.
- Forms 2 & 3: Additional Amount of Insurance Option: 25%-\$1 surcharge: 50%-\$2 surcharge: Premium \$5. Eff. 8-15-02

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

Fidelity & Casualty Company of NY

- All Forms, except 4 & 6: Amount of Insurance Deviation: Variable Credits.
- Form 4: Amount of Insurance Deviation: Variable Credits.
- Form 6: Amount of Insurance Deviation: Variable Credits.
- Earthquake Deviation.
- Companion Policy Discount: 10% credit applies when named insured has an auto policy with any Encompass Insurance Company.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost: Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 increase is .9 times applicable premium each additional \$1000 column in basic premium chart for Coverage C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.

- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

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

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 applied 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

Firemans Fund Insurance Company

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

Firemens Insurance Company of Newark, New Jersey

- Base Rate Deviations by Territory: Forms 2, 3 and 8: Credit varies 25% - 36.7%.
- Base Rate Deviations by Territory: Forms 4 and 6: Credit varies.
- Earthquake Coverage Deviation.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.
- Gated Community Discount: 10% credit applies when criteria are met.
- New Home Discount: 0 – 10 yrs. of age: Credit varies 10% - 18%.
- Deductible Credits Deviations: Credits vary by Coverage A Limit or deductible amount.
- Additional Limits Deviation for Coverage F.
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property Coverage HO 06 only. Eff. 8-15-02

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 of .85-.95 applies 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

First Community Insurance Company

- Base Rate deviation by territory
- Amount of Insurance deviation by territory - HO-3.
- Amount of Insurance deviation by territory - HO-4.
- Amount of insurance Deviation by territory - HO-6.
- Protection Class deviation - HO-3, HO-4, HO-6.
- HO-3 Toenhouse/roehouse deviation.
- Deductible Credits deviation - HO-3.
- Hurricane deductible deviation HO-3.
- Windstorm or Hail Deductible deviation HO-3.
- Deductible Creidts deviation - HO-4, HO-6.
- Number of Families deviation.
- Replacement Cost on Contents - HO-4 and HO-6.
- Homeowners Renewal Discount.
- Automatic Sprinkler Discount.
- Ordinance or Law Coverage.
- Employee or subsidiaries discount.
- Home/auto discount.
- Newly acquired home discount.
- Coverage A Increased Limits HO-6.
- Index of First Community Insurance Territories. Eff 11-21-03
- PC065806

First National Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Installment Payment Charge: \$2 per installment except when paying in full or via electronic funds transfer.
- Eff. 8-15-02

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

Glens Falls Insurance Company

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.
- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.
- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Globe 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.
- 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 by Territory credits vary.
- Optional Coverage Deviation.

Effective 5-15-04 pc069341

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 4%-22%.
- 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

Grain Dealers Mutual Insurance Company

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%: 1-2yrs. of age - 20%: 3 yrs. of age - 15%: 4 yrs. of age - 10%: 5 yrs. of age -5%.
- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation.
- Form 3:10% Mature Home Credit: Certain criteria must be met. Eff. 1-1-02

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

Graphic Arts Mutual Insurance Company

- Forms 1, 2 & 3: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.
- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- 15% Territorial Deviation for territories 36, 38, 39, 44, 57, & 60.
- 5% Territorial Deviation for territories other than 36, 38, 39, 44, 57 and 60.
- 15% deviation for employees of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply. Eff. 8-15-02

Hanover American Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Form 6: 5% deviation.
- Cap on Discounts/credits is applicable to both new and renewal business. Eff. 10-15-03 PC064405

Hanover Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.

- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- All Forms: Amount of Insurance Relativities Deviation.
- Cap on Credits/discounts applicable to both new and renewal business.
- Eff. 08-15-02 PC 064403

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 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

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

Harleysville-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% -27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr. Eff. 5-1-92

Harleysville Mutual Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Client Discount: credit applies when certain criteria are met.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Eff. 9-1-03 PC062598

Harleysville Preferred Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred customer discount – all terr except 05, 06, 41, 42, 43, 81 and 86. The percentage discount is determined by the combination of insurance score rating and characteristics met.
- HE-7 Deviations credit varies.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Eff 9-1-03 PC062597

Hartford Accident and Indemnity Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 8% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072677

Hartford Casualty Insurance Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 1% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072678

Hartford Fire Insurance Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 1% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072676

Hartford Insurance Company of Midwest

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: 10% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Underwriters Insurance Company

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
- Forms 2, 3 & 3w/15: Personal Property Replacement Cost HO-290 reduce surcharge to 2% including the additional premium for increased Coverage C limit.
- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factor varies .98 - .85 for qualifying dwellings; credits may be added together to maximum credit factor of .80.
- Forms 2 & 3: Rate for increase in Coverage C; \$1 per \$1000 in lieu of \$2.
- Mature Retiree Credit Factor; .95 when required criteria are met.
- Amount of insurance deviation based on amount of insurance & territory. Credit varies.
- Forms 4 & 6: Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same company based on territories.
- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5. Eff. 2-1-02

Homesite Insurance Company

- Preferred Risk Group 1 Discount 10% when certain criteria are met.
- Preferred Risk Group 2 Discount 10% when certain criteria are met.
- Preferred Risk Group 3 Discount 10% when certain criteria are met.
- Coverage A Amount of Insurance Factor Deviation
- Eff 9/15/04 PC074719

Horace Mann Insurance Company

- Coverage amount & territory deviations: Form 7 Masters Program Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 2% credit if insured 100% to value & Inflation Guard Endorsement attached.
- New Home Credit Forms 2 & 3 & Master Program: 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Territorial Base Rate Deviation: 8% Credit. Forms 4 & 6:
-
- Installment Payment Plan: Forms ML-3, 4, 6 & Master Program: Waive initial \$3 installment fee.
- Deductible Credits Forms ML 2& 3 and masters: Variable credits.
- Auto/Home discount all forms credit varies.
- Deductible Credits for forms ML-4 and 6 credit varies.
- Replacement Cost on contents - 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Masters Program - \$60,000 Minimum coverage A, includes inflation protection coverage at no additional charge; includes Replacement Value-Personal Property; included the following percentages of Coverage A: 10% coverage B, 70% coverage C, and 20% coverage D.
- Federal Flood Insurance Program: 2% credit applies to HO and MH policies if the insured has a federal flood insurance policy placed with us through our flood insurance placement program.
- Downward deviation on earthquake.
- Silverware, Goldware, & Peterware coverage will be \$3.00 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5.00 per policy.
- Tenant's Improvements Increased Limit - \$4 per \$1000 of insurance.
- Coverage A Increased Limit - \$3 per \$1000 of insurance.

- Additional Residence Premises - Rented to Others (Liability Coverage) - Premium varies.
- Private Structures - Rented to Others (Liability Coverage) - Premium varies.
- Form 7-Masters Program: Credit Tier Deviation. Eff. 5-1-04 PC070010

Horace Mann Property & Casualty Insurance Company

- Amount of Insurance Deviation Form 3 & Masters Program by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- 2% credit for form 3 if all coverage amounts insured 100% to value with Inflation Guard Endorsement attached.
- Form 3 & Masters Program: Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Rate for Increased Coverage C: \$1 per \$1000.
- Form 3 & Masters Program: Protection Class credits by territory.
- Form 3 & Masters Program: Base rate territorial credits.
- Form 3 & Masters Program: \$3 installment fee on each installment except the initial down payment.
- Deductible Factors Deviation by territory Form 3 & Masters Program: Minimum for Coverage A, \$100000.
- All Forms: Auto/Home Discount: Certain criteria apply: Credit varies.
- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Earthquake Deviation by territory. Form 3 & Masters Program:
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount.
- Private Structures - Rented to Others (Liability Coverage): \$14 for \$100000/\$1000 & \$18 for \$300000/\$1000.
- Masters Program (form 7) : Credit Tier Deviation. Eff. 5-1-04 PC070011

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

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

Insura Property & Casualty Insurance Company

- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.
- All Forms: Personal property increased limits \$2 per \$1000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

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

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

Insurance Corporation of Hannover

- Form 3: Age of Dwelling Discount: Credit varies 2%-20% for dwellings new- 9 yrs. old.
- Account Credit Program: 15% credit applied when insured has both a voluntary auto policy & a homeowners policy insuring their primary residence.
- Preferred Homeowners Credit: 5%-23% credit by territory & protection class when certain criteria are met.
- Form 6: Apply a factor of .80 to the HO-4 base premium.
- All Forms: Protective Device Credits: Credit varies 1%-15%.
- Forms 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium does not apply.
- Form 3: 6% charge for Additional Limits of Liability for Coverages A, B, C & D when certain coverages & increased limits options are selected.
- Form 3: Personal Property Replacement Cost: Charge 5% of base premium, no minimum additional premium of \$20, & no charge to increase Coverage C to 70% of Coverage A when certain coverages & increased limits options are selected.
- Form 3: Personal Injury: No charge.
- Form 3: Water Back Up of Sewer & Drains with additional coverages.
- Form 3: Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage: No charge when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service Charge: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law: Charge 4% of base premium to increase coverage by 15% when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage: No charge when certain coverages & increased limits options are selected.
- Loss Free Credit when certain criteria is met. Eff. 2-1-02

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. on HO policy 5%; 10 yrs. or longer with company on HO policy -10%. Eff. 5-1-92

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. Variable credit.
- 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

International Insurance Company
Merged with TIG Insurance Company 12-16-02

Kansas City Fire and Marine Insurance Company

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.6%.
- Form 4: Amount of insurance deviation based on territory. Credits vary.
- Form 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount: 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Res. Prem. - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property coverage Ho 06 only. Eff. 8-15-02

Liberty Mutual Fire Insurance Company

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Deductible Credits Deductible Amount and percentage of credit/surcharge vary.
- Amount of Insurance Forms HO 1,2, & 3 Deviation by policy amount and territory.
- Amount of Insurance HO 4 & 6 Deviation by policy amount and territory.
- Installment Payment Plan all forms - \$3 each installment except first installment
- Coverage A Dwelling Limit for form HO 6
- Watercraft Deviation by limits of liability
- New Home Credits HO 2 & 3 Credits vary.
- Protective Devices Credits Credits vary .
- Hurricane deductible credits; credit varies by deductible amount. Eff. 5-10-04 pc070198

Lititz Mutual Insurance Company

- New Home Credit: 15% 0-2 yrs.; 10% 3-5 yrs.; 5% 6-10 years.
- 10% credit to base premium when HO-0490 & HO-3220 are used together. The charge to increase Coverage C to 70% of Coverage A is waived.
- Protection class 9 homes: Deviation applies when criteria are met.
- Optional Higher Deductibles Deviation.
- Combined Territory Deviation: Credits vary.
- Base Rate Deviation by Territory: Credit varies. Eff. 10-1-02

LM Personal 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

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

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

Massachusetts Bay Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.

- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms, except 4 & 6: Credit varies.
- All Forms: Amount of Insurance Relativities deviation.
- Cap on discounts/credits is applicable to both new and renewal business. Eff 12-15-03 PC064404

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

Merastar Insurance Company

- New Home Credit; HO 00 03 Homes completed & occupied during current calendar yr. - 20%; 1 yr. preceding current yr. - 18%; 3% less each yr. to 6th yr.
- Safe and Sound Discount: protective device credit 5% certain criteria.
- Auto Home Discount All Forms - 15% credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waiver of installment charge when certain requirements are met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Merastar Maximum Discount: Factor .97 applies to base premium when certain criteria is met.
- Deductible credits;Forms 3 & 8: \$500 - 12%; \$1000 - 24%.
- Deductible credits;Forms 4 & 6: \$500 - 17%; \$1000 - 30%.
- Protective Device Credits; 2% - 15%.
- Boat Liability Rate Deviation: All Forms: credit based on length & horsepower.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies 2%-15%.
- Base rate deviation Forms 4 & 6: 6% based on territory 34
- Account Discount All Forms 10% Discount if the named insured is a member of an employer sponsored account or qualifying affinity group. Eff. 2-1-04 PC068657

Merchants & Business Mens Mutual Insurance Company

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%. Eff. 11-1-86

Metropolitan Direct Property & Casualty Insurance Company

- Fixed Dollar Deductible Relativities : \$100 ded - 1.10, \$500 - .85, \$1000 - .75; Factor applies to base premium.
- Replacement Plus – Guaranteed Replacement Cost Coverage A & B; certain criteria must be met.
- Replacement Cost on Contents Forms 3 & 3 Ultra: Personal Property Replacement surcharge - 10% of base premium. Coverage C increased to 70% of Coverage A at no additional cost.
- New Home Discount: Credit varies by age of dwelling up to 9th year.
- Premium Credit for Alarm Systems: Credit varies 1% - 15%; Credit applies to base premium.
- Mature Homeowners Discount: 5% credit age 55 or older & retired. If married, one spouse must be 55 yrs old & neither employed full time. Credit applies to base premium. Not in territories 5, 6, 34, 41, 42, 43.
- Windstorm or Hail Exclusion Credit: Forms 3 & 3 Ultra; Variable credits based on protection class & construction. Credit applies to base premium.
- Multi-Policy Discount: 10% discount to total homeowner premium when insured has homeowners & auto insurance with Metropolitan. Not in territory 5, 6, 34, 41, 42, 43.
- Mass Merchandising Account Deviation.
- Additional coverage - Jewelry & Furs premium varies according to additional limit.
- Claim Free Discount: 5% when criteria are met.
- Increased Ordinance or Law Coverage. Eff. 1-31-02

Metropolitan Property & Casualty Insurance Company

Standard Program

- New Home Discount: Age of dwelling 0 - 9 yrs.: Credit varies 2% - 25%. Except ho4 & ho6.
- Replacement Plus: Guaranteed Replacement Cost Coverage A & B when certain criteria is met.
- Forms 2, 3 & 3 Ultra: Replacement Cost on Contents: 10% surcharge. Coverage C amount increased to 70% of Coverage A at no additional cost.
- Forms 4 & 6: Replacement Cost on Contents: 25% surcharge. Form-6 minimum \$20000 Coverage C is required. Credit applies to base premium.

- Fixed Dollar Deductible Relativities: \$100 ded. - 1.10; \$500 ded. - .85; \$1000 ded. - .75.
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Mass Merchandising Account Deviation: 1% - 10% when a policy is written through Company's special accounts department to member of any employee or affinity group.
- Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- Multi-Policy Discount: applies to total homeowner premium when homeowner & auto policies issued with Metropolitan. Not with ho 4 or in terr 5, 6, 34, 41, 41, 42, 43.
- Smaller employer groups when criteria is met – 5%..
- Additional Coverage Jewelry and Furs for Form HO 3/w15.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.

USF&G, F&GIC, & F&GIU Program

- Rate Deviations by Territory & Coverage A Amount: Credit varies. Ho02, ho03, ho06
- All Forms, except 4: Fixed Dollar Deductible Relativities Deviation.
- Windstorm or Hail Percentage Deductible Relativities Deviation.
- All Forms, except 4 & 6: Replacement Plus-Guaranteed Replacement Cost Coverage on Coverage A & B. Certain criteria apply.
- Replacement Cost on Contents-Coverage C: forms 2, 3, 4 & 6 Certain criteria apply.
- All Forms, except 4 & 6: New Home Discount: 0-9 yrs. of age: Credit varies 2%-20%.
- Premium Credits for Alarm Systems: Credit varies.
- Mature Homeowners Discount: Certain criteria apply.
- Windstorm or Hail Exclusion Deviation by Form, Territory, Public Protection Class & Construction: Credit varies.
- Multi Policy Discount: applies to basic premium when certain criteria are met.
- Claim Free Discount: Eligibility requirements must be met.
- Increased Ordinance or Law Coverage Deviation.
- Form 3/w15: Additional Coverage for Jewelry & Furs Deviation. Eff. 8-16-02

Millers Insurance Company

Insolvent 3-24-03

Montgomery Mutual Insurance Company

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property 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

National Ben Franklin Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

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

National Grange Mutual Insurance Company

- Forms 2 & 3: Age of Dwelling Deviation: 0 - 5 yrs. of age: Credit varies 3% - 18%.
- Forms 2, 3, 6 & 8: 6% Combined Personal Protection Program Account Credit.
- Forms 2 & 3: Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met: Credit varies.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges, factor varies by ded amount.
- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.
- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 3237) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service Charge: the policy limit of \$500 for fire department service charge will be increased to \$1000 with selection of certain additional coverages and increased limits.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy; \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met.
- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Personal Property Replacement Cost: along with HO 0490 5% of base premium when selection of certain coverages.
- Forms 2 & 3: Insurance Score Rating, Discount factor varies by Insurance Score.
- Eff. 9-1-04 PC 072017

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*

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

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: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per\$1000 of insurance. Territories 5, 6, 42 & 43 excluded.
- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.
- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met. Eff. 10-13-00

Nationwide Mutual Fire Insurance Company

- Forms 3 & 3w15: Deviation by amount of insurance & territory.
- Home & Car Discount for all territories, except 5, 6,41,45,65,69,71,72, &74: Forms 2 & 3: Credit varies 1% - 26%:
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Territorial Deviation – forms 2,3,3w/HO 32 36 and 6.
- Safe Home Rating Program – forms 2,3,and 3 with HO 32 36 and 6.
- Safe Home Rating Program – Form 4 with HO 32 36 and 6. Eff. 2-7-03

Nationwide Mutual Insurance Company

- Territory Relativities - Form 4 Deviation Factor for all territories 1.383.
- Safe Home Rating Program – Form 4 varies by number of points accumulated from paid claims in the last 3 years. Eff. 4-23-04 pc070349

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

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

New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50000 - \$250,000 & above based on territory; Credit varies 0% - .380%.
- 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: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents. Eff. 5-1-92

New York Central Mutual Fire Insurance Company

- Deviation withdrawn effective December 8, 2003.

Newark Insurance Company

- Withdrawn Eff. 10-24-03

Niagara Fire Insurance Company

- Broad & Standard Perils: Primary dwelling \$85000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85000 & under - 20%; \$88000 - 21%; \$92000 - \$95000-22%; \$99000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

North Carolina Farm Bureau Mutual Insurance Company

- Deviation by Amount of Insurance vary based on rate structure, protection class, deductible, & territory. Forms 2 & 3: Credits vary
- Forms 2 & 3: Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 3: Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Forms 2 & 3: Coverage C increase in limits. \$1 per \$1000.

- Forms 2 & 3: Replacement cost on contents factor 1.05; Forms 4 & 6: Factor 1.25.
- Forms 4 & 6: 30% downward deviation statewide.
- Form 8: 10% downward deviation statewide.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Other Structures Rented to Others Residence Premises.
- Refrigerated Personal Property: Charge Waived.
- Additional 5% deviation applies to property in specified counties. Eff. 09-01-03

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

Northern Assurance Company of America

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Guaranteed Replacement Cost (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: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%..
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- Deviation by Coverage A amount of insurance. All Forms, except 4 & 6: Credit varies.
- Windstorm or Hail Deductible. Eff. 8-15-02

Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits. Eff. 2-15-92

Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50: Form 3w/15 - \$2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

Ohio Casualty Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 20% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 08-15-02

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

OneBeacon America Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Coverage A Dwelling Basic and Increased Coverage A limit \$3,000 cov A at no addit charge.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles. Eff. 8-15-02

Owners Insurance Company

- Deductible charge 100 flat - 10%, maximum charge \$60.
- Protective device credit - 2% - 15% credit if certain criteria is met.
- Mature Homeowners credit if certain criteria is met.
- Townhouse or rowhouse charge.
- Credit Card, Fund transfer card, forgery and counterfeit money.
- Form HO 00 06 units regularly rented to others.
- Form HO 00 06 coverage A dwelling increased limits and special coverage.
- Loss assessment coverages - all forms.
- Building Additions and alterations at other residences - all forms.
- Other insured location occupied by insured - sectionII.
- Section II liability - residence employees.
- Business pursuits - coverage provided.
- Personal injury provided at no additional charge.
- Permitted Incidental Occupancies-Residence Premises.
- Special Personal Property coverage.
- Multi-policy discount when auto and homeowners are each written in any Auto-owners Insurance Group Company.
- Seasonal Discount Forms 3, 6 and HE 7.
- Section II liability Watercraft.
- Life/Homeowners Multi-Policy Discount.
- Additional Limits of Liability for Coverages A, B, C and D (form 3).

- Eff 12-2-03 PC067716

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 HO-290; 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

Pacific Indemnity Company

- Forms 4 & 6: 10% credit.
- Forms 2, 3, 3w/15, & HE7: Various credits for Amounts of Insurance over \$950,000 for Coverage A.
- Elimination of maximum credit for protective devices.
- Forms 2 & 3: Additional Amount of Insurance deviation.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: 5% Gated Community Credit when criteria is met. Eff. 8-15-02

Peerless Insurance Company

Preferred Homeowners

- Deductible Credits: Forms 3, HE-7, HE-7w/20 & HE-7w/21 - credits vary.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 - 12 yrs. of age: Credit varies 3% - 18%.
- Protective Device Credit: Credit varies 2%-15%. Forms 3, HE-7, HE-7w/20 & HE-7w/21.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7-21 Credit varies 0% -12.7%
- 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.
- Replacement or Repair Cost Protection: HO 32 11 Premium charge \$5 Forms HO-3, HE-7, HE-7 w/20 & w/21.
- Discount to Premiums on forms HO-3, HE-7, HE-7w/20 & HE-7w/21, Forms 4, 6 : 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.
- Insurance Score Deviation.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.

Standard Homeowners

- Deductible Credits: Forms 3, 4, 6 - credits vary.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 - 12 yrs. of age: Credit varies 0% - 10%.
- Credits for Alarm System: Credit varies 2%-15%. Forms 3, HE-7, HE-7w/20 & HE-7w/21.
- Base Rate Deviation by Territory: Forms 6.
- 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.
- Replacement or Repair Cost Protection: HO 32 11 Premium charge \$5 Forms HO-3, HE-7, HE-7 w/20 & w/21.
- Discount to Premiums on forms HO-3, 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%.
- Amount of Coverage A Relativity: Deviation varies 0.6% - 7.4%.
- Insurance Score Deviation.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Effective 8-1-04 PC070956

Penn Mutual Insurance Company - Withdrawn 4-21-03

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; Waive charge to increase Coverage C limit from 50% to 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: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation. Eff. 4-15-96

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

Pennsylvania National Mutual Casualty Insurance Company

- Deviation by Deductibles - various credits..
- New Home Discount: Forms 2, 3 & 3w/HO3236: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/HO3236 - \$3 per \$1000 of insurance.
- Account Credit Program: Forms 2, 3, 3w/HO3236, 4, 6 & 6w/HO3235: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/HO3236: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Deviation by Amounts of Insurance: Credit varies.
- Deviation by Additional Amounts of Insurance: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/HO3236: Certain criteria apply.
- No charge for increasing Coverage A up to \$5,000 on a form HO 00 06 policy
- Eff 6-1-03

Pharmacists Mutual Insurance Company

- 10% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies 5% - 10% when criteria is met.
- New Home Discount: 20% credit current calendar yr.: 1% less credit each added yr. to 10th yr.: 2% less credit 11th yr. - 14th yr.
- Automatic Adjustments of Limits: Annual 4% increase at no charge. Eff. 6-1-99

Phoenix Insurance Company

- Base Rate Deviation for Dwellings Credit varies based on territory.
- HO- 3w/15: 10% Additional premium charge.
- Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of Coverage.
- Personal Property Increased Limit Coverage C: Forms 2, 3, 3w15: -\$1 per &1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit. Forms 2, 3, & 3w15: 5%
- Loss Free Credit Forms 2, 3, 3w15, 4 & 6: 3+ yrs. loss free 3% credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit Forms 2, 3, 3w/15, 4 & 6: 5%.

- Inflation Guard:Forms 2 & 3: Premium charge waived.
- Safety Seminar Credit:Forms 3 & 6: 5% Certain criteria apply.
- Royal SunAlliance Employee Program Credit Forms 2, 3, 3w/15.
- PC072523 eff 5-28-04

Piedmont Mutual Insurance Company

- 7th yr.
- Value-Plus Homeowner Discount: 5% when certain criteria are met. Eff. 3-1-98

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

Prudential Property & Casualty Insurance Company

Named changed to LM Property & Casualty Insurance Company Effective 4-13-04

Republic Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; 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: \$500-9%; \$1000-17%; \$2500-25%. Eff. 4-1-95

Royal & SunAlliance Personal Insurance Company

- Form 3w/15: 25% credit. Eff. 5-11-92

Royal 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

Royal Insurance Company of America

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$8 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- 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.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 3-1-01

Safeco Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Additional Residence rented to others.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Market Tier Relativities
- Eff. 04-08-04 PC068607

Safeco Insurance Co of Pennsylvania Insurance

- 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

Safeguard Insurance Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- 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.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates - credit varies by territory.
- Super Preferred Program Deviation by Forms Off Standard Rates – Credit varies by territory.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit. Eff. 08-15-03

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 Coverage 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

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: Personal property 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 territories 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: Premium credit when insured or spouse has maintained 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

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

Sea Insurance Company of America

- Form 3w/15: 25% credit. Eff. 5-11-92

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

Select Insurance Company

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

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: Replacement Cost Personal Property; Annual add'l prem. 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; \$500 - .85; \$1000 - .80; \$2500 - .70.
- 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

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 amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%. Eff. 5-1-92

Sentry Insurance A Mutual Company

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

Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The maximum allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation. Eff. 6-1-03

Shelby Insurance Company

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1000 ded. - 30%; \$2500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1000 - 30%; \$2500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): Included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added

yr. until 10+ yrs. then no credit.

- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

South Carolina Insurance Company

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.
- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge. Eff. 6-1-99

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. 2-6-01

Southern Insurance Company of Virginia

- Territory Deviation; for form HO 00 03 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 02 and HO 03 - HO 32 11 Factor of 1.02
- Personal Property Replacement Cost HO 03 use factor of 1.02.
- Personal Property Replacement Cost HO 04 and HO 06 use factor of 1.35.
- Age of dwelling credit – 20% for homes completed in current calendar year, decreasing 2% each preceding year.
- Outboard Motors and Watercraft reduced rates.
- HE-7 Program – 10% discount for HO 03 written with HE-7 w/20 or HE-7 w/21.
- Eff 12-1-03 PC 065261 PC065262

Southern Pilot Insurance Company

- Deviation by Coverage A limit: Form 3 & HE-7: Variable credit.
- Forms 4 & 6: Replacement Cost Coverage: Surcharge 1.30.

- New Home Credit: Age of dwelling current yr. 20%, 2% less credit thru 9th yr.
- Form 3 & HE-7: Deviation by territorial relativities.
- Form 4: Deviation by territorial relativities.
- Form 6: Deviation by territorial relativities.
- All Forms, except 4 & 6: Variable factors based on Coverage A limit & deductible amounts.
- Forms 4 & 6; Variable factors based on Coverage C limit & deductible amounts.
- Form 3: Personal Property Increased Limits: \$1 charge: Form 3w/15 - \$2 charge
- Protective Device Credits: Credit factors vary .01-.13 with maximum credit of \$75.
- Reduced Rates for Outboard Motor & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage. No premium charge.
- Exceptional Homeowner Credit: Form 3 & HE-7: 10% credit when criteria are met.
- Multi Policy Credit: 5% homeowner base rate credit when insured has personal auto coverage with Company. Eff. 09-01-03

Standard Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- HO-3w/15: 10% additional premium charge.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits varies by deductible amount and coverage Limit.
- Personal Property - Increased Limit Coverage C: \$1 per \$1000. Forms 2, 3 & 3w/15:
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit Forms 2, 3, & 3w/15: 5%
- Loss Free Credit: 3+ yrs. loss free 5 % credit. Forms 2, 3 & 3w/15:
- Inflation Guard: Premium charge waived. Forms 2 & 3:
- Safety Seminar Credit: Certain criteria apply Forms 3: 5%.
- PC072524 Eff. 5-28-04, PC055163 Eff 11-01-02

State Automobile Mutual Insurance Company

- Forms 4 & 6: Deductibles: \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 2, 3, 3w/15, 4 & 6: 10% additional deviation if Company carries insured's homeowners & auto liability: Other criteria apply.
- Age of Dwelling Credit: New 20%; 1 yr. - 18%; 2 yrs. - 15%; 3 yrs. - 12%; 4 yrs. -9%; 5 yrs. - 7%; 1% less credit 6th - 8th yrs.
- All Forms: Alarm System Credits; All protection classes & territories; Variable credits.
- Forms 4 & 6: Replacement Cost on Contents; Reduce charge from 40% to 35%.
- HO 500 Replacement or Repair Cost on dwellings granted without charge when certain requirements are met.
- Forms 1, 2, & 3: Coverage C increase; \$1 per \$1000; Form 3 w/15 - \$2 per \$1000.
- Forms 1, 2, 3, 3w/15 & 8: Policy Size Credits; Protection classes 1-8; \$51000 & above - 1%-30%; Protection classes 9 & 10 - \$60000 & above 1% - 15%.
- Forms 1, 2, 3, 3 w/15 & 8: Deductibles; \$500 - 15%; \$1000 - 25%; \$2500 - 31%.
- Defender Package: This package will be rated by applying a 20% credit to base rate for HO-500 coverage & a flat \$25 charge for HO-290 when certain requirements are met.
- Forms 1, 2 & 3: When HO 290 is attached; Coverage C limit is increased to 70% of Coverage A at no additional charge.
- Form 3w/15: Optional at a +10% charge.
- Jewelry Rate - \$9.50 per \$1000. Eff. 9-1-92

State Auto Property & Casualty Insurance Company

- Deductibles; Forms 4 & 6: \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Deductibles forms 2, 3 & 3w/15 \$500 - 9%; \$1000 - 21%; \$1500 - 27%; \$2500 - 38%.
- Auto/Home deviation - 10% additional deviation if Company carries insured's homeowners as well as private passenger auto liability and meets other requirements.
- Alarm System Credits – all forms: Credit varies 2% - 15%: All protection classes & territories.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies 0% - 20%.
- Replacement Cost Coverage HO 2 and HO 3 if provided Coverage C is increased to 70% of Coverage A at no additional charge. No charge for RC contents under Home Defender Program.
- Forms 4 & 6: Replacement Cost on Contents: Charge 35%.
- Guaranteed Replacement Cost – forms HO 02 and HO 03 no charge if certain criteria are met.
- Forms 2 & 3: Coverage C Increase: \$1 per \$1000: Form 3w/15 \$2 per \$1000.
- Form 3w/15: Optional at +10% charge.
- Protection Class 9 Rates: 5% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of

fire hydrant.

- Prime of Life Discount: Homeowners All Forms, except 4 & 8: Age 50-54 - 10%; Age 55 & over -15%; Form 6 qualifies if Coverage C is at least \$30,000.
- Windstorm or Hail Deductible. All Forms, except 4 & 6 Variable Credits.
- Electronic Funds Transfer: \$1 service fee. Eff. 3-1-04 pc070065

State Capital Insurance Company

- All Forms, except 4 & 6: Fixed dollar amount deductibles; \$500 - factor .79; \$1000 - factor .79; \$2500 - factor .62.
- Forms 4 & 6: \$500-ded. - factor .85; \$1000-ded. - factor .77; \$2500-ded. - factor .63.
- Forms 1, 2, 3, HE-7 & HE-7 w/HE-20: Personal Property Increase Limits; \$.50 per \$1000; 3 w/15 \$2 per \$1000.
- Forms 2, 3, 3w/15, & 6,: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3, 3w/15, HE-7 & HE-7 w/HE-20: New Home Discount 0-2 yrs. - 27%; 3-4 yrs. - 24%; 5-6 yrs. -19%; 7-8 yrs. - 14%; 9-10 yrs. - 10%; 11-12 yrs. - 7%; 13-14 yrs. - 5%; 15-20 yrs. - 2%.
- All Forms: Protective Devices Credits; Maximum credit removed. All protection class & all territory. Credit varies 2% - 15%.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Protection/Construction Relativity Deviation: Applies to all forms, except 4 & 6; 5% deviation applies to protection classes 1 - 3 for both frame & masonry construction.
- All Forms, except 4 & 6: Windstorm or Hail Deductible Deviation. Credit varies based on amount of insurance.
- Forms 1, 2, 3, HE 7 & HE 7w/20: Personal Property increase limit: \$.50 per \$1000.
- Form 3w/15: Personal Property Increase Limit. \$2 per \$1000.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. Limit \$5000 - no charge.
- Personal Property Replacement Cost Coverage: All Forms, except 4 & 6 - factor 1.05; Forms 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation by factors.
- Three or Four Family Residence: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

State Farm Fire & Casualty

- Deviation by Amount of Insurance and Territory: Variable credits.
- Townhouse/Rowhouse – The charges for Townhouses/Rowhouses in buildings with more than 2 units per fire division do not apply.
- Deductible Credits/Charges – Credit varies per territory.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Form 4 Deviation by Amount of Insurance and territory – credit varies.
- Form 6 Deviation by Amount of Insurance and territory – credit varies.
- Form 4 and 6 Deductible Credits/Charges Credit varies.
- Jewelry & Furs unscheduled: 30% credit applies to \$15 rate per \$1000 for additional coverage.
- Replacement Cost on Contents; Forms 4 and 6 Coverage C extended to include the full cost of repair or replacement without deduction for depreciation. The premium is determined by applying a 30% charge to the basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A Limit 25%-3% premium charge, minimum additional premium \$5; 50%-8% premium charge, minimum additional premium \$10.
- Rental Condominiums: Apply following charge; \$250 - 25%; \$500 - 21%; \$1000 - 18%; \$2500 - 16%.
- Coverage A Increased limits & Special Coverage Form 6; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm; 0-2 yrs. 0%; 3-5yrs 0%, 6 or more yrs. - 3%; territories 5, 6, 12, 42 & 43 excluded.
- Installment Payment Plan: \$2 charge. if monthly installment made by electronic funds transfer and a monthly bill notice is requested or \$1 per month if no printed notice is requested..
- Refrigerated Personal Property: Coverage provided at no additional charges.
- Sinkhole Collapse Form 3; \$0.35 rate per \$1000 of Coverage A.
- Home-Auto Discount for all territories, except 5 & 6. Policyholders that have a Form 3,4 or 6 policy and a voluntary State Farm auto policy will receive a 2% credit that applies to the Homeowners Program premium.
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium. Eff. 5-15-04 pc069129

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 homeowners coverage is placed with Nobel. 5% credit applies second yr. Eff. 6-1-99

TIG 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

Teachers Insurance Company

- Amount of insurance deviation based on Coverage A amount & territory: Form ML-3 & Masters Program: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- 2% credit on Form 3 if insured 100% to value with Inflation Guard Endorsement attached.
- New Home Credit: 0 - 10 yrs. of age: Form 3 & Masters Program: Credit varies 2% - 10%.
- Increase in Coverage C \$1 per \$1000.
- Territorial Deviations for tenant and Condominium Base Rates 8%.
- Waive \$3.00 installment fee on each installment except the initial down payment for Forms 3, 4, 6 and Masters Program.
- Deductible Credits for Form 3 and Masters Program: Ded credit varies.
- Auto/Home Client Discount: Form 3 & Master Program: Variable credit when criteria are met.
- Deductible Credits: Form ML 4 & 6.
- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement - Increased Limits.
- Coverage A Options - Form 6 - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others.
- Private Structures rented to Others.
- Coverage Amount Deviations for Forms 4 & 6: Deviations vary.
-
- Masters Program: Protection Class Credits: Credits vary 0% - 5%.
- Form ML-4 & 6: 8% Base Rate Territorial Deviation.
- Form ML-3 & Masters Program: Waive \$3 installment fee on installment pay plan for initial payment.
- Forms 4 & 6: Replacement Value Deviation: 15% charge apply for policies with \$500 or greater deductible. \$10 minimum charge will apply to policies with \$500 or greater deductible.
- Masters Program: Deviation by Credit Rating Tier.
- Eff. 5-1-04 PC070012

Travelers Casualty & Surety Company

- Base Rate Deviation for Dwellings: Credit varies based on territory.
- Form 3w15: 10% additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 Charge waived.
- Forms 2, 3, & 3 w15: 5% Account Credit.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Form 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor of .92.

- Form 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- PC072526 Eff 5-28-04, PC055165 Eff. 11-01-02

Travelers Indemnity Company

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment Factor of .92.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- PC072525 Eff 5-28-04, PC055164 Eff. 11-01-00

Travelers Indemnity Company of America

- Base Rate Deviation for Dwellings: Credit varies depending on territory.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Varies by amount of deductible and coverage amount.
- Protection Device Deviation: Credit varies 1%-13%.
- Personal Property - Increased Limit Coverage C: Forms 2, 3 & 3w15: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit. Forms 2, 3, 3w15, 4 & 6: 5%
- Loss Free Credit: Forms 2, 3, 3w15, 4 & 6: 3+ yrs. loss free 3% credit
- Multi-Line Insurance & Financial Services Institution Employees Credit Forms 2, 3, 3w15, 4 & 6: 5%.
- Final Premium Adjustment factor - .90Forms 2, 3, 3w15, 4 & 6:.
- Inflation Guard: Premium charge waived Forms 2 & 3:.
- Safety Seminar Credit: Certain criteria apply Forms 3 & 6: 5%.
- Royal SunAlliance Employee Program Credit Forms 2, 3, 3w/15, 4, 6
- PC072528 Eff 5-28-04, PC066831 Eff 10-26-03

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

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, 3w/15, 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

- Name changed from Travelers Indemnity Company of Illinois Effective 1/1/04

Travelers Personal Security Insurance Company

- Base rate deviation based on territory. Credit varies.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, & 3w15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Forms 2, 3, 3w15: Final Premium Adjustment factor of .90.
- Forms 2, 3 & 3w/15: Multi-Line Insurance and Financial Services Institution Employees Credit - 5%.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- Royal SunAlliance Employee Program Credit. Forms 2,3,3w/15.
- PC072529 Eff 5-28-04, PC066832 Eff. 10-26-03

Twin City Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: Factor of 1.00 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Underwriters Insurance Company

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- Account Credit Program: 15% discount when insured has coverage for both auto & homeowners policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, protection class, 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.
- Personal Property Replacement Cost: Form 3: 5% of base premium with minimum premium 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

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

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

Unisun Insurance Company

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs.-15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. - 10%; 14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement HO-290.
- Deviation by policy amount \$10000-\$300000: Credit 5%-30%. Each additional \$10000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1000-21%; \$2500-33%. Eff. 2-1-96

United Services Automobile Association

- New Home Discount: Form 3: New - 9 yrs. of age: Credit varies 0% - 20%.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32.
- Personal Property Deviation: Coverage C limit increased at 1.00 per \$1000.
- Deviation by Territory/County Form 3.
- Deviation by Territory/County Form 6.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Extended Billing Plan: Regular Plan and Extended Plan - no installment charge.
- Loss free discount: forms 3 and 6 for eligible risks.
- Protective Device Credit - discount varies by type of installation.
- Deductible - Form 3 Owners Form - Deductible Credits by Amount of Insurance.
- Eff: 8-1-04 PC071117

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 3w/15 - \$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

United States Fire Insurance Company

- Forms 1, 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

Unitrin Auto and Home Insurance Company

- HO 3 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 4 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 6 Base Rate Deviation - various credits apply according to Territory and Level.
- Mature Homeowners credit - 5% credit to Base Premium if the named insured is 55 years or age and an adult is usually home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage; HO 03 and HO 04 & HO 06
- Deductibles - Optional higher deductibles Form HO 03 and HE-7
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money - additional premium if higher limits than \$500 are selected.
- Outboard Motors and Watercraft - coverage up to and including 50 HP is included at no additional charge with a Package Plus policy.
- Personal Injury is included at no additional charge with a Package Plus policy.
- Blanket Property Limit Rule - Package Plus Only - One or two family residences HO 00 03 - Replacement Cost Contents Coverage is included without additional charge.
- Special Personal Property Coverage - HO 00 06 - Policy may be endorsed to insure Coverage C against additional risks of phys loss subject to certain exclusions - factor of 1.30.
- Refrigerated Property - no additional charge with a Package Plus policy.
- Ordinance or Law Coverage - HO 00 03 - Package Plus only - certain criteria.
- Network Discount - provides HO insurance to individual members of a Network Group - certain criteria apply, 5% discount.
- Package Plus only: Factors vary by type of policy.
- Deferred Premium Payment Plans - various installment options - \$3 billing charge applies per billing.
- New Home Discount - credit applies according to pricing level and territory, credit varies.
- Personal Property Increased Limit - The limit of liability for Coverage C may be increased.
- Price Level Tier descriptions
- Amount of Insurance Factor HO 00 03 (A) - factor varies by amount of insurance.
- Amount of Insurance HO 00 06 - premium is developed based on the additional limit of insurance. The premium for each additional \$1,000 of insurance is \$2.00 per \$1,000.
- Eff 7-1-04 PC073491

USAA CASUALTY INSURANCE COMPANY

- New Home Discount: Form 3: New - 9 yrs. of age: Credit varies 0% - 20%.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32.
- Personal Property Deviation: Coverage C limit increased at 1.00 per \$1000.
- Deviation by Territory/County Form 3.
- Deviation by Territory/County Form 6.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Extended Billing Plan: Regular Plan and Extended Plan - no installment charge.
- Loss free discount: forms 3 and 6 for eligible risks.
- Protective Device Credit - discount varies by type of installation.
- Decuctible - Form 3 Owners Form - Deductible Credits by Amount of Insurance.
- Eff: 8-1-04 PC071118

Utica Mutual Insurance Company

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to

be added to total base premium.

- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply.
- 5% credit applies to homeowners, personal inland marine, dwelling fire, personal umbrella & personal auto premiums provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group. Eff. 06-01-02

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

Vigilant Insurance Company

- Forms 4 & 6: 16% credit applies to base premium.
- Forms 2, 3, 3w/15 & HE-7: Various credits for Amounts of Insurance over \$950,000 for Coverage A.
- Elimination for maximum credit for protective devices.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: Gated Community credit when criteria is met.
- All Forms, except 4 & 6: 5% Valuable Articles Credit. Eff. 8-15-02

Virginia Mutual Insurance Company

- Premium Credit Factors - Premium Factors are applicable to the base annual premium for the following: Policy Forms 2,3,3 with ML-441 and 8 with coverage a limits of \$125,000 to \$300,000. Credit varies by Territory and Protection Class.
- Premium Credit Factors – Premium Factors are applicable to the base annual premium for the following: Policy Forms 4 and 6, coverage C limits. Credit varies by territory. Eff. 2-1-03

West American Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- 5% FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: 15% to qualifying employees insured in the West American Insurance 15% to qualifying employees insured with the FamPak program in the West American Insurance Company.
- Percentage Wind or Hail Deductible Deviation: Credits Vary. Eff. 08-15-02

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

Windsor Mount Joy Mutual Insurance Company

- Amount of Insurance Deviation: Forms 1, 2 & 3; Coverage A amount 0-\$77000; Credit varies 5.1% - 18.4% for homes less than 5 yrs. of age. Eff. 10-1-93

Winterthur International America Insurance Company

- 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

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

HOMEOWNERS

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

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

AIU Insurance Company

- All Forms: 10%.
- Eff. 2/1/86

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 rowhouse.
- 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 [Filing Detail](#)

AXA Re Property & Casualty 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 [Filing Detail](#)

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 [Filing Detail](#)

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%.
- Premium Credit for Exclusion of Farm Employees employed in violation of law: Credit \$1 per policy.
- Eff. 1/1/97

All America Insurance Company

Withdrawn

Allstate Indemnity Company

- Claims Rating Deviation – determined by the number of chargeable claims, credits vary.
- Claims Free Discount – 10% discount for no claims for 60 consecutive months.
- New/renovated Home Discount – credit varies.
- Home and Auto Discount Deviation –credit varies.
- The Good Hands People Discount Deviation – 1%
- Residence Rental Coverage – no charge for coverage.
- Eff 4/25/05 PC082343 [Filing Detail](#)

Allstate Insurance Company

- Deviation by amount of insurance. Credit varies.
- Deductible factors Forms 2, 3 & 3 Deluxe Plus; \$100/\$250 theft-1.067; \$500 ded. -.910; \$1000 ded.-.790; \$2500 ded- .620. Forms 4 & 6: Deductible factors; \$100/\$250 theft - 1.023; \$500 ded - .830; \$1000 ded - .670.
- Protective devise discount for broad/deluxe, deluxe plus and renters/condos: discount varies.
- Age 55 & Retired Discount Factor. Credit varies when certain criteria met.
- Personal Property Replacement Cost Deviation subject to certain requirements.
- Age of Home Discount Deviation for HO 2 and HO 3 deluxe and deluxe plus forms.
- Waterbed Liability Deviation HO4 and HO6.
- Dwellings in the course of construction availability for HO 2 and HO 3 deluxe plus forms 55% of expected finished value.
- Home and auto discount deviation HO2 and HO 3 deluxe and deluxe plus and HO 4 and Ho 6 when certain criteria is met.
- Installment payment plan for electronic funds transfer.
- Three or four family dwelling rating structure: does not defferentiate between 3 or 4 family dwellings in a town or row house structure.
- Deviation by wind/hail deductible

- Installment payment plan – waived installation charges – payroll deduction option for allstate employees.
- Good hands people discount all forms.
- Residence rental coverage HO 01, HO 02 and HO 03 no charge for coverage.
- Eff 5/4/05 PC082344 [Filing Detail](#)

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

American Automobile Insurance Company

- 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.
- Deviations by territories and forms: Credit varies.
- Eff. 12/01/03 PC065125 [Filing Detail](#)

American Bankers Insurance Company of Florida

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%.
- Eff. 5/1/92

American Centennial Insurance Company

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

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

American Employers Insurance Company

- 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 [Filing Detail](#)

American Fire & Casualty Company

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- Employees Discount: to qualifying employees insured in the Ohio Casualty Group.
- Eff. 9-1-05 PC082802 [Filing Detail](#)

American & Foreign Insurance Company

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 -\$99,999 -7% surcharge;\$100000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Eff. 9/1/99

American Home Assurance Company

- HO-3 Premier Base Class Premium Deviation by territory: 5% credit.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation.
- Age of Dwelling Discount: New Homes – 10 yrs. Credit varies
- Eff. 11/19/01 PC045494 [Filing Detail](#)

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

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 to base premium 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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 PC047937 [Filing Detail](#)

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

American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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 [Filing Detail](#)

American Professionals Insurance Company

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies.
- Eff. 6/1/99

American Protection Insurance Company

- All Forms: Optional Higher Deductibles Factors.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices: Credit varies by protection class & territory.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies.
- All Forms except 3w/15 & 6w/1731: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation; Credit varies based on territories.
- Form 6: Base Rate Deviation; Credit varies based on territories.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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.
- Additional Amounts of Insurance (KIP only): 25%-.01, 50%-.02.
- 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 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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 PC047940 [Filing Detail](#)

American Reliable Insurance Company

- Loss Free Renewal Credit: Credit applies to any policy that has been loss free for the previous 12 months under an existing American Reliable Insurance Company policy.
- Mature Retiree Credit: If certain criteria are met, a credit of -10% of the Base Premium will be applied.
- New Roof Credit: If the roof has been professionally installed within five years of the inception or renewal date, the premium shall be reduced by 5%. Not to be combined with the Age of Dwelling Credit
- Eff 11/6/02 PC055868 [Filing Detail](#)

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; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 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.
- 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. 12/12/91

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.

Deviation as of September 15, 2005

- 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

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

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 all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10/1/94

AMICA Mutual Insurance Company

- New Home Credit; Forms 2 & 3: credit varies by age.
- Form 2 & 3: Repair or Replacement Cost Protection; For the specified additional amount of insurance for coverage A only the additional amount of insurance at 25% the factor will be 1.00.
- Optional Higher Deductibles - Fixed dollar amount deductible credits - HO 00 02 & HO 00 03 credit varies.
- Personal Property Limits - \$1 per \$1,000 of increased limits for all forms. \$1 charge waived for increased limits from 50% to 70% of Coverage A if the HO 04 90 is not attached to the policy.
- Premium Payment Option - Eliminate the additional charge of \$2 for first installment payment plan. \$2 charge for each remaining installments.
- Eliminate the additional charge for each installment payments for members of any AMICA Group.
- Ordinance or Law: 25% of Coverage A provided without charge. Reduce charges for limits excess of 25% of Coverage A.
- Refrigerated Property: \$10 charge is waived.
- Premium Determination HO 00 04 - rate deviation varies by policy amount.
- Multi-Line Discount - all territories except Terr 5,6,42,43. 2% discount applies to the total homeowner premium if a policyholder has both auto and Homeowners coverage with Amica.
- Eff.9/1/04 PC072760 [Filing Detail](#)

Armed Forces Insurance Exchange

- Protective Device Credits: All protection classes & all territories; Factors vary. Maximum credit waived.
- Fixed dollar amount deductible factors credit varies.
- Wind or Hail deductibles credit varies.
- New Home Credit; All Forms, except 4 & 6: New - 20%; 2% less credit each additional yr.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Base class premium discount for form HO 6.
- Base premium deviation based on insurance amt. credit varies all forms except HO 4 and HO 6.
- Minimum policy premium waived.
- Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
- Home Day Care Coverage E: Reduce base premium by 50%.; Coverage F; Premiums reduced by 50%.
- Other exposures - medical payments to others increase limits credit varies.

- Installment Payment Charge waived
- Wind or Hail Deductible: Credit & surcharge vary.
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount)
- Hurricane Deductible Factors credit varies.
- Eff 6/1/03 PC059236 [Filing Detail](#)

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 to company 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: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to company base premium.
- Eff. 6/1/93

Associates Insurance Company

- Name changed to Commercial Guaranty Casualty Insurance company
- Eff. 9/1/04.

Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Coverage 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 Coverage A amount is \$100000 or above for all SAS Institute Inc. Employees.
- Eff. 1/1/96

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 insured has 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

Automobile Insurance Company of Hartford

- Protective Devices credit varies.
- Deductible Credits - credit varies by coverage limit, form and deductible amount.
- Personal Property - Increased Limit Coverage C - \$1.00 rate per \$1,000.
- Refrigerated Personal Property \$10 charge waived.
- Account Credit 5%.
- Inflation Guard Premium Waived.
- Safety Seminar Credit 5% credit certain criteria apply.
- Eff 5/28/04 PC072505 [Filing Detail](#)

Auto Owners Insurance Company

- Territory Description.Form HO 00 06 – rate deviation.
- Deductibles – Waiver of Minimum charges.
- Protective Device Credit.

- Protective Device Credit – alarm systems.
- Mature Homeowner Discount for insureds between the ages of 55 and 64.
- Townhouse or rowhouse charge - Charge the same rate for all protection classes, creating a deviation for pc9,9e,9s & 10.
- Credit card, fund transfer card, forgery and counterfeit money - Premiums vary for increased limits.
- Form 6: Units Regularly Rented to Others.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Loss Assessment.
- Building Additions and Alterations at Other Residences – all forms.
- Other Insured Location Occupied by insured.
- Section II, Liability-Residence Employees waived.
- Business Pursuits – no charge.
- Personal Injury coverage – no charge.
- Permitted Incidental Occupancies – Residence Premises.
- Special Personal Property Coverage.
- Multi-Policy Discount: credit applies to primary, secondary & seasonal residence when auto & HO policy written with an Auto-Owners Insurance Group Company.
- Seasonal Discount - Forms 3 & 6 - certain criteria 5% discount.
- Section II liability watercraft - certain criteria - rates vary.
- Life/Homeowners Multi-Policy Discount
- Insurance Score Credit.
- Eff. 8/30/05 PC084265 [Filing Detail](#)

Automobile Insurance Company of Hartford, Conn.

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply
- Eff. 11/01/02 PC049355 [Filing Detail](#)

Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Base Rate Deviation by territory.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
- Personal Property Replacement Cost: \$20 minimum premium is deleted
- Eff. 2/28/01 PC038942 [Filing Detail](#)

Bankers Standard Insurance Company

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%.
- Eff. 9/199

Blue Ridge Insurance Company

Withdrawal 2/24/03

Boston Old Colony Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.

- Eff. 1/1/86

Camden Fire Insurance Association, The

- All Forms, except 4 & 6: New Home Credit; New -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%;10 yrs.-6%; 11 yrs.-4%;12 yrs-4%;13 yrs.-2%;14 yrs.-2%.
- All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures 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; Waives charge to increase Coverage C limit 50% to 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. 9-/3/02

Central Mutual Insurance Company

CENTRAL PREMIER TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- New Home Credit for Forms 2,3&3w/15: credits vary.
- Package Credit Forms 2, 3, 3w/15 & 6: credit varies if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credit varies..
- Personal Property Replacement Cost All Forms except 4&6: surcharge 1.035.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL ADVANTAGE TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- Form 6: Deviation by amount of insurance: credits vary.
- Forms 2, 3, & 3w/15 New Home Credit: Credit varies for homes new to 14yrs. of age.
- Forms 2, 3, 3w/15 & 6: Package Credit if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost for forms 2,3,3w/15 surcharge 1.035.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL TIER

- Deviation by amount of insurance, Forms 2, 3 & 3w/15: public protection class & territory: Variable credits.
- Deviation by amount of insurance form 6 credit varies.
- New Home Credit: Forms 2, 3 & 3 w/15: Credit varies for homes new to 14 yrs. of age.
- Package Credit Forms 2, 3, 3 w/15 & 6: credit varies if company carries private passenger automobile/homeowners coverage based on territory.
- Fixed Dollar Amount Deductibles Credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost Forms 2 & 3: surcharge factor 1.035.
- Installment Payment Plan: Charge waved when the insured uses Electronic Funds Transfer.
- Forms 4 & 6: Deviation by amount of insurance: Credits vary.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL BENEFIT TIER

- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Eff 9/103 PC062814 [Filing Detail](#)

The Charter Oak Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary.
- Deductible Credits: Credit varies by amount of deductible.

- Personal Property - Increased Limit Covge C: \$1 per \$1000. Forms 2, 3 & 3w15
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit Forms 2, 3 & 3w15: 5%.
- Loss Free Credit: 3+ yrs. loss free 5% credit Forms 2, 3 & 3w15.
- Final premium adjustment factor of .92Forms 2, 3 & 3w15:.
- Inflation Guard: Premium charge waived.Forms 2 & 3:
- Safety Seminar Credit: Certain criteria apply.Forms 3: 5%
- Eff 5-28-04 PC072527 [Filing Detail](#)

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 4/104 PC065697 [Filing Detail](#)

The Cincinnati Insurance Company

- New home credit HO 2, HO 03, HO 03 w/HO 32 36 1-9 yrs credit varies.
- Base Rate Deviations By Territories Credit varies based on territory.
- Installment Payment Plan: Delete the \$3 charge each installment.
- Homeowners Enhancement Deviation.
- Watercraft Liability deviation.
- Eff 4/104 PC065698 [Filing Detail](#)

Commercial Guaranty Casualty Insurance Company

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 - 11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.
- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8.
- Eff. 03/502

Commercial Insurance Company of Newark, New Jersey

- Forms 1, 2 & 3: 20% credit if criteria is met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits: Coverage A all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria are met.
- Amount of Insurance Deviation; \$50000 - \$225000 & above credit varies 9% - 39%
- Eff. 12/9/88

Consolidated American Insurance Company

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3W/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%;6 or more yrs- 10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge.
- Eff. 8/1/92

Continental Insurance Company

- All Forms, except 4 & 6: Base Rate Deviations based on territory. Credits vary 0% - 15.6%.
- Forms 4 & 6: Base Rate Deviations based on territory. Credits vary
- Earthquake Rate Deviations.
- Deductible Credits Deviation – based on Coverage A Limit..
- New Home Discount: 1 year – 18%, 1-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria are met.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Ins Co.
- 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 [Filing Detail](#)

Continental National 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: Coverage 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 the base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1/1/01 PC038500 [Filing Detail](#)

Economy Premier Assurance Company

- Form 3: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- Form 6: Base premium is calculated with a factor of 9.1% below the HO 4 base rates.
- Form 4: Base rate deviation by territory: Credit varies
- Forms 4 & 6: Policy Amount Relativities by Territory Deviation: Credits of 2.7% - 14%.
- Form HE-7: Contract provided at no additional charge.
- Form HE-7w/HE-20: Base premium is calculated with a factor of 1.02 applied to HO-3 rates.
- Form HE-7w/HE-21: Base premium is calculated with a factor of 1.04 applied to HO-3 rates.
- Forms HE-7, 6 & 4: Homeowners Pak II Credit: 10% credit in territories 32-43 who qualify.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- New Home Discount: 0 - 15 yrs. of age: Credit varies 3% - 18%.

- Personal Injury Protection Liability Deviation: Provided with no additional charge.
- Forms 4 & 6: Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Forms HE-7, 4 & 6: Credits for higher deductibles.
- Premium Credits for Protective Devices: Credits vary 1% - 15%.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.
- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Form HE-7: Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation.
- Eff. 8/15/02

Electric Insurance Company

- Base rate deviation by territory: Credit varies. Forms 2, 3 & 3 w15:
- Base Rate Credit - 11%. Forms 4 & 6:
- Reduced Factor Personal Property Replacement Cost form HO-1, HO-2, and HO-3 - 1.02 (Coverage C) is automatically increased to 70% of Coverage A. HO-04 and HO-6 1.25 RC Coverage also applies to articles or classes of property separately described and specifically insured in this policy.
- Protective Device Credits: Credits vary 2% - 15%.
- Deductible Factors Forms HO-4 & HO-6 Credit varies
- Decreased Rates for Unscheduled Jewelry, Watches and Furs.
- Decreased Rates for Silverware, Goldware & Pewterware: Additional premium for each \$500 increase - \$2.
- Decreased Rates for Firearms: Additional premium for each \$100 increase - \$1.
- New Home Credit Forms 2 & 3; 0 - 10 yrs. of age; Credit varies 2% - 25%.
- Multi-Policy Discount. Forms 2, 3, 4 & 6: 10%
- Eff. 12/20/03 PC067230 [Filing Detail](#)

EMCASCO Insurance Company

- Downward base rate deviation Forms 2 & 3: 15%.
- Optional Section I & II Rates; 15% deviation.
- Personal Property Replacement Cost Coverage C: forms 2 & 3 Use 1.00 factor: Forms 4 & 6: Use 1.40 factor.
- Optional Higher Flat deductible credits: all forms \$500-10%; \$1000-23%; \$2500-37. Windstorm or Hail dedcs vary by ded amount for HO 2 & 3.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Additional Amount of Insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer: transaction fee is waived when the electronic funds transfer options is selected.
- Eff. 8/1/02

Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms; \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1000 - 32%; \$2500 - 45%.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- : Additional amount of insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waive when the electronic funds transfer options is selected.
- Eff. 8/1/02

Encompass Indemnity Company

- Forms 2, 3, and 8 Base Rate Deviations by Territory, Credit varies by territory
- Form 4 Base Rate Deviation by Territory, Credit varies by territory
- Form 6 Base Rate Deviation by Territory, Credit varies by territory
- Earthquake Coverage - Base rate deviation according to Table, Zone, and Construction.
- Gated Community Discount: A 10% credit will be applied to the premises/property for a residence located in a gated community meeting certain criteria.
- New Home Discount: A residence 10 years of age or less is eligible for a discount, credit varies by age.
- Deductible Credits Discount: Credit varies by coverage limit and deductible amount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation: credit varies.
- Incidental Farming Personal Liability Deviation: credit varies.

- Superior Construction Discount: The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry base premium or apartment unit by .85.
- Various Credits for Protective Devices: credit varies by type of alarm.
- Credits for Automatic Sprinkler Systems: credit varies by location/area of sprinkler system.
- Special Personal Property Coverage HO 6 only: endorsement HO 32 35 factor 1.34.
- Companion Policy Discount: 10% discount applies to the residence premium if the named insured is also a named insured on an Auto Policy with any of the Encompass Insurance Companies.
- Preferred Rate Deviation: Preferred rates are available at a 5% reduction from standard rates if the amount of insurance under Coverage A is equal to at least 90% of the Replacement Cost of the Dwelling and the automatic adjustment of limits endorsed is attached.
- Effective 10/1/04 PC075214 [Filing Detail](#)

Erie Insurance Exchange

- Base Rate Deviations Forms HO 00 022, HO 00 03, HO 00 08, HE-7, HE-7/20 & HE-7/21: Key Premium deviations: Variable credits based on zones.
- Amount of Insurance Deviation All Forms except HO 00 04 & HO 00 06; key factors by amount of insurance.
- Multi-Policy Discount: 5% credit applied to the Homeowner adjusted base premium if the Policyholder also has a voluntary private passenger automobile policy with The ERIE Insurance Exchange or ERIE Insurance Company.
- New Home Discount: Credits vary 2% - 18% for new to 9 yrs. of age.
- Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- Increased Special Limits of Liability HO 04 65 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost: HO 00 02 & HO 00 03 The charge for this coverage is 12%, but it includes the increase in Coverage C to 70% of Coverage A at no additional charge. The deviation varies by rating zone. HO 00 04 & HO 00 06 - no deviation. HE-7 - no deviation.
- Secondary Residence Premises - Subtract \$1 for duplication of coverage. Step B is omitted.
- Townhouse or rowhouse charge - waived.
- Units Rented to Others Form HO 00 06 HO 1733 Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
- Building Addition & Alterations Increased Coverage C limit - : Form 00 04 HO 0451 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only(HO 32 20): \$1 charge.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06 No charge.
- Refrigerated Property Coverage: Charge waived.
- Personal Property Increased Limits; HE 7 - \$2 per \$1000.
- Premium payment plan service charge – installment payments- \$3 per installment.
- Tiered Rating
- Eff. 8/1/05 PC083272 [Filing Detail](#)

Farmers Insurance Exchange

- Base Rate Deviations: Forms 3 & 4: Credits vary 6% - 11.5% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, Credit by territory varies.
- Protection - Construction Factors Deviation by territory: All Forms, except 4 & 6.
- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.
- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.
- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.

- Age 50 Plus Discount.
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Non Smoker Discount: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Eff 12/16/04 PC076113 [Filing Detail](#)

Federal Insurance Company

- Elimination of maximum credit for protective devices.
- Optional Higher Deductibles
- Additional Amount of Insurance deviation. Forms 2 & 3
- All Forms: 5% Gated Community Credit when criteria is met.
- Effective 4-1-05 PC081175 [Filing Detail](#)

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

Fidelity & Casualty Company of NY

- All Forms, except 4 & 6: Amount of Insurance Deviation: Variable Credits.
- Form 4: Amount of Insurance Deviation: Variable Credits.
- Form 6: Amount of Insurance Deviation: Variable Credits.
- Earthquake Deviation.
- Companion Policy Discount: 10% credit applies when named insured has an auto policy with any Encompass Insurance Company.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost: Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 increase is .9 times applicable premium each additional \$1000 column in basic premium chart for Coverage C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation.
- Eff. 11-1-96

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

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 applied 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

Firemans Fund Insurance Company

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

Firemens Insurance Company of Newark, New Jersey

- Base Rate Deviations by Territory: Forms 2, 3 and 8: Credit varies 25% - 36.7%.
- Base Rate Deviations by Territory: Forms 4 and 6: Credit varies.
- Earthquake Coverage Deviation.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.
- Gated Community Discount: 10% credit applies when criteria are met.
- New Home Discount: 0 – 10 yrs. of age: Credit varies 10% - 18%.
- Deductible Credits Deviations: Credits vary by Coverage A Limit or deductible amount.
- Additional Limits Deviation for Coverage F.
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property Coverage HO 06 only.
- Eff. 8-15-02

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 of .85-.95 applies 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

First Community Insurance Company

- Base Rate deviation by territory
- Amount of Insurance deviation by territory - HO-3.
- Amount of Insurance deviation by territory - HO-4.
- Amount of insurance Deviation by territory - HO-6.
- Protection Class deviation - HO-3, HO-4, HO-6.
- HO-3 Townhouse/rowhouse deviation.
- Deductible Credits deviation - HO-3.
- Hurricane deductible deviation HO-3.
- Windstorm or Hail Deductible deviation HO-3.
- Deductible Credits deviation - HO-4, HO-6.
- Number of Families deviation.
- Replacement Cost on Contents - HO-4 and HO-6.
- Homeowners Renewal Discount.
- Automatic Sprinkler Discount.
- Ordinance or Law Coverage.
- Employee or subsidiaries discount.
- Home/auto discount.
- Newly acquired home discount.
- Coverage A Increased Limits HO-6.
- Index of First Community Insurance Territories.
- Eff 11-21-03 PC065806 [Filing Detail](#)

First National Insurance Company of America

- **Withdrawn** 11-26-04

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

Glens Falls Insurance Company

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.
- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.

- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation
- Eff. 11-1-96

Globe 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.
- 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 by Territory credits vary.
- Optional Coverage Deviation.
- Effective 5-15-04 PC069341 [Filing Detail](#)

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 4%-22%.
- 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

Grain Dealers Mutual Insurance Company

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%; 1-2yrs. of age - 20%; 3 ys. of age - 15%; 4 yrs. of age - 10%; 5 yrs. of age -5%.
- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation.
- Form 3:10% Mature Home Credit: Certain criteria must be met.
- Eff. 1-1-02

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

Graphic Arts Mutual Insurance Company

- Forms 1, 2 & 3: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.

- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- 15% Territorial Deviation for territories 36, 38, 39, 44, 57, & 60.
- 5% Territorial Deviation for territories other than 36, 38, 39, 44, 57 and 60.
- 15% deviation for employees of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply.
- Eff. 8-15-02

Hanover American Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms except HO 00 04 and HO 00 06: 5% deviation.
- Eff. 4-1-05 PC081288 [Filing Detail](#)

Great American Assurance Company

- **Withdrawn** Effective 8-15-02 PC052360 [Filing Detail](#)

Great American Insurance Company

- **Withdrawn** Effective 8-15-02 PC052361 [Filing Detail](#)

Hanover Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Eff. 4-1-05 PC 081286 [Filing Detail](#)

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 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

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

Harleysville-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% -27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr.
- Eff. 5-1-92

Harleysville Mutual Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Client Discount: credit applies when certain criteria are met.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Eff. 9/1/03 PC062598 [Filing Detail](#)

Harleysville Preferred Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred customer discount – all terr except 05, 06, 41, 42, 43, 81 and 86. The percentage discount is determined by the combination of insurance score rating and characteristics met.
- HE-7 Deviations credit varies.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Eff 9-1-03 PC062597 [Filing Detail](#)

Hartford Accident and Indemnity Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Age of Dwelling Credit: 1 yr. of age 18% with a 3% less credit each added yr.

- Protective Devices Premium Credits: All Forms: Factors vary from .87-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Higher Deductible Deviation: All Forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community Package - Form 3: 15% credit when criteria are met.
- Premium Computation - Forms 4 & 6: premium shall be multiplied by a factor of .92.
- Additional Amount of Insurance Coverage A only; Forms 2 & 3: 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge.
- Effective 2-1-05 PC078296 [Filing Detail](#)

Hartford Casualty Insurance Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 1% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072678 [Filing Detail](#)

Hartford Fire Insurance Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 1% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072676 [Filing Detail](#)

Hartford Insurance Company of Midwest

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Age of Dwelling Credit: 1 yr. of age 18% with a 3% less credit each added yr.
- Protective Devices Premium Credits: All Forms: Factors vary from .87-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Higher Deductible Deviation: All Forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community Package - Form 3: 15% credit when criteria are met.
- Premium Computation - Forms 4 & 6: premium shall be multiplied by a factor of .97.
- Additional Amount of Insurance Coverage A only; Forms 2 & 3: 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge.
- Effective 2-1-05 PC078297 [Filing Detail](#)

Hartford Underwriters Insurance Company

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.

- Limited Access Credit if complex meets protection requirements Forms 4 & 6: 10%.
- Protective Devices Premium Credits: All Forms: Factor varies .98 - .85 for qualifying dwellings; credits may be added together to maximum credit factor of .80.
- Personal Property – Paragraph A Increased Limits for Coverage C may be increased.
- Mature Retiree Credit Factor; .95 when required criteria are met.
- Premium Computation – Forms HO 4 and HO 6 Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same company based on territories.
- Personal Property Replacement Cost (Coverage C) The policy may be endorsed to provide RC Coverage on Cov C. If endorsed, rate as follows:
Forms HO-2, HO 3, and HO 3 with HO 15
Manual charge to increase the cov C limit to 70% of Cov A, add a 2% surcharge to adjusted total base premium including additional premium for the increased Cov C limit.
Forms HO 4 and HO 6
Manual charge to increase the Cov C limit to \$12,000 if limit is less than \$12,000.
Add 40% surcharge to the adjusted total base premium including additional premium for the increased Cov C limit.
- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5.
- Minimum limits of liability are not applicable to forms HO2, HO3 or HO8.
- Eff. 12/01/04 PC 076715 [Filing Detail](#)

Homesite Insurance Company

- Preferred Risk Group 1 Discount 10% when certain criteria are met.
- Preferred Risk Group 2 Discount 10% when certain criteria are met.
- Eff 3/31/03 PC057282 [Filing Detail](#)

Horace Mann Insurance Company

- Coverage amount & territory deviations: Form 7 Masters Program Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 2% credit if insured 100% to value & Inflation Guard Endorsement attached.
- New Home Credit Forms 2 & 3 & Master Program; 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Territorial Base Rate Deviation: 8% Credit. Forms 4 & 6:
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- Installment Payment Plan: Forms ML-3, 4, 6 & Master Program: Waive initial \$3 installment fee.
- Deductible Credits Forms ML 2& 3 and masters: Variable credits.
- Auto/Home discount all forms credit varies.
- Deductible Credits for forms ML-4 and 6 credit varies.
- Replacement Cost on contents - 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Masters Program - \$60,000 Minimum coverage A, includes inflation protection coverage at no additional charge; includes Replacement Value-Personal Property; included the following percentages of Coverage A: 10% coverage B, 70% coverage C, and 20% coverage D.
- Federal Flood Insurance Program: 2% credit applies to HO and MH policies if the insured has a federal flood insurance policy placed with us through our flood insurance placement program.
- Downward deviation on earthquake.
- Silverware, Goldware, & Peterware coverage will be \$3.00 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5.00 per policy.
- Tenant's Improvements Increased Limit - \$4 per \$1000 of insurance.
- Coverage A Increased Limit - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others (Liability Coverage) - Premium varies.
- Private Structures - Rented to Others (Liability Coverage) - Premium varies.
- Form 7-Masters Program: Credit Tier Deviation.
- Eff. 5-1-04 PC070010 [Filing Detail](#)

Horace Mann Property & Casualty Insurance Company

- Amount of Insurance Deviation Form 3 & Masters Program by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- 2% credit for form 3 if all coverage amounts insured 100% to value with Inflation Guard Endorsement attached.
- Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Protection Class credits for Form 3 and Masters Program.

- Installment Pay Plan.
- Deductible Factors for Form ML-3 and Masters Program.
- Multiline Discount.
- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Earthquake Deviation.
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount
- Private Structures - Rented to Others (Liability Coverage)
- Credit Tier Deviation.
- Eff 8-1-05 PC082794 [Filing Detail](#)

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

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

Insura Property & Casualty Insurance Company

- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.
- All Forms: Personal property increased limits \$2 per \$1000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory.
- Eff. 6-1-99

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

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

Insurance Corporation of Hannover

- Form 3: Age of Dwelling Discount: Credit varies 2%-20% for dwellings new- 9 yrs. old.
- Account Credit Program: 15% credit applied when insured has both a voluntary auto policy & a homeowners policy insuring their primary residence.
- Preferred Homeowners Credit: 5%-23% credit by territory & protection class when certain criteria are met.
- Form 6: Apply a factor of .80 to the HO-4 base premium.
- All Forms: Protective Device Credits: Credit varies 1%-15%.
- Forms 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium does not apply.
- Form 3: 6% charge for Additional Limits of Liability for Coverages A, B, C & D when certain coverages & increased limits options are selected.
- Form 3: Personal Property Replacement Cost: Charge 5% of base premium, no minimum additional premium of \$20, & no charge to increase Coverage C to 70% of Coverage A when certain coverages & increased limits options are selected.
- Form 3: Personal Injury: No charge.
- Form 3: Water Back Up of Sewer & Drains with additional coverages.
- Form 3: Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage: No charge when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service Charge: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law: Charge 4% of base premium to increase coverage by 15% when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage: No charge when certain coverages & increased limits options are selected.
- Loss Free Credit when certain criteria is met.
- Eff. 2-1-02

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

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. Variable credit.
- 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

International Insurance Company

Merged with TIG Insurance Company 12-16-02

Kansas City Fire and Marine Insurance Company

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.6%.
- Form 4: Amount of insurance deviation based on territory. Credits vary.
- Form 6: Amount of insurance deviation based on territory. Credits vary.

- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount: 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Res. Prem. - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property coverage Ho 06 only.
- Eff. 8-15-02

Liberty Mutual Fire Insurance Company

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Deductible Credits Deductible Amount and percentage of credit/surcharge vary.
- Amount of Insurance Forms HO 1,2, & 3 Deviation by policy amount and territory.
- Amount of Insurance HO 4 & 6 Deviation by policy amount and territory.
- Installment Payment Plan all forms - \$3 each installment except first installment
- Coverage A Dwelling Limit for form HO 6
- Watercraft Deviation by limits of liability
- New Home Credits HO 2 & 3 Credits vary.
- Protective Devices Credits Credits vary .
- Hurricane deductible credits; credit varies by deductible amount.
- Eff. 5-10-04 PC070198 [Filing Detail](#)

Lititz Mutual Insurance Company

- New Home Credit: 15% 0-2 yrs.; 10% 3-5 yrs.; 5% 6-10 years.
- 10% credit to base premium when HO-0490 & HO-3220 are used together. The charge to increase Coverage C to 70% of Coverage A is waived.
- Protection class 9 homes: Deviation applies when criteria are met.
- Optional Higher Deductibles Deviation.
- Combined Territory Deviation: Credits vary.
- Base Rate Deviation by Territory: Credit varies.
- Eff 8-1-05 PC083102 [Filing Detail](#)

LM Personal 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

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

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

Massachusetts Bay Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms, except 4 & 6: Credit varies.

- Eff 4-1-05 PC081287 [Filing Detail](#)

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

Merastar Insurance Company

- New Home Credit; HO 00 03 Homes completed & occupied during current calendar yr. credit varies.
- Safe and Sound Discount: protective device credit certain criteria.
- Auto Home Discount All Forms - credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waiver of installment charge when certain requirements are met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Merastar Maximum Discount: Factor .97 applies to base premium when certain criteria is met.
- Deductible credits; Forms 3 & 5: \$500 - \$1000
- Deductible credits; Forms 4 & 6: \$500 - \$1000
- Protective Device Credits; 2% - 15%.
- Boat Liability Rate Deviation: All Forms: credit based on length & horsepower.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount All Forms Discount if the named insured is a member of an employer sponsored account or qualifying affinity group.
- Eff. 8-1-05 PC084763 [Filing Detail](#)

Merchants & Business Mens Mutual Insurance Company

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%.
- Eff. 11/1/86

Metropolitan Direct Property & Casualty Insurance Company

- Fixed Dollar Deductible Relativities : \$100 ded - 1.10, \$500 - .85, \$1000 - .75; Factor applies to base premium.
- Replacement Plus – Guaranteed Replacement Cost Coverage A & B; certain criteria must be met.
- Replacement Cost on Contents Forms 3 & 3 Ultra: Personal Property Replacement surcharge - 10% of base premium. Coverage C increased to 70% of Coverage A at no additional cost.
- New Home Discount: Credit varies by age of dwelling up to 9th year.
- Premium Credit for Alarm Systems: Credit varies 1% - 15%; Credit applies to base premium.
- Mature Homeowners Discount: 5% credit age 55 or older & retired. If married, one spouse must be 55 yrs old & neither employed full time. Credit applies to base premium. Not in territories 5, 6, 34, 41, 42, 43.
- Windstorm or Hail Exclusion Credit: Forms 3 & 3 Ultra; Variable credits based on protection class & construction. Credit applies to base premium.
- Multi-Policy Discount: 10% discount to total homeowner premium when insured has homeowners & auto insurance with Metropolitan. Not in territory 5, 6, 34, 41, 42, 43.
- Mass Merchandising Account Deviation.
- Additional coverage - Jewelry & Furs premium varies according to additional limit.
- Claim Free Discount: 5% when criteria are met.
- Increased Ordinance or Law Coverage.
- Eff. 1-31-02

Metropolitan Property & Casualty Insurance Company

Standard Program

- New Home Discount: Age of dwelling 0 - 9 yrs.: Credit varies 2% - 25%. Except ho4 & ho6.
- Replacement Plus: Guaranteed Replacement Cost Coverage A & B when certain criteria is met.
- Forms 2, 3 & 3 Ultra: Replacement Cost on Contents: 10% surcharge. Coverage C amount increased to 70% of Coverage A at no additional cost.
- Forms 4 & 6: Replacement Cost on Contents: 25% surcharge. Form-6 minimum \$20000 Coverage C is required. Credit applies to base premium.

- Fixed Dollar Deductible Relativities: \$100 ded. - 1.10; \$500 ded. - .85; \$1000 ded. - .75.
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Mass Merchandising Account Deviation: 1% - 10% when a policy is written through Company's special accounts department to member of any employee or affinity group.
- Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- Multi-Policy Discount: applies to total homeowner premium when homeowner & auto policies issued with Metropolitan. Not with ho 4 or in terr 5, 6, 34, 41, 41, 42, 43.
- Smaller employer groups when criteria is met – 5%..
- Additional Coverage Jewelry and Furs for Form HO 3/w15.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.

USF&G, F&GIC, & F&GIU Program

- Rate Deviations by Territory & Coverage A Amount: Credit varies. Ho02, ho03, ho06
- All Forms, except 4: Fixed Dollar Deductible Relativities Deviation.
- Windstorm or Hail Percentage Deductible Relativities Deviation.
- All Forms, except 4 & 6: Replacement Plus-Guaranteed Replacement Cost Coverage on Coverage A & B. Certain criteria apply.
- Replacement Cost on Contents-Coverage C:forms 2, 3, 4 & 6 Certain criteria apply.
- All Forms, except 4 & 6: New Home Discount: 0-9 yrs. of age: Credit varies 2%-20%.
- Premium Credits for Alarm Systems: Credit varies.
- Mature Homeowners Discount: Certain criteria apply.
- Windstorm or Hail Exclusion Deviation by Form, Territory, Public Protection Class & Construction: Credit varies.
- Multi Policy Discount: applies to basic premium when certain criteria are met.
- Claim Free Discount: Eligibility requirements must be met.
- Increased Ordinance or Law Coverage Deviation.
- Form 3/w15: Additional Coverage for Jewelry & Furs Deviation.
- Eff. 8-16-02

Millers Insurance Company

Insolvent 3-24-03

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

National Ben Franklin Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Eff. 1/1/86

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

National Grange Mutual Insurance Company

- Age of Dwelling Deviation: Forms 2 & 3: 0 - 5 yrs. of age: Credit varies 0% - 18%.
- Combined Personal Protection Program Account Credit. Forms 2, 3, 6 & 8: 6%
- Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met: Credit varies. Forms 2 & 3:
- Deductible credits/charges, factor varies by ded amount. Forms 2, 3, 4, 6 & 8.
- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.
- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 3237) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service Charge: the policy limit of \$500 for fire department service charge will be increased to \$1000 with selection of certain additional coverages and increased limits.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy; \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Personal Property Replacement Cost: along with HO 0490 5% of base premium when selection of certain coverages.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met
- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met
- Forms 2 & 3: Insurance Score Rating, Discount factor varies by Insurance Score.
- Eff. 4-1-05 PC 079286 [Filing Detail](#)

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 requirements 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%.

Deviation as of September 15, 2005

- 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*

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 [Filing Detail](#)

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: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per\$1000 of insurance. Territories 5, 6, 42 & 43 excluded.
- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.
- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met.
- Eff. 10-13-00

Nationwide Mutual Fire Insurance Company

- Forms 3 & 3w15: Deviation by amount of insurance & territory.
- Home & Car Discount for all territories, except 5, 6,41,45,65,69,71,72, &74: Forms 2 & 3: Credit varies 1% - 26%:
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Territorial Deviation – forms 2,3,3w/HO 32 36 and 6.
- Safe Home Rating Program – forms 2,3,and 3 with HO 32 36 and 6.
- Safe Home Rating Program – Form 4 with HO 32 36 and 6.
- Eff. 2-7-03

Nationwide Mutual Insurance Company

- Amount of Insurance – Forms HO-2, HO-3, and HO-5.
- Territory Deviation W/Endorsements – Form HO-4.
- Age of Construction Deviation
- Personal Status Deviation.
- Age of oldest insured Deviation
- Safe Home Rating Program – Form HO-2, HO-3, HO-3 w/HO 32 36 & HO-6
- Protective Device Deviation
- Deductible Deviation
- Home and Car Deviation
- Territory Deviation W/Endorsements – Forms HO-2, HO-3 & HO-6.
- Eff. 6-1-05 PC081828 [Filing Detail](#)

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

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

New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50000 - \$250,000 & above based on territory; Credit varies 0% - .380%.
- 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: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5/1/92

New York Central Mutual Fire Insurance Company

- Deviation withdrawn effective December 8, 2003.

Newark Insurance Company

- Withdrawn Eff. 10-24-03

Niagara Fire Insurance Company

- Broad & Standard Perils: Primary dwelling \$85000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85000 & under - 20%; \$88000 - 21%; \$92000 - \$95000-22%; \$99000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Eff. 1/1/86

North Carolina Farm Bureau Mutual Insurance Company

- Deviation by Amount of Insurance vary based on rate structure, protection class, deductible, & territory. Forms 2 & 3: Credits vary

- Forms 2 & 3: Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 3: Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Forms 2 & 3: Coverage C increase in limits. \$1 per \$1000.
- Forms 2 & 3: Replacement cost on contents factor 1.05; Forms 4 & 6: Factor 1.25.
- Forms 4 & 6: 30% downward deviation statewide.
- Form 8: 10% downward deviation statewide.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Other Structures Rented to Others Residence Premises.
- Refrigerated Personal Property: Charge Waived.
- Additional 5% deviation applies to property in specified counties.
- Eff. 09-01-03

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

Northern Assurance Company of America

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Guaranteed Replacement Cost (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: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%..
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- Deviation by Coverage A amount of insurance. All Forms, except 4 & 6: Credit varies.
- Windstorm or Hail Deductible.
- Eff. 8-15-02

Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2/15/92

Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50: Form 3w/15 - \$2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.

- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies.
- Eff. 6-1-99

Ohio Casualty Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .79; \$2500 - .62.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .76; \$2500 - .56.
- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- Employees Discount: to qualifying employees insured in the Ohio Casualty Group.
- Eff. 9-1-05 PC082799 [Filing Detail](#)

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

OneBeacon America Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Coverage A Dwelling Basic and Increased Coverage A limit \$3,000 cov A at no addit charge.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02

Owners Insurance Company

- Territory Description.
- Form 6 rate deviation
- Deductibles - Waiver of Minimum Charges.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House discount factors.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.
- Form HO-6 Units Regularly Rented To Others.
- Form HO-6 Coverage A Dwelling Increased Limits and Special Coverage.
- Building Additions and Alterations At Other Residences-All Forms.
- Loss Assessment.
- Other Insured Location Occupied By Insured - Section II.
- Section II, Liability-Residence Employees waived.

- Business Pursuits - no charge.
- Personal Injury coverage-no charge.
- Permitted Incidental Occupancies - Residence Premises.
- Special Personal Property Coverage.
- Multi-Policy Discount
- Seasonal Discount-Forms HO 00 03 and HO 00 06.
- Section II, Liability Watercraft.
- Life-Homeowners Multi Policy Discount.
- Eff 8/30/05 PC084266 [Filing Detail](#)

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 HO-290; 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

Pacific Indemnity Company

- Forms 4 & 6: 10% credit.
- Elimination of maximum credit for protective devices.
- Optional Higher Deductibles
- Additional Amount of Insurance deviation. Forms 2 & 3
- All Forms: 5% Gated Community Credit when criteria is met.
- Effective 4-1-05 PC081176 [Filing Detail](#)

Peerless Insurance Company

Preferred Homeowners

- Deductible Credits: Forms 3, HE-7, HE-7w/20 & HE-7w/21 - credits vary.
- Credit for alarm
- Base rate deviation by territory
- Base Rate Deviation on Forms HE-7, HE-7 w/20, and HE-7 w/21.
- Specified Additional Amount of Insurance.
- Discount to Premiums on Forms HO-3, HE-7, HE-7 w/20, HE-7 w/21, HO-4, and HO-6
- Amount of Coverage A Relativity Curve Deviation Varies.
- Insurance Score Deviation.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.

Standard Homeowners

- Deductible Credits: Forms 3, 4, 6 - credits vary.
- Credits for Alarm System: Credit varies 2%-15%. Forms 3, HE-7, HE-7w/20 & HE-7w/21.
- Base Rate Deviation by Territory:
- Discount to Premiums on forms HO-3, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Specified Additional Amount of Insurance.
- Discount to Premiums on Forms HO-3, HE-7, HE-7 w/20, HE-7 w/21, HO-4, and HO-6
- Amount of Coverage A Relativity curve Deviation varies.
- Insurance Score Deviation.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Base rate deviation by territory.
- Effective 4-1-05 PC079502 [Filing Detail](#)

Penn Mutual Insurance Company - Withdrawn 4-21-03

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; Waive charge to increase Coverage C limit from 50% to 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: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

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

Pennsylvania National Mutual Casualty Insurance Company

- Deviation by Deductibles - various credits..
- New Home Discount: Forms 2, 3 & 3w/HO3236: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/HO3236 - \$3 per \$1000 of insurance.
- Account Credit Program: Forms 2, 3, 3w/HO3236, 4, 6 & 6w/HO3235: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/HO3236: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Deviation by Amounts of Insurance: Credit varies.
- Deviation by Additional Amounts of Insurance: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/HO3236: Certain criteria apply.
- No charge for increasing Coverage A up to \$5,000 on a form HO 00 06 policy
- Eff 6-1-03

Pharmacists Mutual Insurance Company

- 15.4% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies 5% - 10% when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 9-1-05 PC084260 [Filing Detail](#)

Peerless Insurance Company

Preferred Homeowners Tier

- Deductible Credit
- Credits for alarm system
- Base rate deviation by territory
- Base rate deviation on forms HE-7, HE-7w/20, & HE-7 w/21
- Specified additional amount of insurance
- Discount to premiums on forms HO-3, HE-7, HE-7w/21, HO-4, and HO-6
- Amount of coverage A relativity curve deviation
- Insurance score deviation
- Downward deviation for installment pay plan by electronic funds transfer or Agency bill

Standard Homeowners Tier

- Deductible Credit
- Credits for alarm system
- Base rate deviation by territory, HO 00 06
- Base rate deviation on forms HE-7, HE-7w/20, & HE-7 w/21
- Specified additional amount of insurance
- Discount to premiums on forms HO-3, HE-7, HE-7w/21, HO-4, and HO-6
- Amount of coverage A relativity curve deviation
- Insurance score deviation
- Downward deviation for installment pay plan by electronic funds transfer or Agency bill
- Base rate deviation by territory HO 00 03
- Effective 4-1-05 PC079502 [Filing Detail](#)

Phoenix Insurance Company

- Base Rate Deviation for Dwellings and Condos Credit varies based on territory.
- HO- 3w/15: 10% Additional premium charge.
- Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of Coverage.
- Personal Property Increased Limit Coverage C: Forms 2, 3, 3w15: -\$1 per &1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit. Forms 2, 3, & 3w15: 5%
- Loss Free Credit Forms 2, 3, 3w15, 4 & 6: 3+ yrs. loss free 3% credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit Forms 2, 3, 3w/15, 4 & 6: 5%.
- Inflation Guard:Forms 2 & 3: Premium charge waived.
- Safety Seminar Credit:Forms 3 & 6: 5% Certain criteria apply.
- Royal SunAlliance Employee Program Credit Forms 2, 3, 3w/15.
- Coverage C Relativity – Form HO-6, credit varies.
- Eff 1-7-05 PC 078505 [Filing Detail](#)

Piedmont Mutual Insurance Company

- 7th yr.
- Value-Plus Homeowner Discount: 5% when certain criteria are met.
- Eff. 3-1-98

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

Prudential Property & Casualty Insurance Company

Named changed to LM Property & Casualty Insurance Company Effective 4-13-04

Republic Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; 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: \$500-9%; \$1000-17%; \$2500-25%.
- Eff. 4-1-95

Royal & SunAlliance Personal Insurance Company

- Form 3w/15: 25% credit.
- Eff. 5-11-92

Royal 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 [Filing Detail](#)

Royal Insurance Company of America

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$8 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- 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.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation.
- Eff. 3-1-01

Safeco Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Additional Residence rented to others.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities
- Employee Discount Plan.
- Eff. 08-01-05 PC085713 [Filing Detail](#)

Safeco Insurance Co of Pennsylvania Insurance

- 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

Safeguard Insurance Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.

- 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.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates - credit varies by territory.
- Super Preferred Program Deviation by Forms Off Standard Rates – Credit varies by territory.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit.
- Eff. 08-15-03

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 Coverage 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

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: Personal property 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 territories 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: Premium credit when insured or spouse has maintained 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

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

Sea Insurance Company of America

- Form 3w/15: 25% credit.
- Eff. 5-11-92

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

Select Insurance Company

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

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: Replacement Cost Personal Property; Annual add'l prem. 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; \$500 - .85; \$1000 - .80; \$2500 - .70.
- 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

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 amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-92

Sentry Insurance A Mutual Company

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

Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The maximum allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03

Shelby Insurance Company

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1000 ded. - 30%; \$2500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1000 - 30%; \$2500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): Included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added yr. until 10+ yrs. then no credit.
- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory.
- Eff. 6-1-99

South Carolina Insurance Company

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.

- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.
- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge.
- Eff. 6/1/99

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. 2-6-01

Southern Insurance Company of Virginia

- Territory Deviation; for form HO 00 03 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 02 and HO 03 - HO 32 11 Factor of 1.02
- Personal Property Replacement Cost HO 03 use factor of 1.02.
- Personal Property Replacement Cost HO 04 and HO 06 use factor of 1.35.
- Age of dwelling credit – 20% for homes completed in current calendar year, decreasing 2% each preceding year.
- Outboard Motors and Watercraft reduced rates.
- HE-7 Program – 10% discount for HO 03 written with HE-7 w/20 or HE-7 w/21.
- Eff 12-1-03 PC 065261 PC065262

Southern Pilot Insurance Company

- Deviation by Territorial Relativities (HO-3 and HE-7).
- Deviation by Territorial Relativities (HO-4)
- Deviation by Territorial Relativities (HO-6).
- Amount of Insurance Deviation (HO-3 and HE-7).
- New Home Credits
- Deductible Credits.
- Reduced Surcharge for Personal Property (Coverage C) Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Reduced Rates for Outboard Motors and Watercraft Liability.
- Personal Injury Coverage At No Charge.
- Deviation for Exceptional Homeowner (HO-3 and HE-7).
- Protective Devices Credit.
- Deviation for Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 08-01-05 PC083567 [Filing Detail](#)

Standard Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- HO-3w15: 10% additional premium charge.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits varies by deductible amount and coverage Limit.
- Personal Property - Increased Limit Coverage C: \$1 per \$1000. Forms 2, 3 & 3w15:
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit Forms 2, 3, & 3w15: 5%
- Loss Free Credit: 3+ yrs. loss free 5 % credit. Forms 2, 3 & 3w15:
- Inflation Guard: Premium charge waived. Forms 2 & 3:
- Safety Seminar Credit: Certain criteria apply Forms 3: 5%.
- Eff. 5-28-04 PC072524 [Filing Detail](#)

State Automobile Mutual Insurance Company

- Forms 4 & 6: Deductibles: \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 2, 3, 3w/15, 4 & 6: 10% additional deviation if Company carries insured's homeowners & auto liability: Other criteria apply.
- Age of Dwelling Credit: New 20%; 1 yr. - 18%; 2 yrs. - 15%; 3 yrs. - 12%; 4 yrs. -9%; 5 yrs. - 7%; 1% less credit 6th - 8th yrs.
- All Forms: Alarm System Credits; All protection classes & territories; Variable credits.
- Forms 4 & 6: Replacement Cost on Contents; Reduce charge from 40% to 35%.
- HO 500 Replacement or Repair Cost on dwellings granted without charge when certain requirements are met.
- Forms 1, 2, & 3: Coverage C increase; \$1 per \$1000; Form 3 w/15 - \$2 per \$1000.
- Forms 1, 2, 3, 3w/15 & 8: Policy Size Credits; Protection classes 1-8; \$51000 & above - 1%-30%; Protection classes 9 & 10 - \$60000 & above 1% - 15%.
- Forms 1, 2, 3, 3 w/15 & 8: Deductibles; \$500 - 15%; \$1000 - 25%; \$2500 - 31%.
- Defender Package: This package will be rated by applying a 20% credit to base rate for HO-500 coverage & a flat \$25 charge for HO-290 when certain requirements are met.
- Forms 1, 2 & 3: When HO 290 is attached; Coverage C limit is increased to 70% of Coverage A at no additional charge.
- Form 3w/15: Optional at a +10% charge.
- Jewelry Rate - \$9.50 per \$1000.
- Eff. 9/1/92

State Auto Property & Casualty Insurance Company

- Deductibles;Forms 4 & 6: \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Deductibles forms 2, 3 & 3w/15 \$500 - 9%; \$1000 - 21%; \$1500 - 27%; \$2500 - 38%.
- Auto/Home deviation - 10% additional deviation if Company carries insured's homeowners as well as private passenger auto liability and meets other requirements.
- Alarm System Credits – all forms: Credit varies 2% - 15%: All protection classes & territories.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies 0% - 20%.
- Replacement Cost Coverage HO 2 and HO 3 if provided Coverage C is increased to 70% of Coverage A at no additional charge. No charge for RC contents under Home Defender Program.
- Forms 4 & 6: Replacement Cost on Contents: Charge 35%.
- Guaranteed Replacement Cost – forms HO 02 and HO 03 no charge if certain criteria are met.
- Forms 2 & 3: Coverage C Increase: \$1 per \$1000: Form 3w/15 \$2 per \$1000.
- Form 3w/15: Optional at +10% charge.
- Protection Class 9 Rates: 5% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Prime of Life Discount: Homeowners All Forms, except 4 & 8: Age 55 & over -10%: Form 6 qualifies if Coverage C is at least \$30,000.
- Windstorm or Hail Deductible. All Forms, except 4 & 6 Variable Credits.
- Electronic Funds Transfer: \$1 service fee.
- Eff. 3-1-04 PC 070065 [Filing Detail](#)

State Capital Insurance Company

- Fixed dollar amount deductibles, all forms credits vary.
- Deductible factors forms 4 and 6 credits vary.
- Personal Property Increase Limits – Forms 2, 3, HE-7 & HE-7 with HE-20 factor is .50 per \$1000, HO 3 w/15 is \$2 per \$1000.
- Company deviation based on territory & coverage A amount, credit varies.

- New Home Discount – Credit varies by year constructed.
- Protective device credits, all forms, credit varies by territory and protection class.
- Outboard motors & Water Craft- Liability rates amended by boat length.
- Protection/Construction Relativity Deviation.
- Windstorm or Hail Deductible Deviation – credit varies.
- Dwelling Basic and Increased Limits and Special Coverage Form 6 Limit \$5000.
- Personal Property Replacement Cost Coverage: all forms
- Ordinance or Law Coverage deviation by factors.
- Three or four family residence: Coverage B&C deviation.
- Installment Payment Plan charge waived.
- Account Credit 5% when named insured has auto policy with the Highlands Ins Group.
- Eff 6-1-99

State Farm Fire & Casualty

- Deviation by Amount of Insurance and Territory: Variable credits.
- Townhouse/Rowhouse – The charges for Townhouses/Rowhouses in buildings with more than 2 units per fire division do not apply.
- Deductible Credits/Charges – Credit varies per territory.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Form 4 Deviation by Amount of Insurance and territory – credit varies.
- Form 6 Deviation by Amount of Insurance and territory – credit varies.
- Form 4 and 6 Deductible Credits/Charges Credit varies.
- Jewelry & Furs uncheduled: 30% credit applies to \$15 rate per \$1000 for additional coverage.
- Replacement Cost on Contents; Forms 4 and 6 Coverage C extended to include the full cost of repair or replacement without deduction for depreciation. The premium is determined by applying a 30% charge to the basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A Limit 25%-3% premium charge, minimum additional premium \$5; 50%-8% premium charge, minimum additional premium \$10.
- Rental Condominiums: Apply following charge; \$250 - 25%; \$500 - 21%; \$1000 - 18%; \$2500 - 16%.
- Coverage A Increased limits & Special Coverage Form 6; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm; 0-2 yrs. 0%; 3-5yrs 0%, 6 or more yrs. - 3%; territories 5, 6, 12, 42 & 43 excluded.
- Installment Payment Plan: \$2 charge. if monthly installment made by electronic funds transfer and a monthly bill notice is requested or \$1 per month if no printed notice is requested..
- Refrigerated Personal Property: Coverage provided at no additional charges.
- Sinkhole Collapse Form 3; \$0.35 rate per \$1000 of Coverage A.
- Home-Auto Discount for all territories, except 5 & 6. Policyholders that have a Form 3,4 or 6 policy and a voluntary State Farm auto policy will receive a 2% credit that applies to the Homeowners Program premium.
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium.
- Eff. 5-15-04 PC069129 [Filing Detail](#)

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 homeowners coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

TIG 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

Teachers Insurance Company

- Amount of insurance deviation based on Coverage A amount & territory: Form ML-3 & Masters Program: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- 2% credit on Form 3 if insured 100% to value with Inflation Guard Endorsement attached.
- New Home Credit: 0 - 10 yrs. of age: Form 3 & Masters Program: Credit varies 2% - 10%.
- Territorial Deviations for tenant and Condominium Base Rates 8%.
- Waive \$3.00 installment fee on each installment except the initial down payment for Forms 3, 4, 6 and Masters Program.
- Deductible Credits for Form 3 and Masters Program: Ded credit varies.
- Auto/Home Client Discount: Form 3 & Master Program: Variable credit when criteria are met.
- Deductible Credits: Form ML 4 & 6.
- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement - Increased Limits.
- Coverage A Options - Form 6 - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others.
- Private Structures rented to Others.
- Coverage Amount Deviations for Forms 4 & 6: Deviations vary.
- Masters Program: Deviation by Credit Rating Tier
- Eff. 8/1/05 PC082795 [Filing Detail](#)

Travelers Casualty & Surety Company

- Base Rate Deviation for Dwellings and Condos: Credit varies based on territory.
- Form 3w15: 10% additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 Charge waived.
- Forms 2, 3, & 3 w15: 5% Account Credit.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Form 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor of .92.
- Form 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- Coverage C Relativity Curve – HO-6 Credit varies.
- Eff 1-7-05 PC 078506 [Filing Detail](#)

Travelers Indemnity Company

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment Factor of .92.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- Eff 5-28-04 PC072525 [Filing Detail](#)

Travelers Indemnity Company of America

- Base Rate Deviation for Dwellings and Condos: Credit varies depending on territory.
- Form 3w15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Varies by amount of deductible and coverage amount.
- Protection Device Deviation: Credit varies 1%-13%.

- Personal Property - Increased Limit Coverage C: Forms 2, 3 & 3w15: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit. Forms 2, 3, 3w15, 4 & 6: 5%
- Loss Free Credit: Forms 2, 3, 3w15, 4 & 6: 3+ yrs. loss free 3% credit
- Multi-Line Insurance & Financial Services Institution Employees Credit Forms 2, 3, 3w15, 4 & 6: 5%.
- Final Premium Adjustment factor - .90Forms 2, 3, 3w15, 4 & 6:.
- Inflation Guard: Premium charge waived Forms 2 & 3:.
- Safety Seminar Credit: Certain criteria apply Forms 3 & 6: 5%.
- Royal SunAlliance Employee Program Credit Forms 2, 3, 3w/15, 4, 6
- Coverage C Relativity Curve – HO-6 Credit Varies.
- Eff 1-7-05 PC 078507 [Filing Detail](#)

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

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, 3w/15, 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
- Name changed from Travelers Indemnity Company of Illinois.
- Effective 1/1/04

Travelers Personal Security Insurance Company

- Base rate deviation based on territory. Credit varies.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, & 3w15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Forms 2, 3, 3w15: Final Premium Adjustment factor of .90.
- Forms 2, 3 & 3w/15: Multi-Line Insurance and Financial Services Institution Employees Credit - 5%.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- Royal SunAlliance Employee Program Credit. Forms 2,3,3w/15.
- PC072529 Eff 5-28-04 [Filing Detail](#)

Twin City Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: Factor of 1.00 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge.
- Eff. 6-1-01

Underwriters Insurance Company

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- 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

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

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

Unisun Insurance Company

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs.-15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. - 10%; 14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement HO-290.
- Deviation by policy amount \$10000-\$300000: Credit 5%-30%. Each additional \$10000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1000-21%; \$2500-33%.
- Eff. 2-1-96

United Services Automobile Association

- New Home Discount: Form 3: New - 9 yrs. of age: Credit varies 0% - 20%.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32.
- Personal Property Deviation: Coverage C limit increased at 1.00 per \$1000.
- Deviation by Territory/County Form 3.
- Deviation by Territory/County Form 6.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Extended Billing Plan: Regular Plan and Extended Plan - no installment charge.
- Loss free discount: forms 3 and 6 for eligible risks.
- Protective Device Credit - discount varies by type of installation.
- Deductible - Form 3 Owners Form - Deductible Credits by Amount of Insurance.
- Eff: 8-1-04 PC071117 [Filing Detail](#)

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 3w/15 - \$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

United States Fire Insurance Company

- Forms 1, 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

Unitrin Auto and Home Insurance Company

- HO 3 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 4 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 6 Base Rate Deviation - various credits apply according to Territory and Level.
- Mature Homeowners credit certain criteria apply.
- Personal Property (Coverage C) Replacement Cost Coverage; HO 03 and HO 04 & HO 06
- Deductibles - Optional higher deductibles Form HO 03 and HE-7
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money - additional premium if higher limits than \$500 are selected.
- Outboard Motors and Watercraft - coverage up to and including 50 HP is included at no additional charge with a Package Plus policy.
- Personal Injury is included at no additional charge with a Package Plus policy.
- Blanket Property Limit Rule - Package Plus Only - One or two family residences HO 00 03 - Replacement Cost Contents Coverage is included without additional charge.
- Special Personal Property Coverage - HO 00 06 - Policy may be endorsed to insure Coverage C against additional risks of phys loss subject to certain exclusions.
- Refrigerated Property - no additional charge with a Package Plus policy.
- Ordinance or Law Coverage - HO 00 03 - Package Plus only - certain criteria.
- Network Discount - provides HO insurance to individual members of a Network Group - certain criteria apply.
- Package Plus only: Factors vary by type of policy.
- Deferred Premium Payment Plans - various installment options.
- New Home Discount - credit applies according to pricing level and territory, credit varies.
- Personal Property Increased Limit - The limit of liability for Coverage C may be increased.
- Amount of Insurance Factor HO 00 03 (A) - factor varies by amount of insurance.
- Amount of Insurance HO 00 06 - premium is developed based on the additional limit of insurance.
- Eff 8/1/05 PC085638 [Filing Detail](#)

USAA CASUALTY INSURANCE COMPANY

- New Home Discount: Form 3: New - 9 yrs. of age: Credit varies 0% - 20%.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32.
- Personal Property Deviation: Coverage C limit increased at 1.00 per \$1000.
- Deviation by Territory/County Form 3.
- Deviation by Territory/County Form 6.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Extended Billing Plan: Regular Plan and Extended Plan - no installment charge.
- Loss free discount: forms 3 and 6 for eligible risks.
- Protective Device Credit - discount varies by type of installation.
- Decuctible - Form 3 Owners Form - Deductible Credits by Amount of Insurance.
- Eff: 8-1-04 PC071118 [Filing Detail](#)

Utica Mutual Insurance Company

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply.
- 5% credit applies to homeowners, personal inland marine, dwelling fire, personal umbrella & personal auto premiums provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Eff. 06-01-02

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%.

Deviation as of September 15, 2005

- 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

Vigilant Insurance Company

- 16% credit applies to base premium Forms 4 & 6:
- Amounts of Insurance Forms 2, 3, 5 & HE-7: Various credits for over \$950,000 for Coverage A.
- Elimination for maximum credit for protective devices.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- Optional Higher Deductibles.
- Gated Community credit when criteria is met.
- Valuable Articles Credit
- Eff. 6/7/05 PC081177 [Filing Detail](#)

Virginia Mutual Insurance Company

- Premium Credit Factors - Premium Factors are applicable to the base annual premium for the following: Policy Forms 2,3,3 with ML-441 and 8 with coverage a limits of \$125,000 to \$400,000. Credit varies by Territory and Protection Class.
- Premium Credit Factors – Premium Factors are applicable to the base annual premium for the following: Policy Forms 4 and 6, coverage C limits. Credit varies by territory.
- Claims-Free for Premium Credit for coverage A.
- Account Discount – 5% discount if there is also in force an auto policy covering the same named insured written with Virginia Mutual Ins Co.
- Insurance Score Discount – 5% discount applied if a minimum insurance score of 725.
- Newly Constructed Residences(not applicable to Forms 4 and 6) credit varies for a residence constructed and first occupied in one of the last ten calendar years.
- Effective 2-1-05 PC079267 [Filing Detail](#)

West American Insurance Company

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: to qualifying employees insured in the West American Insurance
- Eff.12-1-05 PC082801 [Filing Detail](#)

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

Windsor Mount Joy Mutual Insurance Company

- Amount of Insurance Deviation: Forms 1, 2 & 3; Coverage A amount 0-\$77000; Credit varies 5.1% - 18.4% for homes less than 5 yrs. of age.
- Eff. 10/1/93

Winterthur International America Insurance Company

Deviation as of September 15, 2005

- 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

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

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. AIU Insurance Company

- All Forms: 10%.
- Eff. 2/1/86

4. 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

5. AXA Re Property & Casualty 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

6. 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

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. Allstate Indemnity Company

- Claims Rating Deviation – determined by the number of chargeable claims, credits vary.
- Claims Free Discount – 10% discount for no claims for 60 consecutive months.
- New/renovated Home Discount – credit varies.
- Home and Auto Discount Deviation –credit varies.
- The Good Hands People Discount Deviation – 1%
- Residence Rental Coverage – no charge for coverage.
- Eff 4/25/05 PC082343 [Filing Detail](#)

9. Allstate Insurance Company

- Deviation by amount of insurance. Credit varies.
- Deductible factors Forms 2, 3 & 3 Deluxe Plus; \$100/\$250 theft-1.067; \$500 ded. -.910; \$1000 ded.-.790; \$2500 ded- .620. Forms 4 & 6: Deductible factors; \$100/\$250 theft - 1.023; \$500 ded - .830; \$1000 ded - .670.
- Protective devise discount for broad/deluxe, deluxe plus and renters/condos: discount varies.
- Age 55 & Retired Discount Factor. Credit varies when certain criteria met.
- Personal Property Replacement Cost Deviation subject to certain requirements.
- Age of Home Discount Deviation for HO 2 and HO 3 deluxe and deluxe plus forms.
- Waterbed Liability Deviation HO4 and HO6.
- Dwellings in the course of construction availability for HO 2 and HO 3 deluxe plus forms 55% of expected finished value.
- Home and auto discount deviation HO2 and HO 3 deluxe and deluxe plus and HO 4 and Ho 6 when certain criteria is met.
- Installment payment plan for electronic funds transfer.
- Three or four family dwelling rating structure: does not defferentiate between 3 or 4 family dwellings in a town or row house structure.
- Deviation by wind/hail deductible
- Installment payment plan – waived installation charges – payroll deduction option for allstate employees.
- Good hands people discount all forms.
- Residence rental coverage HO 01, HO 02 and HO 03 no charge for coverage.
- Eff 5/4/05 PC082344 [Filing Detail](#)

10. 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
- 11. American Automobile Insurance Company**
- 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.
 - Deviations by territories and forms: Credit varies.
 - Eff. 12/01/03 PC065125 [Filing Detail](#)
- 12. American Bankers Insurance Company of Florida**
- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
 - Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
 - All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%.
 - Eff. 5/1/92
- 13. American Centennial Insurance Company**
- Forms 1, 2, 3, 3 w/15 & 6: 25%.
 - Eff. 9/1/85
- 14. 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
- 15. American Employers Insurance Company**
- 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

16. American Fire & Casualty Company

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
-
- Employees Discount: to qualifying employees insured in the Ohio Casualty Group.
- Eff. 12-1-05 PC082802

17. American & Foreign Insurance Company

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 -\$99,999 -7% surcharge;\$100000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Eff. 9/1/99

18. American Home Assurance Company

- HO-3 Premier Base Class Premium Deviation by territory: 5% credit.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation.
- Age of Dwelling Discount: New Homes – 10 yrs. Credit varies
- Eff. 11/19/01 PC045494

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 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 to base premium 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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 PC047937 [Filing Detail](#)

21. 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

22. American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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

23. American Professionals Insurance Company

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies.
- Eff. 6/1/99

24. American Protection Insurance Company

- All Forms: Optional Higher Deductibles Factors.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices: Credit varies by protection class & territory.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies.
- All Forms except 3w/15 & 6w/1731: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation; Credit varies based on territories.
- Form 6: Base Rate Deviation; Credit varies based on territories.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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.
- Additional Amounts of Insurance (KIP only): 25%-.01, 50%-.02.
- 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 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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 PC047940 [Filing Detail](#)

25. American Reliable Insurance Company

- Loss Free Renewal Credit: Credit applies to any policy that has been loss free for the previous 12 months under an existing American Reliable Insurance Company policy.
- Mature Retiree Credit: If certain criteria are met, a credit of -10% of the Base Premium will be applied.
- New Roof Credit: If the roof has been professionally installed within five years of the inception or renewal date, the premium shall be reduced by 5%. Not to be combined with the Age of Dwelling Credit
- Eff 11/6/02 PC055868 [Filing Detail](#)

26. 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; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 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.
- 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. 12/12/91

27. 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%; 1 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

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 all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10/1/94

30. AMICA Mutual Insurance Company

- New Home Credit; Forms 2 & 3: credit varies by age.
- Form 2 & 3: Repair or Replacement Cost Protection; For the specified additional amount of insurance for coverage A only the additional amount of insurance at 25% the factor will be 1.00.
- Optional Higher Deductibles - Fixed dollar amount deductible credits - HO 00 02 & HO 00 03 credit varies.
- Personal Property Limits - \$1 per \$1,000 of increased limits for all forms. \$1 charge waived for increased limits from 50% to 70% of Coverage A if the HO 04 90 is not attached to the policy.
- Premium Payment Option - Eliminate the additional charge of \$2 for first installment payment plan. \$2 charge for each remaining installments.
- Eliminate the additional charge for each installment payments for members of any AMICA Group.
- Ordinance or Law: 25% of Coverage A provided without charge. Reduce charges for limits excess of 25% of Coverage A.
- Refrigerated Property: \$10 charge is waived.
- Premium Determination HO 00 04 - rate deviation varies by policy amount.
- Multi-Line Discount - all territories except Terr 5,6,42,43. 2% discount applies to the total homeowner premium if a policyholder has both auto and Homeowners coverage with Amica.
- Eff.9/1/04 PC072760 [Filing Detail](#)

31. Armed Forces Insurance Exchange

- Protective Device Credits: All protection classes & all territories; Factors vary. Maximum credit waived.
- Fixed dollar amount deductible factors credit varies.
- Wind or Hail deductibles credit varies.
- New Home Credit; All Forms, except 4 & 6: New - 20%; 2% less credit each additional yr.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Base class premium discount for form HO 6.
- Base premium deviation based on insurance amt. credit varies all forms except HO 4 and HO 6.
- Minimum policy premium waived.
- Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
- Home Day Care Coverage E: Reduce base premium by 50%.; Coverage F; Premiums reduced by 50%.
- Other exposures - medical payments to others increase limits credit varies.
- Installment Payment Charge waived
- Wind or Hail Deductible: Credit & surcharge vary.
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount)
- Hurricane Deductible Factors credit varies.
- Eff 6/1/03 PC059236 [Filing Detail](#)

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 to company 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: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to company base premium.
- Eff. 6/1/93

33. Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Coverage 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 Coverage 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 insured has 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

- Protective Devices credit varies.
- Deductible Credits - credit varies by coverage limit, form and deductible amount.
- Personal Property - Increased Limit Coverage C.
- Refrigerated Personal Property.
- Account Credit.
- Inflation Guard Premium Waived.
- Safety Seminar Credit certain criteria apply.
- Home buyer Credit.
- Eff 12/1/05 PC087783 [Filing Detail](#)

36. Auto Owners Insurance Company

- Territory Description.Form HO 00 06 – rate deviation.
- Deductibles – Waiver of Minimum charges.
- Protective Device Credit.
- Protective Device Credit – alarm systems.
- Mature Homeowner Discount for insureds between the ages of 55 and 64.
- Townhouse or rowhouse charge - Charge the same rate for all protection classes, creating a deviation for pc9,9e,9s &10.
- Credit card, fund transfer card, forgery and counterfeit money - Premiums vary for increased limits.
- Form 6: Units Regularly Rented to Others.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Loss Assessment.
- Building Additions and Alterations at Other Residences – all forms.
- Other Insured Location Occupied by insured.
- Section II, Liability-Residence Employees waived.
- Business Pursuits – no charge.
- Personal Injury coverage – no charge.
- Permitted Incidental Occupancies – Residence Premises.
- Special Personal Property Coverage.
- Multi-Policy Discount: credit applies to primary, secondary & seasonal residence when auto & HO policy written with an Auto-Owners Insurance Group Company.
- Seasonal Discount - Forms 3 & 6 - certain criteria 5% discount.
- Section II liability watercraft - certain criteria - rates vary.
- Life/Homeowners Multi-Policy Discount
- Insurance Score Credit.
- Eff. 8/30/05 PC084265 [Filing Detail](#)

37. Automobile Insurance Company of Hartford, Conn.

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit Forms 2, 3, 3w15, 4 & 6: 5%.
- Inflation Guard Premium waived Forms 2 & 3:.
- Safety Seminar Credit:Forms 3 & 6: 5% Certain criteria apply.
- Home Buyer Credit
- HE-7 Factor Deviation

- Eff. 1-27-06 PC089634

38. Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Base Rate Deviation by territory.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
- Personal Property Replacement Cost: \$20 minimum premium is deleted
- Eff. 2/28/01 PC038942 [Filing Detail](#)

39. Bankers Standard Insurance Company

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%.
- Eff. 9/199

40. Boston Old Colony Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Eff. 1/1/86

41. Camden Fire Insurance Association, The

- All Forms, except 4 & 6: New Home Credit; New -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%;10 yrs.-6%; 11 yrs.-4%;12 yrs-4%;13 yrs.-2%;14 yrs.-2%.
- All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures 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; Waives charge to increase Coverage C limit 50% to 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. 9-/3/02

42. Central Mutual Insurance Company

CENTRAL PREMIER TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- New Home Credit for Forms 2,3&3w/15: credits vary.
- Package Credit Forms 2, 3, 3w/15 & 6: credit varies if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credit varies..
- Personal Property Replacement Cost All Forms except 4&6: surcharge 1.035.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL ADVANTAGE TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- Form 6: Deviation by amount of insurance: credits vary.
- Forms 2, 3, & 3w/15 New Home Credit: Credit varies for homes new to 14yrs. of age.
- Forms 2, 3, 3w/15 & 6: Package Credit if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost for forms 2,3,3w/15 surcharge 1.035.

- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.
- **CENTRAL MUTUAL TIER**
- Deviation by amount of insurance, Forms 2, 3 & 3w/15: public protection class & territory: Variable credits.
- Deviation by amount of insurance form 6 credit varies.
- New Home Credit: Forms 2, 3 & 3 w/15: Credit varies for homes new to 14 yrs. of age.
- Package Credit Forms 2, 3, 3 w/15 & 6: credit varies if company carries private passenger automobile/homeowners coverage based on territory.
- Fixed Dollar Amount Deductibles Credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost Forms 2 & 3: surcharge factor 1.035.
- Installment Payment Plan: Charge waved when the insured uses Electronic Funds Transfer.
- Forms 4 & 6: Deviation by amount of insurance: Credits vary.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.
- **CENTRAL BENEFIT TIER**
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Eff 9/103 PC062814 [Filing Detail](#)

43. The Charter Oak Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary.
- Deductible Credits: Credit varies by amount of deductible.
- Personal Property - Increased Limit Covge C
- Refrigerated Personal Property
- Account Credit
- Loss Free Credit.
- Final premium adjustment factor of .92Forms 2, 3 & 3w15:.
- Inflation Guard: Premium charge waived.Forms 2 & 3:
- Safety Seminar Credit
- Home Buyer Credit
- HE-7 Factor Deviation.
- Eff 1/27/06 PC089642

44. 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 4/104 PC065697 [Filing Detail](#)

45. The Cincinnati Insurance Company

- New home credit HO 2, HO 03, HO 03 w/HO 32 36 1-9 yrs credit varies.
- Base Rate Deviations By Territories Credit varies based on territory.
- Installment Payment Plan: Delete the \$3 charge each installment.
- Homeowners Enhancement Deviation.
- Watercraft Liability deviation.
- Eff 4/104 PC065698 [Filing Detail](#)

46. Commercial Guaranty Casualty Insurance Company

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 - 11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.
- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
- 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

47. Commercial Insurance Company of Newark, New Jersey

- Forms 1, 2 & 3: 20% credit if criteria is met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits: Coverage A all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria are met.
- Amount of Insurance Deviation; \$50000 - \$225000 & above credit varies 9% - 39%

- Eff. 12/9/88

48. Consolidated American Insurance Company

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3W/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%;6 or more yrs- 10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge.
- Eff. 8/1/92

49. Continental Insurance Company

- All Forms, except 4 & 6: Base Rate Deviations based on territory. Credits vary 0% - 15.6%.
- Forms 4 & 6: Base Rate Deviations based on territory. Credits vary
- Earthquake Rate Deviations.
- Deductible Credits Deviation – based on Coverage A Limit..
- New Home Discount: 1 year – 18%, 1-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria are met.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Ins Co.
- 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 [Filing Detail](#)

50. Continental National 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: Coverage 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 the base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1/101 PC038500 [Filing Detail](#)

51. Economy Premier Assurance Company

- Form 3: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- Form 6: Base premium is calculated with a factor of 9.1% below the HO 4 base rates.
- Form 4: Base rate deviation by territory: Credit varies
- Forms 4 & 6: Policy Amount Relativities by Territory Deviation: Credits of 2.7% - 14%.
- Form HE-7: Contract provided at no additional charge.
- Form HE-7w/HE-20: Base premium is calculated with a factor of 1.02 applied to HO-3 rates.
- Form HE-7w/HE-21: Base premium is calculated with a factor of 1.04 applied to HO-3 rates.
- Forms HE-7, 6 & 4: Homeowners Pak II Credit: 10% credit in territories 32-43 who qualify.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- New Home Discount: 0 - 15 yrs. of age: Credit varies 3% - 18%.
- Personal Injury Protection Liability Deviation: Provided with no additional charge.
- Forms 4 & 6: Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Forms HE-7, 4 & 6: Credits for higher deductibles.
- Premium Credits for Protective Devices: Credits vary 1% - 15%.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.
- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Form HE-7: Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation.
- Eff. 8/15/02

52. Electric Insurance Company

- Rule 301. Base rate deviation HO 00 02 and HO 00 03 by territory: Credit varies.
- Rule 301. Base Rate Deviation HO 00 04 and HO 00 06 by territory. Credit varies.
- Rule 403 Personal Property Replacement Cost form HO 00 04 and HO 00 06 (Coverage C) is automatically increased to 70% of Coverage A. HO-04 and HO-6 1.25 RC Coverage also applies to articles or classes of property separately described and specifically insured in this policy.
- Rule 404. Protective Device Credits: Credits vary.
- Rule 406. Deductible Factors Forms HO-4 & HO-6 Credit varies
- Rule 515. Decreased Rates for Unscheduled Jewelry, Watches and Furs.
- Rule 515. Decreased Rates for Silverware, Goldware & Pewterware: Additional premium for each \$500 increase - \$2.
- Rule 515. Decreased Rates for Firearms: Additional premium for each \$100 increase - \$1.
- Rule A6. New Home Credit Forms 2 & 3; 0 - 10 yrs. of age; Credit varies 2% - 25%.
- Eff. 6-21-06 PC093489 [North Carolina Department of Insurance](#)

53. EMCASCO Insurance Company

- Downward base rate deviation Forms 2 & 3: 15%.
- Optional Section I & II Rates; 15% deviation.
- Personal Property Replacement Cost Coverage C: forms 2 & 3 Use 1.00 factor: Forms 4 & 6: Use 1.40 factor.
- Optional Higher Flat deductible credits: all forms \$500-10%; \$1000-23%; \$2500-37. Windstorm or Hail deds vary by ded amount for HO 2 & 3.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Additional Amount of Insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer: transaction fee is waived when the electronic funds transfer options is selected.
- Eff. 8/1/02

54. Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms; \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1000 - 32%; \$2500 - 45%.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- : Additional amount of insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.

- Electronic Fund Transfer transaction fee is waive when the electronic funds transfer options is selected.
- Eff. 8/1/02

55. Encompass Indemnity Company

- Forms 2, 3, and 8 Base Rate Deviations by Territory, Credit varies by territory
- Form 4 Base Rate Deviation by Territory, Credit varies by territory
- Form 6 Base Rate Deviation by Territory, Credit varies by territory
- Earthquake Coverage - Base rate deviation according to Table, Zone, and Construction.
- Gated Community Discount: A 10% credit will be applied to the premises/property for a residence located in a gated community meeting certain criteria.
- New Home Discount: A residence 10 years of age or less is eligible for a discount, credit varies by age.
- Deductible Credits Discount: Credit varies by coverage limit and deductible amount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation: credit varies.
- Incidental Farming Personal Liability Deviation: credit varies.
- Superior Construction Discount: The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry base premium or apartment unit by .85.
- Various Credits for Protective Devices: credit varies by type of alarm.
- Credits for Automatic Sprinkler Systems: credit varies by location/area of sprinkler system.
- Special Personal Property Coverage HO 6 only: endorsement HO 32 35 factor 1.34.
- Companion Policy Discount: 10% discount applies to the residence premium if the named insured is also a named insured on an Auto Policy with any of the Encompass Insurance Companies.
- Preferred Rate Deviation: Preferred rates are available at a 5% reduction from standard rates if the amount of insurance under Coverage A is equal to at least 90% of the Replacement Cost of the Dwelling and the automatic adjustment of limits endorsed is attached.
- Effective 10/1/04 PC075214 [Filing Detail](#)

56. Erie Insurance Exchange

- Base Rate Deviations Forms HO 00 022, HO 00 03, HO 00 08, HE-7, HE-7/20 & HE-7/21: Key Premium deviations: Variable credits based on zones.
- Amount of Insurance Deviation All Forms except HO 00 04 & HO 00 06; key factors by amount of insurance.
- Multi-Policy Discount: 5% credit applied to the Homeowner adjusted base premium if the Policyholder also has a voluntary private passenger automobile policy with The ERIE Insurance Exchange or ERIE Insurance Company.
- New Home Discount: Credits vary 2% - 18% for new to 9 yrs. of age.
- Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- Increased Special Limits of Liability HO 04 65 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost: HO 00 02 & HO 00 03 The charge for this coverage is 12%, but it includes the increase in CoverageC to 70% of Coverage A at no additional charge. The deviation varies by rating zone. HO 00 04 & HO 00 06 - no deviation. HE-7 - no deviation.
- Secondary Residence Premises - Subtract \$1 for duplication of coverage. Step B is omitted.
- Townhouse or rowhouse charge - waived.
- Units Rented to Others Form HO 00 06 HO 1733 Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
- Building Addition & Alterations Increased Coverage C limit - : Form 00 04 HO 0451 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only(HO 32 20): \$1 charge.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06 No charge.
- Refrigerated Property Coverage: Charge waived.
- Personal Property Increased Limits; HE 7 - \$2 per \$1000.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Eff. 1/1/06 PC085460 [Filing Detail](#)

57. Farmers Insurance Exchange

- Base Rate Deviations: Forms 3 & 4: Credits vary 6% - 11.5% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, Credit by territory varies.
- Protection - Construction Factors Deviation by territory: All Forms, except 4 & 6.
- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.

- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.
- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Age 50 Plus Discount.
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Non Smoker Discount: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Eff 2/16/06 PC090139

58. Federal Insurance Company

- Elimination of maximum credit for protective devices.
- Optional Higher Deductibles
- Hurricane Deductible
- Additional Amount of Insurance deviation. Forms 2 & 3
- All Forms: 5% Gated Community Credit when criteria is met.
- Effective 12/1/05 PC085699 [Filing Detail](#)

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 & Casualty Company of NY

- All Forms, except 4 & 6: Amount of Insurance Deviation: Variable Credits.
- Form 4: Amount of Insurance Deviation: Variable Credits.
- Form 6: Amount of Insurance Deviation: Variable Credits.
- Earthquake Deviation.
- Companion Policy Discount: 10% credit applies when named insured has an auto policy with any Encompass Insurance Company.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost: Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 increase is .9 times applicable premium each additional \$1000 column in basic premium chart for Coverage C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.

- Incidental Farm Rate Deviation.
- Eff. 11-1-96

61. 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

62. Fidelity National Property and Casualty Insurance Company

- Base rate deviation by territory.
- Amount of Insurance deviation by territory – HO-3.
- Amount of Insurance deviation by territory – HO-4.
- Amount of Insurance deviation by territory – HO-6.
- Protection Class deviation – HO-3, HO-4, HO-6.
- HO-3 Tounhouse/Rowhouse deviation.
- Deductible credits deviation – HO-3.
- Hurricane deductible deviation – HO-3.
- Windstorm or Hail deductible deviation – HO-3.
- Deductible Credits deviation – HO-4 and HO-6.
- Number of families deviation.
- Replacement Cost on Contents – HO-4 and HO-6.
- Homeowners Renewal Discount.
- Automatic Sprinkler Discount.
- Ordinance or Law Coverage.
- Fidelity National Financial Employee discount.
- Home/Auto Discount.
- Newly Acquired Home Discount.
- Coverage A Increased Limits HO-6.
- Eff 9-14-05 PC085587 [Filing Detail](#)
- (name changed from First Community Insurance Company 12-12-03)

63. 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 applied 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

64. Firemans Fund Insurance Company

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

65. Firemens Insurance Company of Newark, New Jersey

- Base Rate Deviations by Territory: Forms 2, 3 and 8: Credit varies 25% - 36.7%.
- Base Rate Deviations by Territory: Forms 4 and 6: Credit varies.
- Earthquake Coverage Deviation.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.
- Gated Community Discount: 10% credit applies when criteria are met.
- New Home Discount: 0 – 10 yrs. of age: Credit varies 10% - 18%.
- Deductible Credits Deviations: Credits vary by Coverage A Limit or deductible amount.
- Additional Limits Deviation for Coverage F.
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property Coverage HO 06 only.
- Eff. 8-15-02

66. 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 of .85-.95 applies 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

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

68. Glens Falls Insurance Company

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.
- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.

- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.
- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation
- Eff. 11-1-96

69. Globe 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.
- 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 by Territory credits vary.
- Optional Coverage Deviation.
- Effective 5-15-04 PC069341 [Filing Detail](#)

70. 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 4%-22%.
- 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

71. Grain Dealers Mutual Insurance Company

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%; 1-2yrs. of age - 20%; 3 yrs. of age - 15%; 4 yrs. of age - 10%; 5 yrs. of age -5%.
- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation.
- Form 3:10% Mature Home Credit: Certain criteria must be met.
- Eff. 1-1-02

72. 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

73. Graphic Arts Mutual Insurance Company

- Forms 1, 2 & 3: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.
- Forms 4 & 6: Coverage C increased to 40% at no additional charge.

- 15% Territorial Deviation for territories 36, 38, 39, 44, 57, & 60.
- 5% Territorial Deviation for territories other than 36, 38, 39, 44, 57 and 60.
- 15% deviation for employees of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply.
- Eff. 8-15-02

74. Hanover American Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms except HO 00 04 and HO 00 06: 5% deviation.
- Eff. 4-1-05 PC081288 [Filing Detail](#)

75. Hanover Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Eff. 4-1-05 PC 081286 [Filing Detail](#)

76. 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

77. 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

78. Harleysville-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% -27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr.
- Eff. 5-1-92

79. Harleysville Mutual Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Client Discount: All territories except 05, 06, 42, 43, 81, and 86 when certain criteria are met.
- StarPak Program Discount.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Newly Purchased Home Credit HO 02, HO 03 and HE 7.
- Mature Homeowner Discount HO 03 and HE 7 only 55 years of age or older.
- Life Insurance Policy Discount Homeowner and Life policy
- Coverage A Key Factors discount (\$180,000 and higher) All territories except 05, 06, 42, 43, 81 and 86.
- Eff. 9/12/06 PC 096822 [North Carolina Department of Insurance](#)

80. Harleysville Preferred Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred customer discount – all terr except 05, 06, 41, 42, 43, 81 and 86. The percentage discount is determined by the combination of insurance score rating and characteristics met.
- HE-7 Deviations credit varies.
- StarPak Program Discount
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Newly Purchased Home Credit Forms HO 02, HO 03, and HE 7,
- Mature Homeowner Discount HO 03 and HE 7 only 55 years of age or older.
- Life Insurance Policy Discount Homeowner and Life policy
- Coverage A Key Factors discount (\$180,000 and higher) All territories except 05, 06, 42, 43, 81 and 86.
- Eff 9-12-06 PC096821 [North Carolina Department of Insurance](#)

81. Hartford Accident and Indemnity Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Age of Dwelling Credit: 1 yr. of age 18% with a 3% less credit each added yr.
- Protective Devices Premium Credits: All Forms: Factors vary from .87-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.

- Higher Deductible Deviation: All Forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community Package - Form 3: 15% credit when criteria are met.
- Premium Computation - Forms 4 & 6: premium shall be multiplied by a factor of .92.
- Additional Amount of Insurance Coverage A only; Forms 2 & 3: 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge.
- Effective 2-1-05 PC078296 [Filing Detail](#)

82. Hartford Casualty Insurance Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 1% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072678 [Filing Detail](#)

83. Hartford Fire Insurance Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 1% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072676 [Filing Detail](#)

84. Hartford Insurance Company of Midwest

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Age of Dwelling Credit: 1 yr. of age 18% with a 3% less credit each added yr.
- Protective Devices Premium Credits: All Forms: Factors vary from .87-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Higher Deductible Deviation: All Forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community Package - Form 3: 15% credit when criteria are met.
- Premium Computation - Forms 4 & 6: premium shall be multiplied by a factor of .97.
- Additional Amount of Insurance Coverage A only; Forms 2 & 3: 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge.
- Effective 2-1-05 PC078297 [Filing Detail](#)

85. Hartford Underwriters Insurance Company

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
- Limited Access Credit if complex meets protection requirements Forms 4 & 6: 10%.
- Protective Devices Premium Credits: All Forms: Factor varies .98 - .85 for qualifying dwellings; credits may be added together to maximum credit factor of .80.
- Personal Property – Paragraph A Increased Limits for Coverage C may be increased.
- Mature Retiree Credit Factor; .95 when required criteria are met.
- Premium Computation – Forms HO 4 and HO 6 Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same company based on territories.
- Personal Property Replacement Cost (Coverage C) The policy may be endorsed to provide RC Coverage on Cov C. If

endorsed, rate as follows:

Forms HO-2, HO 3, and HO 3 with HO 15

Manual charge to increase the cov C limit to 70% of Cov A, add a 2% surcharge to adjusted total base premium including additional premium for the increased Cov C limit.

Forms HO 4 and HO 6

Manual charge to increase the Cov C limit to \$12,000 if limit is less than \$12,000.

Add 40% surcharge to the adjusted total base premium including additional premium for the increased Cov C limit.

- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5.
- Minimum limits of liability are not applicable to forms HO2, HO3 or HO8.
- Eff. 12/01/04 PC 076715 [Filing Detail](#)

86. Homesite Insurance Company

- Preferred Risk Group 1 Discount 10% when certain criteria are met.
- Preferred Risk Group 2 Discount 10% when certain criteria are met.
- Eff 3/31/03 PC057282 [Filing Detail](#)

87. Horace Mann Insurance Company

- Coverage amount & territory deviations: Form 7 Masters Program Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 2% credit if insured 100% to value & Inflation Guard Endorsement attached.
- New Home Credit Forms 2 & 3 & Master Program:; 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Territorial Base Rate Deviation: 8% Credit. Forms 4 & 6:
-
- Installment Payment Plan: Forms ML-3, 4, 6 & Master Program: Waive initial \$3 installment fee.
- Deductible Credits Forms ML 2& 3 and masters: Variable credits.
- Auto/Home discount all forms credit varies.
- Deductible Credits for forms ML-4 and 6 credit varies.
- Replacement Cost on contents - 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Masters Program - \$60,000 Minimum coverage A, includes inflation protection coverage at no additional charge; includes Replacement Value-Personal Property; included the following percentages of Coverage A: 10% coverage B, 70% coverage C, and 20% coverage D.
- Federal Flood Insurance Program: 2% credit applies to HO and MH policies if the insured has a federal flood insurance policy placed with us through our flood insurance placement program.
- Downward deviation on earthquake.
- Silverware, Goldware, & Peterware coverage will be \$3.00 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5.00 per policy.
- Tenant's Improvements Increased Limit - \$4 per \$1000 of insurance.
- Coverage A Increased Limit - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others (Liability Coverage) - Premium varies.
- Private Structures - Rented to Others (Liability Coverage) - Premium varies.
- Form 7-Masters Program: Credit Tier Deviation.
- Eff. 5-1-04 PC070010 [Filing Detail](#)

88. Horace Mann Property & Casualty Insurance Company

- Amount of Insurance Deviation Form 3 & Masters Program by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- 2% credit for form 3 if all coverage amounts insured 100% to value with Inflation Guard Endorsement attached.
- Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Protection Class credits for Form 3 and Masters Program.
- Installment Pay Plan.
- Deductible Factors for Form ML-3 and Masters Program.
- Multiline Discount.
- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Earthquake Deviation.
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount
- Private Structures - Rented to Others (Liability Coverage)
- Credit Tier Deviation.

- Eff 8-1-05 PC082794 [Filing Detail](#)

89. IDS Property casualty Insurance Company

- Form 3 – Amount of Insurance
- Form 4 – Amount of Insurance
- Form 6 – Amount of Insurance
- Protective Device Credits
- Deductible Credits
- Home and Auto Discount
- Replacement Cost on Contents Discount
- Utilities Rating Plan
- Coverage C Increased Limits
- Installment Pay Plan
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Base Rates (Form 3) by territories
- Base Rates (Form 6) by territories
- Eff 9-1-06 PC090413

90. 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

91. 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

92. Insura Property & Casualty Insurance Company

- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.
- All Forms: Personal property increased limits \$2 per \$1000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory.
- Eff. 6-1-99

93. 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

94. 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

95. Insurance Corporation of Hannover

- Form 3: Age of Dwelling Discount: Credit varies 2%-20% for dwellings new- 9 yrs. old.
- Account Credit Program: 15% credit applied when insured has both a voluntary auto policy & a homeowners policy insuring their primary residence.
- Preferred Homeowners Credit: 5%-23% credit by territory & protection class when certain criteria are met.
- Form 6: Apply a factor of .80 to the HO-4 base premium.
- All Forms: Protective Device Credits: Credit varies 1%-15%.
- Forms 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium does not apply.
- Form 3: 6% charge for Additional Limits of Liability for Coverages A, B, C & D when certain coverages & increased limits options are selected.
- Form 3: Personal Property Replacement Cost: Charge 5% of base premium, no minimum additional premium of \$20, & no charge to increase Coverage C to 70% of Coverage A when certain coverages & increased limits options are selected.
- Form 3: Personal Injury: No charge.
- Form 3: Water Back Up of Sewer & Drains with additional coverages.
- Form 3: Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage: No charge when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service Charge: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law: Charge 4% of base premium to increase coverage by 15% when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage: No charge when certain coverages & increased limits options are selected.
- Loss Free Credit when certain criteria is met.
- Eff. 2-1-02

96. 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

97. 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. Variable credit.
- 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

98. Kansas City Fire and Marine Insurance Company

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.6%.
- Form 4: Amount of insurance deviation based on territory. Credits vary.
- Form 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.

- Gated Community Discount: 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Res. Prem. - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property coverage Ho 06 only.
- Eff. 8-15-02

99. Liberty Mutual Fire Insurance Company

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Deductible Credits Deductible Amount and percentage of credit/surcharge vary.
- Amount of Insurance Forms HO 1,2, & 3 Deviation by policy amount and territory.
- Amount of Insurance HO 4 & 6 Deviation by policy amount and territory.
- Installment Payment Plan all forms - \$3 each installment except first installment
- Coverage A Dwelling Limit for form HO 6
- Watercraft Deviation by limits of liability
- New Home Credits HO 2 & 3 Credits vary.
- Protective Devices Credits Credits vary .
- Hurricane deductible credits; credit varies by deductible amount.
- Eff. 5-10-04 PC070198 [Filing Detail](#)

100. Lititz Mutual Insurance Company

- New Home Credit.
- Discount when Guaranteed Repair or Replacement Cost Protection (Coverage A) and Personal Property Replacement Cost Protection (Coverage C) are used together.
- Protection class 9 discount
- Optional Higher Deductibles Deviation.
- Base Rate Deviation by Territory: Credit varies.
- Eff 12-1-05 PC086923 [Filing Detail](#)

101. LM Personal 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

102. 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

103. 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

104. Massachusetts Bay Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms, except 4 & 6: Credit varies.
- Eff 4-1-05 PC081287 [Filing Detail](#)

105. 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

106. Merastar Insurance Company

- New Home Credit; HO 00 03 Homes completed & occupied during current calendar yr. credit varies.

- Safe and Sound Discount: protective device credit certain criteria.
- Auto Home Discount All Forms - credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waiver of installment charge when certain requirements are met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Merastar Maximum Discount: Factor .97 applies to base premium when certain criteria is met.
- Deductible credits; Forms 3 & 5: \$500 - \$1000
- Deductible credits; Forms 4 & 6: \$500 - \$1000
- Protective Device Credits; 2% - 15%.
- Boat Liability Rate Deviation: All Forms: credit based on length & horsepower.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount All Forms Discount if the named insured is a member of an employer sponsored account or qualifying affinity group.
- Eff. 8-1-05 PC084763 [Filing Detail](#)

107. Merchants & Business Mens Mutual Insurance Company

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%.
- Eff. 11/1/86

108. Metropolitan Direct Property & Casualty Insurance Company

- Fixed Dollar Deductible Relativities: \$100 ded - 1.10, \$500 - .85, \$1000 - .75; Factor applies to base premium.
- Replacement Plus – Guaranteed Replacement Cost Coverage A & B; certain criteria must be met.
- Replacement Cost on Contents Forms 3 & 3 Ultra: Personal Property Replacement surcharge - 10% of base premium. Coverage C increased to 70% of Coverage A at no additional cost.
- New Home Discount: Credit varies by age of dwelling up to 9th year.
- Premium Credit for Alarm Systems: Credit varies 1% - 15%; Credit applies to base premium.
- Mature Homeowners Discount: 5% credit age 55 or older & retired. If married, one spouse must be 55 yrs old & neither employed full time. Credit applies to base premium. Not in territories 5, 6, 34, 41, 42, 43.
- Windstorm or Hail Exclusion Credit: Forms 3 & 3 Ultra; Variable credits based on protection class & construction. Credit applies to base premium.
- Multi-Policy Discount: 10% discount to total homeowner premium when insured has homeowners & auto insurance with Metropolitan. Not in territory 5, 6, 34, 41, 42, 43.
- Mass Merchandising Account Deviation.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Other Structures – On-Premises Structures- specific Structure-Increased Limits.
- Other Structures – On-Premises Structures – Structure on the Residence Rented to Others.
- Eff. 2/3/06 PC089408

109. Metropolitan Property & Casualty Insurance Company

Standard Program

- New Home Discount: Age of dwelling 0 - 9 yrs.: Credit varies 2% - 25%. Except ho4 & ho6.
- Replacement Plus: Guaranteed Replacement Cost Coverage A & B when certain criteria is met.
- Forms 2, 3 & 3 Ultra: Replacement Cost on Contents: 10% surcharge. Coverage C amount increased to 70% of Coverage A at no additional cost.
- Forms 4 & 6: Replacement Cost on Contents: 25% surcharge. Form-6 minimum \$20000 Coverage C is required. Credit applies to base premium.
- Fixed Dollar Deductible Relativities: \$100 ded. - 1.10; \$500 ded. - .85; \$1000 ded. - .75.
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Mass Merchandising Account Deviation: 1% - 10% when a policy is written through Company's special accounts department to member of any employee or affinity group.
- Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- Multi-Policy Discount: applies to total homeowner premium when homeowner & auto policies issued with Metropolitan. Not with ho 4 or in terr 5, 6, 34, 41, 41, 42, 43.
- Smaller employer groups when criteria is met – 5%..
- Additional Coverage Jewelry and Furs for Form HO 3/w15.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.

110. USF&G, F&GIC, & F&GIU Program

- Rate Deviations by Territory & Coverage A Amount: Credit varies. Ho02, ho03, ho06
- All Forms, except 4: Fixed Dollar Deductible Relativities Deviation.
- Windstorm or Hail Percentage Deductible Relativities Deviation.
- All Forms, except 4 & 6: Replacement Plus-Guaranteed Replacement Cost Coverage on Coverage A & B. Certain criteria apply.
- Replacement Cost on Contents-Coverage C: forms 2, 3, 4 & 6 Certain criteria apply.
- All Forms, except 4 & 6: New Home Discount: 0-9 yrs. of age: Credit varies 2%-20%.
- Premium Credits for Alarm Systems: Credit varies.
- Mature Homeowners Discount: Certain criteria apply.
- Windstorm or Hail Exclusion Deviation by Form, Territory, Public Protection Class & Construction: Credit varies.
- Multi Policy Discount: applies to basic premium when certain criteria are met.
- Claim Free Discount: Eligibility requirements must be met.
- Increased Ordinance or Law Coverage Deviation.
- Form 3/w15: Additional Coverage for Jewelry & Furs Deviation.
- Eff. 8-16-02

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

112. National Ben Franklin Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Eff. 1/1/86

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 Grange Mutual Insurance Company

- Age of Dwelling Deviation: Forms 2 & 3: 0 - 5 yrs. of age: Credit varies 0% - 18%.
- Combined Personal Protection Program Account Credit. Forms 2, 3, 6 & 8: 6%
- Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met: Credit varies. Forms 2 & 3:
- Deductible credits/charges, factor varies by ded amount. Forms 2, 3, 4, 6 & 8.

- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.
- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 3237) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service Charge: the policy limit of \$500 for fire department service charge will be increased to \$1000 with selection of certain additional coverages and increased limits.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy; \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Personal Property Replacement Cost: along with HO 0490 5% of base premium when selection of certain coverages.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met
- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met
- Insurance Score Discount factor varies by Insurance Score.
- Eff. 10-21 PC 084159 [Filing Detail](#)

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 [Filing Detail](#)

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: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per\$1000 of insurance. Territories 5, 6, 42 & 43 excluded.
- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.

- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met.
- Eff. 10-13-00

118. Nationwide Mutual Fire Insurance Company

- Nationwide Territory Devinition/Territory Deviation Forms HO 02, HO 03 & HO 05: Deviation by amount of insurance & territory.
- Home & Car Discount: Credit varies 2% - 12%.
- Amount of Insurance deviation: Credit varies by territory and amount of Insurance.
- Personal Property Replacement Cost Coverage by territory: Form HO 02, HO 03 and HO 05.
- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Protective Device Deviations by territory: Credit varies.
- Safe Home Rating Program – forms HO 02, HO 03, HO 05, HO 04, and HO 06.
- Age of Home Component Deviation.
- Eff. 4/21/06 PC090090

119. Nationwide Mutual Insurance Company

- Nationwide Territory Definitions and 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
- Deductible Deviations.
- Protective Device Deviation.
- Safe Home Rating Program – Form HO-2, HO-3, HO-5.
- Age of oldest Insured.
- Persoanl Status Deviation.
- Age of construction deviation.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation.
- Home Purchase Deviation.
- New Home Buyer Deviation.
- Eff. 4/21/06 PC090091

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

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: \$50000 - \$250,000 & above based on territory; Credit varies 0% - .380%.
- 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: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5/1/92

123. Niagara Fire Insurance Company

- Broad & Standard Perils: Primary dwelling \$85000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85000 & under - 20%; \$88000 - 21%; \$92000 - \$95000-22%; \$99000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Eff. 1/1/86

124. North Carolina Farm Bureau Mutual Insurance Company

- Deviation by Amount of Insurance vary based on rate structure, protection class, deductible, & territory. Forms 2 & 3: Credits vary
- Forms 2 & 3: Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 3: Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Forms 2 & 3: Coverage C increase in limits. \$1 per \$1000.
- Forms 2 & 3: Replacement cost on contents factor 1.05; Forms 4 & 6: Factor 1.25.
- Forms 4 & 6: 30% downward deviation statewide.
- Form 8: 10% downward deviation statewide.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Other Structures Rented to Others Residence Premises.
- Refrigerated Personal Property: Charge Waived.
- Additional 5% deviation applies to property in specified counties.
- Eff. 09-01-03

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

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.

- Guaranteed Replacement Cost (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: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%..
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- Deviation by Coverage A amount of insurance. All Forms, except 4 & 6: Credit varies.
- Windstorm or Hail Deductible.
- Eff. 8-15-02

127. Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2/15/92

128. Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50: Form 3w/15 - \$2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies.
- Eff. 6-1-99

129. Ohio Casualty Insurance Company

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- Employees Discount: to qualifying employees insured in the Ohio Casualty Group.
- Eff. 12-1-05 PC082799

130. 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

131. OneBeacon America Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.

- Form 6: 11.1% credit.
- Form 6: Coverage A Dwelling Basic and Increased Coverage A limit \$3,000 cov A at no addit charge.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02

132. Owners Insurance Company

- Territory Description.
- Form 6 rate deviation
- Deductibles - Waiver of Minimum Charges.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House discount factors.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.
- Form HO-6 Units Regularly Rented To Others.
- Form HO-6 Coverage A Dwelling Increased Limits and Special Coverage.
- Building Additions and Alterations At Other Residences-All Forms.
- Loss Assessment.
- Other Insured Location Occupied By Insured - Section II.
- Section II, Liability-Residence Employees waived.
- Business Pursuits - no charge.
- Personal Injury coverage-no charge.
- Permitted Incidental Occupancies - Residence Premises.
- Special Personal Property Coverage.
- Multi-Policy Discount
- Seasonal Discount-Forms HO 00 03 and HO 00 06.
- Section II, Liability Watercraft.
- Life-Homeowners Multi Policy Discount.
- Eff 8/30/05 PC084266 [Filing Detail](#)

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 HO-290; 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

- Forms 4 & 6: 10% credit.
- Elimination of maximum credit for protective devices.
- Optional Higher Deductibles
- Hurricane Deductible
- Additional Amount of Insurance deviation. Forms 2 & 3
- All Forms: 5% Gated Community Credit when criteria is met.
- Eff12/1/05 PC085698 [Filing Detail](#)

135. Peerless Insurance Company

Preferred Homeowners

- Deductible Credits: Forms 3, HE-7, HE-7w/20 & HE-7w/21 - credits vary.
- Credit for alarm
- Base rate deviation by territory
- Base Rate Deviation on Forms HE-7, HE-7 w/20, and HE-7 w/21.
- Specified Additional Amount of Insurance.
- Discount to Premiums on Forms HO-3, HE-7, HE-7 w/20, HE-7 w/21, HO-4, and HO-6
- Amount of Coverage A Relativity Curve Deviation Varies.

- Insurance Score Deviation.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.

Standard Homeowners

- Deductible Credits: Forms 3, 4, 6 - credits vary.
- Credits for Alarm System: Credit varies 2%-15%. Forms 3, HE-7, HE-7w/20 & HE-7w/21.
- Base Rate Deviation by Territory:
- Discount to Premiums on forms HO-3, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Specified Additional Amount of Insurance.
- Discount to Premiums on Forms HO-3, HE-7, HE-7 w/20, HE-7 w/21, HO-4, and HO-6
- Amount of Coverage A Relativity curve Deviation varies.
- Insurance Score Deviation.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Base rate deviation by territory.
- Effective 4-1-05 PC079502 [Filing Detail](#)

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; Waive charge to increase Coverage C limit from 50% to 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: 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

- Deviation by Deductibles - various credits..
- New Home Discount: Forms 2, 3 & 3w/HO3236: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/HO3236 - \$3 per \$1000 of insurance.
- Account Credit Program: Forms 2, 3, 3w/HO3236, 4, 6 & 6w/HO3235: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/HO3236: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Deviation by Amounts of Insurance: Credit varies.
- Deviation by Additional Amounts of Insurance: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/HO3236: Certain criteria apply.
- No charge for increasing Coverage A up to \$5,000 on a form HO 00 06 policy
- Eff 6-1-03

139. Pharmacists Mutual Insurance Company

- 15.4% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies 5% - 10% when criteria is met.
- Automatic Adjustments of Limits: Annual 4% increase at no charge.
- Effective 9-1-05 PC084260 [Filing Detail](#)

140. Peerless Insurance Company

Preferred Homeowners Tier

- Deductible Credit
- Credits for alarm system
- Base rate deviation by territory
- Base rate deviation on forms HE-7, HE-7w/20, & HE-7 w/21
- Specified additional amount of insurance
- Discount to premiums on forms HO-3, HE-7, HE-7w/21, HO-4, and HO-6
- Amount of coverage A relativity curve deviation
- Insurance score deviation
- Downward deviation for installment pay plan by electronic funds transfer or Agency bill

Standard Homeowners Tier

- Deductible Credit
- Credits for alarm system
- Base rate deviation by territory, HO 00 06
- Base rate deviation on forms HE-7, HE-7w/20, & HE-7 w/21
- Specified additional amount of insurance
- Discount to premiums on forms HO-3, HE-7, HE-7w/21, HO-4, and HO-6
- Amount of coverage A relativity curve deviation
- Insurance score deviation
- Downward deviation for installment pay plan by electronic funds transfer or Agency bill
- Base rate deviation by territory HO 00 03
- Effective 4-1-05 PC079502 [Filing Detail](#)

141. Phoenix Insurance Company

- Base Rate Deviation for Dwellings and Condos Credit varies based on territory.
- Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.
- Protective Device Deviation: Credit.
- Deductible Credits: Varies by amount of Coverage.
- Personal Property Increased Limit Coverage C.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit.
- Loss Free Credit
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Inflation Guard: Forms Premium charge waived.
- Safety Seminar Credit: Forms Certain criteria apply.
- Royal SunAlliance Employee Program Credit.
- Coverage C Relativities – Form HO-6, credit varies.
- Home Buyer Credit.
- HE-7 Factor Deviation.
- Eff 1-27-06 PC 089639 [Filing Detail](#)

Piedmont Mutual Insurance Company

- 7th yr.
- Value-Plus Homeowner Discount: 5% when certain criteria are met.
- Eff. 3-1-98

142. 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

143. Republic Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; 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: \$500-9%; \$1000-17%; \$2500-25%.

- Eff. 4-1-95

144. Royal & SunAlliance Personal Insurance Company

- Form 3w/15: 25% credit.
- Eff. 5-11-92

145. Royal 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 [Filing Detail](#)

146. Royal Insurance Company of America

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$8 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- 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.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation.
- Eff. 3-1-01

147. Safeco Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Additional Residence rented to others.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities
- Employee Discount Plan.
- Eff. 08-01-05 PC085713 [Filing Detail](#)

148. Safeco Insurance Co of Pennsylvania Insurance

- 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

149. Safeguard Insurance Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- 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.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates - credit varies by territory.
- Super Preferred Program Deviation by Forms Off Standard Rates – Credit varies by territory.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit.
- Eff. 08-15-03

150. 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 Coverage 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

151. 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: Personal property 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 territories 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: Premium credit when insured or spouse has maintained 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

152. 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

153. Sea Insurance Company of America

- Form 3w/15: 25% credit.
- Eff. 5-11-92

154. 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

155. Select Insurance Company

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

156. 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: Replacement Cost Personal Property; Annual add'l prem. 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; \$500 - .85; \$1000 - .80; \$2500 - .70.
- 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

157. 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 amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.

- Eff. 5-1-92

158. Sentry Insurance A Mutual Company

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

159. Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The maximum allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03

160. Shelby Insurance Company

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1000 ded. - 30%; \$2500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1000 - 30%; \$2500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): Included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added yr. until 10+ yrs. then no credit.
- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory.
- Eff. 6-1-99

161. South Carolina Insurance Company

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.

- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge.
- Eff. 6/1/99

162. 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. 2-6-01

163. Southern Insurance Company of Virginia

- Territory Deviation; for form HO 00 03 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 02 and HO 03 - HO 32 11 Factor of 1.02
- Personal Property Replacement Cost HO 03 use factor of 1.02.
- Personal Property Replacement Cost HO 04 and HO 06 use factor of 1.35.
- Age of dwelling credit – 20% for homes completed in current calendar year, decreasing 2% each preceding year.
- Outboard Motors and Watercraft reduced rates.
- HE-7 Program – 10% discount for HO 03 written with HE-7 w/20 or HE-7 w/21.
- Eff 12-1-03 PC 065261 PC065262

164. Southern Pilot Insurance Company

- Deviation by Territorial Relativities (HO-3 and HE-7).
- Deviation by Territorial Relativities (HO-4)
- Deviation by Territorial Relativities (HO-6).
- Amount of Insurance Deviation (HO-3 and HE-7).
- New Home Credits
- Deductible Credits.
- Reduced Surcharge for Personal Property (Coverage C) Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Reduced Rates for Outboard Motors and Watercraft Liability.
- Personal Injury Coverage At No Charge.
- Deviation for Exceptional Homeowner (HO-3 and HE-7).
- Protective Devices Credit.
- Deviation for Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 08-01-05 PC083567 [Filing Detail](#)

165. Standard Fire Insurance Company

- Base Rate Deviation Dwelling.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation
- Deductible Credits varies by deductible amount and coverage Limit.
- Personal Property - Increased Limit Coverage C:
- Refrigerated Personal Property.
- Account Credit
- Loss Free Credit

- Inflation Guard: Premium charge waived.
- Safety Seminar Credit: Certain criteria apply
- Home Buyer Credit
- HE-7 Factor Deviation.
- Eff. 1/27/06 PC089640

166. State Automobile Mutual Insurance Company

- Forms 4 & 6: Deductibles: \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 2, 3, 3w/15, 4 & 6: 10% additional deviation if Company carries insured's homeowners & auto liability: Other criteria apply.
- Age of Dwelling Credit: New 20%; 1 yr. - 18%; 2 yrs. - 15%; 3 yrs. - 12%; 4 yrs. -9%; 5 yrs. - 7%; 1% less credit 6th - 8th yrs.
- All Forms: Alarm System Credits; All protection classes & territories; Variable credits.
- Forms 4 & 6: Replacement Cost on Contents; Reduce charge from 40% to 35%.
- HO 500 Replacement or Repair Cost on dwellings granted without charge when certain requirements are met.
- Forms 1, 2, & 3: Coverage C increase; \$1 per \$1000; Form 3 w/15 - \$2 per \$1000.
- Forms 1, 2, 3, 3w/15 & 8: Policy Size Credits; Protection classes 1-8; \$51000 & above - 1%-30%; Protection classes 9 & 10 - \$60000 & above 1% - 15%.
- Forms 1, 2, 3, 3 w/15 & 8: Deductibles; \$500 - 15%; \$1000 - 25%; \$2500 - 31%.
- Defender Package: This package will be rated by applying a 20% credit to base rate for HO-500 coverage & a flat \$25 charge for HO-290 when certain requirements are met.
- Forms 1, 2 & 3: When HO 290 is attached; Coverage C limit is increased to 70% of Coverage A at no additional charge.
- Form 3w/15: Optional at a +10% charge.
- Jewelry Rate - \$9.50 per \$1000.
- Eff. 9/1/92

167. State Auto Property & Casualty Insurance Company

- Deductibles; Forms 4 & 6: \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Deductibles forms 2, 3 & 3w/15 \$500 - 9%; \$1000 - 21%; \$1500 - 27%; \$2500 - 38%.
- Auto/Home deviation - 10% additional deviation if Company carries insured's homeowners as well as private passenger auto liability and meets other requirements.
- Alarm System Credits – all forms: Credit varies 2% - 15%: All protection classes & territories.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies 0% - 20%.
- Replacement Cost Coverage HO 2 and HO 3 if provided Coverage C is increased to 70% of Coverage A at no additional charge. No charge for RC contents under Home Defender Program.
- Forms 4 & 6: Replacement Cost on Contents: Charge 35%.
- Guaranteed Replacement Cost – forms HO 02 and HO 03 no charge if certain criteria are met.
- Forms 2 & 3: Coverage C Increase: \$1 per \$1000: Form 3w/15 \$2 per \$1000.
- Form 3w/15: Optional at +10% charge.
- Protection Class 9 Rates: 5% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Prime of Life Discount: Homeowners All Forms, except 4 & 8: Age 55 & over -10%: Form 6 qualifies if Coverage C is at least \$30,000.
- Windstorm or Hail Deductible. All Forms, except 4 & 6 Variable Credits.
- Electronic Funds Transfer: \$1 service fee.
- Eff. 3-1-04 PC 070065 [Filing Detail](#)

168. State Capital Insurance Company

- Fixed dollar amount deductibles, all forms credits vary.
- Deductible factors forms 4 and 6 credits vary.
- Personal Property Increase Limits – Forms 2, 3, HE-7 & HE-7 with HE-20 factor is .50 per \$1000, HO 3 w/15 is \$2 per \$1000.
- Company deviation based on territory & coverage A amount, credit varies.
- New Home Discount – Credit varies by year constructed.
- Protective device credits, all forms, credit varies by territory and protection class.
- Outboard motors & Water Craft- Liability rates amended by boat length.
- Protection/Construction Relativity Deviation.
- Windstorm or Hail Deductible Deviation – credit varies.
- Dwelling Basic and Increased Limits and Special Coverage Form 6 Limit \$5000.
- Personal Property Replacement Cost Coverage: all forms
- Ordinance or Law Coverage deviation by factors.
- Three or four family residence: Coverage B&C deviation.

- Installment Payment Plan charge waived.
- Account Credit 5% when named insured has auto policy with the Highlands Ins Group.
- Eff 6-1-99

169. State Farm Fire & Casualty

- Deviation by Amount of Insurance and Territory: Variable credits.
- Townhouse/Rowhouse – The charges for Townhouses/Rowhouses in buildings with more than 2 units per fire division do not apply.
- Deductible Credits/Charges – Credit varies per territory.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Form 4 Deviation by Amount of Insurance and territory – credit varies.
- Form 6 Deviation by Amount of Insurance and territory – credit varies.
- Form 4 and 6 Deductible Credits/Charges Credit varies.
- Jewelry & Furs unscheduled: 30% credit applies to \$15 rate per \$1000 for additional coverage.
- Replacement Cost on Contents; Forms 4 and 6 Coverage C extended to include the full cost of repair or replacement without deduction for depreciation. The premium is determined by applying a 30% charge to the basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A Limit 25%-3% premium charge, minimum additional premium \$5; 50%-8% premium charge, minimum additional premium \$10.
- Rental Condominiums: Apply following charge; \$250 - 25%; \$500 - 21%; \$1000 - 18%; \$2500 - 16%.
- Coverage A Increased limits & Special Coverage Form 6; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm; 0-2 yrs. 0%; 3-5yrs 0%, 6 or more yrs. - 3%; territories 5, 6, 12, 42 & 43 excluded.
- Installment Payment Plan: \$2 charge. if monthly installment made by electronic funds transfer and a monthly bill notice is requested or \$1 per month if no printed notice is requested..
- Refrigerated Personal Property: Coverage provided at no additional charges.
- Sinkhole Collapse Form 3; \$0.35 rate per \$1000 of Coverage A.
- Home-Auto Discount for all territories, except 5 & 6. Policyholders that have a Form 3,4 or 6 policy and a voluntary State Farm auto policy will receive a 2% credit that applies to the Homeowners Program premium.
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium.
- Eff. 5-15-04 PC069129 [Filing Detail](#)

170. 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 homeowners coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

171. TIG 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

172. Teachers Insurance Company

- Amount of insurance deviation based on Coverage A amount & territory: Form ML-3 & Masters Program: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- 2% credit on Form 3 if insured 100% to value with Inflation Guard Endorsement attached.
- New Home Credit: 0 - 10 yrs. of age: Form 3 & Masters Program:Credit varies 2% - 10%.
- Territorial Deviations for tenant and Condominium Base Rates 8%.
- Waive \$3.00 installment fee on each installment except the initial down payment for Forms 3, 4, 6 and Masters Program.
- Deductible Credits for Form 3 and Masters Program: Ded credit varies.
- Auto/Home Client Discount: Form 3 & Master Program: Variable credit when criteria are met.
- Deductible Credits: Form ML 4 & 6.

- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement - Increased Limits.
- Coverage A Options - Form 6 - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others.
- Private Structures rented to Others.
- Coverage Amount Deviations for Forms 4 & 6: Deviations vary.
- Masters Program: Deviation by Credit Rating Tier
- Eff. 8/1/05 PC082795 [Filing Detail](#)

173. Travelers Casualty & Surety Company

- Base Rate Deviation for Dwellings and Condos: Credit varies based on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary.
- Deductible Credits: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C:
- Refrigerated Personal Property.
- Account Credit.
- Loss Free Credit
- Final Premium Adjustment factor of .92.
- Inflation Guard: Premium charge waived.
- Safety Seminar Credit: Certain criteria apply.
- Coverage C Relativity Curve – HO-6 Credit varies.
- Home Buyer credit.
- HE-7 Factor Deviation.
- Eff 1/27/06 PC 089645

174. Travelers Indemnity Company

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit.
- Final Premium Adjustment Factor
- Inflation Guard Premium waived.
- Safety Seminar Credit: Certain criteria apply.
- Home Buyer Credit
- HE-7 Factor Deviation.
- Eff 1/27/06 PC089641

175. Travelers Indemnity Company of America

- Base Rate Deviation for Dwellings and Condos: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Protection Device Deviation: Credit varies
- Deductible Credits: Varies by amount of deductible and coverage amount.
- Personal Property - Increased Limit Coverage C:
- Refrigerated Personal Property.
- Account Credit.
- Loss Free Credit
- Multi-Line Insurance & Financial Services Institution Employees Credit
- Final Premium Adjustment factor.
- Inflation Guard: Premium charge waived
- Safety Seminar Credit.
- Royal SunAlliance Employee Program Credit
- Coverage C Relativity Curve – HO-6 Credit Varies.
- Home Buyer credit.
- HE-7 Factor Deviation.
- Eff 1/27/06 PC 089644

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 & 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

177. 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 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3w/15, 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
- Name changed from Travelers Indemnity Company of Illinois.
- Effective 1/1/04

178. Travelers Personal Security Insurance Company

- Base rate deviation is for Dwelling only. Credit varies.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies
- Deductible Credits: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C
- Refrigerated Personal Property
- Account Credit.
- Loss Free Credit.
- Multi-Line Insurance and Financial Services Institution Employees Credit
- Final Premium Adjustment factor.
- Inflation Guard premium charge waived.
- Safety Seminar Credit: Certain criteria apply.
- Royal SunAlliance Employee Program Credit.
- Home Buyer Credit.
- HE-7 Factor Deviation.
- Eff 1/27/06 PC 089643

179. Twin City Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: Factor of 1.00 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge.

- Eff. 6-1-01

180. Underwriters Insurance Company

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- 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

181. 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

182. 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

183. Unisun Insurance Company

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs.-15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. - 10%; 14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.

- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement HO-290.
- Deviation by policy amount \$10000-\$300000: Credit 5%-30%. Each additional \$10000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1000-21%; \$2500-33%.
- Eff. 2-1-96

184. United Services Automobile Association

- Rule A6. New Home Discount
- Rule 515. G.3 Personal Property-Additional Coverage Jewelry and Furs
- Rule 515.A.3. Personal Property – Increased Limit
- Rule 301. Base premium Computation HO 00 06 by territory/county
- Rule 301. Base Premium Computation HO 00 03 by territory/county
- Rule 518. Sinkhole collapse Coverage
- Rule A2. Installment Payment Plan, no charge
- Rule 404. Protective Device
- Rule 406. Deductibles (Form HO 00 03)
- Rule 303. Ordinance or Law-all Forms and Rule 513. Ordinance or Law Increased Amount of Coverage – HO 00 06
- Rule 507. Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Rule 515.E. Refrigerated Personal Property
- Rule 514. Other Structures
- Rule A.3. Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43 (form HO 00 03)
- Eff:7/15/06 PC095178

185. 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

186. United States Fire Insurance Company

- Forms 1, 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

187. Unitrin Auto and Home Insurance Company

- HO 3 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 4 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 6 Base Rate Deviation - various credits apply according to Territory and Level.
- Mature Homeowners credit certain criteria apply.
- Personal Property (Coverage C) Replacement Cost Coverage; HO 03 and HO 04 & HO 06
- Deductibles - Optional higher deductibles Form HO 03, HO 05 and HE-7
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money - additional premium if higher limits than \$500 are selected.
- Outboard Motors and Watercraft - coverage up to and including 50 HP is included at no additional charge with a Package Plus policy.
- Personal Injury is included at no additional charge with a Package Plus policy.
- Blanket Property Limit Rule - Package Plus Only - One or two family residences HO 00 03 - Replacement Cost Contents Coverage is included without additional charge.
- Special Personal Property Coverage - HO 00 06 - Policy may be endorsed to insure Coverage C against additional risks of phys loss subject to certain exclusions.
- Refrigerated Property - no additional charge with a Package Plus policy.
- Ordinance or Law Coverage - HO 00 03 - Package Plus only - certain criteria.

- Network Discount - provides HO insurance to individual members of a Network Group - certain criteria apply.
- Package Plus only: Factors vary by type of policy.
- Deferred Premium Payment Plans - various installment options.
- New Home Discount - credit applies according to pricing level and territory, credit varies.
- Personal Property Increased Limit - The limit of liability for Coverage C may be increased.
- Amount of Insurance Factor HO 00 03 (A) - factor varies by amount of insurance.
- Amount of Insurance HO 00 06 - premium is developed based on the additional limit of insurance.
- Eff 2/13/6 PC090161

188. USAA CASUALTY INSURANCE COMPANY

- Rule A6. New Home Discount
- Rule 515. G.3 Personal Property-additional Coverage Jewelry and Furs
- Rule 515.A.3. Personal Property – Increased Limit
- Rule 301. Base premium Computation HO 00 06 by territory/county
- Rule 301. Base Premium Computation HO 00 03 by territory/county
- Rule 518. Sinkhole collapse Coverage
- Rule A2. Installment Payment Plan, no charge
- Rule 404. Protective Device
- Rule 406. Deductibles (Form HO 00 03)
- Rule 303. Ordinance or Law-all Forms and Rule 513. Ordinance or Law Increased Amount of coverage – HO 00 06
- Rule 507. Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Rule 515.E. Refrigerated Personal Property
- Rule 514. Other Structures
- Rule A.3. Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43
- Eff: 7/15/06 PC095179

189. USAA General Indemnity Company

- Rule A6. New Home Discount
- Rule 515. G.3 Personal Property-additional Coverage Jewelry and Furs
- Rule 515.A.3. Personal Property – Increased Limit
- Rule 301. Base premium Computation HO 00 06 by territory/county
- Rule 301. Base Premium Computation HO 00 03 by territory/county
- Rule 518. Sinkhole collapse Coverage
- Rule A2. Installment Payment Plan, no charge
- Rule 404. Protective Device
- Rule 406. Deductibles (Form HO 00 03)
- Rule 303. Ordinance or Law-all Forms and Rule 513. Ordinance or Law Increased Amount of coverage – HO 00 06
- Rule 507. Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Rule 515.E. Refrigerated Personal Property
- Rule 514. Other Structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43
- Eff. 11-1-06 PC095180

190. Utica Mutual Insurance Company

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply.
- 5% credit applies to homeowners, personal inland marine, dwelling fire, personal umbrella & personal auto premiums provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Eff. 06-01-02

191. 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

192. Vigilant Insurance Company.

- Discount on base premium for forms HO 00 04 and HO 00 06.
- Base rate discount by territory with exceptions for forms HO 00 02 and HO 00 03, HO 00 05 and HE 00 07.
- Protective Devices maximum credit is deleted
- Optional Higher Deductibles.
- Hurricane deductible
- Additional Amounts of Insurance discount
- Gated Community credit when criteria is met.
- Valuable Articles Credit
- Eff. 12/1/05 PC085697 [Filing Detail](#)

193. Virginia Mutual Insurance Company

- Premium Credit Factors - Premium Factors are applicable to the base annual premium for the following: Policy Forms 2,3,3 with ML-441 and 8 with coverage a limits of \$125,000 to \$400,000. Credit varies by Territory and Protection Class.
- Premium Credit Factors – Premium Factors are applicable to the base annual premium for the following: Policy Forms 4 and 6, coverage C limits. Credit varies by territory.
- Claims-Free for Premium Credit for coverage A.
- Account Discount – 5% discount if there is also in force an auto policy covering the same named insured written with Virginia Mutual Ins Co.
- Insurance Score Discount – 5% discount applied if a minimum insurance score of 725.
- Newly Constructed Residences(not applicable to Forms 4 and 6) credit varies for a residence constructed and first occupied in one of the last ten calendar years.
- Effective 2-1-05 PC079267 [Filing Detail](#)

194. West American Insurance Company

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: to qualifying employees insured in the West American Insurance
- Eff.12-1-05 PC082801 [Filing Detail](#)

195. 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

196. Winterthur International America Insurance Company

- 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

197. 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

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. AIU Insurance Company

- All Forms: 10%.
- Eff. 2/1/86

4. 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 [North Carolina Department of Insurance](#)

5. AXA Re Property & Casualty 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
6. **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
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 (Virginia Mutual Insurance Company)**
- Amount of Premium Credit - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
 - Amount of Premium Credit - Claims Free for forms HO 0004 and HO 0006.
 - Row and Townhouses - discount.
 - Account Discount –discount if there is also an in force auto policy covering the same named insured written with Virginia Mutual Ins Co.
 - Insurance Score Discount –discount applied if a minimum insurance score of 725.
 - Newly Constructed Residences (not applicable to Forms 4 and 6) credit varies for a residence constructed and first occupied in one of the last ten calendar years.
 - Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
 - Effective 5-1-07 PC102543 [North Carolina Department of Insurance](#)
9. **Allstate Indemnity Company**
- Claims Rating Deviation – determined by the number of chargeable claims, credits vary.
 - Claims Free Discount – 10% discount for no claims for 60 consecutive months.
 - New/renovated Home Discount – credit varies.
 - Home and Auto Discount Deviation –credit varies.
 - The Good Hands People Discount Deviation – 1%
 - Zone Deviation.
 - Residence Rental Coverage – no charge for coverage.
 - Eff 2-20-07 PC098722 [North Carolina Department of Insurance](#)
10. **Allstate Insurance Company**
- Deductible factors Forms 2, 3 ; Forms 4 & 6: Deductible factors credits vary.
 - Personal Property Replacement Cost Deviation subject to certain requirements.
 - Protective devise discount.: discount varies.
 - Age of Home Discount Deviation. HO 2 and HO 3 forms.
 - Age 55 & Retired Discount Factor. Credit varies when certain criteria met.
 - Home and auto discount deviation HO2, HO 3, HO 4 and HO 6 when certain criteria is met.
 - Good hands people discount all forms.
 - Waterbed Liability Deviation HO4 and HO6.
 - Installment payment plan – Allstate Easy Payment Plan.
 - Three or four family dwelling rating structure: does not differentiate between 3 or 4 family dwellings in a town or row house structure.
 - Zone (Territory) Deviation.

Deluxe Plus

- Deductibles
- Protective Devices.
- Year of Construction – Newly Constructed Dwellings.
- Age 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People discount.
- Zone (Territory) Deviation.
- Eff 10/23/07 PC103069 [North Carolina Department of Insurance](#)

11. **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

12. **American Automobile Insurance Company**

- 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.
- Deviations by territories and forms: Credit varies.
- Eff. 12/01/03 PC065125 [Filing Detail](#)

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

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%.
- Eff. 5/1/92

14. **American Centennial Insurance Company**

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

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 Employers Insurance Company**

- 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

17. **American Fire & Casualty Company**

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- Employees Discount: to qualifying employees insured in the Ohio Casualty Group.
- Eff. 12-1-05 PC082802 [North Carolina Department of Insurance](#)

18. **American & Foreign Insurance Company**

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 -\$99,999 -7% surcharge;\$100000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Eff. 9/1/99

19. **American Home Assurance Company**

- HO-3 Premier Base Class Premium Deviation by territory: 5% credit.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation.
- Age of Dwelling Discount: New Homes – 10 yrs. Credit varies
- Eff. 11/19/01 PC045494

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 to base premium 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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 PC047937 [Filing Detail](#)

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: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or

Form 6 premium x .08.

- 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. Modify rating factors for additional coverage options.
- 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 Professionals Insurance Company

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies.
- Eff. 6/1/99

25. American Protection Insurance Company

- All Forms: Optional Higher Deductibles Factors.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices: Credit varies by protection class & territory.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies.
- All Forms except 3w/15 & 6w/1731: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation; Credit varies based on territories.
- Form 6: Base Rate Deviation; Credit varies based on territories.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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.
- Additional Amounts of Insurance (KIP only): 25%-.01, 50%-.02.
- 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 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.

- 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 PC047940 [Filing Detail](#)

26. American Reliable Insurance Company

- Loss Free Renewal Credit: Credit applies to any policy that has been loss free for the previous 12 months under an existing American Reliable Insurance Company policy.
- Mature Retiree Credit: If certain criteria are met, a credit of -10% of the Base Premium will be applied.
- New Roof Credit: If the roof has been professionally installed within five years of the inception or renewal date, the premium shall be reduced by 5%. Not to be combined with the Age of Dwelling Credit
- Eff 11/6/02 PC055868 [Filing Detail](#)

27. 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; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 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.
- 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. 12/12/91

28. 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

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 all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10/1/94

31. **AMICA Mutual Insurance Company**

- Waive the additional premium for Coverage C, Personal Property at 75% of Coverage A. New Home Credit; Forms 2 & 3: credit varies by age.
- Form HO 00 04 rate deviation by policy amount.
- Protective Devices, Apply 2% credit for three or more smoke detectors in all territories for protection classes 1-7.
- Additional Amounts of Insurance-1.00 All territories except 5, 6, 42 and 43. 1.02 for territories 5, 6, 42, and 43.
- Personal Property-Increased Limit, \$1.60 for all forms. Also waive the charge up to 75% of Coverage A without HO 04 90 (Personal Property Replacement Cost) See Deviation Component Number 5.
- Refrigerated Property. The \$10.00 charge for this coverage is waived. See Deviation Component Number 6.
- Premium Payment Option. (1) Eliminated the charge for the first installment. (2) Eliminated charge for each installment for members of the AMICA group that pay through payroll deduction. See Deviation Component Number 7.
- Multi-Line Discount, Rule A.10. Optional Rating Characteristics. Various discounts in all territories except 5, 6, 42 and 43. See Deviation Component Number 8.
- Preferred Risk Deviation, Rule A.10. Optional Rating Characteristics. Maximum Factor of \$1.00 and a Minimum Factor of 0.50. See Deviation Component Number 9 and Rating Example Computation.
- Eff.3-1-07 PC098896 [North Carolina Department of Insurance](#)

32. **Armed Forces Insurance Exchange**

- Protective Device Credits: Factors vary. Maximum credit waived.
- Fixed dollar amount deductible factors credit varies.
- Wind or Hail deductibles credit varies.
- New Home Credit; All Forms, except 4 & 6: New - 20%; 2% less credit each additional yr.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount)
- Base premium deviation based on insurance amt. credit varies all forms except HO 4 and HO 6.
- Minimum policy premium waived.
- Protective Devices.
- Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
- Home Day Care Coverage E: Reduce base premium by 50%.; Coverage F; Premiums reduced by 50%.
- Other exposures - medical payments to others increase limits credit varies.
- Installment Payment Charge waived
- Hurricane Deductible Factors credit varies.
- Wind or Hail Exclusion Credit.
- Eff 3-5-07 PC097153 [North Carolina Department of Insurance](#)

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 to company 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: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to company base premium.

- Eff. 6/1/93

34. **Association Insurance Company**

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Coverage 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 Coverage 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 insured has 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**

- Protective Devices credit varies.
- Deductible Credits - credit varies by coverage limit, form and deductible amount.
- Personal Property - Increased Limit Coverage C.
- Refrigerated Personal Property.
- Account Credit.
- Inflation Guard Premium Waived.
- Safety Seminar Credit certain criteria apply.
- Home buyer Credit.
- HE-7 Factor Deviation.
- Eff 11-17-06 PC097844 [North Carolina Department of Insurance](#)

37. **Auto Owners Insurance Company**

- Territory Description. Form HO 00 06 – rate deviation.
- Deductibles – Waiver of Minimum charges.
- Protective Device Credit.
- Protective Device Credit – alarm systems.
- Mature Homeowner Discount for insureds between the ages of 55 and 64.
- Townhouse or rowhouse charge - Charge the same rate for all protection classes, creating a deviation for pc9,9e,9s & 10.
- Credit card, fund transfer card, forgery and counterfeit money - Premiums vary for increased limits.
- Form 6: Units Regularly Rented to Others.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Loss Assessment.
- Building Additions and Alterations at Other Residences – all forms.
- Other Insured Location Occupied by insured.
- Section II, Liability-Residence Employees waived.
- Business Pursuits – no charge.
- Personal Injury coverage – no charge.
- Permitted Incidental Occupancies – Residence Premises.
- Special Personal Property Coverage.
- Multi-Policy Discount: credit applies to primary, secondary & seasonal residence when auto & HO policy written with an Auto-Owners Insurance Group Company.
- Seasonal Discount - Forms 3 & 6 - certain criteria 5% discount.
- Section II liability watercraft - certain criteria - rates vary.
- Life/Homeowners Multi-Policy Discount
- Insurance Score Credit.
- Eff. 8/30/05 PC084265

38. **Balboa Insurance Company**

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
- Personal Property Replacement Cost: \$20 minimum premium is deleted
- Eff. 4-29-03 PC060721 [North Carolina Department of Insurance](#)

39. **Bankers Standard Insurance Company**

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%.
- Eff. 9/199

40. **Boston Old Colony Insurance Company**

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Eff. 1/1/86

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

- All Forms, except 4 & 6: New Home Credit; New -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%; 10 yrs.-6%; 11 yrs.-4%; 12 yrs.-4%; 13 yrs.-2%; 14 yrs.-2%.
- All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures 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; Waives charge to increase Coverage C limit 50% to 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. 9-3/02

42. **Central Mutual Insurance Company**

CENTRAL PREMIER TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, protection class, territory and county: Variable credits.
- New Home Credit for Forms 2,3&3w/15: credits vary.
- Package Credit Forms 2, 3, 3w/15 & 6: credit varies if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credit varies..
- Personal Property Replacement Cost All Forms except 4&6: surcharge.
- Installment Charge Deviation
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.
- Customer Loyalty Credit

CENTRAL MUTUAL ADVANTAGE TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, protection class & territory and county: Variable credits.
- Form 6: Deviation by amount of insurance: credits vary.
- Forms 2, 3, & 3w/15 New Home Credit: Credit varies for homes new to 14yrs. of age.
- Forms 2, 3, 3w/15 & 6: Package Credit if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost for forms 2,3,3w/15 surcharge 1.035.
- Installment Charge Deviation.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

- Customer Loyalty Credit.
 - CENTRAL MUTUAL TIER**
 - Deviation by amount of insurance, Forms 2, 3 & 3w/15: protection class, territory, and county: Variable credits.
 - Deviation by amount of insurance form 6 credit varies.
 - New Home Credit: Forms 2, 3 & 3 w/15: Credit varies for homes new to 14 yrs. of age.
 - Package Credit Forms 2, 3, 3 w/15 & 6: credit varies if company carries private passenger automobile/homeowners coverage based on territory.
 - Fixed Dollar Amount Deductibles Credits vary for all Coverage A limits and Coverage C limits above \$10,000.
 - Personal Property Replacement Cost Forms 2 & 3: surcharge factor 1.035.
 - Installment Charge Deviation.
 - Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.
 - Customer Loyalty Credit.
 - CENTRAL BENEFIT TIER**
 - Installment Charge Deviation.
 - Eff 1-1-07 PC097602 [North Carolina Department of Insurance](#)
43. **The Charter Oak Fire Insurance Company**
- Base Rate Deviation: Credit varies depending on territory.
 - Coverage A Relativities based on Coverage A amount & territory.
 - Protective Device Deviation: Credits vary.
 - Deductible Credits: Credit varies by amount of deductible.
 - Personal Property - Increased Limit Covge C
 - Refrigerated Personal Property
 - Account Credit
 - Loss Free Credit.
 - Final premium adjustment factor of .92Forms 2, 3 & 3w15:.
 - Inflation Guard: Premium charge waived.Forms 2 & 3:
 - Safety Seminar Credit
 - Home Buyer Credit
 - HE-7 Factor Deviation.
 - Eff 11-17-06 PC098301 [North Carolina Department of Insurance](#)
44. **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 4/104 PC065697
45. **The Cincinnati Insurance Company**
- New Home Credits, credit varies.
 - Base Rate Deviations By Territories Credit varies based on territory.
 - Installment Payment Plan:
 - Homeowners Enhancement Deviation.
 - Watercraft Liability deviation.
 - Eff 9-1-07 PC102905 [North Carolina Department of Insurance](#)
46. **Commercial Guaranty Casualty Insurance Company**
- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 - 11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.
 - Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
 - 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
47. **Commercial Insurance Company of Newark, New Jersey**
- Forms 1, 2 & 3: 20% credit if criteria is met.
 - Forms 1, 2, 3 & 3 w/15: Deductible credits: Coverage A all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
 - Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
 - Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
 - Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria are met.
 - Amount of Insurance Deviation; \$50000 - \$225000 & above credit varies 9% - 39%
 - Eff. 12/9/88

48. Consolidated American Insurance Company

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3W/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%;6 or more yrs- 10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge.
- Eff. 8/1/92

49. Continental Insurance Company

- All Forms, except 4 & 6: Base Rate Deviations based on territory. Credits vary 0% - 15.6%.
- Forms 4 & 6: Base Rate Deviations based on territory. Credits vary
- Earthquake Rate Deviations.
- Deductible Credits Deviation – based on Coverage A Limit..
- New Home Discount: 1 year – 18%, 1-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria are met.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Ins Co.
- 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 [North Carolina Department of Insurance](#)

50. Continental National 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: Coverage 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 the base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage, charge will be deleted when certain coverages & increased limits options are

selected

- Eff. 1/101 PC038500

51. **Economy Premier Assurance Company**

- Form 3: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- Form 6: Base premium is calculated with a factor of 9.1% below the HO 4 base rates.
- Form 4: Base rate deviation by territory: Credit varies
- Forms 4 & 6: Policy Amount Relativities by Territory Deviation: Credits of 2.7% - 14%.
- Form HE-7: Contract provided at no additional charge.
- Form HE-7w/HE-20: Base premium is calculated with a factor of 1.02 applied to HO-3 rates.
- Form HE-7w/HE-21: Base premium is calculated with a factor of 1.04 applied to HO-3 rates.
- Forms HE-7, 6 & 4: Homeowners Pak II Credit: 10% credit in territories 32-43 who qualify.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- New Home Discount: 0 - 15 yrs. of age: Credit varies 3% - 18%.
- Personal Injury Protection Liability Deviation: Provided with no additional charge.
- Forms 4 & 6: Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Forms HE-7, 4 & 6: Credits for higher deductibles.
- Premium Credits for Protective Devices: Credits vary 1% - 15%.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.
- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Form HE-7: Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation.
- Eff. 8/15/02

52. **Electric Insurance Company**

- Base rate deviation HO 00 02 and HO 00 03 by territory: Credit varies.
- Base Rate Deviation HO 00 04 and HO 00 06 by territory. Credit varies.
- Personal Property Replacement Cost form HO 00 04 and HO 00 06 (Coverage C) is automatically increased to 70% of Coverage A. HO-04 and HO-6 1.25 RC Coverage also applies to articles or classes of property separately described and specifically insured in this policy.
- Protective Device Credits: Credits vary.
- Deductible Factors Forms HO-4 & HO-6 Credit varies
- Personal Property – Unscheduled Jewelry, Watches and Furs.
- Personal Property Silverware, Goldware and Pewterware.
- Personal Property – Firearms
- New Home Credits – HO 00 02 and HO 00 03.
- Eff.5-1-07 PC103151 [North Carolina Department of Insurance](#)

53. **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 [North Carolina Department of Insurance](#)

54. **Employers Mutual Casualty Company**

- Optional Higher Flat deductible credits all forms; \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1000 - 32%; \$2500 - 45%
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Additional amount of insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waive when the electronic funds transfer options is selected.
- Eff. 8/1/02

55. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory, Credit varies by territory
- Form 4 Base Rate Deviation by Territory, Credit varies by territory
- Form 6 Base Rate Deviation by Territory, Credit varies by territory
- Earthquake Coverage - Base rate deviation according to Table, Zone, and Construction.
- Gated Community Discount: A 10% credit will be applied to the premises/property for a residence located in a gated community meeting certain criteria.
- New Home Discount: A residence 10 years of age or less is eligible for a discount, credit varies by age.
- Deductible Credits Discount: Credit varies by coverage limit and deductible amount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation: credit varies.
- Incidental Farming Personal Liability Deviation: credit varies.
- Superior Construction Discount: The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry base premium or apartment unit by .85.
- Various Credits for Protective Devices: credit varies by type of alarm.
- Credits for Automatic Sprinkler Systems: credit varies by location/area of sprinkler system.
- Special Personal Property Coverage HO 6 only: endorsement HO 32 35 factor 1.34.
- Companion Policy Discount: 10% discount applies to the residence premium if the named insured is also a named insured on an Auto Policy with any of the Encompass Insurance Companies.
- Preferred Rate Deviation: Preferred rates are available at a 5% reduction from standard rates if the amount of insurance under Coverage A is equal to at least 90% of the Replacement Cost of the Dwelling and the automatic adjustment of limits endorsed is attached.
- Effective 12/11/06 PC097453 [North Carolina Department of Insurance](#)

56. **Erie Insurance Exchange**

- Base Rate Deviations Key Premium deviations: Variable credits based on zones.
- Amount of Insurance Deviation All Forms except HO 00 04 & HO 00 06; key factors by amount of insurance.
- Multi-Policy Discount: 5% credit applied to the Homeowner adjusted base premium if the Policyholder also has a voluntary private passenger automobile policy with The ERIE Insurance Exchange or ERIE Insurance Company.
- New Home Discount: Credits vary 2% - 18% for new to 9 yrs. of age.
- Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- Increased Special Limits of Liability HO 04 65 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost: HO 00 02 & HO 00 03 The charge for this coverage is 12%, but it includes the increase in Coverage C to 70% of Coverage A at no additional charge. The deviation varies by rating zone. HO 00 04 & HO 00 06 - no deviation. HE-7 - no deviation.
- Townhouse or rowhouse charge - waived.
- Units Rented to Others Form HO 00 06 HO 1733 Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
- Building Addition & Alterations Increased Coverage C limit - : Form 00 04 HO 0451 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only(HO 32 20): \$1 charge.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06 No charge.
- Refrigerated Property Coverage: Charge waived.
- Personal Property Increased Limits; HE 7 - \$2 per \$1000.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Eff. 5-1-07 PC101960 [North Carolina Department of Insurance](#)

57. **Farmers Insurance Exchange**

- Base Rate Deviations: Forms 3 & 4: Credits vary 6% - 11.5% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, Credit by territory varies.
- Protection - Construction Factors Deviation by territory: All Forms, except 4 & 6.
- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.
- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.

- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Age 50 Plus Discount.
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Non Smoker Discount: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies.
- Eff 2/16/06 PC090139

58. **Federal Insurance Company**

- Elimination of maximum credit for protective devices.
- Optional Higher Deductibles
- Hurricane Deductible
- Additional Amount of Insurance deviation. Forms 2 & 3
- All Forms: 5% Gated Community Credit when criteria is met.
- Effective 12/1/05 PC085699

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 & Casualty Company of NY**

- All Forms, except 4 & 6: Amount of Insurance Deviation: Variable Credits.
- Form 4: Amount of Insurance Deviation: Variable Credits.
- Form 6: Amount of Insurance Deviation: Variable Credits.
- Earthquake Deviation.
- Companion Policy Discount: 10% credit applies when named insured has an auto policy with any Encompass Insurance Company.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost: Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 increase is .9 times applicable premium each additional \$1000 column in basic premium chart for Coverage C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation.
- Eff. 11-1-96

61. **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 [North Carolina Department of Insurance](#)

62. **Fidelity National Property and Casualty Insurance Company**

- Base rate deviation by territory.
- Amount of Insurance deviation by territory – HO-3.
- Amount of Insurance deviation by territory – HO-4.
- Amount of Insurance deviation by territory – HO-6.
- Protection Class deviation – HO-3, HO-4, HO-6.
- HO-3 Tounhouse/Rowhouse deviation.
- Deductible credits deviation – HO-3.
- Hurricane deductible deviation – HO-3.
- Windstorm or Hail deductible deviation – HO-3.
- Deductible Credits deviation – HO-4 and HO-6.
- Number of families deviation.
- Replacement Cost on Contents – HO-4 and HO-6.
- Homeowners Renewal Discount.
- Automatic Sprinkler Discount.
- Ordinance or Law Coverage.
- Fidelity National Financial Employee discount.
- Home/Auto Discount.
- Newly Acquired Home Discount.
- Coverage A Increased Limits HO-6.
- Eff 9-14-05 PC085587
- (name changed from First Community Insurance Company 12-12-03)

63. **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 applied 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 [North Carolina Department of Insurance](#)

64. **Firemans Fund Insurance Company**

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

65. **Firemens Insurance Company of Newark, New Jersey**

- Base Rate Deviations by Territory: Forms 2, 3 and 8: Credit varies 25% - 36.7%.
- Base Rate Deviations by Territory: Forms 4 and 6: Credit varies.
- Earthquake Coverage Deviation.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.
- Gated Community Discount: 10% credit applies when criteria are met.

- New Home Discount: 0 – 10 yrs. of age: Credit varies 10% - 18%.
- Deductible Credits Deviations: Credits vary by Coverage A Limit or deductible amount.
- Additional Limits Deviation for Coverage F.
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property Coverage HO 06 only.
- Eff. 8-15-02

66. **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 of .85-.95 applies 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

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

- New Home Discount
- Personal Property – Additional Coverage –Jewelry and Furs
- Personal Property –Increase Limit
- Base Premium Computation HO 00 06 by territory/county
- Base Premium computation HO 00 03 by territory/county
- Sinkhole Collapse coverage
- Insallment Payment Plan, no charge
- Protective Device
- Deductibles (Form HO 00 03)
- Ordinance or Law-All Forms and Ordinance or Law increased amount of coverage-HO 00 06
- Coverage A Dwelling Basic and Increased Limits and Special coverage – HO 00 06
- Refrigerated Personal Property
- Other structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43
- Tier Discount form HO 00 03 and HO 00 06
- Protection Construction Factors
- Eff 9-1-07 PC104509 [North Carolina Department of Insurance](#)

68. **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

69. **Glens Falls Insurance Company**

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.
- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.
- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation
- Eff. 11-1-96

70. **Globe 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.
- 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.
- Effective 5-15-04 PC071713

71. **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 4%-22%.
- 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

72. **Grain Dealers Mutual Insurance Company**

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%; 1-2yrs. of age - 20%; 3 yrs. of age - 15%; 4 yrs. of age - 10%; 5 yrs. of age -5%.
- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation.
- Form 3:10% Mature Home Credit: Certain criteria must be met.
- Eff. 1-1-02

73. **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

74. Graphic Arts Mutual Insurance Company

- Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.
- Mass Merchandising Plan.
- -5% W.I.S.E./Affinity program discount,
- For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .95 should be applied to the base rate for risks located in territories 5, 6, 41, 42, 43, 45 and 46.
- For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .85 should be applied to the base rate for risks located in territories 36, 44 and 60
- For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .90 should be applied to the base rates for risks located in territories 38 and 39
- For Form HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .80 should be applied to the base rates for risks located in territory 34.
- For Form HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .82 should be applied to the base rates for risks located in territory 57
- For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .84 should be applied to the base rates for risks located in territory 53
- For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .85 should be applied to base rates for risks located in territory 32
- For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .92 should be applied to base rates for risks located in territory 47
- For Forms HO 00 04 and HO 00 06, a rating factor of .85 should be applied to the base rates for risks located in territories 36, 44, 57 and 60
- For Forms HO 00 04 and HO 00 06, a rating factor of .90 should be applied to base rates for risks located in territories 38 and 39
- For Forms HO 00 04 and HO 00 06, a rating factor of .85 should be applied to the base rates for risk located in territories 5, 6, 32, 34, 41, 42, 43, 45, 46, 47 and 53
- Personal Lines Account Credit
- Homeowners Extension Package
- Protection Class deviation/
- Eff. 8-1-07 PC103506 [North Carolina Department of Insurance](#)

75. Hanover American Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms except HO 00 04 and HO 00 06: 5% deviation.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation.
- Eff. 7-15-07 PC102801 [North Carolina Department of Insurance](#)

76. Hanover Insurance Company

- Year of Construction – Newly Constructed Dwellings.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.

- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Cap on credits/discounts
- Relativity curve deviation
- Eff. 7-15-07 PC102802 [North Carolina Department of Insurance](#)

77. 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

78. 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

79. Harleysville-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% -27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr.
- Eff. 5-1-92

80. Harleysville Mutual Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Customer Discount: All territories except 05, 06, 41, 42, 43, 81, and 86 when certain criteria are met.
- StarPak ProgramDiscount.

- Companion discount – Credit for homeowners and private passenger auto policy issued to cover the same policyholder.
 - Newly Purchased Home Credit HO 02, HO 03 and HE 7.
 - Mature Homeowner Discount HO 03 and HE 7 only 55 years of age or older.
 - Life Insurance Policy Discount Homeowner and Life policy
 - Coverage A Key Factors discount (\$180,000 and higher) All territories except 05, 06, 42, 43, 81 and 86.
 - Eff. 9/12/06 PC 096822 [North Carolina Department of Insurance](#)
81. **Harleystown Preferred Insurance Company**
- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
 - Preferred customer discount – all terr except 05, 06, 41, 42, 43, 81 and 86. The percentage discount is determined by the combination of insurance score rating and characteristics met.
 - HE-7 Enhancement Discount: credit varies.
 - StarPak Program Discount
 - Companion discount – Credit for homeowners and private passenger auto policy issued to cover the same policyholder.
 - Newly Purchased Home Credit Forms HO 02, HO 03, and HE 7,
 - Mature Homeowner Discount HO 03 and HE 7 only 55 years of age or older.
 - Policy Discount (life insurance/annuity policy)
 - Coverage A Key Factors discount (\$180,000 and higher) All territories except 05, 06, 41, 42, 43, 45
 - HO 00 04 or HO 00 06, Base Premium for Territories except 5, 6, 41, 42, 43, 45.
 - Personal Property Increased Limit.
 - Eff 9-18-07 PC107291 [North Carolina Department of Insurance](#)
82. **Hartford Accident and Indemnity Company**
- Account Credit Deviation: Factors apply if insured meets eligibility requirements.
 - Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
 - Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
 - Product Factor – Forms HO 00 04 and HO 00 06.
 - Retirement Community/Limited Access Community Package - Form 3: credit when criteria are met.
 - Key Factor/Coverage A.
 - Effective 10-3-07 PC105284 [North Carolina Department of Insurance](#)
83. **Hartford Casualty Insurance Company**
- Account Credit Deviation: Factors apply if insured meets eligibility requirements.
 - Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
 - Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
 - Product Factor – Forms HO 00 04 and HO 00 06.
 - Retirement Community/Limited Access Community Package - Form 3: 15% credit when criteria are met.
 - Key factors by territory.
 - Eff. 10-3-07 PC105287 [North Carolina Department of Insurance](#)
84. **Hartford Fire Insurance Company**
- Account Credit deviation
 - Mature Retirees Credit
 - Limited Access Credit-Forms HO 00 04 and HO 00 06.
 - Product Factor- Forms HO 00 04 and HO 00 06.
 - Retirement community/Limited Access community Package.
 - Key Factor/Coverage A.
 - Eff. 10-3-07 PC105283 [North Carolina Department of Insurance](#)
85. **Hartford Insurance Company of Midwest**
- Account Credit Deviation: Factors apply if insured meets eligibility requirements.
 - Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
 - Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
 - Product Factor – Forms HO 00 04 and HO 00 06.
 - Retirement Community/Limited Access Community Package - Form 3: 15% credit when criteria are met.
 - Key factors by territory.
 - Effective 10-3-07 PC105286 [North Carolina Department of Insurance](#)
86. **Hartford Underwriters Insurance Company**
- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
 - Limited Access Credit if complex meets protection requirements Forms 4 & 6: 10%.
 - Protective Devices Premium Credits: All Forms: Factor varies .98 - .85 for qualifying dwellings; credits may be added together

to maximum credit factor of .80.

- Personal Property – Paragraph A Increased Limits for Coverage C may be increased.
- Mature Retiree Credit Factor; .95 when required criteria are met.
- Premium Computation – Forms HO 4 and HO 6 Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same company based on territories.
- Personal Property Replacement Cost (Coverage C) The policy may be endorsed to provide RC Coverage on Cov C. If endorsed, rate as follows:
Forms HO-2, HO 3, and HO 3 with HO 15
Manual charge to increase the cov C limit to 70% of Cov A, add a 2% surcharge to adjusted total base premium including additional premium for the increased Cov C limit.
Forms HO 4 and HO 6
Manual charge to increase the Cov C limit to \$12,000 if limit is less than \$12,000.
Add 40% surcharge to the adjusted total base premium including additional premium for the increased Cov C limit.
- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5.
- Minimum limits of liability are not applicable to forms HO2, HO3 or HO8.
- Eff. 12/01/04 PC 076715

87. Homesite Insurance Company

- Preferred Risk Group 1 Discount 10% when certain criteria are met.
- Preferred Risk Group 2 Discount 10% when certain criteria are met.
- Eff 3/31/03 PC057282

88. Horace Mann Insurance Company

- Coverage amount & territory deviations: Form 7 Masters Program Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 2% credit if insured 100% to value & Inflation Guard Endorsement attached.
- New Home Credit Forms 2 & 3 & Master Program:; 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Territorial Base Rate Deviation: 8% Credit. Forms 4 & 6:
- Installment Payment Plan: Forms ML-3, 4, 6 & Master Program: Waive initial \$3 installment fee.
- Deductible Credits Forms ML 2& 3 and masters: Variable credits.
- Auto/Home discount all forms credit varies.
- Deductible Credits for forms ML-4 and 6 credit varies.
- Replacement Cost on contents - 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Masters Program - \$60,000 Minimum coverage A, includes inflation protection coverage at no additional charge; includes Replacement Value-Personal Property; included the following percentages of Coverage A: 10% coverage B, 70% coverage C, and 20% coverage D.
- Federal Flood Insurance Program: 2% credit applies to HO and MH policies if the insured has a federal flood insurance policy placed with us through our flood insurance placement program.
- Downward deviation on earthquake.
- Silverware, Goldware, & Peterware coverage will be \$3.00 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5.00 per policy.
- Tenant's Improvements Increased Limit - \$4 per \$1000 of insurance.
- Coverage A Increased Limit - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others (Liability Coverage) - Premium varies.
- Private Structures - Rented to Others (Liability Coverage) - Premium varies.
- Form 7-Masters Program: Credit Tier Deviation.
- Eff. 5-1-04 PC070010

89. Horace Mann Property & Casualty Insurance Company

- Amount of Insurance Deviation Form 3 & Masters Program by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- 2% credit for form 3 if all coverage amounts insured 100% to value with Inflation Guard Endorsement attached.
- Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Protection Class credits for Form 3 and Masters Program.
- Installment Pay Plan.
- Deductible Factors for Form ML-3 and Masters Program.
- Multiline Discount.
- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Earthquake Deviation.

- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount
- Private Structures - Rented to Others (Liability Coverage)
- Credit Tier Deviation.
- Eff 8-1-05 PC082794

90. IDS Property casualty Insurance Company

- Form 3 – Amount of Insurance
- Form 4 – Amount of Insurance
- Form 6 – Amount of Insurance
- Protective Device Credits
- Deductible Credits
- Home and Auto Discount
- Replacement Cost on Contents Discount
- Condo Coverage A increased limits
- Utilities Rating Plan
- Coverage C Increased Limits
- Installment Pay Plan
- Refrigerated Personal Property
- Townhouse/Rowhouse
- Costco Discount
- Base Rates (Form 3) by territories
- Base Rates (Form 6) by territories
- Eff 5-1-07 PC102017 [North Carolina Department of Insurance](#)

91. 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

92. 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

93. Insura Property & Casualty Insurance Company

- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.
- All Forms: Personal property increased limits \$2 per \$1000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory.
- Eff. 6-1-99

94. 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

95. **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

96. **Insurance Corporation of Hannover**

- Form 3: Age of Dwelling Discount: Credit varies 2%-20% for dwellings new- 9 yrs. old.
- Account Credit Program: 15% credit applied when insured has both a voluntary auto policy & a homeowners policy insuring their primary residence.
- Preferred Homeowners Credit: 5%-23% credit by territory & protection class when certain criteria are met.
- Form 6: Apply a factor of .80 to the HO-4 base premium.
- All Forms: Protective Device Credits: Credit varies 1%-15%.
- Forms 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium does not apply.
- Form 3: 6% charge for Additional Limits of Liability for Coverages A, B, C & D when certain coverages & increased limits options are selected.
- Form 3: Personal Property Replacement Cost: Charge 5% of base premium, no minimum additional premium of \$20, & no charge to increase Coverage C to 70% of Coverage A when certain coverages & increased limits options are selected.
- Form 3: Personal Injury: No charge.
- Form 3: Water Back Up of Sewer & Drains with additional coverages.
- Form 3: Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage: No charge when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service Charge: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law: Charge 4% of base premium to increase coverage by 15% when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage: No charge when certain coverages & increased limits options are selected.
- Loss Free Credit when certain criteria is met.
- Eff. 2-1-02

97. **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

98. **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. Variable credit.
- 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

99. **Kansas City Fire and Marine Insurance Company**

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.6%.
- Form 4: Amount of insurance deviation based on territory. Credits vary.

- Form 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount: 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Res. Prem. - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property coverage Ho 06 only.
- Eff. 8-15-02

100. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Deductible Credits Deductible Amount and percentage of credit/surcharge vary.
- Amount of Insurance Forms HO 1,2, & 3 Deviation by policy amount and territory.
- Amount of Insurance HO 4 & 6 Deviation by policy amount and territory.
- Installment Payment Plan all forms - \$3 each installment except first installment
- Coverage A Dwelling Limit for form HO 6
- Watercraft Deviation by limits of liability
- New Home Credits HO 2 & 3 Credits vary.
- Protective Devices Credits Credits vary .
- Hurricane deductible credits; credit varies by deductible amount.
- Eff. 5-10-04 PC070198

101. **Lititz Mutual Insurance Company**

- New Home Credit.
- Discount when Guaranteed Repair or Replacement Cost Protection (Coverage A) and Personal Property Replacement Cost Protection (Coverage C) are used together.
- Protection class 9 discount
- Optional Higher Deductibles Deviation.
- Base Rate Deviation by Territory: Credit varies.
- Eff 12-1-05 PC086923

102. **LM Personal 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

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

104. 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

105. Massachusetts Bay Insurance Company

- Year of Construction – Newly Constructed Dwellings.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms.
- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms, except 4 & 6: Credit varies.
- Cap on total credits/discounts of 35%.
- Relativity Curve Deviation
- Eff 7-15-07 PC102800 [North Carolina Department of Insurance](#)

106. 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

107. Merastar Insurance Company

- New Home Credit; HO 00 03 Homes completed & occupied during current calendar yr. credit varies.
- Safe and Sound Discount: protective device credit certain criteria.
- Auto Home Discount All Forms - credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waiver of installment charge when certain requirements are met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Merastar Maximum Discount: Factor .97 applies to base premium when certain criteria is met.
- Deductible credits; Forms 3 & 5: \$500 - \$1000
- Deductible credits; Forms 4 & 6: \$500 - \$1000
- Protective Device Credits; 2% - 15%.
- Boat Liability Rate Deviation: All Forms: credit based on length & horsepower.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount All Forms Discount if the named ins. is a member of an employer sponsored acct or qualifying affinity grp.
- Eff. 8-1-05 PC084763

108. Merchants & Business Mens Mutual Insurance Company

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%.
- Eff. 11/1/86

109. Metropolitan Direct Property & Casualty Insurance Company

- Deductible Deviation.
- Additional Limits of Liability
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices
- Mature Homeowners Discount.
- Windstorm or Hail Exclusion Credit.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation
- Claim Free Discount.
- Increased Ordinance or Law Coverage
- Earthquake Coverage
- Other Structures – On Premises Specific Structures – Increased Limits.
- Other Structures – On-Premises Structures – structure on the Residence Rented to Others.
- Eff. 5/1/07 PC103863 [North Carolina Department of Insurance](#)

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

- Deductible Deviation.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Windstorm or Hail Exclusion Credit.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation:
- Smaller employer groups when criteria is met.
- Claim Free Discount: 5% discount when criteria are met.
- Increase Ordinance or Law coverage.
- Earthquake Coverage.
- Other Structures – On Premises Specific Structures – Increased Limits.
- Other Structures – On-Premises Structures – structure on the Residence Rented to Others.

Conversion Program

- Windstorm or Hail Percentage Deductible Relativities.

- Additional Limit of Liability.
- Replacement Cost on Contents: 10% surcharge. Coverage C amount increased to 70% of Coverage A at no additional cost.
- New Home Discount – Year of Construction..
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- Multi-Policy Discount: applies to total homeowner premium when homeowner & auto policies issued with Metropolitan. Not with ho 4 or in terr 5, 6, 34, 41, 41, 42, 43.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Other Structures – On Premises Specific Structures – Increased Limits.
- Other Structures – On-Premises Structures – structure on the Residence Rented to Others.
- Eff 5-1-07 PC103777 [North Carolina Department of Insurance](#)

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

112. National Ben Franklin Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Eff. 1/1/86

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 Grange Mutual Insurance Company

- Age of Dwelling Deviation: Forms 2 & 3: 0 - 5 yrs. of age: Credit varies 0% - 18%.
- Combined Personal Protection Program Account Credit. Forms 2, 3, 6 & 8: 6%
- Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met: Credit varies. Forms 2 & 3:
- Deductible credits/charges, factor varies by ded amount. Forms 2, 3, 4, 6 & 8.
- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.

- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 3237) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service Charge: the policy limit of \$500 for fire department service charge will be increased to \$1000 with selection of certain additional coverages and increased limits.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy; \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Personal Property Replacement Cost: along with HO 0490 5% of base premium when selection of certain coverages.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met
- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met
- Insurance Score Discount factor varies by Insurance Score.
- Eff. 10-21 PC 084159

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

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: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per\$1000 of insurance. Territories 5, 6, 42 & 43 excluded.
- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.
- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met.
- Eff. 10-13-00

118. Nationwide Mutual Fire Insurance Company

- Nationwide Territory Deviation/Territory Deviation Forms HO 02, HO 03 & HO 05: Deviation by amount of insurance & territory.
- Home & Car Discount: Credit varies 2% - 12%.
- Amount of Insurance deviation: Credit varies by territory and amount of Insurance.
- Personal Property Replacement Cost Coverage by territory: Form HO 02, HO 03 and HO 05.
- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Protective Device Deviations by territory: Credit varies.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Eff. 6-24-07 PC101415 [North Carolina Department of Insurance](#)

119. Nationwide Mutual Insurance Company

- Nationwide Territory Definitions and 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
- Deductible Deviations.
- Protective Device Deviation.
- Safe Home Rating Program – Form HO-2, HO-3, HO-5.
- Age of oldest Insured.
- Personal Status Deviation.
- Age of construction deviation.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation.
- Home Purchase Deviation.
- New Home Buyer Deviation.
- Eff. 4/21/06 PC090091

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

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: \$50000 - \$250,000 & above based on territory; Credit varies 0% - .380%.
- 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: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5/1/92

123. Niagara Fire Insurance Company

- Broad & Standard Perils: Primary dwelling \$85000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85000 & under - 20%; \$88000 - 21%; \$92000 - \$95000-22%; \$99000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Eff. 1/1/86

124. North Carolina Farm Bureau Mutual Insurance Company

- Deviation by Territory & Program.
- Deviation on Forms HO 00 04 and HO 00 06.
- -10% Deviation on Form HO 00 08.
- Deductible Credits.
- Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit
- Deviation by Amount of Insurance vary based on rate structure, protection class, deductible, & territory. Forms 2 & 3: Credits vary
- .Deviation on Personal Property Coverage Forms HO 00 02 and HO 00 03 w/o HO 00 15.
- Personal Property Coverage C Replacement Cost.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Deviations by selected country.
- Additional 5% deviation applies to property in specified counties.
- Eff. 5-1-07 PC101567 [North Carolina Department of Insurance](#)

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

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Guaranteed Replacement Cost (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: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%..
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- Deviation by Coverage A amount of insurance. All Forms, except 4 & 6: Credit varies.
- Windstorm or Hail Deductible.

- Eff. 8-15-02 PC053955 [North Carolina Department of Insurance](#)

127. Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2/15/92

128. Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50; Form 3w/15 - \$.2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies.
- Eff. 6-1-99

129. Ohio Casualty Insurance Company

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- Employees Discount: to qualifying employees insured in the Ohio Casualty Group.
- Eff. 12-1-05 PC082799

130. 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

131. OneBeacon America Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Coverage A Dwelling Basic and Increased Coverage A limit \$3,000 cov A at no addit charge.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02

132. Owners Insurance Company

- Territory Description.
- Form 6 rate deviation
- Deductibles - Waiver of Minimum Charges.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House discount factors.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.
- Form HO-6 Units Regularly Rented To Others.
- Form HO-6 Coverage A Dwelling Increased Limits and Special Coverage.
- Building Additions and Alterations At Other Residences-All Forms.
- Loss Assessment.
- Other Insured Location Occupied By Insured - Section II.
- Section II, Liability-Residence Employees waived.
- Business Pursuits - no charge.
- Personal Injury coverage-no charge.
- Permitted Incidental Occupancies - Residence Premises.
- Special Personal Property Coverage.
- Multi-Policy Discount
- Seasonal Discount-Forms HO 00 03 and HO 00 06.
- Section II, Liability Watercraft.
- Life-Homeowners Multi Policy Discount.
- Eff 8/30/05 PC084266

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 HO-290; 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

- Forms 4 & 6: 10% credit.
- 5% credit for HO-2, HO-3, HO-5 and HE-7 in territories 32, 36, 38, 39, 53 and 57.
- Elimination of maximum credit for protective devices.
- Optional Higher Deductibles
- Hurricane Deductible
- Additional Amount of Insurance deviation. Forms 2, 3 & 5.
- All Forms: 5% Gated Community Credit when criteria is met.
- Eff5-1-07 PC102232 [North Carolina Department of Insurance](#)

135. Peerless Insurance Company

- Deductible Credits: Forms 3, HE-7, HE-7w/20 & HE-7w/21 - credits vary.
- Protective devices.
- Base Premium Computation (HO 00 06).
- Homeowners Enhancement Program (HE-7, HE-7 w/20, and HE-7 w/21).
- Homeowners Enhancement Program - Specified Additional Amount of Insurance for Coverage A – Dwelling HO 32 20.
- Personal Protector Multi-Policy.
- Base Premium Computation – All forms except HO 00 04 and HO 00 06.
- Installment Payment plan - \$2 charge for each installment for Electronic Fund Transfer.
- Price Point Deviation.
- Effective 5-1-07 PC101861 [North Carolina Department of Insurance](#)

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; Waive charge to increase Coverage C limit from 50% to 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: 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**

- Deviation by Deductibles - various credits..
- New Home Discount: Forms 2, 3 & 3w/HO3236: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/HO3236 - \$3 per \$1000 of insurance.
- Account Credit Program: Forms 2, 3, 3w/HO3236, 4, 6 & 6w/HO3235: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/HO3236: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Deviation by Amounts of Insurance: Credit varies.
- Deviation by Additional Amounts of Insurance: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/HO3236: Certain criteria apply.
- No charge for increasing Coverage A up to \$5,000 on a form HO 00 06 policy
- Eff 6-1-03

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 [North Carolina Department of Insurance](#)

140. **Phoenix Insurance Company**

- Base Rate Deviation for Dwellings and Condos Credit varies based on territory.
- Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.
- Protective Device Deviation: Credit.
- Deductible Credits: Varies by amount of Coverage.
- Personal Property Increased Limit Coverage C.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit.
- Loss Free Credit
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Inflation Guard:Forms Premium charge waived.
- Safety Seminar Credit:Forms Certain criteria apply.
- Royal SunAlliance Employee Program Credit.
- Coverage C Relativities – Form HO-6, credit varies.
- Home Buyer Credit.
- HE-7 Factor Deviation.
- Eff 11-3-06 PC 097846 [North Carolina Department of Insurance](#)

141. **Piedmont Mutual Insurance Company**

- 7th yr.

- Value-Plus Homeowner Discount: 5% when certain criteria are met.
- Eff. 3-1-98

142. **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

143. **Republic Insurance Company**

- All Forms: Personal Property Replacement Cost Coverage; 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: \$500-9%; \$1000-17%; \$2500-25%.
- Eff. 4-1-95

144. **Royal & SunAlliance Personal Insurance Company**

- Form 3w/15: 25% credit.
- Eff. 5-11-92

145. **Royal 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

146. **Royal Insurance Company of America**

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$8 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- 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.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation.
- Eff. 3-1-01

147. **Safeco Insurance Company of America**

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house
- Outboard Motor & Watercraft Liability Deviation.
- Special Personal Property Coverage – Coverage C (HO32 35)

- Market Tier Relativities
- Employee Discount Plan
- Base Rate Deviations
- HE 00 007 w/HE-21.
- Eff.3-8-07 PC099325 [North Carolina Department of Insurance](#)

148. Safeco Insurance Co of Pennsylvania Insurance

- 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

149. Safeguard Insurance Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- 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.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates - credit varies by territory.
- Super Preferred Program Deviation by Forms Off Standard Rates – Credit varies by territory.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit.
- Eff. 08-15-03

150. 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 Coverage 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

151. 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: Personal property 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 territories 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: Premium credit when insured or spouse has maintained 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

152. 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

153. Sea Insurance Company of America

- Form 3w/15: 25% credit.
- Eff. 5-11-92

154. 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

155. Select Insurance Company

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

156. 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: Replacement Cost Personal Property; Annual add'l prem. 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; \$500 - .85; \$1000 - .80; \$2500 - .70.
- 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

157. 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 amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-92

158. Sentry Insurance A Mutual Company

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

159. Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The maximum allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03

160. Shelby Insurance Company

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1000 ded. - 30%; \$2500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1000 - 30%; \$2500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): Included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added yr. until 10+ yrs. then no credit.
- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory.
- Eff. 6-1-99

161. South Carolina Insurance Company

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary

residence with any of the Seibels Bruce Companies.

- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.
- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge.
- Eff. 6/1/99

162. 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. 2-6-01

163. Southern Insurance Company of Virginia

- Territory Deviation; for form HO 00 03 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 02 and HO 03 - HO 32 11 Factor of 1.02
- Personal Property Replacement Cost HO 03 use factor of 1.02.
- Personal Property Replacement Cost HO 04 and HO 06 use factor of 1.35.
- Age of dwelling credit – 20% for homes completed in current calendar year, decreasing 2% each preceding year.
- Outboard Motors and Watercraft reduced rates.
- HE-7 Program – 10% discount for HO 03 written with HE-7 w/20 or HE-7 w/21.
- Eff 12-1-03 PC 065261 PC065262

164. Southern Pilot Insurance Company

- Deviation by Territorial Relativities (HO-3 and HE-7).
- Deviation by Territorial Relativities (HO-4)
- Deviation by Territorial Relativities (HO-6).
- Amount of Insurance Deviation (HO-3 and HE-7).
- New Home Credits
- Deductible Credits.
- Reduced Surcharge for Personal Property (Coverage C) Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Reduced Rates for Outboard Motors and Watercraft Liability.
- Personal Injury Coverage At No Charge.
- Deviation for Exceptional Homeowner (HO-3 and HE-7).
- Protective Devices Credit.
- Deviation for Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 08-01-05 PC083567 [Filing Detail](#)

165. **Standard Fire Insurance Company**

- Base Rate Deviation Dwelling.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation
- Deductible Credits varies by deductible amount and coverage Limit.
- Personal Property - Increased Limit Coverage C:
- Refrigerated Personal Property.
- Account Credit
- Loss Free Credit
- Inflation Guard: Premium charge waived.
- Safety Seminar Credit: Certain criteria apply
- Home Buyer Credit
- HE-7 Factor Deviation.
- Eff. 11-3-06 PC098300 [North Carolina Department of Insurance](#)

166. **State Automobile Mutual Insurance Company**

- **WITHDRAWN** EFFECTIVE 1/8/2007

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

- Deductibles credits.
- Auto/Home deviation
- Credits for Protective Devices.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies
- Replacement Cost Coverage HO 2 and HO 3 if provided Coverage C is increased to 70% of Coverage A at no additional charge. No charge for RC contents under Home Defender Program.
- Additional Limits of Liability – Guaranteed Replacement Cost on Dwelling.
- Coverage C Increase: HO 3 \$1 per \$1000: Form HO 5 \$2 per \$1000.
- Form HO 5: Optional at +10% charge.
- Protection Class 9 Rates: 5% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Prime of Life Discount: Homeowners All Forms, except HO 4: Age 55 & over -10%: Coverage C is at least \$20,000.
- Windstorm or Hail Deductible. Variable Credits.
- Electronic Funds Transfer:
- Townhouse/rowhouse
- Three or four family dwellings
- Residence held in trust.
- Ordinance or Law Coverage.
- Eff. 5-29-07 PC103020 [North Carolina Department of Insurance](#)

168. **State Capital Insurance Company**

- Fixed dollar amount deductibles, all forms credits vary.
- Deductible factors forms 4 and 6 credits vary.
- Personal Property Increase Limits – Forms 2, 3, HE-7 & HE-7 with HE-20 factor is .50 per \$1000, HO 3 w/15 is \$2 per \$1000.
- Company deviation based on territory & coverage A amount, credit varies.
- New Home Discount – Credit varies by year constructed.
- Protective device credits, all forms, credit varies by territory and protection class.
- Outboard motors & Water Craft- Liability rates amended by boat length.
- Protection/Construction Relativity Deviation.
- Windstorm or Hail Deductible Deviation – credit varies.
- Dwelling Basic and Increased Limits and Special Coverage Form 6 Limit \$5000.
- Personal Property Replacement Cost Coverage: all forms
- Ordinance or Law Coverage deviation by factors.
- Three or four family residence: Coverage B&C deviation.
- Installment Payment Plan charge waived.
- Account Credit 5% when named insured has auto policy with the Highlands Ins Group.
- Eff 6-1-99

169. **State Farm Fire & Casualty**

- Deviation by Amount of Insurance and Territory: Variable credits.
- Deviation by Amount of Insurance HO 00 04.
- Deviation by Amount of Insurance HO 00 06.
- Three and Four Family

- Townhouse/Rowhouse – The charges for Townhouses/Rowhouses in buildings with more than 2 units per fire division do not apply.
- Wind/Hail Deductible Credits – Credit varies per territory.
- Residence Premises-Basic and Increased Limits.
- Other insured Location Occupied by Insured.
- Additional residence rented to Others.
- Jewelry and Furs.
- Replacement Cost on contents forms HO 00 04 or HO 00 06.
- Ordinance or Law Coverage.
- Rental condominiums, HO 00 06.
- Coverage A Increased limits & Special Coverage Form 6; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm credit varies.
- Installment Payment Plan: \$2 charge. if monthly installment made by electronic funds transfer and a monthly bill notice is requested or \$1 per month if no printed notice is requested.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount for all territories, except 5 & 6. Policyholders that have a Form 3,4 or 6 policy and a voluntary State Farm auto policy will receive a 2% credit that applies to the Homeowners Program premium.
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium
- All peril deductibles – HO 00 04.
- All peril deductibles – HO 00 06
- All peril deductibles – HO 00 03.
- Customer Rating Index.
- Eff.10-1-07 PC102542 [North Carolina Department of Insurance](#)

170. **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 homeowners coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

171. **TIG 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

172. **Teachers Insurance Company**

- Amount of insurance deviation based on Coverage A amount & territory: Form ML-3 & Masters Program: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- 2% credit on Form 3 if insured 100% to value with Inflation Guard Endorsement attached.
- New Home Credit: 0 - 10 yrs. of age: Form 3 & Masters Program: Credit varies 2% - 10%.
- Territorial Deviations for tenant and Condominium Base Rates 8%.
- Waive \$3.00 installment fee on each installment except the initial down payment for Forms 3, 4, 6 and Masters Program.
- Deductible Credits for Form 3 and Masters Program: Ded credit varies.
- Auto/Home Client Discount: Form 3 & Master Program: Variable credit when criteria are met.
- Deductible Credits: Form ML 4 & 6.
- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement - Increased Limits.
- Coverage A Options - Form 6 - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others.
- Private Structures rented to Others.
- Coverage Amount Deviations for Forms 4 & 6: Deviations vary.

- Masters Program: Deviation by Credit Rating Tier
- Eff. 8/1/05 PC082795 [Filing Detail](#)

173. **Travelers Casualty & Surety Company**

- Base Rate Deviation for Dwellings and Condos: Credit varies based on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary.
- Deductible Credits: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C:
- Refrigerated Personal Property.
- Account Credit.
- Loss Free Credit
- Final Premium Adjustment factor of .92.
- Inflation Guard: Premium charge waived.
- Safety Seminar Credit: Certain criteria apply.
- Coverage C Relativity Curve – HO-6 Credit varies.
- Home Buyer credit.
- HE-7 Factor Deviation.
- Eff 1/27/06 PC 089645

174. **Travelers Indemnity Company**

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit.
- Final Premium Adjustment Factor
- Inflation Guard Premium waived.
- Safety Seminar Credit: Certain criteria apply.
- Home Buyer Credit
- HE-7 Factor Deviation.
- Eff 11-17-06 PC097845 [North Carolina Department of Insurance](#)

175. **Travelers Indemnity Company of America**

- Base Rate Deviation for Dwellings and Condos: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Protection Device Deviation: Credit varies
- Deductible Credits: Varies by amount of deductible and coverage amount.
- Personal Property - Increased Limit Coverage C:
- Refrigerated Personal Property.
- Account Credit.
- Loss Free Credit
- Multi-Line Insurance & Financial Services Institution Employees Credit
- Final Premium Adjustment factor.
- Inflation Guard: Premium charge waived
- Safety Seminar Credit.
- Royal SunAlliance Employee Program Credit
- Coverage C Relativity Curve – HO-6 Credit Varies.
- Home Buyer credit.
- HE-7 Factor Deviation.
- Eff 11-3-06 PC 098302 [North Carolina Department of Insurance](#)

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 & 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

177. 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, 3w/15, 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
- Name changed from Travelers Indemnity Company of Illinois.
- Effective 1/1/04

178. Travelers Personal Security Insurance Company

- Base rate deviation is for Dwelling only. Credit varies.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies
- Deductible Credits: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C
- Refrigerated Personal Property
- Account Credit.
- Loss Free Credit:.
- Multi-Line Insurance and Financial Services Institution Employees Credit
- Final Premium Adjustment factor.
- Inflation Guard premium charge waived.
- Safety Seminar Credit: Certain criteria apply.
- Royal SunAlliance Employee Program Credit.
- Home Buyer Credit.
- HE-7 Factor Deviation.
- Eff 11-3-06 PC 098299 [North Carolina Department of Insurance](#)

179. Twin City Fire Insurance Company

- Account Credit deviation
- Mature Retirees Credit
- Limited Access Credit-Forms HO 00 04 and HO 00 06.
- Product Factor- Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access community Package.
- Key Factor/Coverage A.
- Eff. 10-3-07 PC105285 [North Carolina Department of Insurance](#)

180. Underwriters Insurance Company

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- 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

181. 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

182. 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

183. Unisun Insurance Company

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs.-15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. - 10%; 14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement H0-290.
- Deviation by policy amount \$10000-\$300000: Credit 5%-30%. Each additional \$10000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1000-21%; \$2500-33%.
- Eff. 2-1-96

184. United Services Automobile Association

- Year of Construction – Newly constructed Dwellings.
- Personal Property-Additional Coverage Jewelry and Furs
- Personal Property – Increased Limit
- Base premium Computation HO 00 06 by territory/county
- Deviation by Territory/County – Form HO 00 03
- Sinkhole collapse Coverage
- Installment Payment Plan, no charge
- Protective Device
- Deductibles (Form HO 00 03)
- Ordinance or Law-all Forms and Rule 513. Ordinance or Law Increased Amount of Coverage – HO 00 06
- Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Refrigerated Personal Property

- Other Structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43 (form HO 00 03)
- Tier Discount, Form HO 00 03 and HO 00 06.
- Base Premium computation, Protection/construction factors.
- Eff:9-1-07 PC104506 [North Carolina Department of Insurance](#)

185. 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

186. United States Fire Insurance Company

- Forms 1, 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

187. Unitrin Auto and Home Insurance Company

- Territorial Deviations, Rule A10.A., Pricing Levels A thru S Only, All Forms
- Price Level Deviation, Rule A10.A, HO 00 03, HO 00 05, HE 00 07, See Exception 2 and Exhibit 2 for Price level characteristics
- Price Level Deviation HO 00 04
- Price Level Deviation HO 00 06
- Mature Homeowners Credit, Rule A10.B, Pricing Levels A thru S.
- Consumer Loyalty Credit, Rule A10.A, HO 00 03, HO 00 04, HO 00 05, HO 00 06, and HE 00 07
- Personal Property (Coverage C) Replacement Cost Coverage, HO 00 03, HO 00 05, Price Levels A thru S
- Optional Higher Deductibles, Rule A10.A (Rule 406) All Forms except HO 00 04 and HO 00 06, Price Levels A thru S.
- New Home Discount, Rule A10.C, HO 00 03, HO 00 05 or HE 00 07, Pricing Levels A thru S.
- Credit Card, Fund Transfer Card Forgery and Counterfeit Money, Rule A10.A (Rule 504.), Package Plus Only.
- Outboard Motors and Watercraft, Rule A10.A (Rule 612), Package Plus.
- Personal Injury, Rule A10.A, (Rule 610.), Package Plus.
- Blanket Property Limit Rule, Rule A10.A, Package Plus, One or Two family residences.
- Special Personal Property Coverage-HO 00 06, Rule A10.A (Rule 304.).
- Refrigerated Property, Rule A10A., (Rule 515.), Package Plus
- Ordinance or Law Coverage-HO 00 03-Package Plus, Rule A10A. (Rule 303.) and HO 00 05
- Network Discount
- HE 00 07 Policy Factors, Rule A10.A, Pricing Levels A thru S
- Deferred Premium Payment Plans, Rule A10.A (Rule 22), Electronic Funds Transfer (EFT), no charge for installments
- Personal Property, Rule A10.A (Rule 515), Pricing Levels A thru Z, Package Plus
- Amount of Insurance Factor, HO 00 03
- Protective Devices, Rule A10.C (Rule 404.)
- Eff 3-1-07 PC099961 [North Carolina Department of Insurance](#)

188. USAA CASUALTY INSURANCE COMPANY

- Year of Construction-Newly Constructed Dwelling
- Personal Property-Additional Coverage - Jewelry and Furs
- Personal Property - Increased Limit
- Base Premium Computation (FORM HO 00 06) by Territory/County
- Base Premium Computation HO 00 03 by territory/county
- Sinkhole collapse Coverage
- Installment Payment Plan, no charge

- Protective Device
- Deductibles (Form HO 00 03)
- Ordinance or Law Coverages
- Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Refrigerated Personal Property
- Other Structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43
- Tier Discount form HO 00 03 and HO 00 06.
- Protection Construction Factors.
- Eff: 9-1-07 PC104507 [North Carolina Department of Insurance](#)

189. **USAA General Indemnity Company**

- New Home Discount
- Personal Property-additional Coverage Jewelry and Furs
- Personal Property – Increased Limit
- Base premium Computation HO 00 06 by territory/county
- Base Premium Computation HO 00 03 by territory/county
- Sinkhole collapse Coverage
- Installment Payment Plan, no charge
- Protective Device
- Deductibles (Form HO 00 03)
- Ordinance or Law-all Forms and Rule 513. Ordinance or Law Increased Amount of coverage – HO 00 06
- Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Refrigerated Personal Property
- Other Structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43
- Tier Discount, form HO 00 03 and HO 00 06.
- Protection Construction Factors.
- Eff. 9-1-07 PC104508 [North Carolina Department of Insurance](#)

190. **Utica Mutual Insurance Company**

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group
- HO Extension Package: Certain criteria apply.
- Personal Lines Account Credit.
- Territorial/Company deviation.
- Protection Class deviation.
- Eff. 8-1-07 PC103505 [North Carolina Department of Insurance](#)

191. **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

192. **Vigilant Insurance Company.**

- Discount on base premium for forms HO 00 04 and HO 00 06.
- Base rate discount by territory with exceptions for forms HO 00 02 and HO 00 03, HO 00 05 and HE 00 07.
- Protective Devices maximum credit is deleted
- Optional Higher Deductibles for forms HO 00 04 and HO 00 06.
- 5% Hurricane deductible
- Additional Amounts of Insurance discount

- Gated Community credit when criteria is met.
- Valuable Articles Credit
- Eff. 5-1-07 PC102230 [North Carolina Department of Insurance](#)

193. **West American Insurance Company**

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: to qualifying employees insured in the West American Insurance
- Eff.12-1-05 PC082801 [Filing Detail](#)

194. **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

195. **Winterthur International America Insurance Company**

- 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

196. **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

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. **AIU Insurance Company**
 - All Forms: 10%.
 - Eff. 2/1/86

4. **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 [North Carolina Department of Insurance](#)

5. **AXA Re Property & Casualty 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 [North Carolina Department of Insurance](#)

 - 6. **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 [North Carolina Department of Insurance](#)

 - 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 (Virginia Mutual Insurance Company)**
 - Amount of Premium Credit - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
 - Amount of Premium Credit - Claims Free for forms HO 0004 and HO 0006.
 - Row and Townhouses - discount.
 - Account Discount –discount if there is also an in force auto policy covering the same named insured written with Virginia Mutual Ins Co.
 - Insurance Score Discount –discount applied if a minimum insurance score of 725.
 - Newly Constructed Residences (not applicable to Forms 4 and 6) credit varies for a residence constructed and first occupied in one of the last ten calendar years.
 - 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 9-15-08 PC119471 [North Carolina Department of Insurance](#)

 - 9. **Allstate Indemnity Company**
 - Claims Rating Deviation – determined by the number of chargeable claims, credits vary.
 - Claims Free Discount – 10% discount for no claims for 60 consecutive months.
 - New/renovated Home Discount – credit varies.
 - Home and Auto Discount Deviation –credit varies.
 - The Good Hands People Discount Deviation – 1%
 - Zone Deviation.
 - Residence Rental Coverage – no charge for coverage.
 - Eff 2-20-07 PC098722 [North Carolina Department of Insurance](#)

 - 10. **Allstate Insurance Company**
 - Deductible factors Forms 2, 3 ; Forms 4 & 6: Deductible factors credits vary.
 - Personal Property Replacement Cost Deviation subject to certain requirements.
 - Protective devise discount.: discount varies.
 - Age of Home Discount Deviation. HO 2 and HO 3 forms.
 - Age 55 & Retired Discount Factor. Credit varies when certain criteria met.
 - Home and auto discount deviation HO2, HO 3, HO 4 and HO 6 when certain criteria is met.
 - Good hands people discount all forms.
 - Waterbed Liability Deviation HO4 and HO6.
 - Installment payment plan – Allstate Easy Payment Plan.
 - Three or four family dwelling rating structure: does not differentiate between 3 or 4 family dwellings in a town or row house structure.
 - Zone (Territory) Deviation.
- Deluxe Plus**

- Deductibles
- Protective Devices.
- Year of Construction – Newly Constructed Dwellings.
- Age 55 and Retired Discount.
- Home and Auto Discount.
- The Good Hands People discount.
- Zone (Territory) Deviation.
- Eff 10/23/07 PC103069 [North Carolina Department of Insurance](#)

11. **AMCO Insurance Company**

- Territory Deviation, Forms HO 00 02, HO 00 03, and HO 00 05 and HO 00 04 and HO 00 06 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 COstruction 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 Deviation, Forms HO 00 02, HO 0003, HO 00 04, HO 00 05 and HO 00 06.
- Eff 11-15-07 PC107930 [North Carolina Department of Insurance](#)

12. **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

13. **American Automobile Insurance Company**

- 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.
- Deviations by territories and forms: Credit varies.
- Eff. 12/01/03 PC065125 [Filing Detail](#)

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

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%.
- Eff. 5/1/92

15. **American Centennial Insurance Company**

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

16. **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

17. American Employers Insurance Company

- 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 [North Carolina Department of Insurance](#)

18. American Fire & Casualty Company

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- Employees Discount: to qualifying employees insured in the Ohio Casualty Group.
- Eff. 12-1-05 PC082802 [North Carolina Department of Insurance](#)

19. American & Foreign Insurance Company

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 -\$99,999 -7% surcharge; \$100000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Eff. 9/1/99

20. American Home Assurance Company

- HO-3 Premier Base Class Premium Deviation by territory: 5% credit.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation.
- Age of Dwelling Discount: New Homes – 10 yrs. Credit varies
- Eff. 11/19/01 PC045494 [North Carolina Department of Insurance](#)

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 to base premium 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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 PC047937 [Filing Detail](#)

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: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- 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): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- 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: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- 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. Modify rating factors for additional coverage options.
- 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 [North Carolina Department of Insurance](#)

25. **American Professionals Insurance Company**

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies.
- Eff. 6/1/99

26. **American Reliable Insurance Company**

- Loss Free Renewal Credit: Credit applies to any policy that has been loss free for the previous 12 months under an existing American Reliable Insurance Company policy.
- Mature Retiree Credit: If certain criteria are met, a credit of -10% of the Base Premium will be applied.
- New Roof Credit: If the roof has been professionally installed within five years of the inception or renewal date, the premium shall be reduced by 5%. Not to be combined with the Age of Dwelling Credit
- Eff 11/6/02 PC055868 [Filing Detail](#)

27. **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; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 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.
- 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. 12/12/91

28. 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

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 all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85.
- Eff. 10/1/94

31. 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.
- Protective Devices, Apply 2% credit for three or more smoke detectors in all territories for protection classes 1-7.
- Additional Amounts of Insurance-1.00 All territories except 5, 6, 42 and 43. 1.02 for territories 5, 6, 42, and 43.
- Personal Property-Increased Limit, \$1.60 for all forms. Also waive the charge up to 75% of Coverage A without HO 04 90 (Personal Property Replacement Cost) See Deviation Component Number 5.
- Refrigerated Property. The \$10.00 charge for this coverage is waived. See Deviation Component Number 6.
- Premium Payment Option. (1) Eliminated the charge for the first installment. (2) Eliminated charge for each installment for members of the AMICA group that pay through payroll deduction.
- Multi-Line Discount, Rule A.10. Optional Rating Characteristics. Various discounts in all territories except 5, 6, 42 and 43. See Deviation Component Number 8.

- Preferred Risk Deviation, Rule A.10. Optional Rating Characteristics. Maximum Factor of \$1.00 and a Minimum Factor of 0.50. See Deviation Component Number 9 and Rating Example Computation.
 - Eff.8-1-08 PC114228 [North Carolina Department of Insurance](#)
32. **Armed Forces Insurance Exchange**
- Protective Device Credits: Factors vary. Maximum credit waived.
 - Fixed dollar amount deductible factors credit varies.
 - Wind or Hail deductibles credit varies.
 - New Home Credit; All Forms, except 4 & 6: New - 20%; 2% less credit each additional yr.
 - Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
 - Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount)
 - Base premium deviation based on insurance amt. credit varies all forms except HO 4 and HO 6.
 - Minimum policy premium waived.
 - Protective Devices.
 - Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
 - Home Day Care Coverage E: Reduce base premium by 50%.; Coverage F; Premiums reduced by 50%.
 - Other exposures - medical payments to others increase limits credit varies.
 - Installment Payment Charge waived
 - Hurricane Deductible Factors credit varies.
 - Wind or Hail Exclusion Credit.
 - Eff 3-5-07 PC097153 [North Carolina Department of Insurance](#)
33. **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 [North Carolina Department of Insurance](#)
34. **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 to company 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: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to company base premium.
 - Eff. 6/1/93
35. **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
36. **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 insured has 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
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- 37. **Automobile Insurance Company of Hartford**
 - Protective Devices credit varies.
 - Deductible Credits - credit varies by coverage limit, form and deductible amount.
 - Personal Property - Increased Limit Coverage C.
 - Refrigerated Personal Property.
 - Account Credit.
 - Safety Seminar Credit certain criteria apply.
 - Home buyer Credit.
 - HE-7 Factor Deviation.
 - Installment Payment Plan.
 - Eff 9-21-08 PC118026 [North Carolina Department of Insurance](#)
- 38. **Auto Owners Insurance Company**
 - Territory Description.Form HO 00 06 – rate deviation.
 - Deductibles – Waiver of Minimum charges.
 - Protective Device Credit.
 - Protective Device Credit – alarm systems.
 - Mature Homeowner Discount for insureds between the ages of 55 and 64.
 - Townhouse or rowhouse charge - Charge the same rate for all protection classes, creating a deviation for pc9,9e,9s &10.
 - Credit card, fund transfer card, forgery and counterfeit money - Premiums vary for increased limits.
 - Form 6: Units Regularly Rented to Others.
 - Form HO-6 coverage A Dwelling increased Limits and special coverage.
 - Loss Assessment.
 - Building Additions and Alterations at Other Residences – all forms.
 - Other Insured Location Occupied by insured.
 - Section II, Liability-Residence Employees waived.
 - Business Pursuits – no charge.
 - Personal Injury coverage – no charge.
 - Permitted Incidental Occupancies – Residence Premises.
 - Special Personal Property Coverage.
 - Multi-Policy Discount: credit applies to primary, secondary & seasonal residence when auto & HO policy written with an Auto-Owners Insurance Group Company.
 - Seasonal Discount - Forms 3 & 6 - certain criteria 5% discount.
 - Section II liability watercraft - certain criteria - rates vary.
 - Life/Homeowners Multi-Policy Discount
 - Insurance Score Credit.
 - Eff. 8/30/05 PC084265 [North Carolina Department of Insurance](#)
- 39. **Balboa Insurance Company**
 - Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
 - Deductible Factors Deviation: Credit varies.
 - Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
 - Personal Property Replacement Cost: \$20 minimum premium is deleted
 - Eff. 4-29-03 PC060721 [North Carolina Department of Insurance](#)
- 40. **Bankers Standard Insurance Company**
 - New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
 - Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
 - Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
 - Rate for increase in Coverage C; \$2 per \$1000.
 - Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
 - Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%.
 - Eff. 9/199
- 41. **Camden Fire Insurance Association, The**
 - All Forms, except 4 & 6: New Home Credit; New -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%;10 yrs.-6%; 11 yrs.-4%;12 yrs-4%;13 yrs.-2%;14 yrs.- 2%.
 - All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures 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; Waives charge to increase Coverage C limit 50% to 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 [North Carolina Department of Insurance](#)

42. **Central Mutual Insurance Company**

OWNERS DEVIATION

- Deviation by territory and protection class.
- Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by amount of insurance and insurance score.
- Deviation by customer loyalty and deductible.
- Deviation by payment timelines, loss history and replacement cost contents.
- Deviation by accompanying schedule or boat and age of dwelling.
- Deviation by homebuyers and gated community.
- Deviation for residences held in trust, package deviation and installment charges.

Condos Deviation

- Deviation by territory, protection class and amount of insurance.
- Deviation by insurance score, customer loyalty and deductible.
- Deviation by payment timelines and loss history.
- Deviation by accompanying schedule or boat, residence held in trusts and increased coverage A.
- Deviation for package and installment charges.

TENANTS DEVIATION

- Deviation by territory, protection class, and amount of insurance.
- Deviation by insurance score, customer loyalty and deductibles.
- Deviation by payment timelines and loss history.
- Deviation by accompanying schedule or boat, residence held in trusts and package.
- Deviation for installment charges
- Eff 9-1-08 PC116483 [North Carolina Department of Insurance](#)

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

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities forms HO 02 and HO 03.
- Coverage A Relativities form HE-7.
- Protective Device Deviation: Credits vary.
- Deductible Credits all forms: Credit varies by amount of deductible.
- Personal Property - Increased Limit Coverage C.
- Personal Property - Refrigerated Personal Property.
- Account Credit.
- Loss Free Customer Credit.
- Safety Seminar Credit
- Home Buyer Credit
- HE-7 Factor Deviation.
- Installment Payment Plan.
- Eff 9-21-08 PC118024 [North Carolina Department of Insurance](#)

44. **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 4/104 PC065697 [North Carolina Department of Insurance](#)

45. **The Cincinnati Insurance Company**

- New Home Credits, credit varies.
- Base Rate Deviations By Territories Credit varies based on territory.
- Installment Payment Plan:
- Homeowners Enhancement Deviation.

- Watercraft Liability deviation.
 - Eff 9-1-07 PC102905 [North Carolina Department of Insurance](#)
46. **Commercial Guaranty Casualty Insurance Company**
- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 - 11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.
 - Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
 - 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
47. **Consolidated American Insurance Company**
- All Forms: 10% downward deviation.
 - Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
 - Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
 - All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
 - Forms 2, 3, 3W/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
 - Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
 - All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
 - All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%;6 or more yrs- 10%.
 - Personal Injury Coverage: No charge.
 - Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
 - Guaranteed replacement or repair cost for dwelling HO-500: No charge.
 - Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
 - Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge.
 - Eff. 8/1/92
48. **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 the 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. 1/101 PC038500 [North Carolina Department of Insurance](#)
49. **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 [North Carolina Department of Insurance](#)

50. **Economy Premier Assurance Company**

- HO 00 05: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- HO 00 6: Base premium deviation.
- HO 00 04: Base rate deviation by territory: Credit varies
- HO 00 04 and HO 00 06 Policy Amount Relativities by Territory Deviation.
- Homeowners HE 00 07: Contract provided at no additional charge.
- Homeowners Form HE-00 07 with HE 32-20: Base premium deviation.
- Homeowners Form HE 00 07 with HE 32 21: Base premium deviation.
- Homeowners Pak II Package Credit.
- Pak II Renewal Credit.
- New Home Discount.
- Personal Injury Protection Liability Deviation.
- Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Deductible credits.
- Protective Devices Credit and Home Safety Coverage.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.
- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation.
- Earthquake Coverage Premium without an additional charge for Ordinance or Law Coverage.
- Eff. 4-1-05 PC082064 [North Carolina Department of Insurance](#)

51. **Electric Insurance Company**

- Base rate deviation HO 00 02 and HO 00 03 by territory: Credit varies.
- Base Rate Deviation HO 00 04 and HO 00 06 by territory. Credit varies.
- Personal Property Replacement Cost form HO 00 04 and HO 00 06 (Coverage C) is automatically increased to 70% of Coverage A. HO-04 and HO-6 1.25 RC Coverage also applies to articles or classes of property separately described and specifically insured in this policy.
- Protective Device Credits: Credits vary.
- Deductible Factors Forms HO-4 & HO-6 Credit varies
- Personal Property – Unscheduled Jewelry, Watches and Furs.
- Personal Property Silverware, Goldware and Pewterware.
- Personal Property – Firearms
- New Home Credits – HO 00 02 and HO 00 03.
- Eff.5-1-07 PC103151 [North Carolina Department of Insurance](#)

52. **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 [North Carolina Department of Insurance](#)

53. **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 [North Carolina Department of Insurance](#)
54. **Encompass Indemnity Company**
- Forms 2, 3, and 8 Base Rate Deviations by Territory, Credit varies by territory
 - Form 4 Base Rate Deviation by Territory, Credit varies by territory
 - Form 6 Base Rate Deviation by Territory, Credit varies by territory
 - Earthquake Coverage - Base rate deviation according to Table, Zone, and Construction.
 - Gated Community Discount: A 10% credit will be applied to the premises/property for a residence located in a gated community meeting certain criteria.
 - New Home Discount: A residence 10 years of age or less is eligible for a discount, credit varies by age.
 - Deductible Credits Discount: Credit varies by coverage limit and deductible amount.
 - Additional Limits Deviation, Coverage F
 - Business Pursuits Rate Deviation: credit varies.
 - Incidental Farming Personal Liability Deviation: credit varies.
 - Superior Construction Discount: The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry base premium or apartment unit by .85.
 - Various Credits for Protective Devices: credit varies by type of alarm.
 - Credits for Automatic Sprinkler Systems: credit varies by location/area of sprinkler system.
 - Special Personal Property Coverage HO 6 only: endorsement HO 32 35 factor 1.34.
 - Companion Policy Discount: 10% discount applies to the residence premium if the named insured is also a named insured on an Auto Policy with any of the Encompass Insurance Companies.
 - Preferred Rate Deviation: Preferred rates are available at a 5% reduction from standard rates if the amount of insurance under Coverage A is equal to at least 90% of the Replacement Cost of the Dwelling and the automatic adjustment of limits endorsed is attached.
 - Effective 12/11/06 PC097453 [North Carolina Department of Insurance](#)
55. **Erie Insurance Exchange**
- Base Rate Deviations Key Premium deviations: Variable credits based on zones.
 - Amount of Insurance Deviation All Forms except HO 00 04 & HO 00 06; key factors by amount of insurance.
 - Multi-Policy Discount: if the Policyholder also has an automobile policy with The ERIE Insurance Exchange or ERIE Insurance Company.
 - New Home Discount: Credits vary 2% - 18% for new to 9 yrs. of age.
 - Optional Deductible Factors - all forms, deviation varies.
 - Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
 - Increased Special Limits of Liability HO 04 65 (all forms except HE-7) Credit varies.
 - Personal Property Replacement Cost: HO 00 02 & HO 00 03 includes the increase in Coverage C to 70% of Coverage A at no additional charge. Varies by rating zone. HO 00 04 & HO 00 06 - no dev. HE-7 - no deviation.
 - Townhouse or rowhouse charge - waived.
 - Units Rented to Others Form HO 00 06 HO 1733 Charge 25% of base premium.
 - Outboard Motors & Watercraft : Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
 - Building Addition & Alterations Increased Coverage C limit - : Form 00 04 HO 0451 - \$4 per \$1000 increased limits.
 - Specified Additional Amount of Insurance for Coverage A only(HO 32 20): \$1 charge.
 - Rented Personal Property: HO 32 21 No charge.
 - Business Pursuits: No charge.
 - Waterbed Liability HO 04 00 HO 00 06 No charge.
 - Refrigerated Property Coverage: Charge waived.
 - Personal Property Increased Limits; HE 7 - \$2 per \$1000.
 - Premium payment plan service charge – installment payments.
 - Tiered Rating
 - Other Members of a Named Insured's Household.
 - Advance Quote Discount – New business.
 - Eff. 3-1-08 PC111964 [North Carolina Department of Insurance](#)
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 [North Carolina Department of Insurance](#)

58. Federal Insurance Company

- Elimination of maximum credit for protective devices.
- Optional Higher Deductibles
- Hurricane Deductible
- Additional Amount of Insurance deviation. Forms 2 & 3
- All Forms: 5% Gated Community Credit when criteria is met.
- Effective 12/1/05 PC085699 [North Carolina Department of Insurance](#)

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 [North Carolina Department of Insurance](#)

61. Fidelity National Property and Casualty Insurance Company

- Base rate deviation by territory.
- Amount of Insurance deviation by territory – HO-3.
- Amount of Insurance deviation by territory – HO-4.
- Amount of Insurance deviation by territory – HO-6.
- Protection Class deviation – HO-3, HO-4, HO-6.
- HO-3 Townhouse/Rowhouse deviation.
- Deductible credits deviation – HO-3.

- Hurricane deductible deviation – HO-3.
- Windstorm or Hail deductible deviation – HO-3.
- Deductible Credits deviation – HO-4 and HO-6.
- Number of families deviation.
- Replacement Cost on Contents – HO-4 and HO-6.
- Homeowners Renewal Discount.
- Automatic Sprinkler Discount.
- Ordinance or Law Coverage.
- Fidelity National Financial Employee discount.
- Home/Auto Discount.
- Newly Acquired Home Discount.
- Coverage A Increased Limits HO-6.
- Eff 9-14-05 PC085587 [North Carolina Department of Insurance](#)
- (name changed from First Community Insurance Company 12-12-03)

62. 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 applied 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 [North Carolina Department of Insurance](#)

63. Firemans Fund Insurance Company

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all Homeowners policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund.
- Eff. 12-01-03 PC065121 [North Carolina Department of Insurance](#)

64. 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 of .85-.95 applies 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

65. Garrison Property and Casualty Insurance Company

- New Home Discount
- Personal Property – Additional Coverage –Jewelry and Furs
- Personal Property –Increase Limit
- Base Premium Computation HO 00 06 by territory/county
- Base Premium computation HO 00 03 by territory/county
- Sinkhole Collapse coverage
- Insallment Payment Plan, no charge
- Protective Device
- Deductibles (Form HO 00 03)
- Ordinance or Law-All Forms and Ordinance or Law increased amount of coverage-HO 00 06
- Coverage A Dwelling Basic and Increased Limits and Special coverage – HO 00 06

- Refrigerated Personal Property
- Other structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43
- Tier Discount form HO 00 03 and HO 00 06
- Protection Construction Factors
- Eff 9-1-07 PC104509 [North Carolina Department of Insurance](#)

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 [North Carolina Department of Insurance](#)

67. Glens Falls Insurance Company

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.
- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.
- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation
- Eff. 11-1-96

68. Globe 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.
- 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.
- Effective 5-15-04 PC071713 [North Carolina Department of Insurance](#)

69. 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 4%-22%.
 - 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
70. **Grain Dealers Mutual Insurance Company**
- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
 - Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%; 1-2yrs. of age - 20%; 3 ys. of age - 15%; 4 yrs. of age - 10%; 5 yrs. of age - 5%.
 - Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
 - Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
 - 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
 - Personal Property Increased Limits Rate Deviation.
 - Form 3:10% Mature Home Credit: Certain criteria must be met.
 - Eff. 1-1-02 PC042992 [North Carolina Department of Insurance](#)
71. **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
72. **Graphic Arts Mutual Insurance Company**
- Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.
 - Mass Merchandising Plan.
 - -5% W.I.S.E./Affinity program discount,
 - For Forms HO 02, HO 03, HO 05 and HO 08, factor of .95 for risks located in terrs 5, 6, 41, 42, 43, 45 and 46.
 - For Forms HO 00 02, HO 03, HO 05 and HO 08, factor of .85 for risks located in territories 36, 44 and 60
 - For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, factor of .90 for risks located in territories 38 and 39
 - For Form HO 00 02, HO 00 03, HO 00 05 and HO 00 08, factor of .80 for risks located in territory 34.
 - For Form HO 00 02, HO 00 03, HO 00 05 and HO 00 08, factor of .82 for risks located in territory 57
 - For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, factor of .84 for risks located in territory 53
 - For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, a rating factor of .85 for risks located in territory 32
 - For Forms HO 00 02, HO 00 03, HO 00 05 and HO 00 08, factor of .92 for risks in territory 47
 - For Forms HO 00 04 and HO 00 06, factor of .85 for risks in territories 36, 44, 57 and 60
 - For Forms HO 00 04 and HO 00 06, factor of .90 for risks located in territories 38 and 39
 - For Forms HO 00 04 and HO 00 06, factor of .85 for risk located in terrs 5, 6, 32, 34, 41, 42, 43, 45, 46, 47 and 53
 - Personal Lines Account Credit
 - Homeowners Extension Package
 - Protection Class deviation/
 - Eff. 8-1-07 PC103506 [North Carolina Department of Insurance](#)
73. **Hanover American Insurance Company**
- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies for Dwellings 1-7 yrs. of age.
 - Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
 - 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: Minimum premium of \$20.
 - 7% Account Credit: All forms.
 - Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
 - Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
 - Reduced Watercraft Liability Rates: All forms.
 - Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
 - Special Personal Property: Reduced Charge for Form 3w/15.
 - Electronic Funds Transfer Plan Discount: All forms.

- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Cap on total credits/discounts of 35%.
- Territorial Deviation: All forms except HO 00 04 and HO 00 06:
- Eff.1-1-08 PC110169 [North Carolina Department of Insurance](#)

74. Hanover Insurance Company

- Year of Construction – Newly Constructed Dwellings.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Cap on credits/discounts
- Relativity curve deviation
- Eff. 7-15-07 PC102802 [North Carolina Department of Insurance](#)

75. 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

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-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% -27.5%.

- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr.
- Eff. 5-1-92

78. Harleysville Mutual Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Customer Discount: All territories except 05, 06, 41, 42, 43, 81, and 86 when certain criteria are met.
- StarPak Program Discount.
- Companion discount – Credit for homeowners and private passenger auto policy issued to cover the same policyholder.
- Newly Purchased Home Credit HO 02, HO 03 and HE 7.
- Mature Homeowner Discount HO 03 and HE 7 only 55 years of age or older.
- Life Insurance Policy Discount Homeowner and Life policy
- Coverage A Key Factors discount (\$180,000 and higher) All territories except 05, 06, 42, 43, 81 and 86.
- Eff. 9/12/06 PC 096822 [North Carolina Department of Insurance](#)

79. Harleysville Preferred Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred customer discount – all terr except 05, 06, 41, 42, 43, 81 and 86. The percentage discount is determined by the combination of insurance score rating and characteristics met.
- HE-7 Enhancement Discount: credit varies.
- StarPak Program Discount
- Companion discount – Credit for homeowners and private passenger auto policy issued to cover the same policyholder.
- Newly Purchased Home Credit Forms HO 02, HO 03, and HE 7,
- Mature Homeowner Discount HO 03 and HE 7 only 55 years of age or older.
- Policy Discount (life insurance/annuity policy)
- Coverage A Key Factors discount (\$180,000 and higher) All territories except 05, 06, 41, 42, 43, 45
- HO 00 04 or HO 00 06, Base Premium for Territories except 5, 6, 41, 42, 43, 45.
- Personal Property Increased Limit.
- Eff 9-18-07 PC107291 [North Carolina Department of Insurance](#)

80. Hartford Accident and Indemnity Company

- Age of Dwelling Credit for all territories except 5, 6, 41, 42 and 43.
- Account Credit for all territories.
- Retiree Credit named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: if complex meets the protection requirements.
- Product Factor – Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key Factor for Premier, CCRL and Elite.
- Effective 6-3-08 PC115017 [North Carolina Department of Insurance](#)

81. Hartford Casualty Insurance Company

- Age of Dwelling Credit for all territories except 5, 6, 41, 42, and 43.
- Account Credit for all territories.
- Retiree Credit, named insured is age 50 or older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor- Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access community Credit.
- Key Factor for Premier, CCRL and Elite.
- Eff. 6-3-08 PC115023 [North Carolina Department of Insurance](#)

82. Hartford Fire Insurance Company

- Age of Dwelling Credit for all territories except 5, 6, 41, 42 and 43.
- 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.
- Eff. 6-3-08 PC115018 [North Carolina Department of Insurance](#)

83. Hartford Insurance Company of Midwest

- Age of Dwelling credit for all territories except 5, 6, 41, 42, and 43.

- Account Credit all territories.
- Retirees Credit: named insured is age 50 and older.
- Limited Access Credit Forms 4 & 6: is protected 24 hours a day.
- Product Factor – (Merit, CCRL, Premier), Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key factors for Premier, CCRL and Elite.
- Effective 6-3-08 PC115024 [North Carolina Department of Insurance](#)

84. Hartford Underwriters Insurance Company

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
- Account Credit Factor: .95 if insured has personal auto policy with same company based on territories.
- Mature Retiree Credit Factor: .95 when required criteria are met.
- Limited Access Credit if complex meets protection requirements Forms 4 & 6: 10%.
- Product Factor – HO 00 04 and HO 00 06.
- Key Factors – coverage A.
- Eff. 10-3-07 PC105143 [North Carolina Department of Insurance](#)

85. Homesite Insurance Company

- Preferred Risk Group 1 Discount 10% when certain criteria are met.
- Preferred Risk Group 2 Discount 10% when certain criteria are met.
- Eff 3/31/03 PC057282 [North Carolina Department of Insurance](#)

86. Horace Mann Insurance Company

- Coverage amount & territory deviations: Form 7 Masters Program Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 2% credit if insured 100% to value & Inflation Guard Endorsement attached.
- New Home Credit Forms 2 & 3 & Master Program: 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Territorial Base Rate Deviation: 8% Credit. Forms 4 & 6:
- Installment Payment Plan: Forms ML-3, 4, 6 & Master Program: Waive initial \$3 installment fee.
- Deductible Credits Forms ML 2& 3 and masters: Variable credits.
- Auto/Home discount all forms credit varies.
- Deductible Credits for forms ML-4 and 6 credit varies.
- Replacement Cost on contents - 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Masters Program - \$60,000 Minimum coverage A, includes inflation protection coverage at no additional charge; includes Replacement Value-Personal Property; included the following percentages of Coverage A: 10% coverage B, 70% coverage C, and 20% coverage D.
- Federal Flood Insurance Program: 2% credit applies to HO and MH policies if the insured has a federal flood insurance policy placed with us through our flood insurance placement program.
- Downward deviation on earthquake.
- Silverware, Goldware, & Peterware coverage will be \$3.00 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5.00 per policy.
- Tenant's Improvements Increased Limit - \$4 per \$1000 of insurance.
- Coverage A Increased Limit - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others (Liability Coverage) - Premium varies.
- Private Structures - Rented to Others (Liability Coverage) - Premium varies.
- Form 7-Masters Program: Credit Tier Deviation.
- Eff. 5-1-04 PC070010 [North Carolina Department of Insurance](#)

87. Horace Mann Property & Casualty Insurance Company

- Amount of Insurance Deviation Form 3 & Masters Program by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- 2% credit for form 3 if all coverage amounts insured 100% to value with Inflation Guard Endorsement attached.
- Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Protection Class credits for Form 3 and Masters Program.
- Installment Pay Plan.
- Deductible Factors for Form ML-3 and Masters Program.
- Multiline Discount.
- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Earthquake Deviation.
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.

- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount
 - Private Structures - Rented to Others (Liability Coverage)
 - Credit Tier Diviation.
 - Eff 8-1-05 PC082794 [North Carolina Department of Insurance](#)
88. **IDS Property casualty Insurance Company**
- Form 3 – Amount of Insurance
 - Form 4 – Amount of Insurance
 - Form 6 – Amount of Insurance
 - Protective Device Credits
 - Deductible Credits
 - Home and Auto Discount
 - Replacement Cost on Contents Discount
 - Condo Coverage A increased limits
 - Utilities Rating Plan
 - Coverage C Increased Limits
 - Installment Pay Plan
 - Refrigerated Personal Property
 - Townhouse/Rowhouse
 - Costco Discount
 - Base Rates (Form 3) by territories
 - Base Rates (Form 6) by territories
 - Eff 5-1-07 PC102017 [North Carolina Department of Insurance](#)
89. **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
90. **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
91. **Insura Property & Casualty Insurance Company**
- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.
 - All Forms: Personal property increased limits \$2 per \$1000.
 - Protective Device Credits; Credit varies 2% - 15%.
 - Personal Injury (HO-82) included at no charge.
 - Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
 - New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
 - Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
 - Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
 - Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
 - Base premium deviation by territory.
 - Eff. 6-1-99
92. **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

93. **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

94. **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

95. **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. Variable credit.
- 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

96. **Liberty Mutual Fire Insurance Company**

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Deductible Credits Deductible Amount and percentage of credit/surcharge vary.
- Amount of Insurance Forms HO 1,2, & 3 Deviation by policy amount and territory.
- Amount of Insurance HO 4 & 6 Deviation by policy amount and territory.
- Installment Payment Plan all forms - \$3 each installment except first installment
- Coverage A Dwelling Limit for form HO 6
- Watercraft Deviation by limits of liability
- New Home Credits HO 2 & 3 Credits vary.
- Protective Devices Credits Credits vary .
- Hurricane deductible credits; credit varies by deductible amount.
- Eff. 5-10-04 PC070198 [North Carolina Department of Insurance](#)

97. **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

98. **Lititz Mutual Insurance Company**

- New Home Credit.
- Discount when Guaranteed Repair or Replacement Cost Protection (Coverage A) and Personal Property Replacement Cost Protection (Coverage C) are used together.
- Protection class 9 discount
- Optional Higher Deductibles Deviation.
- Base Rate Deviation by Territory: Credit varies.
- Ordinance or Law – increased Limits.
- Eff 12-1-07 PC109555 [North Carolina Department of Insurance](#)

99. **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 [North Carolina Department of Insurance](#)

100. 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 [North Carolina Department of Insurance](#)

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

- Year of Construction – Newly Constructed Dwellings.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- 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: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.

- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Cap on total credits/discounts of 35%.
- Territorial Deviation: All forms, except 4 & 6: Credit varies
- Eff 1-1-08 PC110168 [North Carolina Department of Insurance](#)

103. 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

104. Merastar Insurance Company

- New Home Credit; HO 00 03 Homes completed & occupied during current calendar yr. credit varies.
- Safe and Sound Discount: protective device credit certain criteria.
- Auto Home Discount All Forms - credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waiver of installment charge when certain requirements are met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Merastar Maximum Discount: Factor .97 applies to base premium when certain criteria is met.
- Deductible credits;Forms 3 & 5: \$500 - \$1000
- Deductible credits;Forms 4 & 6: \$500 - \$1000
- Protective Device Credits; 2% - 15%.
- Boat Liability Rate Deviation: All Forms: credit based on length & horsepower.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies.
- Base rate deviation Forms 4 & 6: based on territory.
- Account Discount All Forms Discount if the named insured is a member of an employer sponsored account or qualifying affinity group.
- Eff. 8-1-05 PC084763 [North Carolina Department of Insurance](#)

105. Metropolitan Direct Property & Casualty Insurance Company

- Deductible Deviation.
- Additional Limits of Liability
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices
- Mature Homeowners Discount.
- Windstorm or Hail Exclusion Credit.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation
- Claim Free Discount.
- Increased Ordinance or Law Coverage
- Earthquake Coverage
- Other Structures – On Premises Specific Structures – Increased Limits.
- Other Structures – On-Premises Structures – structure on the Residence Rented to Others.
- Eff. 5/1/07 PC103863 [North Carolina Department of Insurance](#)

106. Metropolitan Property & Casualty Insurance Company

Standard Program

- Deductible Deviation.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Windstorm or Hail Exclusion Credit.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation:
- Smaller employer groups when criteria is met.
- Claim Free Discount: 5% discount when criteria are met.
- Increase Ordinance or Law coverage.
- Earthquake Coverage.
- Other Structures – On Premises Specific Structures – Increased Limits.
- Other Structures – On-Premises Structures – structure on the Residence Rented to Others.

Conversion Program

- Windstorm or Hail Percentage Deductible Relativities.
- Additional Limit of Liability.
- Replacement Cost on Contents: 10% surcharge. Cov C amount increased to 70% of Cov A at no additional cost.
- New Home Discount – Year of Construction..
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- Multi-Policy Discount: applies to total homeowner premium when homeowner & auto policies issued with Metropolitan. Not with ho 4 or in terr 5, 6, 34, 41, 41, 42, 43.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Other Structures – On Premises Specific Structures – Increased Limits.
- Other Structures – On-Premises Structures – structure on the Residence Rented to Others.
- Eff 5-1-07 PC103777 [North Carolina Department of Insurance](#)

107. 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 [North Carolina Department of Insurance](#)

108. 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

109. 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*

110. 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 [North Carolina Department of Insurance](#)

111. 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: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per\$1000 of insurance. Territories 5, 6, 42 & 43 excluded.
- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.
- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met.
- Eff. 10-13-00 PC037427 [North Carolina Department of Insurance](#)

112. Nationwide Mutual Fire Insurance Company

- Nationwide Territory Deviation/Territory Deviation Forms HO 02, HO 03 & HO 05: Deviation by amount of insurance & territory.
- Home & Car Discount: Credit varies.
- Amount of Insurance deviation: Credit varies by territory and amount of Insurance.
- Personal Property Replacement Cost Deviation.
- Deductible Deviations.
- Protective Device Deviations by territory: Credit varies.
- Safe Home Rating Plan Deviation.
- Age of Home Component Deviation.
- Age of Construction Deviation.
- Eff. 8-3-08 PC112944 [North Carolina Department of Insurance](#)

113. Nationwide Mutual Insurance Company

- Nationwide Territory Definitions and 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
- Deductible Deviations.
- Protective Device Deviation.
- Safe Home Rating Program – Form HO-2, HO-3, HO-5.
- Age of oldest Insured.
- Personal Status Deviation.
- Age of construction deviation.
- Amount of Insurance – Forms HO 02, HO 03, and HO 05.
- Age of Home Component Deviation.
- New Purchase Deviation.
- Eff. 8-3-08 PC112937 [North Carolina Department of Insurance](#)

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 [North Carolina Department of Insurance](#)

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: \$50000 - \$250,000 & above based on territory; Credit varies 0% - .380%.
- 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: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents.
- Eff. 5/1/92

117. NGM Insurance Company

- Age of Dwelling Deviation: Forms 2 & 3: 0 - 5 yrs. of age: Credit varies 0% - 18%.
- Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met: Credit varies. Forms 2 & 3:
- Deductible credits/charges, factor varies by ded amount. Forms 2, 3, 4, 6 & 8.
- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.
- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 3237) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service Charge: the policy limit of \$500 for fire department service charge will be increased to \$1000 with selection of certain additional coverages and increased limits.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy: \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Personal Property Replacement Cost: along with HO 0490 5% of base premium when selection of certain coverages.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met
- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met
- Insurance Score Discount factor varies by Insurance Score.
- Eff. 10-21-05 PC084159 [North Carolina Department of Insurance](#)

118. North Carolina Farm Bureau Mutual Insurance Company

- Deviation by Territory & Program.
- Deviation on Forms HO 00 04 and HO 00 06.
- -10% Deviation on Form HO 00 08.
- Deductible Credits.
- Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit
- Deviation by Amount of Insurance vary based on rate structure, protection class, deductible, & territory. Forms 2 & 3: Credits vary
- .Deviation on Personal Property Coverage Forms HO 00 02 and HO 00 03 w/o HO 00 15.
- Personal Property Coverage C Replacement Cost.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Deviations by selected country.
- Additional 5% deviation applies to property in specified counties.
- Eff. 5-1-07 PC101567 [North Carolina Department of Insurance](#)

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. Northern Assurance Company of America

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Guaranteed Replacement Cost (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: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%..
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- Deviation by Coverage A amount of insurance. All Forms, except 4 & 6: Credit varies.
- Windstorm or Hail Deductible.
- Eff. 8-15-02 PC053955 [North Carolina Department of Insurance](#)

121. Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits.
- Eff. 2/15/92

122. Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50: Form 3w/15 - \$2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.

- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies.
- Eff. 6-1-99

123. Ohio Casualty Insurance Company

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- Employees Discount: to qualifying employees insured in the Ohio Casualty Group.
- Eff.12-1-05 PC082799 [North Carolina Department of Insurance](#)

124. 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

125. 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 [North Carolina Department of Insurance](#)

126. OneBeacon America Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Coverage A Dwelling Basic and Increased Coverage A limit \$3,000 cov A at no addit charge.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles.
- Eff. 8-15-02 PC053954 [North Carolina Department of Insurance](#)

127. Owners Insurance Company

- Territory Description.
- Form 6 rate deviation
- Deductibles - Waiver of Minimum Charges.
- Protective Device Credit.
- Protective Device-Alarm Systems.
- Mature Homeowners Discount.
- Townhouse or Row House discount factors.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.
- Form HO-6 Units Regularly Rented To Others.
- Form HO-6 Coverage A Dwelling Increased Limits and Special Coverage.
- Building Additions and Alterations At Other Residences-All Forms.
- Loss Assessment.

- Other Insured Location Occupied By Insured - Section II.
- Section II, Liability-Residence Employees waived.
- Business Pursuits - no charge.
- Personal Injury coverage-no charge.
- Permitted Incidental Occupancies - Residence Premises.
- Special Personal Property Coverage.
- Multi-Policy Discount
- Seasonal Discount-Forms HO 00 03 and HO 00 06.
- Section II, Liability Watercraft.
- Life-Homeowners Multi Policy Discount.
- Eff 8/30/05 PC084266 [North Carolina Department of Insurance](#)

128. 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 HO-290; 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

129. Pacific Indemnity Company

- Forms 4 & 6: 10% credit.
- 5% credit for HO-2, HO-3, HO-5 and HE-7 in territories 32, 36, 38, 39, 53 and 57.
- Elimination of maximum credit for protective devices.
- Optional Higher Deductibles
- Hurricane Deductible
- Additional Amount of Insurance deviation. Forms 2, 3 & 5.
- All Forms: 5% Gated Community Credit when criteria is met.
- Eff5-1-07 PC102232 [North Carolina Department of Insurance](#)

130. Peerless Insurance Company

- Deductible Credits: Forms 3, HE-7, HE-7w/20 & HE-7w/21 - credits vary.
- Protective devices.
- Base Premium Computation (HO 00 06).
- Homeowners Enhancement Program (HE-7, HE-7 w/20, and HE-7 w/21).
- Homeowners Enhancement Program - Specified Additional Amount of Insurance for Coverage A – Dwelling HO 32 20.
- Personal Protector Multi-Policy.
- Base Premium Computation – All forms except HO 00 04 and HO 00 06.
- Installment Payment plan - \$2 charge for each installment for Electronic Fund Transfer.
- Price Point Deviation.
- Effective 5-1-07 PC101861 [North Carolina Department of Insurance](#)

131. 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; Waive charge to increase Coverage C limit from 50% to 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: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation.
- Eff. 4-15-96

132. 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

133. Pennsylvania National Mutual Casualty Insurance Company

- New Home Discount: Forms 2, 3 & 3w/HO3236: New to 15 yrs. of age: Credit varies 1%-20%.
- Deviation by Deductibles - various credits.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/HO3236 - \$3 per \$1000 of insurance.
- Preferred Program Deviation: Forms 3 & 3w/HO3236: Based on territory & public protection class: Variable credits when criteria is met.
- Account Credit Program: Forms 2, 3, 3w/HO3236, 4, 6 & 6w/HO3235: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies.
- Amount of Insurance: Credit varies.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/HO3236: Certain criteria apply.
- No charge for increasing Coverage A up to \$5,000 on a form HO 00 06 policy.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money Deviation.
- Loss Assessment.
- Personal Property - Increased Special Limits of Liability.
- Personal Property – Refrigerated personal Property.
- Water Back Up and Sump Discharge or Overflow.
- Personal Injury.
- Eff 11-1-07 PC106822 [North Carolina Department of Insurance](#)

134. 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 [North Carolina Department of Insurance](#)

135. Phoenix Insurance Company

- Base Rate Deviation Dwellings.
- Base Rate Deviation Condos Credit varies based on territory.
- Coverage A Relativities Deviation: forms HO 2, HO 3 and HE 7.
- Protective Device Deviation: Credit.
- Deductible Credits: Varies by amount of Coverage.
- Personal Property Increased Limit Coverage C.
- Personal Property - Refrigerated Personal Property: charge waived.
- Account Credit.
- Loss Free customer Credit
- Multi-Line Insurance & Financial Services Institution Employees Credit.
- Safety Seminar Credit Certain criteria apply.
- Royal SunAlliance Employee Program Credit.
- Coverage C Relativities – Form HO-6, credit varies.
- Home Buyer Credit.
- HE-7 Factor Deviation.
- Installment Payments.
- Eff 9-21-08 PC118029 [North Carolina Department of Insurance](#)

136. 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.

Deviation as of September 15, 2008

- 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

137. 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 [North Carolina Department of Insurance](#)

138. Republic Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; 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: \$500-9%; \$1000-17%; \$2500-25%.
- Eff. 4-1-95

139. 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

140. Safeco Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house
- Outboard Motor & Watercraft Liability Deviation.
- Special Personal Property Coverage – Coverage C (HO32 35)
- Market Tier Relativities
- Employee Discount Plan
- Base Rate Deviations
- HE 00 007 w/HE-21.
- Eff.3-8-07 PC099325 [North Carolina Department of Insurance](#)

141. 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

142. Safeguard Insurance Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.

- 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.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates - credit varies by territory.
- Super Preferred Program Deviation by Forms Off Standard Rates – Credit varies by territory.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit.
- Eff. 08-15-03 PC071716 [North Carolina Department of Insurance](#)

143. 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

144. 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: Premium credit when insured or spouse has maintained 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

145. 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

146. 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

147. Select Insurance Company

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

148. 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: Replacement Cost Personal Property; Annual add'l prem. 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; \$500 - .85; \$1000 - .80; \$2500 - .70.
- 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

149. 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 amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%.
- Eff. 5-1-92

150. Sentry Insurance A Mutual Company

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

151. Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.

- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for auto smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The maximum allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation.
- Eff. 6-1-03 PC061674 [North Carolina Department of Insurance](#)

152. **South Carolina Insurance Company**

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.
- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge.
- Eff. 6/1/99

153. **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 [North Carolina Department of Insurance](#)

154. **Southern Insurance Company of Virginia**

- Territory Deviation; for form HO 00 03 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 02 and HO 03 - HO 32 11 Factor of 1.02
- Personal Property Replacement Cost HO 03 use factor of 1.02.
- Personal Property Replacement Cost HO 04 and HO 06 use factor of 1.35.
- Age of dwelling credit – 20% for homes completed in current calendar year, decreasing 2% each preceding year.
- Outboard Motors and Watercraft reduced rates.
- HE-7 Program – 10% discount for HO 03 written with HE-7 w/20 or HE-7 w/21.

- Eff 12-1-03 PC 065261 PC065262

155. **Southern Pilot Insurance Company**

- Deviation by Territorial Relativities (HO-3 and HE-7).
- Deviation by Territorial Relativities (HO-4)
- Deviation by Territorial Relativities (HO-6).
- Amount of Insurance Deviation (HO-3 and HE-7).
- New Home Credits
- Deductible Credits.
- Reduced Surcharge for Personal Property (Coverage C) Replacement Cost Coverage.
- Reduced Charge for Personal Property Increased Limits.
- Reduced Rates for Outboard Motors and Watercraft Liability.
- Personal Injury Coverage At No Charge.
- Deviation for Exceptional Homeowner (HO-3 and HE-7).
- Protective Devices Credit.
- Deviation for Multi-Policy Credit.
- HE-7 Level of Enhancement Factor.
- Eff. 08-01-05 PC083567 [Filing Detail](#)

156. **Standard Fire Insurance Company**

- Base Rate Deviation Dwelling.
- Coverage A Relativities forms HO 2, HO 3.
- Coverage A Relativities form HE 7.
- Protective Device Deviation
- Deductible Credits all forms varies by deductible amount and coverage Limit.
- Personal Property - Increased Limit Coverage C:
- Personal Property - Refrigerated Personal Property.
- Account Credit
- Loss Free Customer Credit
- Inflation Guard: Premium charge waived.
- Safety Seminar Credit: Certain criteria apply
- Home Buyer Credit
- HE-7 Factor Deviation.
- Installment Payment Plan.
- Eff. 9-21-08 PC118027 [North Carolina Department of Insurance](#)

157. **State Automobile Mutual Insurance Company**

- Deductible Credits
- Auto/Home Discount
- Credits for Protective Devices
- Age of Dwelling Credit
- Replacement Cost of contents for forms HO 00 03 and HO 00 05
- Additional Limits of Liability HO 32 11
- Increased Coverage C
- Form HO 00 05
- Protection Class 9 Rates
- Prime of Life Discount, Age 55 and older
- Windstorm or Hail Deductibles
- Townhouse /rowhouse
- Three or Four Family Dwellings
- Residence Held in Trust
- Base Premiums
- Windstorm or Hail Exclusion Credits
- Ordinance or Law Coverage
- Eff 5-29-07 PC103347 [North Carolina Department of Insurance](#)

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

- Deductibles credits.
- Auto/Home deviation
- Credits for Protective Devices.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies
- Replacement Cost Coverage HO 3 and HO 5 if provided Coverage C is increased to 70% of Coverage A at no additional charge. No charge for RC contents under Home Defender Program.

- Additional Limits of Liability – Guaranteed Replacement Cost on Dwelling.
- Coverage C Increase: HO 3 \$1 per \$1000: Form HO 5 \$2 per \$1000.
- Form HO 5: Optional at +10% charge.
- Protection Class 9 Rates: Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Prime of Life Discount: Homeowners All Forms, except HO 4: Age 55 & over -10%: Coverage C is at least \$20,000.
- Windstorm or Hail Deductible. Variable Credits.
- Townhouse/rowhouse
- Three or four family dwellings
- Residence held in trust.
- Ordinance or Law Coverage.
- Eff. 5-29-08 PC114663 [North Carolina Department of Insurance](#)

159. **State Capital Insurance Company**

- Fixed dollar amount deductibles, all forms credits vary.
- Deductible factors forms 4 and 6 credits vary.
- Personal Property Increase Limits – Forms 2, 3, HE-7 & HE-7 with HE-20 factor is .50 per \$1000, HO 3 w/15 is \$2 per \$1000.
- Company deviation based on territory & coverage A amount, credit varies.
- New Home Discount – Credit varies by year constructed.
- Protective device credits, all forms, credit varies by territory and protection class.
- Outboard motors & Water Craft- Liability rates amended by boat length.
- Protection/Construction Relativity Deviation.
- Windstorm or Hail Deductible Deviation – credit varies.
- Dwelling Basic and Increased Limits and Special Coverage Form 6 Limit \$5000.
- Personal Property Replacement Cost Coverage: all forms
- Ordinance or Law Coverage deviation by factors.
- Three or four family residence: Coverage B&C deviation.
- Installment Payment Plan charge waived.
- Account Credit 5% when named insured has auto policy with the Highlands Ins Group.
- Eff 6-1-99

160. **State Farm Fire & Casualty**

- Deviation by Amount of Insurance and Territory: Variable credits.
- Deviation by Amount of Insurance HO 00 04.
- Deviation by Amount of Insurance HO 00 06.
- Three and Four Family
- Townhouse/Rowhouse – The charges for Townhouses/Rowhouses in buildings with more than 2 units per fire division do not apply.
- Wind/Hail Deductible Credits – Credit varies per territory.
- Residence Premises-Basic and Increased Limits.
- Other insured Location Occupied by Insured.
- Additional residence rented to Others.
- Jewelry and Furs.
- Replacement Cost on contents forms HO 00 04 or HO 00 06.
- Ordinance or Law Coverage.
- Rental condominiums, HO 00 06.
- Coverage A Increased limits & Special Coverage Form 6; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm credit varies.
- Installment Payment Plan: \$2 charge. if monthly installment made by electronic funds transfer and a monthly bill notice is requested or \$1 per month if no printed notice is requested.
- Refrigerated Personal Property, No Charge.
- Home-Auto Discount for all territories, except 5 & 6. Policyholders that have a Form 3,4 or 6 policy and a voluntary State Farm auto policy will receive a 2% credit that applies to the Homeowners Program premium.
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium
- All peril deductibles – HO 00 04.
- All peril deductibles – HO 00 06
- All peril deductibles – HO 00 03.
- Customer Rating Index.
- Eff.10-1-07 PC102542 [North Carolina Department of Insurance](#)

161. **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 homeowners coverage is placed with Nobel. 5% credit applies second yr.
- Eff. 6-1-99

162. **Teachers Insurance Company**

- Amount of insurance deviation based on Coverage A amount & territory: Form ML-3 & Masters Program: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- 2% credit on Form 3 if insured 100% to value with Inflation Guard Endorsement attached.
- New Home Credit: 0 - 10 yrs. of age: Form 3 & Masters Program: Credit varies 2% - 10%.
- Territorial Deviations for tenant and Condominium Base Rates 8%.
- Waive \$3.00 installment fee on each installment except the initial down payment for Forms 3, 4, 6 and Masters Program.
- Deductible Credits for Form 3 and Masters Program: Ded credit varies.
- Auto/Home Client Discount: Form 3 & Master Program: Variable credit when criteria are met.
- Deductible Credits: Form ML 4 & 6.
- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement - Increased Limits.
- Coverage A Options - Form 6 - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others.
- Private Structures rented to Others.
- Coverage Amount Deviations for Forms 4 & 6: Deviations vary.
- Masters Program: Deviation by Credit Rating Tier
- Eff. 8/1/05 PC082795 [Filing Detail](#)

163. **Travelers Casualty & Surety Company**

- Base Rate Deviation for Dwellings.
- Base Rate Deviation Condos: Credit varies.
- Coverage A Relativities forms HO 2 and HO 3.
- Coverage A Relativities form HE 7.
- Protective Device Deviation: Credits vary.
- Deductible Credits: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C:
- Personal Property - Refrigerated Personal Property.
- Account Credit.
- Loss Free Customer Credit
- Installment Payment Plan.
- Safety Seminar Credit: Certain criteria apply.
- Coverage C Relativity Curve – HO-6 Credit varies.
- Home Buyer credit.
- HE-7 Factor Deviation.
- Protective Devices.
- Eff 9-21-08 PC118028 [North Carolina Department of Insurance](#)

164. **Travelers Indemnity Company**

- Protective Device Deviation: Credit varies.
- Deductible Credits all forms: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C.
- Personal Property - Refrigerated Personal Property.
- Account Credit.
- Safety Seminar Credit: Certain criteria apply.
- Home Buyer Credit
- HE-7 Factor Deviation.
- Installment Payments.
- Eff 9-21-08 PC118025 [North Carolina Department of Insurance](#)

165. Travelers Indemnity Company of America

- Base Rate Deviation Dwellings.
- Base Rate Deviation Condos.
- Coverage A Relativities forms HO 2, HO 3.
- Coverage A Relativities form HE 7.
- Protection Device Deviation: Credit varies
- Deductible Credits: Varies by amount of deductible and coverage amount.
- Personal Property - Increased Limit Coverage C:
- Personal Property - Refrigerated Personal Property.
- Account Credit.
- Loss Free Customer Credit
- Multi-Line Insurance & Financial Services Institution Employees Credit
- Final Premium Adjustment factor.
- Safety Seminar Credit.
- Royal SunAlliance Employee Program Credit
- Coverage C Relativity Curve – HO-6 Credit Varies.
- Home Buyer credit.
- HE-7 Factor Deviation.
- Installment Payments.
- Eff 9-21-08 PC118030 [North Carolina Department of Insurance](#)

166. 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

167. 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 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3w/15, 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 [North Carolina Department of Insurance](#)

168. Travelers Personal Security Insurance Company

- Base rate deviation is for dwelling only. Credit varies.
- Coverage A Relativities based on Coverage A amount & territory forms HO 2 and HO 3.
- Protective Device Deviation: Credit varies
- Deductible Credits all forms: Varies by amount of deductible.
- Personal Property - Increased Limit Coverage C.
- Refrigerated Personal Property.
- Account Credit.
- Loss Free Customer Credit.
- Multi-Line Insurance and Financial Services Institution Employees Credit
- Final Premium Adjustment factor.
- Safety Seminar Credit: Certain criteria apply.
- Royal SunAlliance Employee Program Credit.

- Home Buyer Credit.
- HE-7 Factor Deviation.
- Installment Payment Plan.
- Eff 6-9-08 PC115294 [North Carolina Department of Insurance](#)

169. Twin City Fire Insurance Company

- Age of Dwelling Credit for all territories except 5, 6, 41, 42, and 43.
- Account Credit for all territories.
- Retiree Credit, named insured is age 50 or older.
- Limited Access Credit-Forms HO 00 04 and HO 00 06 is protected 24 hours a day.
- Product Factor- Forms HO 00 04 and HO 00 06.
- Retirement community/Limited Access community Credit.
- Key Factor for Premier, CCRL and Elite.
- Eff. 6-3-08 PC115025 [North Carolina Department of Insurance](#)

170. 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

171. 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

172. United Services Automobile Association

- Year of Construction – Newly constructed Dwellings.
- Personal Property-Additional Coverage Jewelry and Furs
- Personal Property – Increased Limit
- Base premium Computation HO 00 06 by territory/county
- Deviation by Territory/County – Form HO 00 03
- Sinkhole collapse Coverage
- Installment Payment Plan, no charge
- Protective Device
- Deductibles (Form HO 00 03)
- Ordinance or Law-all Forms and Rule 513. Ordinance or Law Increased Amount of Coverage – HO 00 06
- Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Refrigerated Personal Property
- Other Structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43 (form HO 00 03)
- Tier Discount, Form HO 00 03 and HO 00 06.

- Base Premium computation, Protection/construction factors.
- Eff:9-1-07 PC104506 [North Carolina Department of Insurance](#)

173. 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, 3w15 & 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 [North Carolina Department of Insurance](#)

174. 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

175. Unitrin Auto and Home Insurance Company

- Territorial Deviations, Rule A10.A., Pricing Levels A thru S Only, All Forms
- Price Level Deviation, Rule A10.A, HO 00 03, HO 00 05.
- Price Level Deviation HO 00 04.
- Price Level Deviation HO 00 06.
- Mature Homeowners Credit, Rule A10.B, Pricing Levels A thru S.
- Consumer Loyalty Credit, Rule A10.A, HO 00 03, HO 00 04, HO 00 05, HO 00 06, and HE 00 07
- Personal Property (Coverage C) Replacement Cost Coverage, HO 00 03, HO 00 05, Price Levels A thru S
- Optional Higher Deductibles, Rule A10.A (Rule 406) All Forms except HO 00 04 and HO 00 06, Price Levels A thru S.
- New Home Discount, Rule A10.C, HO 00 03, HO 00 05 or HE 00 07, Pricing Levels A thru S.
- Credit Card, Fund Transfer Card Forgery and Counterfeit Money, Rule A10.A (Rule 504.), Package Plus Only.
- Outboard Motors and Watercraft, Rule A10.A (Rule 612), Package Plus.
- Personal Injury, Rule A10.A, (Rule 610.), Package Plus.
- Blanket Property Limit Rule, Rule A10.A, Package Plus, One or Two family residences.
- Special Personal Property Coverage-HO 00 06, Rule A10.A (Rule 304.).
- Refrigerated Property, Rule A10A., (Rule 515.), Package Plus
- Ordinance or Law Coverage-HO 00 03-Package Plus, Rule A10A. (Rule 303.) and HO 00 05
- Network Discount
- HE 00 07 Policy Factors, Rule A10.A, Pricing Levels A thru S
- Deferred Premium Payment Plans, Rule A10.A (Rule 22), Electronic Funds Transfer (EFT), no charge for installments
- Personal Property, Rule A10.A (Rule 515), Pricing Levels A thru Z, Package Plus
- Amount of Insurance Factor, HO 00 03
- Protective Devices, Rule A10.C (Rule 404.)
- Price Level Deviation HO 00 07.
- Coastal Wind Credit.
- Eff 7-1-08 PC116493 [North Carolina Department of Insurance](#)

176. USAA CASUALTY INSURANCE COMPANY

- Year of Construction-Newly Constructed Dwelling
- Personal Property-Additional Coverage - Jewelry and Furs
- Personal Property - Increased Limit
- Base Premium Computation (FORM HO 00 06) by Territory/County
- Base Premium Computation HO 00 03 by territory/county
- Sinkhole collapse Coverage
- Installment Payment Plan, no charge
- Protective Device
- Deductibles (Form HO 00 03)

- Ordinance or Law Coverages
- Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Refrigerated Personal Property
- Other Structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43
- Tier Discount form HO 00 03 and HO 00 06.
- Protection Construction Factors.
- Eff: 9-1-07 PC104507 [North Carolina Department of Insurance](#)

177. **USAA General Indemnity Company**

- New Home Discount
- Personal Property-additional Coverage Jewelry and Furs
- Personal Property – Increased Limit
- Base premium Computation HO 00 06 by territory/county
- Base Premium Computation HO 00 03 by territory/county
- Sinkhole collapse Coverage
- Installment Payment Plan, no charge
- Protective Device
- Deductibles (Form HO 00 03)
- Ordinance or Law-all Forms and Rule 513. Ordinance or Law Increased Amount of coverage – HO 00 06
- Coverage A Dwelling Basic and Increased Limits and Special Coverage- HO 00 06.
- Refrigerated Personal Property
- Other Structures
- Windstorm or Hail Exclusion – Territories 05, 06, 42, and 43
- Tier Discount, form HO 00 03 and HO 00 06.
- Protection Construction Factors.
- Eff: 9-1-07 PC104508 [North Carolina Department of Insurance](#)

178. **Utica Mutual Insurance Company**

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group
- HO Extension Package: Certain criteria apply.
- Personal Lines Account Credit.
- Territorial/Company deviation.
- Protection Class deviation.
- Eff: 8-1-07 PC103505 [North Carolina Department of Insurance](#)

179. **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

180. **Vigilant Insurance Company.**

- Discount on base premium for forms HO 00 04 and HO 00 06.
- Base rate discount by territory with exceptions for forms HO 00 02 and HO 00 03, HO 00 05 and HE 00 07.
- Protective Devices maximum credit is deleted
- Optional Higher Deductibles for forms HO 00 04 and HO 00 06.
- 5% Hurricane deductible

- Additional Amounts of Insurance discount
- Gated Community credit when criteria is met.
- Valuable Articles Credit
- Eff. 5-1-07 PC102230 [North Carolina Department of Insurance](#)

181. **West American Insurance Company**

- Water Craft Liability Rates: below NCRB for powerboats; below NCRB for sailboats.
- FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: to qualifying employees insured in the West American Insurance
- Eff.12-1-05 PC082801 [Filing Detail](#)

182. **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

183. **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

<u>Year</u>	<u>Written Premium Of Companies W/Deviations</u>	<u>Percentage Of Written Premiums Of Companies W/Deviations To Total Written Premiums</u>	<u>Deviations</u>		
			<u>Amount Of Deviations</u>	<u>Average Percentage Of Deviation For Deviating Companies</u>	<u>Average Percentage Of Deviations For All Companies</u>
2001	1,141,851,610	98.85%	258,378,158	22.63%	22.37%
2002	1,223,363,071	98.36%	233,780,561	19.11%	18.79%
* 2003	1,338,923,612	97.59%	247,060,041	18.45%	18.01%
* 2004	1,382,812,343	95.26%	222,625,975	16.10%	15.34%
*2005	1,389,627,903	92.09%	190,011,640	13.67%	12.59%

Source: NCRB Special Call - Homeowners Expense Experience

* 2003, 2004 & 2005

we started collecting standard & consent to rate numbers for Homeowners
(prior to 2003 the Expense Experience submission included both numbers, company supplied a total not a breakdown)
Total WP consist of Standard business adjusted to manual plus consent to rate actual rate (same as in the prior years).

Companies Paying Homeowners Insurance Dividends

2001

UNITED SERVICES AUTOMOBILE
ASSOC Amica Ins Co
Metropolitan Property & Casualty
Affiliated FM Ins Co
Pharmacist Mutual

2002

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Affiliated FM Ins Co
Pharmacist Mutual

2003

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Affiliated FM Ins Co
Pharmacist Mutual

2004

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Metropolitan Property & Casualty
Affiliated FM Ins Co

2005

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Metropolitan Property & Casualty
Affiliated FM Ins Co

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</u>	<u>Dividends</u>	<u>Percentage Of Dividends of Companies w/Dividends</u>	<u>Overall Percentage of Dividends</u>
2001	40,598,914	4.16%	3,333,389	8.21%	0.34%
2002	38,109,016	3.56%	3,828,967	10.05%	0.36%
2003	43,195,071	3.56%	5,185,014	12.00%	0.43%
2004	60,638,813	4.58%	5,261,191	8.68%	0.40%
2005	68,555,896	4.83%	5,648,108	8.24%	0.40%

E-256

Source: Annual Statements, Page 14

NORTH CAROLINA
HOMEOWNERS INSURANCE

The data required by 11 NCAC 10.1105(1)(i)(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)(l) provides incurred 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 prefiled testimony of R. Curry and S. Thomas.

Year	(iii)	(iv)	
	Applied Loss Development Factor	Loss Adjustment Expense Percentage	
2001	1.000	15.7%	
2002	.998	14.2%	
2003	.998	12.0%	
2004	.999	15.4%	
2005	1.017	13.2%	

Year	(v)		
	Applied Loss Trend Factor Owners' Forms	Applied Loss Trend Factor Tenant Form	Applied Loss Trend Factor Condo Unit Form
2001	1.103	1.006	1.006
2002	1.126	1.009	1.009
2003	1.149	1.016	1.016
2004	1.172	1.013	1.013
2005	1.197	1.009	1.009

Year	Trended Incurred Losses and LAE Owners' Forms	Trended Incurred Losses and LAE Tenant Form	Trended Incurred Losses and LAE Condo Unit Form
2001	\$688,263,096	\$ 11,706,786	\$ 5,604,266
2002	910,361,575	11,662,554	4,949,611
2003	798,773,705	11,015,627	5,131,767
2004	843,779,754	8,897,775	6,342,665
2005	871,882,420	8,621,586	5,537,238

(vii) This information is given in the response to 11 NCAC 10.1105(1), page E-5.

See prefiled testimony of R. Curry, S. Thomas and D. LaLonde.

NORTH CAROLINA
HOMEOWNERS INSURANCE

CAUSE OF LOSS DATA

Loss experience by cause of loss is provided on the attached Exhibit (1)(1).

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred losses</u>	<u>incurred claims</u>	<u>pure-premium</u>	<u>frequency per 100</u>	<u>average loss</u>
owners	05	fire, lightning and removal	2001	347,942	82	33.92	0.80	4,243
			2002	329,573	89	35.34	0.95	3,703
			2003	578,314	63	68.96	0.75	9,180
			2004	423,265	88	42.83	0.89	4,810
			2005	1,460,141	90	134.64	0.83	16,224
		wind and hail	2001	22,903	16	2.23	0.16	1,431
			2002	83,548	45	8.96	0.48	1,857
			2003	3,253,809	957	388	11.41	3,400
			2004	1,074,034	246	108.67	2.49	4,366
			2005	1,993,810	299	183.85	2.76	6,668
		water damage and freezing	2001	592,119	150	57.73	1.46	3,947
			2002	676,591	132	72.54	1.42	5,126
			2003	893,228	176	106.51	2.10	5,075
			2004	752,892	109	76.18	1.10	6,907
			2005	1,353,819	136	124.83	1.25	9,955
		theft	2001	98,937	64	9.65	0.62	1,546
			2002	90,763	58	9.73	0.62	1,565
			2003	54,651	20	6.52	0.24	2,733
			2004	53,430	34	5.41	0.34	1,571
			2005	45,952	30	4.24	0.28	1,532
		other physical damage	2001	128,204	62	12.5	0.60	2,068
			2002	116,059	68	12.44	0.73	1,707
			2003	148,854	208	17.75	2.48	716
			2004	218,352	53	22.09	0.54	4,120
			2005	83,520	41	7.7	0.38	2,037
		liability	2001	103,640	6	10.1	0.06	17,273
			2002	509,768	10	54.66	0.11	50,977
			2003	48,006	4	5.72	0.05	12,002
			2004	224,601	6	22.73	0.06	37,434
			2005	9,377	4	0.86	0.04	2,344
		med. pay.	2001	9,952	9	0.97	0.09	1,106
			2002	7,941	5	0.85	0.05	1,588
2003	16,387		8	1.95	0.10	2,048		
2004	5,614		6	0.57	0.06	936		
2005	4,395		3	0.41	0.03	1,465		
total	2001	1,303,697	389	127.1	3.79	3,351		
	2002	1,814,243	407	194.52	4.36	4,458		
	2003	4,993,249	1,436	595.43	17.12	3,477		
	2004	2,752,188	542	278.48	5.48	5,078		
	2005	4,951,014	603	456.53	5.56	8,211		

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred losses</u>	<u>incurred claims</u>	<u>pure-premium</u>	<u>frequency per 100</u>	<u>average loss</u>
owners	06	fire, lightning and removal	2001	240,431	85	35.45	1.25	2,829
			2002	615,100	53	92.16	0.79	11,606
			2003	330,333	33	51.67	0.52	10,010
			2004	2,149,319	59	304.74	0.84	36,429
			2005	1,938,366	48	250.47	0.62	40,383
		wind and hail	2001	72,716	25	10.72	0.37	2,909
			2002	28,897	15	4.33	0.22	1,926
			2003	118,721	42	18.57	0.66	2,827
			2004	961,753	333	136.36	4.72	2,888
			2005	1,727,777	324	223.26	4.19	5,333
		water damage and freezing	2001	268,981	73	39.66	1.08	3,685
			2002	506,101	70	75.83	1.05	7,230
			2003	760,985	72	119.03	1.13	10,569
			2004	726,496	73	103.01	1.04	9,952
			2005	402,113	66	51.96	0.85	6,093
		theft	2001	78,922	46	11.64	0.68	1,716
			2002	79,854	36	11.96	0.54	2,218
			2003	35,396	27	5.54	0.42	1,311
			2004	72,682	27	10.31	0.38	2,692
			2005	16,915	16	2.19	0.21	1,057
		other physical damage	2001	83,576	41	12.32	0.60	2,038
			2002	69,418	19	10.4	0.28	3,654
			2003	61,408	20	9.61	0.31	3,070
			2004	88,641	30	12.57	0.43	2,955
			2005	373,187	37	48.22	0.48	10,086
		liability	2001	11,701	7	1.73	0.10	1,672
			2002	38,465	3	5.76	0.04	12,822
			2003	102,996	2	16.11	0.03	51,498
			2004	5,334	4	0.76	0.06	1,334
			2005	1,016	1	0.13	0.01	1,016
		med. pay.	2001	8,452	9	1.25	0.13	939
			2002	1,996	2	0.3	0.03	998
			2003	1,940	2	0.3	0.03	970
			2004	2,919	2	0.41	0.03	1,460
			2005	4,067	2	0.53	0.03	2,034
		total	2001	764,779	286	112.77	4.22	2,674
			2002	1,339,831	198	200.75	2.97	6,767
			2003	1,411,779	198	220.83	3.10	7,130
			2004	4,007,144	528	568.15	7.49	7,589
			2005	4,463,441	494	576.75	6.38	9,035

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 32	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	9,135,091	1,138	95.62	1.19	8,027
			2002	11,042,174	1,255	113.81	1.29	8,799
			2003	7,265,540	778	75.32	0.81	9,339
			2004	13,652,114	633	140.12	0.65	21,567
			2005	9,321,721	762	92.43	0.76	12,233
		wind and hail	2001	860,193	517	9	0.54	1,664
			2002	3,460,308	1,745	35.67	1.80	1,983
			2003	4,535,468	1,718	47.02	1.78	2,640
			2004	1,067,687	452	10.96	0.46	2,362
			2005	757,161	273	7.51	0.27	2,773
		water damage and freezing	2001	7,391,891	2,382	77.37	2.49	3,103
			2002	13,532,879	4,045	139.49	4.17	3,346
			2003	7,692,543	1,640	79.75	1.70	4,691
			2004	8,172,748	1,637	83.88	1.68	4,993
			2005	7,190,264	1,373	71.3	1.36	5,237
		theft	2001	2,286,743	1,331	23.94	1.39	1,718
			2002	2,095,215	1,066	21.6	1.10	1,965
			2003	1,724,973	800	17.88	0.83	2,156
			2004	1,522,041	707	15.62	0.73	2,153
			2005	1,708,284	645	16.94	0.64	2,649
		other physical damage	2001	1,964,506	806	20.56	0.84	2,437
			2002	19,855,234	11,294	204.65	11.64	1,758
			2003	1,900,768	647	19.71	0.67	2,938
			2004	12,019,292	491	123.36	0.50	24,479
			2005	1,651,365	466	16.37	0.46	3,544
		liability	2001	822,694	112	8.61	0.12	7,345
			2002	784,580	103	8.09	0.11	7,617
			2003	1,222,352	87	12.67	0.09	14,050
			2004	545,582	75	5.6	0.08	7,274
			2005	503,992	64	5	0.06	7,875
		credit card	2001	8,772	5	0.09	0.01	1,754
			2002	20,543	5	0.21	0.01	4,109
			2003	12,376	2	0.13	0.00	6,188
			2004	2,689	1	0.03	0.00	2,689
			2005	19,569	7	0.19	0.01	2,796
		med. pay.	2001	48,859	47	0.51	0.05	1,040
			2002	46,826	39	0.48	0.04	1,201
			2003	48,743	44	0.51	0.05	1,108
			2004	41,561	30	0.43	0.03	1,385
			2005	29,059	29	0.29	0.03	1,002
		total	2001	22,518,749	6,325	235.71	6.62	3,560
			2002	50,837,759	19,527	524	20.13	2,603
			2003	24,402,764	5,724	252.99	5.93	4,263
			2004	37,023,714	4,038	379.99	4.14	9,169
			2005	21,181,416	3,622	210.03	3.59	5,848

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 34	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	8,199,088	1,348	167.85	2.76	6,082
			2002	5,293,178	1,038	109.71	2.15	5,099
			2003	5,213,351	1,067	105.8	2.17	4,886
			2004	5,989,533	594	117.97	1.17	10,083
			2005	6,517,646	683	123.49	1.29	9,543
		wind and hail	2001	1,368,515	910	28.02	1.86	1,504
			2002	1,296,596	624	26.87	1.29	2,078
			2003	2,355,381	1,323	47.8	2.68	1,780
			2004	2,017,991	1,060	39.75	2.09	1,904
			2005	1,125,055	574	21.32	1.09	1,960
		water damage and freezing	2001	2,009,858	940	41.15	1.92	2,138
			2002	3,218,065	1,092	66.7	2.26	2,947
			2003	2,461,060	751	49.94	1.52	3,277
			2004	2,229,430	664	43.91	1.31	3,358
			2005	2,361,432	576	44.74	1.09	4,100
		theft	2001	1,638,396	853	33.54	1.75	1,921
			2002	1,341,642	743	27.81	1.54	1,806
			2003	1,192,942	598	24.21	1.21	1,995
			2004	1,443,180	619	28.43	1.22	2,331
			2005	1,441,823	657	27.32	1.24	2,195
		other physical damage	2001	727,398	406	14.89	0.83	1,792
			2002	1,382,418	856	28.65	1.77	1,615
			2003	875,142	417	17.76	0.85	2,099
			2004	726,170	337	14.3	0.66	2,155
			2005	755,229	334	14.31	0.63	2,261
		liability	2001	339,587	55	6.95	0.11	6,174
			2002	147,182	61	3.05	0.13	2,413
			2003	410,893	41	8.34	0.08	10,022
			2004	332,563	47	6.55	0.09	7,076
			2005	55,329	29	1.05	0.05	1,908
		credit card	2001	83,032	4	1.7	0.01	20,758
			2002	14,821	4	0.31	0.01	3,705
			2003	7,206	3	0.15	0.01	2,402
			2004	1,998	2	0.04	0.00	999
			2005	3,610	2	0.07	0.00	1,805
		med. pay.	2001	27,385	30	0.56	0.06	913
			2002	25,712	29	0.53	0.06	887
			2003	20,727	20	0.42	0.04	1,036
			2004	17,687	18	0.35	0.04	983
			2005	12,903	8	0.24	0.02	1,613
		total	2001	14,393,259	4,546	294.65	9.31	3,166
			2002	12,719,614	4,447	263.64	9.22	2,860
			2003	12,536,702	4,220	254.42	8.56	2,971
			2004	12,758,552	3,341	251.3	6.58	3,819
			2005	12,273,027	2,863	232.54	5.42	4,287

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 36	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	7,746,905	998	83.4	1.07	7,762
			2002	11,724,429	1,145	129.79	1.27	10,240
			2003	7,681,375	900	88.8	1.04	8,535
			2004	8,531,585	631	98.79	0.73	13,521
			2005	12,136,038	657	136.4	0.74	18,472
		wind and hail	2001	2,936,714	1,352	31.61	1.46	2,172
			2002	2,584,406	1,350	28.61	1.49	1,914
			2003	2,796,768	1,329	32.33	1.54	2,104
			2004	3,456,306	1,507	40.02	1.74	2,294
			2005	1,668,444	554	18.75	0.62	3,012
		water damage and freezing	2001	6,545,347	2,148	70.46	2.31	3,047
			2002	7,278,215	2,703	80.57	2.99	2,693
			2003	6,520,694	2,085	75.38	2.41	3,127
			2004	5,569,667	1,402	64.49	1.62	3,973
			2005	6,735,345	1,323	75.7	1.49	5,091
		theft	2001	2,342,061	1,389	25.21	1.50	1,686
			2002	1,829,104	1,094	20.25	1.21	1,672
			2003	1,849,943	972	21.39	1.12	1,903
			2004	1,620,699	870	18.77	1.01	1,863
			2005	1,876,328	902	21.09	1.01	2,080
		other physical damage	2001	2,001,864	879	21.55	0.95	2,277
			2002	5,276,858	2,773	58.41	3.07	1,903
			2003	5,063,984	2,797	58.54	3.23	1,811
			2004	1,734,715	588	20.09	0.68	2,950
			2005	1,553,851	588	17.46	0.66	2,643
		liability	2001	645,196	132	6.95	0.14	4,888
			2002	404,184	108	4.47	0.12	3,742
			2003	721,912	107	8.35	0.12	6,747
			2004	390,885	71	4.53	0.08	5,505
			2005	301,101	74	3.38	0.08	4,069
		credit card	2001	2,782	5	0.03	0.01	556
			2002	12,821	6	0.14	0.01	2,137
			2003	14,100	2	0.16	0.00	7,050
			2004	7,119	6	0.08	0.01	1,187
			2005	2,857	2	0.03	0.00	1,429
		med. pay.	2001	60,467	64	0.65	0.07	945
			2002	68,460	65	0.76	0.07	1,053
			2003	45,198	43	0.52	0.05	1,051
			2004	22,852	22	0.26	0.03	1,039
			2005	50,664	38	0.57	0.04	1,333
		total	2001	22,281,337	6,950	239.86	7.48	3,206
			2002	29,178,477	9,243	323.01	10.23	3,157
			2003	24,693,974	8,224	285.47	9.51	3,003
			2004	21,333,829	5,094	247.03	5.90	4,188
			2005	24,324,628	4,143	273.4	4.66	5,871

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred losses</u>	<u>incurred claims</u>	<u>pure-premium</u>	<u>frequency per 100</u>	<u>average loss</u>
owners	38	fire, lightning and removal	2001	7,244,634	803	71.45	0.79	9,022
			2002	8,267,058	1,165	80.09	1.13	7,096
			2003	8,820,286	896	81.36	0.83	9,844
			2004	9,720,947	678	84.62	0.59	14,338
			2005	8,347,912	998	71.59	0.86	8,365
		wind and hail	2001	1,617,114	845	15.95	0.83	1,914
			2002	3,583,020	1,787	34.71	1.73	2,005
			2003	4,608,400	1,474	42.51	1.36	3,126
			2004	5,787,335	2,032	50.38	1.77	2,848
			2005	2,151,624	897	18.45	0.77	2,399
		water damage and freezing	2001	7,464,679	2,749	73.62	2.71	2,715
			2002	11,288,114	3,435	109.36	3.33	3,286
			2003	8,882,173	2,404	81.93	2.22	3,695
			2004	7,498,914	1,899	65.27	1.65	3,949
			2005	7,788,769	1,833	66.8	1.57	4,249
		theft	2001	3,860,284	1,839	38.07	1.81	2,099
			2002	3,600,726	1,736	34.88	1.68	2,074
			2003	3,617,295	1,635	33.36	1.51	2,212
			2004	3,800,018	1,765	33.08	1.54	2,153
			2005	4,234,199	1,697	36.31	1.46	2,495
		other physical damage	2001	2,874,123	1,076	28.35	1.06	2,671
			2002	10,925,392	6,226	105.85	6.03	1,755
			2003	2,384,084	1,053	21.99	0.97	2,264
			2004	2,925,731	1,053	25.47	0.92	2,778
			2005	1,889,711	747	16.21	0.64	2,530
		liability	2001	478,990	114	4.72	0.11	4,202
			2002	649,458	123	6.29	0.12	5,280
			2003	412,051	84	3.8	0.08	4,905
			2004	800,797	96	6.97	0.08	8,342
			2005	484,417	79	4.15	0.07	6,132
		credit card	2001	148,548	10	1.47	0.01	14,855
			2002	26,573	5	0.26	0.00	5,315
			2003	51,840	5	0.48	0.00	10,368
			2004	6,887	4	0.06	0.00	1,722
			2005	116,761	6	1	0.01	19,460
med. pay.	2001	62,151	61	0.61	0.06	1,019		
	2002	54,393	50	0.53	0.05	1,088		
	2003	57,726	42	0.53	0.04	1,374		
	2004	59,095	62	0.51	0.05	953		
	2005	42,498	38	0.36	0.03	1,118		
total	2001	23,750,524	7,490	234.23	7.39	3,171		
	2002	38,394,734	14,522	371.97	14.07	2,644		
	2003	28,833,855	7,590	265.95	7.00	3,799		
	2004	30,599,724	7,596	266.35	6.61	4,028		
	2005	25,055,890	6,297	214.87	5.40	3,979		

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 39	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	11,226,536	1,290	100.66	1.16	8,703
			2002	10,984,740	1,509	96.43	1.32	7,279
			2003	9,568,727	1,599	81.45	1.36	5,984
			2004	11,870,960	934	97.15	0.76	12,710
			2005	11,673,065	1,231	88.49	0.93	9,483
		wind and hail	2001	1,907,019	1,014	17.1	0.91	1,881
			2002	3,592,136	1,729	31.53	1.52	2,078
			2003	9,818,831	3,182	83.58	2.71	3,086
			2004	7,349,403	2,936	60.14	2.40	2,503
			2005	2,824,743	1,135	21.41	0.86	2,489
		water damage and freezing	2001	6,468,863	2,379	58	2.13	2,719
			2002	8,292,025	3,187	72.79	2.80	2,602
			2003	7,472,294	2,215	63.6	1.89	3,373
			2004	6,375,745	1,698	52.18	1.39	3,755
			2005	7,685,336	1,677	58.26	1.27	4,583
		theft	2001	2,701,829	1,486	24.22	1.33	1,818
			2002	2,755,308	1,386	24.19	1.22	1,988
			2003	2,390,318	1,156	20.35	0.98	2,068
			2004	2,338,966	1,088	19.14	0.89	2,150
			2005	2,186,469	1,029	16.58	0.78	2,125
		other physical damage	2001	2,336,095	1,034	20.95	0.93	2,259
			2002	7,546,728	4,552	66.25	4.00	1,658
			2003	2,315,748	942	19.71	0.80	2,458
			2004	2,192,439	836	17.94	0.68	2,623
			2005	1,821,567	700	13.81	0.53	2,602
		liability	2001	1,048,610	160	9.4	0.14	6,554
			2002	653,152	151	5.73	0.13	4,326
			2003	722,072	95	6.15	0.08	7,601
			2004	684,140	102	5.6	0.08	6,707
			2005	652,066	114	4.94	0.09	5,720
		credit card	2001	62,222	21	0.56	0.02	2,963
			2002	21,785	18	0.19	0.02	1,210
			2003	19,961	9	0.17	0.01	2,218
			2004	19,076	10	0.16	0.01	1,908
			2005	6,624	6	0.05	0.00	1,104
		med. pay.	2001	110,436	92	0.99	0.08	1,200
			2002	84,201	76	0.74	0.07	1,108
			2003	102,701	74	0.87	0.06	1,388
			2004	91,352	69	0.75	0.06	1,324
			2005	56,027	50	0.42	0.04	1,121
		total	2001	25,861,611	7,487	231.87	6.71	3,454
			2002	33,930,075	12,616	297.86	11.08	2,689
			2003	32,410,651	9,287	275.87	7.90	3,490
			2004	30,922,080	7,667	253.05	6.27	4,033
			2005	26,905,897	5,940	203.97	4.50	4,530

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 41	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	5,247,477	654	226.95	2.83	8,024
			2002	7,132,777	560	313.28	2.46	12,737
			2003	5,678,589	486	248.35	2.13	11,684
			2004	4,574,886	400	196.54	1.72	11,437
			2005	4,450,658	287	188.52	1.22	15,508
		wind and hail	2001	502,991	319	21.75	1.38	1,577
			2002	438,718	242	19.27	1.06	1,813
			2003	4,472,648	1,438	195.61	6.29	3,110
			2004	1,818,888	831	78.14	3.57	2,189
			2005	1,085,998	417	46	1.77	2,604
		water damage and freezing	2001	669,379	298	28.95	1.29	2,246
			2002	984,185	397	43.23	1.74	2,479
			2003	945,734	302	41.36	1.32	3,132
			2004	1,269,992	421	54.56	1.81	3,017
			2005	981,259	183	41.56	0.78	5,362
		theft	2001	771,785	456	33.38	1.97	1,693
			2002	671,245	398	29.48	1.75	1,687
			2003	684,359	366	29.93	1.60	1,870
			2004	586,698	279	25.21	1.20	2,103
			2005	599,697	264	25.4	1.12	2,272
		other physical damage	2001	283,235	162	12.25	0.70	1,748
			2002	614,783	243	27	1.07	2,530
			2003	348,891	136	15.26	0.59	2,565
			2004	697,802	382	29.98	1.64	1,827
			2005	222,105	97	9.41	0.41	2,290
		liability	2001	338,720	22	14.65	0.10	15,396
			2002	142,567	22	6.26	0.10	6,480
			2003	80,973	26	3.54	0.11	3,114
			2004	204,005	63	8.76	0.27	3,238
			2005	98,008	13	4.15	0.06	7,539
		credit card	2001	17,000	3	0.74	0.01	5,667
			2002	204,257	5	8.97	0.02	40,851
			2003	7,585	2	0.33	0.01	3,793
			2004	2,543	4	0.11	0.02	636
			2005	13,115	4	0.56	0.02	3,279
		med. pay.	2001	25,393	19	1.1	0.08	1,336
			2002	20,555	22	0.9	0.10	934
			2003	35,451	27	1.55	0.12	1,313
			2004	22,881	20	0.98	0.09	1,144
			2005	19,653	16	0.83	0.07	1,228
		total	2001	7,855,980	1,933	339.76	8.36	4,064
			2002	10,209,087	1,889	448.4	8.30	5,404
			2003	12,254,230	2,783	535.94	12.17	4,403
			2004	9,177,695	2,400	394.28	10.31	3,824
			2005	7,470,493	1,281	316.44	5.43	5,832

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 42	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	8,811,139	1,095	133.72	1.66	8,047
			2002	5,326,296	840	87.17	1.37	6,341
			2003	5,792,762	679	98.75	1.16	8,531
			2004	7,696,883	843	117.42	1.29	9,130
			2005	4,517,606	662	55.95	0.82	6,824
		wind and hail	2001	481,226	292	7.3	0.44	1,648
			2002	385,791	170	6.31	0.28	2,269
			2003	2,916,437	990	49.72	1.69	2,946
			2004	6,386,556	2,167	97.43	3.31	2,947
			2005	4,960,258	1,553	61.43	1.92	3,194
		water damage and freezing	2001	3,830,443	983	58.13	1.49	3,897
			2002	3,194,493	923	52.28	1.51	3,461
			2003	2,770,229	749	47.23	1.28	3,699
			2004	3,804,886	828	58.05	1.26	4,595
			2005	4,306,402	910	53.33	1.13	4,732
		theft	2001	1,350,537	726	20.5	1.10	1,860
			2002	1,154,007	570	18.89	0.93	2,025
			2003	902,615	452	15.39	0.77	1,997
			2004	824,755	449	12.58	0.68	1,837
			2005	828,767	416	10.26	0.52	1,992
		other physical damage	2001	952,577	424	14.46	0.64	2,247
			2002	987,396	356	16.16	0.58	2,774
			2003	619,669	284	10.56	0.48	2,182
			2004	874,343	369	13.34	0.56	2,369
			2005	855,986	371	10.6	0.46	2,307
		liability	2001	806,634	72	12.24	0.11	11,203
			2002	455,941	66	7.46	0.11	6,908
			2003	233,211	54	3.98	0.09	4,319
			2004	511,221	56	7.8	0.09	9,129
			2005	239,714	56	2.97	0.07	4,281
			2002	998	1	0.02	0.00	998
			2004	5,652	3	0.09	0.00	1,884
			2005	6,906	5	0.09	0.01	1,381
		med. pay.	2001	57,996	61	0.88	0.09	951
			2002	51,460	50	0.84	0.08	1,029
			2003	27,387	33	0.47	0.06	830
			2004	54,761	45	0.84	0.07	1,217
			2005	35,612	28	0.44	0.03	1,272
		total	2001	16,290,552	3,653	247.24	5.54	4,459
			2002	11,556,382	2,976	189.14	4.87	3,883
			2003	13,262,310	3,241	226.1	5.53	4,092
			2004	20,159,057	4,760	307.54	7.26	4,235
			2005	15,751,251	4,001	195.06	4.95	3,937

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred losses</u>	<u>incurred claims</u>	<u>pure-premium</u>	<u>frequency per 100</u>	<u>average loss</u>
owners	43	fire, lightning and removal	2001	5,344,467	952	86.37	1.54	5,614
			2002	6,247,917	1,123	104.52	1.88	5,564
			2003	5,149,556	893	88.67	1.54	5,767
			2004	5,233,783	738	89.49	1.26	7,092
			2005	5,992,795	637	97.66	1.04	9,408
		wind and hail	2001	877,077	404	14.17	0.65	2,171
			2002	924,116	489	15.46	0.82	1,890
			2003	83,695,418	16,869	1441.19	29.05	4,961
			2004	2,873,042	1,064	49.13	1.82	2,700
			2005	8,459,518	2,246	137.86	3.66	3,766
		water damage and freezing	2001	2,704,370	889	43.7	1.44	3,042
			2002	2,530,642	990	42.33	1.66	2,556
			2003	4,368,952	1,124	75.23	1.94	3,887
			2004	2,955,234	765	50.53	1.31	3,863
			2005	3,122,448	687	50.88	1.12	4,545
		theft	2001	612,996	365	9.91	0.59	1,679
			2002	625,361	389	10.46	0.65	1,608
			2003	791,362	373	13.63	0.64	2,122
			2004	654,756	278	11.2	0.48	2,355
			2005	649,272	227	10.58	0.37	2,860
		other physical damage	2001	983,136	441	15.89	0.71	2,229
			2002	1,166,286	417	19.51	0.70	2,797
			2003	1,971,348	2,673	33.95	4.60	738
			2004	1,626,853	362	27.82	0.62	4,494
			2005	1,114,831	412	18.17	0.67	2,706
		liability	2001	938,914	92	15.17	0.15	10,206
			2002	744,102	70	12.45	0.12	10,630
			2003	394,425	68	6.79	0.12	5,800
			2004	421,347	63	7.2	0.11	6,688
			2005	233,534	51	3.81	0.08	4,579
		credit card	2001	9,979	11	0.16	0.02	907
			2002	97,162	6	1.63	0.01	16,194
			2003	12,311	3	0.21	0.01	4,104
			2004	11,567	2	0.2	0.00	5,784
			2005	12,869	5	0.21	0.01	2,574
med. pay.	2001	88,047	75	1.42	0.12	1,174		
	2002	185,790	58	3.11	0.10	3,203		
	2003	75,198	66	1.29	0.11	1,139		
	2004	48,955	45	0.84	0.08	1,088		
	2005	37,449	31	0.61	0.05	1,208		
total	2001	11,558,986	3,229	186.8	5.22	3,580		
	2002	12,521,376	3,542	209.47	5.93	3,535		
	2003	96,458,570	22,069	1660.96	38.00	4,371		
	2004	13,825,537	3,317	236.41	5.67	4,168		
	2005	19,622,716	4,296	319.78	7.00	4,568		

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred losses</u>	<u>incurred claims</u>	<u>pure-premium</u>	<u>frequency per 100</u>	<u>average loss</u>
owners	44	fire, lightning and removal	2001	2,232,376	356	108.52	1.73	6,271
			2002	2,286,753	375	113.6	1.86	6,098
			2003	2,371,340	364	140	2.15	6,515
			2004	3,627,178	212	238.52	1.39	17,109
			2005	1,749,319	253	116.17	1.68	6,914
		wind and hail	2001	538,493	290	26.18	1.41	1,857
			2002	597,864	285	29.7	1.42	2,098
			2003	6,582,310	1,811	388.61	10.69	3,635
			2004	1,411,926	638	92.85	4.20	2,213
			2005	786,674	340	52.24	2.26	2,314
		water damage and freezing	2001	951,327	304	46.25	1.48	3,129
			2002	1,016,301	356	50.49	1.77	2,855
			2003	1,412,448	294	83.39	1.74	4,804
			2004	825,425	185	54.28	1.22	4,462
			2005	504,600	153	33.51	1.02	3,298
		theft	2001	348,075	207	16.92	1.01	1,682
			2002	318,556	174	15.83	0.86	1,831
			2003	271,265	143	16.02	0.84	1,897
			2004	172,833	98	11.37	0.64	1,764
			2005	183,042	100	12.16	0.66	1,830
		other physical damage	2001	442,976	198	21.53	0.96	2,237
			2002	831,638	444	41.32	2.21	1,873
			2003	383,561	155	22.64	0.92	2,475
			2004	389,365	122	25.6	0.80	3,192
			2005	266,019	81	17.67	0.54	3,284
		liability	2001	136,433	33	6.63	0.16	4,134
			2002	99,540	29	4.95	0.14	3,432
2003	175,716		24	10.37	0.14	7,322		
2004	53,781		20	3.54	0.13	2,689		
2005	3,697		3	0.25	0.02	1,232		
credit card	2001	28,429	4	1.38	0.02	7,107		
	2002	23,696	3	1.18	0.01	7,899		
	2003	66,477	3	3.92	0.02	22,159		
med. pay.	2001	23,608	22	1.15	0.11	1,073		
	2002	22,087	22	1.1	0.11	1,004		
	2003	11,720	15	0.69	0.09	781		
	2004	14,351	15	0.94	0.10	957		
	2005	7,008	8	0.47	0.05	876		
total	2001	4,701,717	1,414	228.56	6.87	3,325		
	2002	5,196,435	1,688	258.16	8.39	3,078		
	2003	11,274,837	2,809	665.65	16.58	4,014		
	2004	6,494,859	1,290	427.1	8.48	5,035		
	2005	3,500,359	938	232.46	6.23	3,732		

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 45	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	9,349,701	1,685	116.13	2.09	5,549
			2002	10,747,723	1,754	133.51	2.18	6,128
			2003	9,593,502	1,347	120.34	1.69	7,122
			2004	8,918,028	1,001	112.48	1.26	8,909
			2005	11,951,695	939	148.57	1.17	12,728
		wind and hail	2001	1,049,795	614	13.04	0.76	1,710
			2002	1,981,080	1,035	24.61	1.29	1,914
			2003	44,188,541	12,311	554.28	15.44	3,589
			2004	3,567,032	1,654	44.99	2.09	2,157
			2005	5,399,774	2,121	67.12	2.64	2,546
		water damage and freezing	2001	3,274,469	1,351	40.67	1.68	2,424
			2002	4,482,227	1,857	55.68	2.31	2,414
			2003	4,027,547	1,364	50.52	1.71	2,953
			2004	4,046,564	1,107	51.04	1.40	3,655
			2005	3,213,252	922	39.94	1.15	3,485
		theft	2001	1,892,102	1,115	23.5	1.38	1,697
			2002	1,742,197	990	21.64	1.23	1,760
			2003	1,352,648	783	16.97	0.98	1,728
			2004	1,314,394	631	16.58	0.80	2,083
			2005	1,119,525	576	13.92	0.72	1,944
		other physical damage	2001	1,310,729	686	16.28	0.85	1,911
			2002	3,760,842	2,315	46.72	2.88	1,625
			2003	2,094,377	1,699	26.27	2.13	1,233
			2004	1,266,040	554	15.97	0.70	2,285
			2005	1,442,290	493	17.93	0.61	2,926
		liability	2001	842,637	142	10.47	0.18	5,934
			2002	522,467	128	6.49	0.16	4,082
			2003	399,522	98	5.01	0.12	4,077
			2004	638,005	92	8.05	0.12	6,935
			2005	399,565	96	4.97	0.12	4,162
		credit card	2001	12,548	7	0.16	0.01	1,793
			2002	7,131	8	0.09	0.01	891
			2003	8,472	6	0.11	0.01	1,412
			2004	36,068	3	0.45	0.00	12,023
			2005	7,899	6	0.1	0.01	1,317
		med. pay.	2001	79,999	85	0.99	0.11	941
			2002	80,628	85	1	0.11	949
			2003	66,756	56	0.84	0.07	1,192
			2004	67,769	57	0.85	0.07	1,189
			2005	53,515	45	0.67	0.06	1,189
		total	2001	17,811,980	5,685	221.24	7.06	3,133
			2002	23,324,295	8,172	289.74	10.15	2,854
			2003	61,731,365	17,664	774.33	22.16	3,495
			2004	19,853,900	5,099	250.41	6.43	3,894
			2005	23,587,515	5,198	293.21	6.46	4,538

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred losses</u>	<u>incurred claims</u>	<u>pure-premium</u>	<u>frequency per 100</u>	<u>average loss</u>
owners	46	fire, lightning and removal	2001	3,207,559	573	117.07	2.09	5,598
			2002	3,776,902	608	134.79	2.17	6,212
			2003	3,267,967	454	116.47	1.62	7,198
			2004	4,887,466	405	175.12	1.45	12,068
			2005	2,771,480	288	97.94	1.02	9,623
		wind and hail	2001	360,148	210	13.15	0.77	1,715
			2002	726,722	385	25.94	1.37	1,888
			2003	3,763,311	1,550	134.12	5.52	2,428
			2004	994,417	529	35.63	1.90	1,880
			2005	314,481	171	11.11	0.60	1,839
		water damage and freezing	2001	1,123,357	460	41	1.68	2,442
			2002	1,842,803	817	65.77	2.92	2,256
			2003	1,151,149	456	41.03	1.63	2,524
			2004	834,386	278	29.9	1.00	3,001
			2005	1,002,836	260	35.44	0.92	3,857
		theft	2001	649,115	380	23.69	1.39	1,708
			2002	614,191	347	21.92	1.24	1,770
			2003	541,071	279	19.28	0.99	1,939
			2004	497,326	241	17.82	0.86	2,064
			2005	505,831	238	17.88	0.84	2,125
		other physical damage	2001	449,666	233	16.41	0.85	1,930
			2002	1,871,570	1,184	66.79	4.23	1,581
			2003	792,356	519	28.24	1.85	1,527
			2004	275,775	153	9.88	0.55	1,802
			2005	356,856	142	12.61	0.50	2,513
		liability	2001	289,080	48	10.55	0.18	6,023
			2002	198,377	48	7.08	0.17	4,133
			2003	151,831	51	5.41	0.18	2,977
			2004	202,361	48	7.25	0.17	4,216
			2005	91,926	23	3.25	0.08	3,997
		credit card	2001	4,305	2	0.16	0.01	2,153
			2002	2,447	2	0.09	0.01	1,224
			2003	6,833	5	0.24	0.02	1,367
			2004	1,500	2	0.05	0.01	750
			2005	3,610	2	0.13	0.01	1,805
		med. pay.	2001	27,445	29	1	0.11	946
			2002	26,614	27	0.95	0.10	986
			2003	14,343	15	0.51	0.05	956
			2004	23,285	20	0.83	0.07	1,164
			2005	17,523	15	0.62	0.05	1,168
		total	2001	6,110,675	1,935	223.03	7.06	3,158
			2002	9,059,626	3,418	323.33	12.20	2,651
2003	9,688,861		3,329	345.3	11.86	2,910		
2004	7,716,516		1,676	276.48	6.01	4,604		
2005	5,064,543		1,139	178.97	4.03	4,446		

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
owners	47	fire, lightning and removal	2001	14,723,880	2,619	117.68	2.09	5,622
			2002	16,706,419	2,774	132.02	2.19	6,023
			2003	13,357,990	2,253	101.36	1.71	5,929
			2004	17,181,166	2,054	124.79	1.49	8,365
			2005	16,947,824	1,840	117.89	1.28	9,211
		wind and hail	2001	1,653,214	956	13.21	0.76	1,729
			2002	3,292,745	1,707	26.02	1.35	1,929
			2003	27,180,289	10,594	206.25	8.04	2,566
			2004	5,594,376	2,253	40.63	1.64	2,483
			2005	3,335,715	1,246	23.2	0.87	2,677
		water damage and freezing	2001	5,156,624	2,101	41.21	1.68	2,454
			2002	7,678,939	3,175	60.68	2.51	2,419
			2003	6,169,800	1,910	46.82	1.45	3,230
			2004	5,168,975	1,489	37.54	1.08	3,471
			2005	6,094,512	1,412	42.39	0.98	4,316
		theft	2001	2,979,674	1,733	23.81	1.39	1,719
			2002	2,802,751	1,553	22.15	1.23	1,805
			2003	2,659,291	1,334	20.18	1.01	1,993
			2004	2,329,671	1,204	16.92	0.87	1,935
			2005	2,381,335	994	16.57	0.69	2,396
		other physical damage	2001	2,064,131	1,067	16.5	0.85	1,935
			2002	6,842,859	4,192	54.07	3.31	1,632
			2003	2,549,045	1,662	19.34	1.26	1,534
			2004	2,078,416	817	15.1	0.59	2,544
			2005	1,883,425	728	13.1	0.51	2,587
		liability	2001	1,326,982	220	10.61	0.18	6,032
			2002	823,510	197	6.51	0.16	4,180
			2003	522,863	147	3.97	0.11	3,557
			2004	758,316	164	5.51	0.12	4,624
			2005	328,922	150	2.29	0.10	2,193
		credit card	2001	19,760	11	0.16	0.01	1,796
			2002	11,231	12	0.09	0.01	936
			2003	289,775	12	2.2	0.01	24,148
			2004	86,370	8	0.63	0.01	10,796
			2005	17,636	12	0.12	0.01	1,470
		med. pay.	2001	125,982	133	1.01	0.11	947
			2002	126,684	126	1	0.10	1,005
			2003	128,403	107	0.97	0.08	1,200
			2004	83,640	84	0.61	0.06	996
			2005	74,693	73	0.52	0.05	1,023
		total	2001	28,050,247	8,840	224.19	7.07	3,173
			2002	38,285,138	13,736	302.54	10.85	2,787
2003	52,857,456		18,019	401.09	13.67	2,933		
2004	33,280,930		8,073	241.72	5.86	4,122		
2005	31,064,062		6,455	216.09	4.49	4,812		

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
owners	53	fire, lightning and removal	2001	18,755,680	2,249	142.76	1.71	8,340
			2002	18,568,163	2,216	134.69	1.61	8,379
			2003	12,852,429	1,254	85.77	0.84	10,249
			2004	12,187,659	1,134	76.3	0.71	10,747
			2005	18,895,402	1,443	111.61	0.85	13,095
		wind and hail	2001	1,285,725	689	9.79	0.52	1,866
			2002	5,529,210	2,467	40.11	1.79	2,241
			2003	6,420,201	2,531	42.84	1.69	2,537
			2004	1,984,133	817	12.42	0.51	2,429
			2005	1,517,435	575	8.96	0.34	2,639
		water damage and freezing	2001	10,234,261	3,092	77.9	2.35	3,310
			2002	18,663,537	5,901	135.38	4.28	3,163
			2003	10,818,354	2,204	72.19	1.47	4,909
			2004	10,615,865	2,070	66.46	1.30	5,128
			2005	11,616,653	1,913	68.61	1.13	6,072
		theft	2001	2,905,585	1,528	22.12	1.16	1,902
			2002	2,288,769	1,299	16.6	0.94	1,762
			2003	2,323,875	1,036	15.51	0.69	2,243
			2004	1,804,038	939	11.29	0.59	1,921
			2005	1,682,909	751	9.94	0.44	2,241
		other physical damage	2001	2,468,004	1,067	18.79	0.81	2,313
			2002	21,939,141	10,903	159.15	7.91	2,012
			2003	2,575,899	946	17.19	0.63	2,723
			2004	1,953,123	618	12.23	0.39	3,160
			2005	1,784,133	606	10.54	0.36	2,944
		liability	2001	1,129,198	184	8.6	0.14	6,137
			2002	1,044,484	197	7.58	0.14	5,302
			2003	1,438,778	153	9.6	0.10	9,404
			2004	559,194	104	3.5	0.07	5,377
			2005	218,370	80	1.29	0.05	2,730
		credit card	2001	97,714	9	0.74	0.01	10,857
			2002	9,395	9	0.07	0.01	1,044
			2003	107,106	2	0.71	0.00	53,553
			2004	11,329	5	0.07	0.00	2,266
			2005	120,698	5	0.71	0.00	24,140
		med. pay.	2001	68,584	70	0.52	0.05	980
			2002	90,246	87	0.65	0.06	1,037
			2003	88,888	68	0.59	0.05	1,307
			2004	72,356	70	0.45	0.04	1,034
			2005	45,743	50	0.27	0.03	915
		total	2001	36,944,750	8,899	281.21	6.77	4,152
			2002	68,132,946	23,112	494.23	16.77	2,948
			2003	36,625,529	8,179	244.41	5.46	4,478
			2004	29,187,696	5,758	182.73	3.60	5,069
			2005	35,881,344	5,421	211.94	3.20	6,619

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 57	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	16,661,629	2,888	96.15	1.67	5,769
			2002	22,989,838	3,258	130.89	1.85	7,056
			2003	22,928,553	2,835	124.41	1.54	8,088
			2004	19,923,872	1,795	104.58	0.94	11,100
			2005	18,647,571	1,908	94.49	0.97	9,773
		wind and hail	2001	3,193,839	1,662	18.43	0.96	1,922
			2002	5,667,445	2,765	32.27	1.57	2,050
			2003	18,408,507	5,708	99.88	3.10	3,225
			2004	10,006,308	4,227	52.52	2.22	2,367
			2005	3,772,722	1,420	19.12	0.72	2,657
		water damage and freezing	2001	7,787,543	3,101	44.94	1.79	2,511
			2002	13,430,097	4,888	76.46	2.78	2,748
			2003	11,632,933	3,518	63.12	1.91	3,307
			2004	9,860,107	2,403	51.76	1.26	4,103
			2005	9,823,133	2,237	49.77	1.13	4,391
		theft	2001	3,997,334	2,296	23.07	1.33	1,741
			2002	3,295,188	1,757	18.76	1.00	1,875
			2003	3,247,775	1,719	17.62	0.93	1,889
			2004	3,186,289	1,530	16.72	0.80	2,083
			2005	3,331,798	1,587	16.88	0.80	2,099
		other physical damage	2001	3,748,061	1,624	21.63	0.94	2,308
			2002	14,301,156	8,249	81.42	4.70	1,734
			2003	7,008,109	3,637	38.03	1.97	1,927
			2004	3,697,965	1,178	19.41	0.62	3,139
			2005	3,120,934	1,212	15.81	0.61	2,575
		liability	2001	1,566,727	283	9.04	0.16	5,536
			2002	1,118,114	283	6.37	0.16	3,951
			2003	856,177	210	4.65	0.11	4,077
			2004	843,360	198	4.43	0.10	4,259
			2005	627,796	198	3.18	0.10	3,171
		credit card	2001	10,712	14	0.06	0.01	765
			2002	29,099	18	0.17	0.01	1,617
			2003	26,501	14	0.14	0.01	1,893
			2004	21,748	7	0.11	0.00	3,107
			2005	19,937	13	0.1	0.01	1,534
		med. pay.	2001	154,906	148	0.89	0.09	1,047
			2002	168,910	153	0.96	0.09	1,104
			2003	151,291	122	0.82	0.07	1,240
			2004	132,141	124	0.69	0.07	1,066
			2005	93,093	93	0.47	0.05	1,001
		total	2001	37,120,752	12,018	214.23	6.94	3,089
			2002	60,999,846	21,372	347.28	12.17	2,854
			2003	64,259,846	17,786	348.67	9.65	3,613
			2004	47,671,790	11,486	250.23	6.03	4,150
			2005	39,436,984	8,669	199.82	4.39	4,549

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> 60	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	50,622,875	7,837	111.58	1.73	6,459
			2002	55,118,457	8,334	120.74	1.83	6,614
			2003	59,964,344	9,149	127.03	1.94	6,554
			2004	66,123,745	5,744	136.21	1.18	11,512
			2005	57,705,065	6,509	115.66	1.30	8,865
		wind and hail	2001	12,194,678	6,366	26.88	1.40	1,916
			2002	14,366,228	6,576	31.47	1.44	2,185
			2003	55,151,697	16,933	116.83	3.59	3,257
			2004	53,828,529	17,261	110.89	3.56	3,119
			2005	20,663,212	7,549	41.42	1.51	2,737
		water damage and freezing	2001	21,612,011	6,733	47.64	1.48	3,210
			2002	24,417,353	8,076	53.49	1.77	3,023
			2003	34,056,371	7,637	72.14	1.62	4,459
			2004	25,795,852	6,290	53.14	1.30	4,101
			2005	29,225,699	5,960	58.58	1.19	4,904
		theft	2001	7,945,529	4,602	17.51	1.01	1,727
			2002	7,571,940	3,989	16.59	0.87	1,898
			2003	7,233,255	3,676	15.32	0.78	1,968
			2004	6,930,898	3,312	14.28	0.68	2,093
			2005	6,608,412	3,144	13.25	0.63	2,102
		other physical damage	2001	10,071,623	4,346	22.2	0.96	2,317
			2002	20,670,094	10,876	45.28	2.38	1,901
			2003	12,868,253	4,731	27.26	1.00	2,720
			2004	10,919,803	4,260	22.49	0.88	2,563
			2005	10,865,990	4,335	21.78	0.87	2,507
		liability	2001	3,112,892	717	6.86	0.16	4,342
			2002	2,206,046	623	4.83	0.14	3,541
			2003	3,060,180	495	6.48	0.10	6,182
			2004	2,662,356	540	5.48	0.11	4,930
			2005	1,913,315	496	3.83	0.10	3,857
		credit card	2001	637,775	87	1.41	0.02	7,331
			2002	548,633	80	1.2	0.02	6,858
			2003	409,820	76	0.87	0.02	5,392
			2004	347,209	70	0.72	0.01	4,960
			2005	138,924	72	0.28	0.01	1,930
		med. pay.	2001	534,726	498	1.18	0.11	1,074
			2002	516,287	490	1.13	0.11	1,054
			2003	486,134	456	1.03	0.10	1,066
			2004	440,617	390	0.91	0.08	1,130
			2005	349,427	300	0.7	0.06	1,165
		total	2001	106,732,109	31,186	235.25	6.87	3,422
			2002	125,415,038	39,044	274.73	8.55	3,212
			2003	173,230,054	43,153	366.96	9.14	4,014
			2004	167,049,009	37,867	344.12	7.80	4,411
			2005	127,470,044	28,365	255.49	5.69	4,494

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u> owners	<u>territory</u> statewide	<u>cause-of-loss</u>	<u>year</u>	<u>incurred</u> <u>losses</u>	<u>incurred</u> <u>claims</u>	<u>pure-</u> <u>premium</u>	<u>frequency</u> <u>per 100</u>	<u>average</u> <u>loss</u>
		fire, lightning and removal	2001	178,541,128	26,556	109.53	1.63	6,723
			2002	196,793,071	28,021	120.17	1.71	7,023
			2003	179,965,995	24,965	107.43	1.49	7,209
			2004	202,497,544	17,894	116.94	1.03	11,317
			2005	194,872,560	19,195	107.75	1.06	10,152
		wind and hail	2001	30,926,250	16,477	18.97	1.01	1,877
			2002	48,563,911	23,439	29.66	1.43	2,072
			2003	280,317,610	80,795	167.33	4.82	3,469
			2004	110,186,832	40,009	63.63	2.31	2,754
			2005	62,560,438	21,690	34.59	1.20	2,884
		water damage and freezing	2001	88,542,004	30,257	54.32	1.86	2,926
			2002	123,148,332	42,027	75.2	2.57	2,930
			2003	112,224,124	28,958	66.99	1.73	3,875
			2004	96,429,842	23,316	55.69	1.35	4,136
			2005	103,477,369	21,644	57.22	1.20	4,781
		theft	2001	36,588,607	20,497	22.45	1.26	1,785
			2002	32,962,854	17,622	20.13	1.08	1,871
			2003	30,975,442	15,414	18.49	0.92	2,010
			2004	29,165,829	14,082	16.84	0.81	2,071
			2005	29,478,306	13,296	16.3	0.74	2,217
		other physical damage	2001	32,967,709	14,578	20.22	0.89	2,261
			2002	118,500,556	65,247	72.36	3.98	1,816
			2003	44,141,135	22,632	26.35	1.35	1,950
			2004	43,972,202	12,201	25.39	0.70	3,604
			2005	30,063,119	11,392	16.62	0.63	2,639
		liability	2001	13,912,117	2,395	8.53	0.15	5,809
			2002	10,532,942	2,216	6.43	0.14	4,753
			2003	10,982,363	1,746	6.56	0.10	6,290
			2004	9,832,961	1,745	5.68	0.10	5,635
			2005	6,180,895	1,529	3.42	0.08	4,042
		credit card	2001	1,140,916	191	0.7	0.01	5,973
			2002	1,031,888	179	0.63	0.01	5,765
			2003	1,038,303	142	0.62	0.01	7,312
			2004	560,851	127	0.32	0.01	4,416
			2005	488,292	147	0.27	0.01	3,322
		med. pay.	2001	1,511,050	1,451	0.93	0.09	1,041
			2002	1,574,320	1,382	0.96	0.08	1,139
			2003	1,372,924	1,195	0.82	0.07	1,149
			2004	1,196,016	1,074	0.69	0.06	1,114
			2005	932,836	826	0.52	0.05	1,129
		total	2001	384,129,781	112,402	235.65	6.90	3,417
			2002	533,107,874	180,133	325.54	11.00	2,960
			2003	661,017,896	175,847	394.58	10.50	3,759
			2004	493,842,077	110,448	285.18	6.38	4,471
			2005	428,053,815	89,719	236.68	4.96	4,771

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred losses</u>	<u>incurred claims</u>	<u>pure-premium</u>	<u>frequency per 100</u>	<u>average loss</u>
tenant	statewide	fire, lightning and removal	2001	2,440,489	773	17.45	0.55	3,157
			2002	2,770,896	792	20.15	0.58	3,499
			2003	2,663,226	632	19.83	0.47	4,214
			2004	2,136,663	435	15.7	0.32	4,912
			2005	2,482,755	438	17.45	0.31	5,668
		wind and hail	2001	43,102	46	0.31	0.03	937
			2002	89,373	130	0.65	0.09	687
			2003	376,885	218	2.81	0.16	1,729
			2004	173,968	101	1.28	0.07	1,722
			2005	63,596	49	0.45	0.03	1,298
		water damage and freezing	2001	656,952	279	4.7	0.20	2,355
			2002	705,284	377	5.13	0.27	1,871
			2003	720,947	262	5.37	0.20	2,752
			2004	609,869	187	4.48	0.14	3,261
			2005	410,271	155	2.88	0.11	2,647
		theft	2001	3,834,040	2,342	27.42	1.68	1,637
			2002	3,412,585	1,922	24.82	1.40	1,776
			2003	3,109,778	1,531	23.16	1.14	2,031
			2004	2,716,276	1,364	19.96	1.00	1,991
			2005	2,490,634	1,195	17.51	0.84	2,084
		other physical damage	2001	684,037	398	4.89	0.28	1,719
			2002	1,248,170	1,339	9.08	0.97	932
			2003	748,904	520	5.58	0.39	1,440
			2004	507,180	286	3.73	0.21	1,773
			2005	522,476	299	3.67	0.21	1,747
		liability	2001	1,480,011	206	10.59	0.15	7,185
			2002	817,592	127	5.95	0.09	6,438
			2003	1,291,751	122	9.62	0.09	10,588
			2004	780,747	119	5.74	0.09	6,561
			2005	510,751	99	3.59	0.07	5,159
		credit card	2001	123,694	8	0.88	0.01	15,462
			2002	66,775	4	0.49	0.00	16,694
			2003	33,813	4	0.25	0.00	8,453
			2004	34,436	4	0.25	0.00	8,609
			2005	6,292	3	0.04	0.00	2,097
		med. pay.	2001	42,088	35	0.3	0.03	1,203
			2002	24,537	31	0.18	0.02	792
			2003	29,248	32	0.22	0.02	914
			2004	30,388	29	0.22	0.02	1,048
			2005	27,300	21	0.19	0.01	1,300
		total	2001	9,304,413	4,087	66.55	2.92	2,277
			2002	9,135,212	4,722	66.44	3.43	1,935
			2003	8,974,552	3,321	66.82	2.47	2,702
			2004	6,989,527	2,525	51.37	1.86	2,768
			2005	6,514,075	2,259	45.79	1.59	2,884

North Carolina Homeowners

Cause-of-Loss Experience

<u>form</u>	<u>territory</u>	<u>cause-of-loss</u>	<u>year</u>	<u>incurred losses</u>	<u>incurred claims</u>	<u>pure-premium</u>	<u>frequency per 100</u>	<u>average loss</u>
condo	statewide	fire, lightning and removal	2001	925,176	236	20.88	0.53	3,920
			2002	641,864	203	13.61	0.43	3,162
			2003	743,634	218	15.07	0.44	3,411
			2004	1,320,516	175	25.61	0.34	7,546
			2005	962,086	187	17.27	0.34	5,145
		wind and hail	2001	54,015	19	1.22	0.04	2,843
			2002	34,566	47	0.73	0.10	735
			2003	140,054	79	2.84	0.16	1,773
			2004	162,688	102	3.16	0.20	1,595
			2005	158,777	90	2.85	0.16	1,764
		water damage and freezing	2001	1,893,537	909	42.74	2.05	2,083
			2002	1,827,129	836	38.73	1.77	2,186
			2003	1,976,302	833	40.04	1.69	2,373
			2004	2,250,141	751	43.65	1.46	2,996
			2005	2,010,834	671	36.09	1.20	2,997
		theft	2001	587,754	353	13.27	0.80	1,665
			2002	458,880	301	9.73	0.64	1,525
			2003	447,991	252	9.08	0.51	1,778
			2004	504,467	295	9.79	0.57	1,710
			2005	523,021	250	9.39	0.45	2,092
		other physical damage	2001	605,232	221	13.66	0.50	2,739
			2002	658,112	434	13.95	0.92	1,516
			2003	442,740	227	8.97	0.46	1,950
			2004	563,895	215	10.94	0.42	2,623
			2005	426,344	188	7.65	0.34	2,268
		liability	2001	257,451	74	5.81	0.17	3,479
			2002	83,040	53	1.76	0.11	1,567
2003	216,942		51	4.4	0.10	4,254		
2004	206,708		54	4.01	0.10	3,828		
2005	211,016		60	3.79	0.11	3,517		
credit card	2001	7,365	6	0.17	0.01	1,228		
	2002	1,481	3	0.03	0.01	494		
	2003	6,887	4	0.14	0.01	1,722		
	2004	10,097	5	0.2	0.01	2,019		
	2005	4,104	2	0.07	0.00	2,052		
med. pay.	2001	7,852	8	0.18	0.02	982		
	2002	6,591	6	0.14	0.01	1,099		
	2003	2,327	4	0.05	0.01	582		
	2004	1,868	3	0.04	0.01	623		
	2005	3,491	3	0.06	0.01	1,164		
total	2001	4,338,382	1,826	97.93	4.12	2,376		
	2002	3,711,663	1,883	78.68	3.99	1,971		
	2003	3,976,877	1,668	80.58	3.38	2,384		
	2004	5,020,380	1,600	97.38	3.10	3,138		
	2005	4,299,673	1,451	77.18	2.60	2,963		

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 as follows:

$$Z_p = \sqrt{\text{five year house years} / \text{full credibility standard}} \text{ (truncated to the nearest tenth)}$$

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:

$$Z_p = \sqrt{\text{five year house years} / \text{full credibility standard}} \text{ (truncated to the nearest tenth)}$$

The Rate Bureau has not considered alternative credibilty procedures in the last three years.

See Section D and prefiled testimony of R. Curry and S. Thomas.

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 Section D and prefiled testimony of R. Curry and S. Thomas. The Rate Bureau has not considered alternative loss development methodologies in the past 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

LOSS DEVELOPMENT

All Forms

ISO-Only Paid Losses

Accd. Year	<u>North Carolina Paid Losses as of</u>				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
1994	68,119,656	74,071,171	75,304,238	75,634,876	75,861,402
1995	81,722,212	89,763,709	92,072,209	92,783,649	93,021,106
1996	504,778,642	534,290,560	539,541,316	542,457,138	543,327,919
1997	146,807,315	160,810,485	163,764,274	165,076,737	164,906,992
1998	230,435,248	245,036,445	248,210,155	250,218,388	250,907,319
1999	269,727,105	287,351,744	291,308,811	293,403,659	295,863,492
2000	213,684,450	229,897,828	233,720,117	235,479,741	236,631,972
2001	165,547,237	179,801,716	184,052,662	186,000,592	186,580,966
2002	215,618,286	233,967,514	237,169,027	238,659,645	
2003	245,157,658	262,381,936	266,507,183		
2004	169,733,813	190,374,441			
2005	154,504,725				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
1994	1.087369	1.016647	1.004391	1.002995	
1995	1.098400	1.025718	1.007727	1.002559	
1996	1.058465	1.009828	1.005404	1.001605	
1997	1.095385	1.018368	1.008014	0.998972	
1998	1.063364	1.012952	1.008091	1.002753	
1999	1.065342	1.013771	1.007191	1.008384	
2000	1.075875	1.016626	1.007529	1.004893	
2001	1.086105	1.023642	1.010584	1.003120	
2002	1.085101	1.013684	1.006285		
2003	1.070258	1.015722			
2004	1.121606				
Five- Year Average		<u>27:15</u> 1.087789	<u>39:27</u> 1.017419	<u>51:39</u> 1.008133	<u>63:51</u> 1.004007

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Paid Losses

Accd. Year	<u>North Carolina Paid Losses as of</u>				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2001	165,547,237	179,801,716	184,052,662	186,000,592	186,580,966
2002	215,618,286	233,967,514	237,169,027	238,659,645	
2003	245,157,658	262,381,936	266,507,183		
2004	169,733,813	190,374,441			
2005	154,504,725				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
2001	1.086105	1.023642	1.010584	1.003120	
2002	1.085101	1.013684	1.006285		
2003	1.070258	1.015722			
2004	1.121606				
Average		<u>27:15</u> 1.090768	<u>39:27</u> 1.017683	<u>51:39</u> 1.008435	<u>63:51</u> 1.003120

Loss Development Factors

63 to 63 Months	1.000
51 to 63 Months	1.003
39 to 63 Months	1.012
27 to 63 Months	1.029
15 to 63 Months	1.123

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Incurred Losses

North Carolina Incurred Losses as of

<u>Accd.</u> <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
1994	76,940,067	77,424,129	76,510,853	76,466,012	76,068,620
1995	92,773,602	92,968,553	93,299,109	93,411,854	93,306,177
1996	528,308,909	539,898,210	542,387,367	544,712,280	544,606,823
1997	163,870,086	165,853,190	166,174,972	165,919,955	165,248,111
1998	246,721,775	250,075,483	250,017,799	251,221,598	251,247,346
1999	288,625,129	293,154,505	293,886,352	294,486,581	296,135,330
2000	231,027,374	235,606,063	236,372,015	236,890,657	237,358,979
2001	182,524,788	185,794,040	187,332,970	187,729,223	187,563,533
2002	235,126,595	239,484,634	240,333,974	239,458,578	
2003	264,686,615	268,428,570	269,040,757		
2004	195,334,684	198,290,928			
2005	177,621,231				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
1994	1.006291	0.988204	0.999414	0.994803	
1995	1.002101	1.003556	1.001208	0.998869	
1996	1.021937	1.004610	1.004286	0.999806	
1997	1.012102	1.001940	0.998465	0.995951	
1998	1.013593	0.999769	1.004815	1.000102	
1999	1.015693	1.002496	1.002042	1.005599	
2000	1.019819	1.003251	1.002194	1.001977	
2001	1.017911	1.008283	1.002115	0.999117	
2002	1.018535	1.003547	0.996358		
2003	1.014137	1.002281			
2004	1.015134				
Five- Year Average		<u>27:15</u> 1.017107	<u>39:27</u> 1.004341	<u>51:39</u> 1.000222	<u>63:51</u> 1.000547

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Incurred Losses

<u>Accd.</u> <u>Year</u>	<u>North Carolina Incurred Losses as of</u>				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2001	182,524,788	185,794,040	187,332,970	187,729,223	187,563,533
2002	235,126,595	239,484,634	240,333,974	239,458,578	
2003	264,686,615	268,428,570	269,040,757		
2004	195,334,684	198,290,928			
2005	177,621,231				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
2001	1.017911	1.008283	1.002115	0.999117	
2002	1.018535	1.003547	0.996358		
2003	1.014137	1.002281			
2004	1.015134				
Average		<u>27:15</u> 1.016429	<u>39:27</u> 1.004704	<u>51:39</u> 0.999237	<u>63:51</u> 0.999117

Loss Development Factors

63 to 63 Months	1.000
51 to 63 Months	0.999
39 to 63 Months	0.998
27 to 63 Months	1.003
15 to 63 Months	1.02

NORTH CAROLINA
HOMEOWNERS INSURANCE

CLAIM DEVELOPMENT

All Forms

ISO-Only Paid Claims

North Carolina Paid Claims as of

<u>Accd.</u> <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
1994	34,523	35,589	35,702	35,751	35,772
1995	38,007	39,342	39,486	39,538	39,543
1996	163,094	166,846	167,466	167,678	167,716
1997	58,728	60,586	60,788	60,857	60,867
1998	88,989	91,269	91,618	91,721	91,750
1999	111,162	113,880	114,256	114,509	114,545
2000	83,021	84,893	85,160	85,232	85,256
2001	56,869	58,200	58,365	58,417	58,437
2002	84,068	86,322	86,492	86,570	
2003	76,752	78,027	78,304		
2004	48,013	49,363			
2005	39,653				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
1994	1.030878	1.003175	1.001372	1.000587	
1995	1.035125	1.003660	1.001317	1.000126	
1996	1.023005	1.003716	1.001266	1.000227	
1997	1.031637	1.003334	1.001135	1.000164	
1998	1.025621	1.003824	1.001124	1.000316	
1999	1.024451	1.003302	1.002214	1.000314	
2000	1.022549	1.003145	1.000845	1.000282	
2001	1.023405	1.002835	1.000891	1.000342	
2002	1.026812	1.001969	1.000902		
2003	1.016612	1.003550			
2004	1.028117				
Five- Year Average		<u>27:15</u> 1.023499	<u>39:27</u> 1.002875	<u>51:39</u> 1.000879	<u>63:51</u> 1.000312

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Paid Claims

North Carolina Paid Claims as of

<u>Accd.</u> <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2001	83,021	84,893	85,160	85,232	85,256
2002	56,869	58,200	58,365	58,417	58,437
2003	84,068	86,322	86,492	86,570	
2004	76,752	78,027	78,304		
2005	48,013	49,363			

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
2001	1.022549	1.003145	1.000845	1.000282	
2002	1.023405	1.002835	1.000891		
2003	1.026812	1.001969			
2004	1.016612				
Average		<u>27:15</u> 1.022345	<u>39:27</u> 1.002650	<u>51:39</u> 1.000868	<u>63:51</u> 1.000282

Loss Development Factors

63 to 63 Months	1.000
51 to 63 Months	1.000
39 to 63 Months	1.001
27 to 63 Months	1.004
15 to 63 Months	1.026

NORTH CAROLINA
HOMEOWNERS INSURANCE

CLAIM DEVELOPMENT

All Forms

ISO-Only Outstanding Claims

North Carolina Outstanding Claims as of

<u>Accd.</u> <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
1994	994	251	86	57	22
1995	1,212	190	103	51	24
1996	1,964	368	167	84	50
1997	1,407	238	103	37	25
1998	1,364	266	101	46	18
1999	1,761	332	171	69	46
2000	1,222	264	94	68	34
2001	989	234	128	76	40
2002	1,437	260	130	68	
2003	971	235	106		
2004	985	199			
2005	758				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
1994	0.252515	0.342629	0.662791	0.385965	
1995	0.156766	0.542105	0.495146	0.470588	
1996	0.187373	0.453804	0.502994	0.595238	
1997	0.169154	0.432773	0.359223	0.675676	
1998	0.195015	0.379699	0.455446	0.391304	
1999	0.188529	0.515060	0.403509	0.666667	
2000	0.216039	0.356061	0.723404	0.500000	
2001	0.236603	0.547009	0.593750	0.526316	
2002	0.180932	0.500000	0.523077		
2003	0.242019	0.451064			
2004	0.202030				
2005					
Five- Year Average		<u>27:15</u> 0.215525	<u>39:27</u> 0.463534	<u>51:39</u> 0.613410	<u>63:51</u> 0.513158

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Outstanding Claims

North Carolina Outstanding Claims as of

<u>Accd.</u> <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2001	989	234	128	76	40
2002	1,437	260	130	68	
2003	971	235	106		
2004	985	199			
2005	758				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
2001	0.236603	0.547009	0.593750	0.526316	
2002	0.180932	0.500000	0.523077		
2003	0.242019	0.451064			
2004	0.202030				
Average		<u>27:15</u> 0.215396	<u>39:27</u> 0.499358	<u>51:39</u> 0.558414	<u>63:51</u> 0.526316

Loss Development Factors

63 to 63 Months	1.000
51 to 63 Months	0.526
39 to 63 Months	0.294
27 to 63 Months	0.147
15 to 63 Months	0.032

The Rate Bureau is advised by ISO that loss and claim development information by cause of loss is not available.

Responses provided in connection with items (3)(g) and (7)(c) are enclosed herewith.



Allstate.
You're in good hands.

Shantelle Thomas, FCAS, MAAA
Sr. Actuary

July 5, 2008

Tim Lucas
Personal Lines Manager
North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27609-4435

**RE: ALLSTATE INSURANCE COMPANY 008-19232
ALLSTATE INDEMNITY COMPANY 008-19240
Request for Information
Reserve Strengthening and Expense Cutting Activities**

Attached is our response to your 5/28/2008 request for information regarding our reserve strengthening and expense cutting activities. The response is applicable to both the Allstate Insurance Company and the Allstate Indemnity Company.

If you have any questions or require any additional information, please feel free to contact me.

Shantelle Thomas

Encl: As stated

E-292

ALLSTATE INSURANCE COMPANY

The areas of loss reserving and expense control are two extremely important aspects of Allstate's total insurance operation. As such, they are continuously reviewed by all levels of management within the company.

CHANGES IN RESERVE POSITION

Allstate claims reserving practices and procedures for property insurance in North Carolina are essentially the same as those in effect for the rest of the country. During the past five years ending December 31, 2006, there has not been any material change in Allstate's philosophy, policies or procedures with respect to property insurance reserving on an individual file basis. This applies to both unpaid loss and unpaid loss adjustment expenses in North Carolina or elsewhere in the country.

EXPENSE CUTTING ACTIVITIES

Allstate continuously evaluates all aspects of its Insurance Operations with the intention of providing the very best insurance product at the lowest possible price. This process includes an ongoing review of the items that affect the cost of the insurance product. While it is important to be a low cost operator, such lower costs cannot come at the expense of the quality of service that is provided to the customers. Listed below is a summary of a number of such programs that have been initiated during the last five years.

- Computer based training is being used extensively to augment traditional training methods. Such techniques serve to reduce travel and training expenses.
- In the Claims Department, changes have been made to place more settlement authority at local levels and to permit the variations necessary to achieve cost-effective results. As part of this new structure, the company is changing certain aspects of the claim-settlement process and taking advantage of mechanization and other tools that result in the substitution of support staff for professional claims representatives. By changing the mix of employees, the company is reducing costs substantially in the claim settlement process, resulting in additional savings now and in the future. Also, Allstate has initiated "Consolidated Claim" reporting through the National Claim Service Center. The consolidated claims are expected to realize significant performance savings and increase company efficiency. Finally, there have been structural changes in North Carolina, and indeed around the country, to close claims offices. The result of the closing of these claims offices is a reduction of unallocated loss adjustment expenses due to the reduction of staff and elimination of operations expenses incurred at these claim offices. However, the claims offices were closed more to increase efficiency than to cut costs. Allstate wants to make the North Carolina Rate Bureau aware of its actions with the understanding that Allstate does not think that it will have any measurable impact on the ratemaking data submitted by Allstate.

- As part of the technological changes that the company is experiencing, the level of technology used throughout the company is constantly being upgraded. While the initial investment for this equipment was considerable, the improved efficiencies that are resulting from these changes are expected to have a long-term benefit on both quality of service and expenses.
- In early 2006, Allstate announced a Voluntary Termination Offer (VTO) to certain eligible Allstate corporate employees. Out of nearly 6,800 eligible employees, more than 1,000 accepted the company's offer. The VTO included severance and other benefits, such as accelerated vesting of stock-based incentive compensation and eligibility for postretirement benefits for some employees. VTO expenses contributed to higher (less than 1 pt.) expenses in 2006 than in 2005. Savings from this reduction in staffing levels may occur in the future.

AUTO-OWNERS INSURANCE COMPANY
AUTO-OWNERS LIFE INSURANCE COMPANY
HOME-OWNERS INSURANCE COMPANY
OWNERS INSURANCE COMPANY
PROPERTY-OWNERS INSURANCE COMPANY
SOUTHERN-OWNERS INSURANCE COMPANY



P.O. BOX 30660, LANSING, MICHIGAN 48909-8160 · 517-323-1200
FAX 517-323-8796
WWW.AUTO-OWNERS.COM

June 10, 2008

North Carolina Rate Bureau
P.O. Box 176010
Raleigh, North Carolina 27619-6010

Attn: Mr. F. Timothy Lucas, Personal Lines Manager

AUTO-OWNERS INSURANCE COMPANY #18988
RE: RESERVE STRENGTHENING AND EXPENSE CUTTING ACTIVITIES

Dear Mr. Lucas,

In response to your email dated May 28 2008, Auto-Owners Insurance Company of Lansing, Michigan submits the following.

The criteria used by our company in North Carolina for establishing case basis reserves for the accident year ending December 31, 2006 have not changed materially from those used over the latest five years.

With regard to expense cutting activities over the last five years, Auto-Owners has made a slight reduction to its commission levels. This does not impact our expected expense levels for the year beginning January 1, 2008, as the change in commissions is taken into account when developing our expected expense levels.

If you have any further questions, please contact Janelle Lautzenheiser at (517) 327-4894.

Sincerely,

Cyndi Reed

Cyndi Reed, API, AIM
Manager - Personal Property Actuarial
Auto-Owners Insurance Company
tel: (517) 323-8818
fax: (517) 323-8796
reed.cyndi@aoins.com (email without attachments)
aoactl@aoins.net (email with attachments)

jkl

E-295

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June 2, 2008

Debbie Spence
Support Assistant III
North Carolina Rate Bureau
P.O. Box 176010
Raleigh NC 27619-6010
Telephone: 919.582.1023
Fax: 919.719.7402

RE: RESERVE STRENGTHENING & EXPENSE CUTTING ACTIVITIES

1. RESERVE STRENGTHENING

The Erie Insurance Group 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. At this time, we have not seen a material impact from the use of these programs in our case reserves.

2. EXPENSE CUTTING ACTIVITIES

We are not aware of any expense cutting activities over the last five years on homeowners coverages that would materially impact the anticipated expense levels in North Carolina.

Sincerely,

Kevin L. Russell, FCAS MAAA

Kemper

A UNITRIN BUSINESS

June 27, 2008

Honorable James E. Long
Commissioner of Insurance
Department of Insurance
State of North Carolina
Dobbs Building
430 N. Salisbury Street
Raleigh, NC 27611


RE: 2008 Homeowners Rate Bureau Filing
Unitrin Auto and Home Insurance Company (NAIC: 215 - 16063, FEIN: 52-1752227)

Dear Commissioner:

We did a review of our average outstanding case reserves for NC Homeowners as of 12/31/2006, and we conclude that Kemper has not had a material change in our NC Homeowners average case reserve adequacy beyond what we should expect from inflation of replacement costs.

Other underwriting expenses as a percent of premiums earned have decreased slightly over the past five years as a result of an overall company initiative to reduce expenses. Other underwriting expenses are allocated to states.

Sincerely,



Kimberly D. Burns
Kemper, a Unitrin Company
Senior Product Manager
(904) 245-5659 Voice
(904) 245-5601 Fax
kburns@eKemper.com

5210 Belfort Road Suite 120, Jacksonville, FL 32256
904-245-5600 Fax: 904-245-5601 www.kemperautoandhome.com



On Your Side[®]

June 19, 2008

Mr. F. Timothy Lucas
Personal Lines Manager
North Carolina Rate Bureau

Re: Insurance Department Regulations

Dear Tim,

This is in response to your request dated May 28, 2008.

The criteria used by Nationwide Mutual Fire Insurance Company and Nationwide Mutual Insurance Company for establishing case basis reserves for the accident year ended December 31, 2006, have not changed materially from those used over the latest five years.

Nationwide Mutual Fire Insurance Company and Nationwide Mutual Insurance Company have not undertaken any expense cutting activities over the last five years on homeowners coverages that would materially impact anticipated expense levels in North Carolina.

If you need additional information, please do not hesitate to contact me.

Sincerely,

Kathy Southern
Property Product Manager
Nationwide Insurance
919-881-2969

**Nationwide Mutual Insurance Company
Nationwide Mutual Fire Insurance Company
4401 Creedmoor Road
Raleigh, NC 27612-3814**

Nationwide, the Nationwide framework and Nationwide is On Your Side are federally registered service marks of Nationwide Mutual Insurance Company



North Carolina Farm Bureau Insurance Group

Telephone 919-782-1705 ♦ Post Office Box 27427 ♦ Raleigh, NC 27611

May 29, 2008

Mr. Tim Lucas
N.C. Rate Bureau
5401 Six Forks Road
Raleigh, NC 27619-6010

RE: North Carolina Farm Bureau Mutual Insurance Company
Insurance Department Regulations
North Carolina Homeowners
Reserve Strengthening
Expense Cutting Activities

Tim:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know.

Roger Batdorff
Senior Executive
Actuarial & Research, Financial/Investments

RB/cww

RECEIVED

MAY 30 2008

N.C. RATE BUREAU

E-299

State Farm®
Providing Insurance and Financial Services
Home Office, Bloomington, Illinois 61710



June 24, 2008

North Carolina Rate Bureau
P. O. Box 176010
5401 Six Forks Road
Raleigh, NC 27619-6010

Corporate Headquarters
One State Farm Plaza, D-4
Bloomington, IL 61710
Fax 309 766 0225

Attn: F. Timothy Lucas
Personal Lines Manager

RE: State Farm Fire and Casualty Company
Insurance Department Regulations
Reserve Strengthening and Expense Cutting Activities

Your letter of May 28, 2008 requested two items required from the largest writers of Homeowners Insurance in North Carolina.

The first item concerned reserves. In response to your questions, State Farm has not made any changes in the past five years that have a material impact on the reserves established in North Carolina.

The second item concerned expenses. State Farm has long recognized that expense control is a key to remaining competitive in the insurance marketplace. It is important to note that expense control does not necessarily imply expense reduction. Attracting and retaining quality personnel, providing top-notch services, and investing in new technologies, may be just as important to a company's competitive position and customer satisfaction as a low price for the insurance product. In the end, it is through customer forces in the marketplace that a balance is stricken between quality of service and price of those services.

It would be virtually impossible to fully describe all "expense cutting activities" (i.e. presorting mail, recycling paper, reorganizing jobs, automating jobs, consolidating jobs, etc.). Expense control is a continuous and evolving function of managing our business.

Because expense control is a continuing effort, we feel that our historical experience is an appropriate basis for determining the expense provisions in the rate calculations and that no special adjustments are necessary.

In an effort to work with you as promptly as possible, please direct any questions to:

Kathy Popejoy (309) 766-2325 kathy.popejoy.a0gq@statefarm.com

Please send paper correspondence to the attention of the State Filings Unit at the address shown above.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Popejoy".

Kathy Popejoy, F.C.A.S., MAAA
Actuary and Assistant Secretary-Treasurer

RH/lc

E-300



9800 Fredericksburg Road
San Antonio, Texas 78288

July 2, 2008

North Carolina Rate Bureau
P.O. Box 176010
Raleigh, NC 27619-6010

ATTENTION: F. Timothy Lucas
Personal Lines Manager

REFERENCE: United Services Automobile Association - NAIC #200-25941
USAA Casualty Insurance Company - NAIC #200-2596

Insurance Department Regulations
Reserve Strengthening and Expense Cutting Activities

Dear Mr. Lucas:

In response to your letter dated May 28, 2008 we are furnishing the following statements with respect to Reserve Strengthening and Expense Cutting Activities at United Services Automobile Association (USAA) and USAA-Casualty Insurance Company (USAA-CIC) over the past five years.

RESERVE STRENGTHENING

11 N.C.A.C. 10.1104 (3) (i)

The criteria used by USAA and USAA-CIC for establishing case basis reserves for the accident year ended December 31, 2007, have not changed materially from those used over the previous five years.

EXPENSE CUTTING ACTIVITIES

11 N.C.A.C. 10.1104 (7) (c)

USAA Group has not made any material changes in the criteria used to establish case basis reserves or that would impact expenses for Homeowners insurance in North Carolina in the past five years.

If there are any questions, you may contact me at (800) 531-8722, extension 8-2579, or by electronic mail at debra.guevara@usaa.com. My facsimile number is (877) 483-3274.

Sincerely,

A handwritten signature in cursive script that reads "Debra Guevara".

Debra Guevara, AIS
Compliance Analyst I
Insurance Market Conduct
Compliance Solutions

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

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

- (a) See Section D and pre-filed testimony of R. Curry and S. Thomas. The Rate Bureau has not considered alternative loss trend methodologies in the last three years.
- (b) See prefiled testimony of R. Curry and S. Thomas.
- (c) This information, based on companies reporting to ISO, ISS and NISS, is provided in the response to 11 NCAC 10.1105 (1)(1).

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

5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS

- (a) See Section D and prefiled testimony of R. Curry and S. Thomas. 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.

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

6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

- (a) No limitations were applied to the losses.
- (b) No limitations were applied to the rate level change by coverage, form, protection class, construction or deductible.
- (c) No limitations were applied to the rate level change by territory.
- (d) No other limitations were applied.

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

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) Pages D-23 shows earned premium for 2003-2005 and unallocated loss adjustment expense for 2001-2005. The earned premium figures for 2001 and 2002 are as follows:

	2001	2002
Earned Premium	\$1,106,476,887	\$1,183,658,684

- (c) See the response to 11 NCAC 10.1105(3)(g).

The following provides a description of the derivation of Homeowners expense provisions. The underlying expense data are provided by the North Carolina Rate Bureau and are displayed on pages D-23-25.

The filed expense provision methodology makes a distinction between those provisions which require trending and those that do not. For example, since commission and brokerage, and taxes, licenses and fees, vary directly with premium, no additional trend is required. In contrast, general expense, other acquisition expense, and loss adjustment expense, do not vary directly with premium and are subject to trend.

The filed provision for commission and brokerage expenses, 14.0% of written premium, and the provision for taxes, licenses, and fees, 2.6% of written premium, are based on the data shown on page D-23 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.

General Expense and Other Acquisition Expense - Based on the 2003-2005 experience on page D-23, general expense averages 3.8% of earned premium and other acquisition expense averages 5.5% of earned premium. Since these expenses are incurred throughout the twelve-month effective period, both the numerator and denominator of these factors are trended to 7/1/2009 (six months beyond the 1/1/2009 effective date).

The average date of payment of the 2003-2005 expenses is 7/1/2004. Similarly, the average date of earning of the 2003-2005 premiums is 7/1/2004. Assuming policies are written with an effective period of one year, the average date of writing is therefore six months earlier, or 1/1/2004. 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 1/1/09, or 7/1/2009. Therefore, the expenses in the numerator are projected 60.0 months (from 7/1/2004 to 7/1/2009) and the premiums in the denominator are projected 66.0 months (from 1/1/2004 to 7/1/2009).

The trend factor for the expenses represented in the numerator is based on the index displayed on pages D-21-22. This index is constructed by weighting the Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service with the Consumer Price Index. These two sources receive equal weights. Based on these data, an average annual change of 3.2% is selected. This average annual change is projected 60.0 months (from 7/1/2004 to 7/1/2009).

To trend the premiums in the denominator, two multiplicative factors are applied. The first is the 2004 Current Amount Factor shown on page D-16. The second is the Premium Projection Factor shown on page D-16.

Loss Adjustment Expense - Based on the 2001-2005 experience shown on page D-24, loss adjustment expenses (both allocated and unallocated) average 14.3% of incurred losses, after excluding the high- and low-valued years. The average date of loss in these data is 7/1/2003. Both the numerator and denominator are trended 78.0 months, from 7/1/2003 to 1/1/2010 (12 months beyond the anticipated effective date of 1/1/2009).

The trend factor used for expenses in the numerator is determined in a similar way as for general and other acquisition expenses. The 3.2% selected average annual change is projected 78.0 months (from 7/1/2003 to 1/1/2010).

To trend the losses in the denominator, quantities that are calculated in the loss trend procedure are used. To adjust losses from the 7/1/2003 (average) level to 11/15/2007, the Current Cost Factors shown on pages D-9 and D-11 are applied. To adjust losses from 11/15/2007 to 1/1/2010 (12 months beyond the anticipated effective date) the product of the Loss Projection and First Dollar factors (pages D-16,18,20) are applied.

No alternate expense trend methodology has been considered within the last three years.

See the response to item (3)(g).

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

8. PERCENT RATE CHANGE

The overall statewide rate change and the rate changes by territory are shown on pages A-1 and A-2.

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 1/1/2009. The effective date in the filing letter is May 1, 2009 and calculations based on that date may be prepared prior to any hearing.

If the effective date were to be changed, advance notice of ninety (90) 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.

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

9. FINAL PROPOSED RATES

The proposed rates are shown in Section A.

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

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 R. Curry and D. Appel. The experience provides the best estimate of the future.

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

updated for filing w/ 2005 data

A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/05		1,390,877,193
2.	Mean Unearned Premium Reserve (1) x	0.5178	720,196,211
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		14.06%
	Taxes, Licenses and Fees		2.11%
	1/2 General Expenses		2.17%
	1/2 Other Acquisition		3.17%
	Total		21.51%
4.	(2) x (3)		154,910,093
5.	Net Subject to Investment (2) - (4)		565,286,118

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		1,390,877,193
2.	Average Agents' Balances		0.128
3.	Delayed Remission (1) x (2)		178,032,281

C. Loss Reserve

1.	Direct Earned Premium (A-1)		1,390,877,193
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5776	803,370,667
3.	Expected Mean Loss Reserves (2) x	0.455	365,533,653

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 752,787,490

E. Average Rate of Return 4.49%

F. Investment Earnings on Net Subject to Investment (D) x (E) 33,800,158

G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1) 2.43%

H. Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes (G) x 0.781 1.90%

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 page 15 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 12/31/04 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/04	\$1,390,877,193
2. Unearned Premium Reserve as of 12/31/04	699,125,408
3. Unearned Premium Reserve as of 12/31/05	741,334,414
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	720,229,911
5. Ratio (4) ÷ (1)	0.5178

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 12/31/05.

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)	12.43%
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)	1.029
3. Factor for agents' balances (1) x (2)	0.128

1

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/05.

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 2005 for Homeowners insurance**. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2004	546,910,154
2. Loss Reserves as of 12/31/03	231,943,893
3. Loss Reserves as of 12/31/04	239,459,079
4. Mean Loss Reserve 2004: $1/2 [(2) + (3)]$	235,701,486
5. Ratio (4) + (1)	0.431
6. Ratio of LAE Reserves to Loss Reserves (a)	0.212
7. Ratio of Incurred LAE to Incurred Losses (a)	0.149
8. Loss and LAE Reserve $[(5) \times (1.0 + (6)) / (1.0 + (7))]$	0.455

(a) Based on 2004 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>
2005	15,541,572,258	346,297,323,920	4.49%

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	4.49%	0.219

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 2004 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	23,254,464	0.350
	Non-Taxable	13,189,050	-
	Sub-Total	36,443,514	0.223
Stocks	Taxable (a)	3,675,690	0.105 (A)
	Non-Taxable	3,597,641	-
	Sub-Total	7,273,331	0.053
Mortgage Loans		194,195	
Real Estate		1,650,988	
Collateral Loans		2,367	
Cash/short term investments		3,006,076	
Derivative Instruments		-2,499	
All Other		7,533,180	
Sub-Total		12,384,307	0.350
Total		56,101,152	0.229
Investment Deductions		4,363,521	0.350
Net Investment Income Earned		51,737,631	0.219

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .3 = 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 12/31/04		1,276,859,226
2.	Mean Unearned Premium Reserve (1) x	0.5211	665,371,343
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		14.08%
	Taxes, Licenses and Fees		2.36%
	1/2 General Expenses		2.34%
	1/2 Other Acquisition		3.38%
	Total		22.16%
4.	(2) x (3)		147,446,290
5.	Net Subject to Investment (2) - (4)		517,925,053

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		1,276,859,226
2.	Average Agents' Balances		0.088
3.	Delayed Remission (1) x (2)		112,363,612

C. Loss Reserve

1.	Direct Earned Premium (A-1)		1,276,859,226
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5548	708,401,499
3.	Expected Mean Loss Reserves (2) x	0.425	301,070,637

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 706,632,078

E. Average Rate of Return 4.53%

F. Investment Earnings on Net Subject to
Investment (D) x (E) 32,010,433

G. Average Rate of Return as a Percent of Direct
Earned Premium (F) / (A-1) 2.51%

H. Average Rate of Return as a Percent of Direct Earned
Premium after Federal Income Taxes (G) x 0.784 1.97%

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 page 15 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 12/31/04 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/04	\$1,276,859,226
2. Unearned Premium Reserve as of 12/31/03	631,706,575
3. Unearned Premium Reserve as of 12/31/04	699,125,408
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	665,415,992
5. Ratio (4) ÷ (1)	0.5211

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 12/31/04.

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)	0.0858
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)	1.03
3. Factor for agents' balances (1) x (2)	0.088

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/04.

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 2004 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2004	564,832,213
2. Loss Reserves as of 12/31/03	215,086,893
3. Loss Reserves as of 12/31/04	231,943,893
4. Mean Loss Reserve 2004: 1/2 [(2) + (3)]	223,515,393
5. Ratio (4) + (1)	0.396
6. Ratio of LAE Reserves to Loss Reserves (a)	0.232
7. Ratio of Incurred LAE to Incurred Losses (a)	0.149
8. Loss and LAE Reserve [(5)x(1.0+(6))]/(1.0+(7))]	0.425

(a) Based on 2004 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>
2004	14,621,624,293	322,618,991,385	4.53%

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	4.53%	0.216

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 2004 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	21,696,435	0.350
	Non-Taxable	11,340,140	-
	Sub-Total	33,036,575	0.230
Stocks	Taxable (a)	3,285,602	0.105
	Non-Taxable	2,131,399	-
	Sub-Total	5,417,001	0.064
Mortgage Loans		169,603	
Real Estate		1,646,000	
Collateral Loans		981	
Cash/short term investments		1,189,806	
		-	
All Other		3,751,696	
Sub-Total		6,758,086	0.350
Total		45,211,662	0.228
Investment Deductions		4,064,665	0.350
Net Investment Income Earned		41,146,997	0.216

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .3 = 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 12/31/03		1,158,572,053
2.	Mean Unearned Premium Reserve (1) x	0.5201	602,573,325
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		13.86%
	Taxes, Licenses and Fees		2.18%
	1/2 General Expenses		2.68%
	1/2 Other Acquisition		4.02%
	Total		22.74%
4.	(2) x (3)		137,025,174
5.	Net Subject to Investment (2) - (4)		465,548,151
B. Delayed Remission of Premium (Agents' Balances)			
1.	Direct Earned Premium (A-1)		1,158,572,053
2.	Average Agents' Balances		0.095
3.	Delayed Remission (1) x (2)		110,064,345
C. Loss Reserve			
1.	Direct Earned Premium (A-1)		1,158,572,053
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5388	624,238,622
3.	Expected Mean Loss Reserves (2) x	0.333	207,871,461
D.	Net Subject to Investment (A-5)-(B-3)+(C-3)		563,355,267
E.	Average Rate of Return		4.78%
F.	Investment Earnings on Net Subject to Investment (D) x (E)		26,928,382
G.	Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1)		2.32%
H.	Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes (G) x	0.787	1.83%

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 page 15 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 12/31/03 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/03	\$1,158,572,053
2. Unearned Premium Reserve as of 12/31/02	573,326,148
3. Unearned Premium Reserve as of 12/31/03	631,706,575
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	602,516,362
5. Ratio (4) \div (1)	0.5201

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 12/31/03.

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)	0.0915
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)	1.033
3. Factor for agents' balances (1) x (2)	0.095

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/03.

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 2003 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2003	776,431,232
2. Loss Reserves as of 12/31/02	270,561,755
3. Loss Reserves as of 12/31/03	215,086,893
4. Mean Loss Reserve 2003: 1/2 [(2) + (3)]	242,824,324
5. Ratio (4) ÷ (1)	0.313
6. Ratio of LAE Reserves to Loss Reserves (a)	0.242
7. Ratio of Incurred LAE to Incurred Losses (a)	0.166
8. Loss and LAE Reserve [(5)x(1.0+(6))]/(1.0+(7))]	0.333

(a) Based on 2003 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>
2003	13,072,891,451	273,348,258,632	4.78%

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	4.78%	0.213

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 2003 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	21,190,681	0.350
	Non-Taxable	9,918,255	-
	Sub-Total	31,108,936	0.238
Stocks	Taxable (a)	2,864,754	0.105
	Non-Taxable	3,838,458	-
	Sub-Total	6,703,212	0.045
Mortgage Loans		158,612	
Real Estate		1,690,507	
Collateral Loans		438	
Cash/short term investments		1,158,122	
		-	
All Other		3,691,942	
Sub-Total		6,699,621	0.350
Total		44,511,769	0.226
Investment Deductions		4,174,811	0.350
Net Investment Income Earned		40,336,958	0.213

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .3 = 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 12/31/02		1,013,512,688
2.	Mean Unearned Premium Reserve (1) x	0.5336	540,810,370
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		14.20%
	Taxes, Licenses and Fees		2.26%
	1/2 General Expenses		2.45%
	1/2 Other Acquisition		4.03%
	Total		22.94%
4.	(2) x (3)		124,061,899
5.	Net Subject to Investment (2) - (4)		416,748,471

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		1,013,512,688
2.	Average Agents' Balances		0.112
3.	Delayed Remission (1) x (2)		113,513,421

C. Loss Reserve

1.	Direct Earned Premium (A-1)		1,013,512,688
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5396	546,891,446
3.	Expected Mean Loss Reserves (2) x	0.387	211,646,990

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 514,882,040

E. Average Rate of Return 4.51%

F. Investment Earnings on Net Subject to Investment (D) x (E) 23,221,180

G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1) 2.29%

H. Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes (G) x 0.782 1.79%

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 page 15 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 12/31/02 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/02	\$1,013,512,688
2. Unearned Premium Reserve as of 12/31/01	508,270,259
3. Unearned Premium Reserve as of 12/31/02	573,326,148
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	540,798,204
5. Ratio (4) \div (1)	0.5336

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 12/31/02.

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)	0.109
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)	1.031
3. Factor for agents' balances (1) \times (2)	0.112

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/02.

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 2002 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2002	615,781,446
2. Loss Reserves as of 12/31/01	169,626,576
3. Loss Reserves as of 12/31/02	270,561,755
4. Mean Loss Reserve 2002: $1/2 [(2) + (3)]$	220,094,166
5. Ratio (4) + (1)	0.357
6. Ratio of LAE Reserves to Loss Reserves (a)	0.272
7. Ratio of Incurred LAE to Incurred Losses (a)	0.174
8. Loss and LAE Reserve $[(5) \times (1.0 + (6)) / (1.0 + (7))]$	0.387

(a) Based on 2002 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>
2002	11,395,625,437	252,407,988,381	4.51%

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	4.51%	0.218

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 2002 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	23,094,226	0.350
	Non-Taxable	9,284,966	-
	Sub-Total	32,379,192	0.250
Stocks	Taxable (a)	2,763,531	0.105
	Non-Taxable	3,977,275	-
	Sub-Total	6,740,806	0.043
Mortgage Loans		178,521	
Real Estate		1,672,965	
Collateral Loans		207	
Cash/short term investments		1,048,332	
		-	
All Other		2,428,821	
Sub-Total		5,328,846	0.350
Total		44,448,844	0.231
Investment Deductions		4,336,105	0.350
Net Investment Income Earned		40,112,739	0.218

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .3 = 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 12/31/01		938,607,898
2.	Mean Unearned Premium Reserve (1) x	0.5221	490,047,184
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		14.38%
	Taxes, Licenses and Fees		2.28%
	1/2 General Expenses		2.56%
	1/2 Other Acquisition		3.84%
	Total		23.06%
4.	(2) x (3)		113,004,881
5.	Net Subject to Investment (2) - (4)		377,042,303

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		938,607,898
2.	Average Agents' Balances		0.136
3.	Delayed Remission (1) x (2)		127,650,674

C. Loss Reserve

1.	Direct Earned Premium (A-1)		938,607,898
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5395	506,378,961
3.	Expected Mean Loss Reserves (2) x	0.393	199,006,932

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 448,398,561

E. Average Rate of Return 5.54%

F. Investment Earnings on Net Subject to Investment (D) x (E) 24,841,280

G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1) 2.65%

H. Average Rate of Return as a Percent of Direct Earned Premium after Federal Income Taxes (G) x 0.770 2.04%

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 page 15 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 12/31/01 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/01	\$938,607,898
2. Unearned Premium Reserve as of 12/31/00	471,820,665
3. Unearned Premium Reserve as of 12/31/01	508,270,259
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	490,045,462
5. Ratio (4) \div (1)	0.5221

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 12/31/01.

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)	0.1323
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)	1.031
3. Factor for agents' balances (1) x (2)	0.136

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/01.

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 2001 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2001	467,635,393
2. Loss Reserves as of 12/31/00	172,331,938
3. Loss Reserves as of 12/31/01	169,626,576
4. Mean Loss Reserve 2001: $1/2 [(2) + (3)]$	170,979,257
5. Ratio (4) + (1)	0.366
6. Ratio of LAE Reserves to Loss Reserves (a)	0.243
7. Ratio of Incurred LAE to Incurred Losses (a)	0.158
8. Loss and LAE Reserve $[(5) \times (1.0 + (6))] / (1.0 + (7))$	0.393

(a) Based on 2001 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>
2001	13,236,878,283	239,016,395,968	5.54%

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	5.54%	0.23

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 2001 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	22,302,424	0.350
	Non-Taxable	9,654,683	-
	Sub-Total	31,957,107	0.244
Stocks	Taxable (a)	2,621,526	0.105
	Non-Taxable	1,405,226	-
	Sub-Total	4,026,752	0.068
Mortgage Loans		137,721	
Real Estate		1,649,181	
Collateral Loans		-	
Cash on Deposit		596,201	
Short Term Investments		1,203,685	
All Other		2,418,157	
Sub-Total		6,004,945	0.350
Total		41,988,804	0.242
Investment Deductions		4,253,706	0.350
Net Investment Income Earned		37,735,098	0.230

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .3 = 10.5%)

NORTH CAROLINA
HOMEOWNERS INSURANCE
AVERAGE NUMBER OF MONTHS FROM ACCIDENT TO CLAIM SETTLEMENT

Exhibit (10)(b)

(Based on ISO North Carolina experience for accident years 1998-2000)

(1)	(2)	(3)
Average Payment <u>Month</u>	Losses <u>Paid</u>	Portion of Losses <u>Paid</u>
1.5	345,134,953	0.4398
4.5	299,778,259	0.3820
7.5	63,418,930	0.0808
10.5	23,774,011	0.0303
13.5	14,279,336	0.0182
16.5	8,298,336	0.0106
19.5	5,400,537	0.0069
22.5	6,423,718	0.0082
25.5	2,920,184	0.0037
28.5	1,742,102	0.0022
31.5	2,272,822	0.0029
34.5	1,520,842	0.0019
37.5	1,743,419	0.0022
40.5	1,425,002	0.0018
43.5	1,146,838	0.0015
46.5	627,186	0.0008
49.5	1,745,671	0.0022
52.5	2,032,397	0.0026
55.5	470,294	0.0006
58.5	215,931	0.0003
61.5	37,387	0.0000
64.5	269,390	0.0003
67.5	7,780	0.0000
70.5	22,826	0.0000
73.5	33,504	0.0000
	784,741,655	0.9998

The average number of months to payment from the beginning of the accident year is 4.93, i.e., the sum of (column (1) * column (3)

The average number of months to payment from the average date of accident is 3.43 .

2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS

ASSETS

1 Bonds	135,884,315
2 Stocks	
2.1 Preferred stocks	2,000,442
2.2 Common stocks	55,223,688
3 Mortgage loans on real estate	
3.1 First Liens	1,267,239
3.2 Other than First Liens	0
4 Real estate	
4.1 Properties occupied by the company	2,126,103
4.2 Other properties	0
5 Cash and Short-term investments	6,128,455
6 Other invested assets	4,984,371
7 Receivable for securities	146,987
8 Aggregate write-ins for invested assets	1,040,814
9 Subtotals, cash and invested assets	208,934,757
10 Agents balances or uncollected premiums	
10.1 In course of collection	8,313,860
10.2 Booked but deferred and not yet due	14,175,362
10.3 Accrued retrospective premiums	247,676
11 Funds held by or deposited with reinsured companies	360,586
12 Bills receivable, taken for premiums	0
13 Reinsurance recoverable on loss payments	2,216,005
14 Federal income tax recoverable and interest thereon	0
14A Guaranty funds receivable or on deposit	172,798
15 Electronic data processing equipment	268,862
16 Interest, dividends and real estate income due and accrued	1,707,050
17 Receivable from parent, subsidiaries and affiliates	1,467,899
18 Equities and deposits in pools and associations	0
19 Amounts receivable relating to uninsured A & H plans	0
20 Other assets non-admitted	0
21 Aggregate write-ins for other than invested assets	3,144,908
22 TOTALS (Items 8a through 20)	245,491,787

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1 Future investment income on loss reserve	0
2 Other write-ins	3,144,908
6 TOTALS	3,144,908

2005 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS

ASSETS

1 Bonds	144,284,419
2 Stocks	
2.1 Preferred stocks	2,410,499
2.2 Common stocks	57,302,579
3 Mortgage loans on real estate	
3.1 First Liens	1,498,517
3.2 Other than First Liens	0
4 Real estate	
4.1 Properties occupied by the company	2,102,151
4.2 Other properties	0
5 Cash and Short-term investments	6,707,980
6 Other invested assets	6,040,965
7 Receivable for securities	901,441
8 Aggregate write-ins for invested assets	1,342,682
9 Subtotals, cash and invested assets	222,732,788
10 Agents balances or uncollected premiums	
10.1 In course of collection	8,033,758
10.2 Booked but deferred and not yet due	16,077,226
10.3 Accrued retrospective premiums	173,866
11 Funds held by or deposited with reinsured companies	295,047
12 Bills receivable, taken for premiums	0
13 Reinsurance recoverable on loss payments	4,036,137
14 Federal income tax recoverable and interest thereon	0
14A Guaranty funds receivable or on deposit	164,322
15 Electronic data processing equipment	318,397
16 Interest, dividends and real estate income due and accrued	1,875,705
17 Receivable from parent, subsidiaries and affiliates	1,605,507
18 Equities and deposits in pools and associations	0
19 Amounts receivable relating to uninsured A & H plans	0
20 Other assets non-admitted	0
21 Aggregate write-ins for other than invested assets	3,516,853
22 TOTALS (items 8a through 20)	264,512,363

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1 Future investment income on loss reserve	0
2 Other write-ins	3,516,853
6 TOTALS	3,516,853

2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS

LIABILITIES

1 Losses	67,900,999
1A Reinsurance payable on paid loss and loss adjustment expense	2,142,923
2 Loss adjustment expenses	16,211,867
3 Contingent commissions and other similar charges	1,383,406
4 Other expenses	5,748,382
5 Taxes, licenses and fees	1,259,933
6 Federal and foreign income taxes	0
7 Borrowed money	1,699,464
8 Interest	0
9 Unearned premiums	43,571,636
10 Dividends declared and unpaid	
(a) Stockholders	1,057
(b) Policyholders	129,410
11 Funds held by company under reinsurance treaties	2,289,963
12 Amounts withheld or retained by company for account of others	592,660
13 Remittances and items not allocated	757,681
14 Provision for reinsurance	579,062
15 Excess of statutory reserves over statement reserves	0
16 Net adjustments in assets and liabilities for foreign exchange	4,129
17 Drafts outstanding	544,185
18 Payable to parent, subsidiaries and affiliates	878,187
19 Payable for securities	511,221
20 Liability for amounts held under accident and health plans	0
21 Capital notes and interest thereon	0
22 Aggregate write-ins for liabilities	6,083,179
23 Total liabilities	158,559,227
24 Aggregate write-ins for special surplus funds	2,130,685
25A Common capital stock	249,630
25B Preferred capital stock	315,060
25C Aggregate write-ins for other than special surplus funds	6,963
26A Surplus notes	2,757,199
26B Gross paid in and contributed surplus	19,480,629
26C Unassigned funds (surplus)	61,992,559
26D Treasury stock	
(1) common	166
(2) preferred	0
27 Surplus as regards policyholders	86,932,560
28 TOTALS	245,491,787

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1 Miscellaneous conditional reserves	300,211
2 Other reinsurance balances	0
3 Loss portfolio transfers	-30,728
4 Discount on loss reserve	0
5 Other write-ins	5,813,696
9 TOTALS	6,083,179

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1 Guaranty funds	0
2 Other write-ins	0
9 TOTALS	6,963

2005 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS

LIABILITIES

1 Losses	74,765,680
1A Reinsurance payable on paid loss and loss adjustment expense	3,228,062
2 Loss adjustment expenses	18,150,702
3 Contingent commissions and other similar charges	1,605,505
4 Other expenses	5,460,362
5 Taxes, licenses and fees	1,194,383
6 Federal and foreign income taxes	0
7 Borrowed money	1,352,141
8 Interest	0
9 Unearned premiums	45,409,433
10 Dividends declared and unpaid	
(a) Stockholders	96,583
(b) Policyholders	141,130
11 Funds held by company under reinsurance treaties	1,309,844
12 Amounts withheld or retained by company for account of others	720,476
13 Remittances and items not allocated	420,127
14 Provision for reinsurance	635,247
15 Excess of statutory reserves over statement reserves	0
16 Net adjustments in assets and liabilities for foreign exchange	9,444
17 Drafts outstanding	1,609,966
18 Payable to parent, subsidiaries and affiliates	1,530,490
19 Payable for securities	467,544
20 Liability for amounts held under accident and health plans	0
21 Capital notes and interest thereon	0
22 Aggregate write-ins for liabilities	7,013,929
23 Total liabilities	171,796,244
24 Aggregate write-ins for special surplus funds	2,190,846
25A Common capital stock	249,880
25B Preferred capital stock	315,060
25C Aggregate write-ins for other than special surplus funds	3,763
26A Surplus notes	2,757,145
26B Gross paid in and contributed surplus	19,075,298
26C Unassigned funds (surplus)	68,124,293
26D Treasury stock	
(1) common	166
(2) preferred	0
27 Surplus as regards policyholders	92,716,119
28 TOTALS	264,512,363

IM 22

1 Miscellaneous conditional reserves	87,528
2 Other reinsurance balances	0
3 Loss portfolio transfers	-176,058
4 Discount on loss reserve	0
5 Other write-ins	7,102,460
9 TOTALS	7,013,929

I 23C

1 Guaranty funds	0
2 Other write-ins	0
9 TOTALS	3,763

**2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT**

STATEMENT OF INCOME

1 Premiums earned	101,578,408
Deductions	
2 Losses incurred	55,016,908
3 Loss expenses incurred	11,724,079
4 Other underwriting expenses incurred	27,770,398
5 Aggregate write-ins for underwriting deductions	-88,715
6 Total underwriting deductions	94,422,669
7 Net underwriting gain or loss	7,155,739
8 Net investment income earned	8,651,910
9 Net realized capital gains or losses	1,912,638
9A Net investment gain or loss	10,564,548
10 Net gain or loss from agents or premium balances charged off	-175,815
11 Finance or service charges not included in premiums	731,864
12 Aggregate write-ins for miscellaneous income	-458,111
13 Total other income	97,938
14 Net income before dividends to policyholders and before federal and foreign income taxes	17,818,225
14A Dividends to policyholders	659,349
14B Net income after dividends to policyholders but before federal and foreign income taxes	17,158,876
15 Federal and foreign income taxes incurred	3,710,536
16 Net income	13,448,340
17 Surplus as regards policyholders, December 31 previous year	76,413,748
18 Net income	13,448,340
19 Net unrealized capital gains or losses	2,513,406
20 Change in non-admitted assets	500,052
21 Change in provision for reinsurance	-63,029
22 Change in foreign exchange adjustment	-7,859
23 Change in excess of statutory reserves over statement reserves	0
23A Change in surplus notes	-47,340
24 Capital changes	
(a) Paid in	0
(b) Transferred from surplus	0
(c) Transferred to surplus	0
25 Surplus adjustments	
(a) Paid in	-32,051
(b) Transferred to capital	0
(c) Transferred from capital	0
26 Net remittances from or to Home Office	0
27 Dividends to stockholders (cash)	-4,613,383
28 Change in treasury stock	0
29 Extraordinary amounts of taxes for prior years	0
30 Aggregate write-ins for gains and losses in surplus	-616
31 Change in surplus as regards policyholders for the year	10,518,812
32 Surplus as regards policyholders, December 31 current year	86,932,560

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1 Miscellaneous operating adjustments	-12,576
2 Change in conditional reserves	681
3 Miscellaneous capital and surplus adjustments	0
11 TOTALS	-616

**2005 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT**

STATEMENT OF INCOME

1 Premiums earned	107,165,596
Deductions	
2 Losses incurred	61,860,085
3 Loss expenses incurred	12,950,837
4 Other underwriting expenses incurred	28,858,321
5 Aggregate write-ins for underwriting deductions	-9,803
6 Total underwriting deductions	103,659,440
7 Net underwriting gain or loss	3,506,155
8 Net investment income earned	9,922,693
9 Net realized capital gains or losses	1,047,709
9A Net investment gain or loss	10,970,402
10 Net gain or loss from agents or premium balances charged off	-162,447
11 Finance or service charges not included in premiums	722,425
12 Aggregate write-ins for miscellaneous income	-33,778
13 Total other income	526,201
14 Net income before dividends to policyholders and before federal and foreign income taxes	15,002,758
14A Dividends to policyholders	654,901
14B Net income after dividends to policyholders but before federal and foreign income taxes	14,347,858
15 Federal and foreign income taxes incurred	3,005,985
16 Net income	11,341,872
17 Surplus as regards policyholders, December 31 previous year	86,932,890
18 Net income	11,341,872
19 Net unrealized capital gains or losses	551,853
20 Change in non-admitted assets	-184,432
21 Change in provision for reinsurance	-56,186
22 Change in foreign exchange adjustment	-28,966
23 Change in excess of statutory reserves over statement reserves	0
23A Change in surplus notes	-54
24 Capital changes	
(a) Paid in	250
(b) Transferred from surplus	0
(c) Transferred to surplus	0
25 Surplus adjustments	
(a) Paid in	-405,331
(b) Transferred to capital	0
(c) Transferred from capital	0
26 Net remittances from or to Home Office	0
27 Dividends to stockholders (cash)	-5,953,265
28 Change in treasury stock	0
29 Extraordinary amounts of taxes for prior years	0
30 Aggregate write-ins for gains and losses in surplus	284,111
31 Change in surplus as regards policyholders for the year	5,783,229
32 Surplus as regards policyholders, December 31 current year	92,716,120

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1 Miscellaneous operating adjustments	276,955
2 Change in conditional reserves	7156
3 Miscellaneous capital and surplus adjustments	0
11 TOTALS	284,111

2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS

PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

Homeowners

1 Net Premiums Written	26,775,479,000
2 Net Premiums Earned	25,463,826,000
3 Dividends to Policyholders	138,491,000
4 Incurred Losses	12,467,348,000
5 Allocated Loss Adjustment Expenses Incurred	394,665,000
6 Unallocated Loss Adjustment Expenses Incurred	1,852,907,000
7 Unpaid Losses	5,944,633,000
8 Allocated Loss Adjustment Expenses Unpaid	819,844,000
9 Unallocated Loss Adjustment Expenses Unpaid	825,225,000
10 Unearned Premium Reserves	14,305,762,000
11 Agents' Balances	4,956,759,000
12 Commission and Brokerage Expense	3,453,537,000
13 Taxes, Licenses and Fees Incurred	683,576,000
14 Other Acquisition, Etc. Expenses Incurred	2,156,725,000
15 General Expenses Incurred	1,080,978,000
16 Other Income Less Other Expenses	57,239,000
17 Pretax Profit Excluding Investment Gain	3,292,833,000
18 Investment Gain on Insurance Transactions	757,590,000
19 Profit or Loss Excluding Inv Gain on Capital and Surplus	4,050,420,000
20 Investment Gain on Capital and Surplus	1,124,548,000
21 Total Profit or Loss	5,174,973,000

2005 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2005 TOP 50 HOMEOWNERS INSURERS

PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

Homeowners

1 Net Premiums Written	27,502,260,000
2 Net Premiums Earned	26,919,133,000
3 Dividends to Policyholders	150,690,000
4 Incurred Losses	17,104,964,000
5 Allocated Loss Adjustment Expenses Incurred	356,150,000
6 Unallocated Loss Adjustment Expenses Incurred	2,710,845,000
7 Unpaid Losses	8,063,042,000
8 Allocated Loss Adjustment Expenses Unpaid	816,227,000
9 Unallocated Loss Adjustment Expenses Unpaid	1,353,699,000
10 Unearned Premium Reserves	14,888,889,000
11 Agents' Balances	5,184,098,000
12 Commission and Brokerage Expense	3,632,942,000
13 Taxes, Licenses and Fees Incurred	730,597,000
14 Other Acquisition, Etc. Expenses Incurred	2,035,822,000
15 General Expenses Incurred	1,019,839,000
16 Other Income Less Other Expenses	119,096,000
17 Pretax Profit Excluding Investment Gain	-703,616,000
18 Investment Gain on Insurance Transactions	856,864,000
19 Profit or Loss Excluding Inv Gain on Capital and Surplus	153,243,000
20 Investment Gain on Capital and Surplus	1,202,278,000
21 Total Profit or Loss	1,355,517,000

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 (Other than Automobile) Plan
ISO Minimum Personal Lines (Other than Automobile) Statistical Plan
ISO 2005 Call for Homeowners Statistics
ISO 2005 Call for Homeowners Statistical Agent Plan Statistics
ISS Personal Lines Statistical Plans - All Coverages
ISS 2005 Homeowners Call
AAIS Personal Lines Statistical Plan
AAIS 2005 Call for Homeowners Statistics
NISS Statistical Plan - All Coverages - Part IV, North Carolina
NISS 2005 Quarterly Call
NISS 2005 Calendar Year Annual Statement
NISS 2005 Financial Reconciliation Call
Annual Statement for Calendar Year 2005
Insurance Expense Exhibit for Calendar Year 2005
RB Calls for 2005 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 R. Curry and S. Thomas.
- (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

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 Page 15 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.

North Carolina Homeowners Insurance Statistical 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.

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 Page 15 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.

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.

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

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 being reported on tape, cartridge, diskette or form to be keyed.
- b. Individual company submissions are balanced to the company letter of transmittal to ensure that all data have been received and processed. After all four quarters of data have been received, the company reports are reconciled to the Annual Statement Page 15 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 quarter data to the previous quarter. 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.

North Carolina Homeowners Insurance Statistical Data

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 insure 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. Each data submission is accompanied by a transmittal that summarizes the detail data by state. The transmittal provides control totals to balance to the input and output of each step in our collection procedure. Signature of the company official responsible for data collection is required on the transmittal to certify the accuracy and completeness of the data submission.
3. 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.
4. The data collection procedure begins with entering the company number, date, type of media, and transmittal control totals for each line of insurance received into a log file. Company number, record counts, lines of insurance, year, quarter, type and number of media are recorded on a processing log and submitted to the computer room.
5. Operations will load the data into the computer and process all lines through a program which verifies certain key fields. 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 proceeding to the next step. Once a valid key field report is generated, Operations will copy all valid key field records to the edit file.
6. Upon receipt of the Moved to Edit report, the statistical department will verify that all records were copied from the stored data file to the edit file. All companies are then released by line and report period for editing.
7. The edit program has several functions and reports. They are:
 - a. Data is balanced to transmittal totals.
 - 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. Homeowners has an additional report entitled "Data Consistency Report". This report shows the companies' average premium, pure premium, loss ratio, frequency and severity.

- d. In addition to the edit report, we provide the company a distribution report. As you might expect, this report provides a distribution of the reported data for almost every single field of information captured by the statistical plan. This report is not only provided as a courtesy to the company, but it is always reviewed by AAIS staff to identify any reporting irregularities that wouldn't be caught by the edit program.
 - 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. Our analysis of a company's data are returned to the company with a customized letter indicating the type of action required. Depending on the severity of errors, companies are requested to make corrections or resubmit data.
8. 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.

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), is shown in the filing and the pre-filed testimony of D. Appel. Also shown therein is the ratio of net worth to surplus of 1.19. Accordingly, the corresponding return on statutory capital and surplus would be 8.97% for homeowners insurance. Based on data from A.M. Best's Aggregates and Averages, the 5-year average ratio of net worth to assets is .352. Accordingly, the corresponding return on assets would be 2.66% for homeowners insurance.

See also pre-filed testimony of D. Appel and J. Vander Weide.

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 aggregate premium to surplus ratios for the calendar years 1997-2006 for the company groups which have written North Carolina homeowners insurance during that entire period are as follows:

1997	1.08
1998	0.98
1999	0.98
2000	1.03
2001	1.20
2002	1.42
2003	1.37
2004	1.26
2005	1.20
2006	0.97

Note: These data are available from Best's Data Service and Best's Aggregate and Averages.

- (b) The experience provides the best estimate of the future. See the prefiled testimony of D. Appel.
- (c) The actual premium to surplus ratio for the property and casualty industry on a countrywide basis (based upon the latest A. M. Best data available at this time) is as follows:

(000's omitted)

STATUTORY CAPITAL AND SURPLUS, 2005	435,348,403
STATUTORY CAPITAL AND SURPLUS, 2006	501,207,293
AVERAGE STATUTORY CAPITAL AND SURPLUS (2006)	468,277,848
NET PREMIUMS EARNED (2006)	445,308,937
PREMIUM/SURPLUS RATIO	0.951

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 not allocated surplus by state and by line in preparing this filing. The Rate Bureau has treated surplus in this manner because each dollar of surplus is available to cover losses in excess of premium for each and every line.

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.

14(a) See pre-filed testimony of D. Appel, J. Vander Weide and R. Curry.

14(b) See attached Exhibit 14(b).

14(c) See attached Exhibit 14(c).

14(d) See attached Exhibit 14(d).



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

North Carolina Rate Bureau

**MINUTES OF THE MEETING OF THE GOVERNING COMMITTEE OF THE
NORTH CAROLINA RATE BUREAU HELD SEPTEMBER 18, 2008**

MEMBERS PRESENT

Allstate Insurance Company
American Home Assurance Company
Cincinnati Insurance Company
Erie Insurance Exchange
Hartford Fire Insurance Company
Nationwide Mutual Insurance Company
North Carolina Farm Bureau Mutual Insurance Company
Progressive Casualty Insurance Company
State Automobile Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
Travelers Indemnity Company
United Services Automobile Association

REPRESENTED BY

Bob Blystone
Steve Armstrong*/**
Ira Feuerlicht
Matt Hull
Jim Gron
Ronnie Chamberlain
Rajiv Iyer
Amy Powell
Roger Batdorff
Kate Terry*
Rick Holbein*
Alan Bentley
Ken Surian
Eric Vaith

OTHERS PRESENT

Integon Indemnity Corporation
Liberty Mutual
ISO

Milliman
Young, Moore & Henderson

REPRESENTED BY

Art Lyon
Anne McLeod
Rob Curry*/**
Pat Woods
Dave Appel
Glenn Raynor**
Mickey Spivey
Mike Strickland
Bill Trott
Edith Davis
Ray Evans
Tim Lucas
Rebecca Mc Carrier
Sue Taylor

Staff

*Attended by phone

**Attended a portion of the meeting

The meeting convened as scheduled, Mr. Batdorff presiding. Attention was directed to the Rate Bureau's Antitrust Compliance Policy and Guidelines and Conflict of Interest statement.

1. Discussion of Private Passenger Auto Rate Filing

Mr. Evans recapped the events that have occurred since the submission of the auto filing to the Department of Insurance on February 1, 2008. He stated that the Bureau has just received an order from the Commissioner for a 16.1 percent rate level decrease. Mr. Strickland summarized the issues that are presented in the Order and described the impact of each issue on the rate level indications. There was significant discussion regarding whether to appeal the Order and, if so, whether and how much to implement pending the outcome of the appeal. After discussion, a motion was passed by the Committee to 1) appeal the order; 2) implement a 9.4 percent increase effective January 1, 2009; 3) implement the filed increased limits factors; and 4) balance the liability and physical damage rates to have the same relationship as in the original filing. A motion was made and passed to implement a zero percent change in the motorcycle rates.

2. Report of Staff

A. General Manager

Mr. Evans reported that the Legislature had established a Joint Select Study Committee on the Potential Impact of Major Hurricanes on the North Carolina Insurance Industry and that its first meeting will be on September 30, 2008. Mr. Trott briefed everyone regarding the Committee and reported that Randy Krauss had been appointed by Senator Basnight to fill the "Rate Bureau" slot on the Committee. He further noted that Mr. Krauss would not be the agent of the Bureau and that the Bureau would not be bound by Mr. Krauss' actions on the Committee. It was also reported that Mr. Evans has been asked to make a presentation at the first meeting. Following discussion, the Governing Committee adopted a resolution, a copy of which is attached hereto as Exhibit A, directing staff and other representatives to cooperate fully and participate as needed in the work of the Joint Study Committee. Discussion ensued on what information should be incorporated into Mr. Evans' presentation to the Joint Study Committee.

B. Personal Lines

Mr. Lucas and Mr. Curry discussed the homeowner rate indications that have resulted from the rate review that has been completed. Mr. Curry reviewed various exhibits and noted that the data and methodology are the same as in the past, with the exception that the provision for residual market reinsurance cost is new this year. Dr. Appel explained the residual market reinsurance cost provision and noted that it addresses a different cost than does the net cost of reinsurance provision. Dr. Appel also reported that Dr. VanderWeide's cost of capital was 11.4-14.3% of GAAP net worth and that the Rating Subcommittee had selected an underwriting profit provision of 9.5%. It was also noted that the indications include the usual provisions of 5% for deviations and 1% for contingencies. Mr. Curry reported that there are two changes from the past with respect to the territory changes for the owners forms: (1) separate rates are developed for territories 5 and 6 and for territories 42 and 43, and (2) the complement of credibility had been changed slightly. The indications for the Tenants and Condos forms were also reviewed. Mr. Lucas reported that the Property Committee is recommending that a filing be prepared and that a subcommittee be authorized to begin discussions with the Department of Insurance regarding the filing. A motion was made, seconded and passed to adopt the recommendation of the Property Committee.

C. Workers Compensation

Mrs. Taylor informed the Committee that the workers compensation filings were submitted to the Department of Insurance on August 29, 2008, and that the voluntary loss cost filing is for a decrease of 4.4 percent and the residual market rate filing is for a decrease of 3.8 percent. She also informed the Committee that a subcommittee has been formed to select an actuarial service provider for workers compensation. The subcommittee has met several times and will soon present a recommendation to the Workers Compensation Committee.

3. Other Business

Mr. Batdorff reminded the Committee of the Annual Meeting scheduled for October 28, 2008. He stated that there will be a Governing Committee meeting on December 2, 2008 with one of the main agenda items being the 2009 budget discussion.

4. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,
Raymond F. Evans, Jr., CPCU
General Manager

RFE:dg

GC-08-18

10/27/08

With regard to the information requested under Item (14) (c) the Rate Bureau submits the following:

2008 Homeowners Rate Filing

Insurance Services Office:

ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings and reviews. While the assessment covers all of the basic required services for developing rates and preparing the filing, the assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the cost of each insurance line and service by the premium volume of all insurers affiliated with ISO for each representative line and service. During 2008, ISO billed the Rate Bureau approximately \$980,000 for charges relating to homeowners insurance services, including forms, rules, public protection grading and other services unrelated to this homeowners rate filing.

Young, Moore & Henderson, P.A.:

The firm has billed the Rate Bureau approximately \$50,617 for services rendered directly in connection with the preparation of the 2008 homeowners rate filing.

Milliman USA:

The firm has billed the Rate Bureau approximately \$42,827 for services rendered in connection with the 2008 homeowners rate filing.

Air Worldwide Corporation:

The firm has provided services for \$47,500 in connection with matters involving the 2008 homeowners rate filing.

2006 Homeowners Rate Filing

Insurance Services Office:

ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings and reviews. While the assessment covers all of the basic required services for developing rates and preparing the filing, the assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the cost of each insurance line and service by the premium volume of all insurers affiliated with ISO for each representative line and service. During 2006, ISO billed the Rate Bureau approximately \$1,054,400, for charges relating to homeowners insurance services, including forms, rule, public protection grading and other services unrelated to this homeowners rate filing.

Young, Moore & Henderson, P.A.:

The firm has billed the Rate Bureau approximately \$119,900 for services rendered (fees) in connection with the preparation of the 2006 homeowners rate filing.

Milliman USA:

The firm has billed the Rate Bureau approximately \$44,182.25 for services rendered in connection with the 2006 homeowners rate filing.

Applied Research Insurance:

The firm has provided services for \$45,00.00 in connection with matters including the 2006 homeowners rate filing.

Financial Strategy Associates:

The firm has billed the Rate Bureau \$5,562.00 for services rendered in connection with the 2006 homeowners rate filing.

The following changes in methodology from those used in the December 29, 2006 filing have been incorporated into this filing:

- Updated version of the AIR hurricane model utilized.
- Rate-level indications reflect the residual market reinsurance cost.
- The dollar-value loadings for fixed expenses in the Tenant and Condominium policy forms are set at 50% of the corresponding loading for the Owners' forms.
- In deriving indicated rate-level changes by territory, the statewide non-hurricane pure-premium is used as the complement of credibility (for the by-territory non-hurricane pure premium).

See also the prefiled testimony of R. Curry, S. Thomas and D. Appel.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
TABLE OF CONTENTS**

RULE NO.		PAGE NO.
PART I – COVERAGE AND DEFINITION TYPE RULES		
100.	Introduction.....	HO-1
	A. About The Homeowners Manual.....	HO-1
	B. Manual Structure.....	HO-1
101.	Limits Of Liability And Coverage Relationships.....	HO-1, HO-2
	A. Limits.....	HO-1, HO-2
	B. All Forms.....	HO-2
	C. Form HO 00 02 , HO 00 03 Or HO 00 05	HO-2
	D. Form HO 00 06	HO-2
	E. Form HO 00 08	HO-2
102.	Description Of Coverages.....	HO-3
	A. Section I – Property – Perils Insured Against.....	HO-3
	B. Section II – Liability – All Forms.....	HO-3
103.	Mandatory Coverages.....	HO-3
104.	Eligibility.....	HO-3, HO-4
	A. All Forms Except HO 00 04 And HO 00 06	HO-3, HO-4
	B. Form HO 00 04	HO-4
	C. Form HO 00 06	HO-4
	D. Seasonal Dwelling.....	HO-4
	E. Mobile Home, Trailer Home Or House Trailer.....	HO-4
	F. Permitted Business Occupancies.....	HO-4
	G. Farm Property.....	HO-4
	H. Residence Held in Trust (All Forms Except HO 00 04).....	HO-4
105.	Secondary Residence Premises.....	HO-4, HO-5
	A. Application.....	HO-4
	B. Premium Adjustment.....	HO-5
106.	Protection Classification Information.....	HO-5
107.	Construction Definitions.....	HO-5
	A. Frame.....	HO-5
	B. Masonry Veneer.....	HO-5
	C. Masonry.....	HO-5
	D. Superior Construction.....	HO-5
	E. Mixed (Masonry/Frame).....	HO-5
108.	Seasonal Dwelling Definition.....	HO-5
109.	Single And Separate Buildings Definition.....	HO-5
	A. Single Building.....	HO-5
	B. Separate Building.....	HO-5
110. – 200.	Reserved For Future Use.....	HO-5
PART II – SERVICING TYPE RULES		
201.	Policy Period.....	HO-6
202.	Changes Or Cancellations.....	HO-6
203.	Manual Premium Revision.....	HO-6
204.	Multiple Company Insurance.....	HO-6, HO-7
	A. Application.....	HO-6
	B. Endorsement.....	HO-6
	C. Premium.....	HO-6
	D. Example.....	HO-6, HO-7
205.	Minimum Premium.....	HO-7
206.	Transfer Or Assignment.....	HO-7
207.	Waiver Of Premium.....	HO-7
208.	Whole Dollar Premium Rule.....	HO-7
209.	Restriction Of Individual Policies.....	HO-7
210.	Refer To Company.....	HO-7
211.	Additional Interest.....	HO-7
212. – 300.	Reserved For Future Use.....	HO-7

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
TABLE OF CONTENTS**

RULE NO.		PAGE NO.
PART III – BASE PREMIUM COMPUTATION RULES		
301.	Base Premium Computation	HO-8
	A. All Forms Except HO 00 04 And HO 00 06	HO-8
	B. Form HO 00 04 Or HO 00 06	HO-8
	C. Interpolation Example.....	HO-8
302.	Loss Settlement Options	HO-8, HO-9
	A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only	HO-8, HO-9
	B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only..	HO-9
	C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only	HO-9
303.	Ordinance Or Law Coverage All Forms Except HO 00 08	HO-9, HO-10
	A. Basic Limit	HO-9
	B. Increased Amount Of Coverage	HO-9, HO-10
304.	Special Personal Property Coverage HO 00 04 And HO 00 06	HO-10
	A. Coverage Description	HO-10
	B. Premium Computation	HO-10
	C. Endorsement	HO-10
305. – 400.	Reserved For Future Use.....	HO-10
PART IV – ADJUSTED BASE PREMIUM COMPUTATION RULES		
401.	Superior Construction.....	HO-11
402.	Townhouse Or Row House – All Forms Except HO 00 04 And HO 00 06	HO-11
403.	Personal Property (Coverage C) Replacement Cost Loss Settlement.....	HO-11
	A. Introduction	HO-11
	B. Loss Settlement Option	HO-11
	C. Endorsement	HO-11
	D. Scheduled Personal Property	HO-11
	E. Scheduled Personal Property (With Agreed Value Loss Settlement)	HO-11
	F. Premium Determination	HO-11
404.	Protective Devices.....	HO-12
405.	Inflation Guard – All Forms Except HO 00 04 And HO 00 06	HO-12
	A. Coverage Description	HO-12
	B. Premium Computation	HO-12
	C. Endorsement	HO-12
406.	Deductibles.....	HO-12 – HO-15
	A. Base Deductible.....	HO-12
	B. Optional Deductibles.....	HO-12, HO-13
	C. Optional Higher Deductibles	HO-13 – HO-15
407.	Additional Amounts Of Insurance – Forms HO 00 02, HO 00 03 And HO 00 05	HO-16
	A. Introduction	HO-16
	B. Coverage Description	HO-16
	C. Options Available.....	HO-16
	D. Endorsement Exception.....	HO-16
408.	Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – All Forms Except HO 00 04	HO-16
	A. Introduction	HO-16
	B. Coverage Description	HO-16
	C. Premium Determination	HO-16
	D. Endorsement	HO-16
409.	Replacement Cost Loss Settlement For Certain Non-Building Structures – Forms HO 00 02, HO 00 03 And HO 00 05	HO-17
	A. Introduction	HO-17
	B. Coverage Description	HO-17
	C. Premium Computation	HO-17
	D. Endorsement	HO-17
	E. Endorsement Exception.....	HO-17

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
TABLE OF CONTENTS**

RULE NO.		PAGE NO.
410.	Building Code Effectiveness Grading	HO-17, HO-18
	A. General Information	HO-17
	B. Community Grading	HO-17
	C. Individual Grading	HO-18
	D. Ungraded Risks	HO-18
	E. Premium Credit Computation.....	HO-18
411. – 500.	Reserved For Future Use	HO-18
	PART V – SECTION I – PROPERTY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES	
501.	Building Additions And Alterations At Other Residences.....	HO-19
	A. Coverage Description	HO-19
	B. Premium Computation	HO-19
	C. Endorsement.....	HO-19
502.	Building Additions And Alterations – Increased Limit – HO 00 04	HO-19
	A. Coverage C Increase	HO-19
	B. Premium Computation	HO-19
	C. Endorsement.....	HO-19
503.	Business Property – Increased Limit	HO-19
	A. On-Premises	HO-19
	B. Off-Premises	HO-19
	C. Endorsement.....	HO-19
504.	Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money	HO-19
	A. Coverage Increase.....	HO-19
	B. Premium.....	HO-19
	C. Endorsement.....	HO-19
505.	Earthquake Coverage.....	HO-19, HO-20
	A. Coverage Description	HO-19
	B. Deductible.....	HO-19
	C. Loss Assessment Coverage	HO-20
	D. Base Premium	HO-20
	E. Premium For Higher Deductibles.....	HO-20
	F. Building Code Effectiveness Grading	HO-20
506.	Fire Department Service Charge	HO-20
507.	Form HO 00 06 Coverage A Dwelling Basic And Increased Limits And Special Coverage – HO 00 06	HO-20, HO-21
	A. Basic Limits.....	HO-20
	B. Increased Limits.....	HO-21
	C. Special Coverage.....	HO-21
	D. Endorsement.....	HO-21
508.	Form HO 00 06 Units Regularly Rented To Others	HO-21
	A. Coverage C And Section II Liability	HO-21
	B. Premium Computation	HO-21
	C. Endorsement.....	HO-21
509.	Home Day Care Coverage	HO-21
	A. Coverage Description	HO-21
	B. Other Structures.....	HO-21
	C. Personal Property	HO-21
	D. Premium Computation	HO-21
510.	Permitted Incidental Occupancies Residence Premises	HO-21, HO-22
	A. Coverage Description	HO-21
	B. Permitted Incidental Occupancies	HO-21
	C. Other Structures.....	HO-21
	D. Personal Property	HO-21
	E. Premium Computation	HO-22

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
TABLE OF CONTENTS**

RULE NO.		PAGE NO.
511.	Loss Assessment Coverage.....	HO-22
	A. Residence Premises.....	HO-22
	B. Additional Locations.....	HO-22
	C. Endorsement.....	HO-22
512.	Loss Of Use – Increased Limit.....	HO-22
513.	Ordinance Or Law Increased Amount Of Coverage – HO 00 04 And HO 00 06	HO-22
	A. Coverage Increase.....	HO-22
	B. Premium Determination.....	HO-22
514.	Other Structures.....	HO-22, HO-23
	A. On-Premises Structures.....	HO-22, HO-23
	B. Structures Off The Residence Premises.....	HO-23
515.	Personal Property.....	HO-23, HO-24
	A. Increased Limit.....	HO-23
	B. Increased Limits – Other Residences.....	HO-23
	C. Reduction In Limit.....	HO-23
	D. Increased Special Limits Of Liability.....	HO-23
	E. Refrigerated Personal Property.....	HO-24
	F. Theft Coverage Increase – HO 00 08	HO-24
516.	Personal Property – Scheduled.....	HO-24
	A. Introduction.....	HO-24
	B. Loss Settlement.....	HO-24
	C. Endorsements.....	HO-24
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	HO-24
	A. Coverage Description.....	HO-24
	B. Premium.....	HO-24
	C. Endorsement.....	HO-24
518.	Sinkhole Collapse Coverage All Forms Except HO 00 04 And HO 00 06	HO-24, HO-25
	A. Coverage Description.....	HO-24
	B. Premium Determination.....	HO-24
	C. Endorsement.....	HO-25
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	HO-25
	A. Coverage Description.....	HO-25
	B. Premium.....	HO-25
	C. Endorsement.....	HO-25
520.	Livestock Collision Coverage.....	HO-25
	A. Coverage Description.....	HO-25
	B. Coverage Exclusion.....	HO-25
	C. Premium.....	HO-25
	D. Endorsement.....	HO-25
521.	Water Back Up And Sump Discharge Or Overflow.....	HO-25
	A. Coverage Description.....	HO-25
	B. Coverage Option.....	HO-25
	C. Premium.....	HO-25
	D. Endorsement.....	HO-25
522.	Landlords Furnishings.....	HO-25
	A. Basic Limit.....	HO-25
	B. Increased Limits.....	HO-25
	C. Premium.....	HO-25
	D. Endorsement.....	HO-25
523.	Assisted Living Care Coverage.....	HO-25, HO-26
	A. Introduction.....	HO-25
	B. Coverage Description.....	HO-26
	C. Premium.....	HO-26
	D. Endorsement.....	HO-26

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
TABLE OF CONTENTS**

RULE NO.		PAGE NO.
524.	Other Members Of A Named Insured's Household	HO-26
	A. Introduction	HO-26
	B. Coverage Description	HO-26
	C. Premium	HO-26
	D. Endorsement	HO-26
525.	Motorized Golf Cart – Physical Loss Coverage	HO-26, HO-27
	A. Coverage Description	HO-26
	B. Eligibility	HO-26
	C. Limit Of Liability	HO-26
	D. Deductible	HO-26
	E. Premium	HO-26
	F. Endorsement	HO-27
526.	Residence Held In Trust All Forms Except HO 00 04	HO-27, HO-28
	A. Trust And Trustee – Named Insured	HO-27
	B. Endorsement	HO-27
	C. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust	HO-27
	D. Liability Coverage Explained	HO-27
	E. Additional Conditions	HO-27
	F. Premium	HO-27, HO-28
527.	Student Away From Home	HO-28
	A. Introduction	HO-28
	B. Coverage Description	HO-28
	C. Premium Determination	HO-28
	D. Endorsement	HO-28
528.	Home Business Insurance Coverage	HO-28 – HO-32
	A. Eligibility	HO-28
	B. Classifications	HO-28, HO-29
	C. Coverages	HO-29
	D. Home Business Premium Computation	HO-30
	E. Endorsement	HO-30
	F. Options	HO-31, HO-32
529.	Modified Other Insurance And Service Agreement Condition – HO 00 06 Only	HO-32
	A. Introduction	HO-32
	B. Coverage Description	HO-32
	C. Premium	HO-32
	D. Endorsement	HO-32
530. – 600.	Reserved For Future Use	HO-32
PART VI – SECTION II – LIABILITY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES		
601.	Residence Premises – Basic And Increased Limits/Other Exposures – Basic Limits	HO-33
	A. Residence Premises	HO-33
	B. Other Exposures	HO-33
	C. Rates And Factors Not Shown	HO-33
602.	Other Insured Location Occupied By Insured	HO-33
	A. Introduction	HO-33
	B. Premium	HO-33
603.	Residence Employees	HO-33
604.	Additional Residence Rented To Others	HO-33
	A. Introduction	HO-33
	B. Premium	HO-33
	C. Endorsement	HO-33
605.	Other Structures Rented To Others – Residence Premises	HO-33
	A. Coverage Description	HO-33
	B. Premium	HO-33
	C. Endorsement	HO-33

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
TABLE OF CONTENTS**

RULE NO.		PAGE NO.
606.	Computer-Related Damage Or Injury Exclusion And Coverage Options	HO-34
	A. Exclusions.....	HO-34
	B. Section II Liability Limited Coverage.....	HO-34
	C. Premium	HO-34
607.	Home Day Care Coverage	HO-34
	A. Coverage Description	HO-34
	B. Endorsement	HO-34
	C. Premium	HO-34
608.	Permitted Incidental Occupancies – Residence Premises And Other Residences.....	HO-34
	A. Coverage Description	HO-34
	B. Premium	HO-34
609.	Business Pursuits.....	HO-34, HO-35
	A. Coverage Description	HO-34, HO-35
	B. Premium	HO-34
	C. Endorsement	HO-35
610.	Personal Injury	HO-35
	A. Introduction	HO-35
	B. Premium	HO-35
	C. Endorsement	HO-35
611.	Incidental Low Power Recreational Motor Vehicles	HO-35
	A. Coverage Description	HO-35
	B. Premium	HO-35
	C. Endorsement	HO-35
612.	Outboard Motors And Watercraft	HO-35
	A. Introduction.....	HO-35
	B. Coverage Description	HO-35
	C. Premium	HO-35
	D. Endorsement	HO-35
613.	Owned Snowmobile.....	HO-36
	A. Coverage Description	HO-36
	B. Premium	HO-36
	C. Endorsement	HO-36
614.	Farmers Personal Liability.....	HO-36
	A. Eligibility.....	HO-36
	B. Endorsement	HO-36
	C. Premium And Rating Instructions	HO-36
615.	Incidental Farming Personal Liability.....	HO-36, HO-37
	A. On The Residence Premises.....	HO-36, HO-37
	B. Away From The Residence Premises.....	HO-37
	C. Endorsement	HO-37
616.	Optional Property Remediation For Escaped Liquid Fuel And Limited Lead And Es- caped Liquid Fuel Liability Coverages.....	HO-37, HO-38
	A. Coverage Outline.....	HO-37, HO-38
	B. Higher Limits.....	HO-38
	C. Application Of Limits Of Liability	HO-38
	D. Rating Basis.....	HO-38 – HO-40
617. – 700.	Reserved For Future Use	HO-40
	PART VII – SECTION II – LIABILITY – OTHER EXPOSURES INCREASED LIMITS	
701.	Other Exposures – Personal Liability Increased Limits	HO-41
702.	Other Exposures – Medical Payments To Others Increased Limits	HO-41

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
INDEX**

RULE NO.		PAGE NO.
408.	Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – All Forms Except HO 00 04	HO-16
	A. Introduction	HO-16
	B. Coverage Description	HO-16
	C. Premium Determination	HO-16
	D. Endorsement.....	HO-16
407.	Additional Amounts Of Insurance – Forms HO 00 02, HO 00 03 And HO 00 05	HO-16
	A. Introduction	HO-16
	B. Coverage Description	HO-16
	C. Options Available	HO-16
	D. Endorsement Exception	HO-16
211.	Additional Interest.....	HO-7
604.	Additional Residence Rented To Others	HO-33
	A. Introduction	HO-33
	B. Premium.....	HO-33
	C. Endorsement.....	HO-33
523.	Assisted Living Care Coverage	HO-25, HO-26
	A. Introduction	HO-25
	B. Coverage Description	HO-26
	C. Premium.....	HO-26
	D. Endorsement.....	HO-26
301.	Base Premium Computation.....	HO-8
	A. All Forms Except HO 00 04 And HO 00 06	HO-8
	B. Form HO 00 04 Or HO 00 06	HO-8
	C. Interpolation Example	HO-8
501.	Building Additions And Alterations At Other Residences.....	HO-19
	A. Coverage Description	HO-19
	B. Premium Computation	HO-19
	C. Endorsement.....	HO-19
502.	Building Additions And Alterations – Increased Limit – HO 00 04	HO-19
	A. Coverage C Increase	HO-19
	B. Premium Computation	HO-19
	C. Endorsement.....	HO-19
410.	Building Code Effectiveness Grading	HO-17, HO-18
	A. General Information	HO-17
	B. Community Grading.....	HO-17
	C. Individual Grading.....	HO-18
	D. Ungraded Risks	HO-18
	E. Premium Credit Computation.....	HO-18
503.	Business Property – Increased Limit	HO-19
	A. On-Premises	HO-19
	B. Off-Premises	HO-19
	C. Endorsement.....	HO-19
609.	Business Pursuits	HO-34, HO-35
	A. Coverage Description	HO-34, HO-35
	B. Premium.....	HO-34
	C. Endorsement.....	HO-35
202.	Changes Or Cancellations.....	HO-6
606.	Computer-Related Damage Or Injury Exclusion And Coverage Options	HO-34
	A. Exclusions.....	HO-34
	B. Section II Liability Limited Coverage.....	HO-34
	C. Premium.....	HO-34
107.	Construction Definitions.....	HO-5
	A. Frame.....	HO-5
	B. Masonry Veneer.....	HO-5
	C. Masonry	HO-5
	D. Superior Construction	HO-5
	E. Mixed (Masonry/Frame)	HO-5

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
INDEX**

RULE NO.		PAGE NO.
504.	Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money.....	HO-19
	A. Coverage Increase	HO-19
	B. Premium	HO-19
	C. Endorsement	HO-19
406.	Deductibles.....	HO-12 – HO-15
	A. Base Deductible.....	HO-12
	B. Optional Deductibles.....	HO-12, HO-13
	C. Optional Higher Deductibles	HO-12 – HO-15
102.	Description Of Coverages	HO-3
	A. Section I – Property – Perils Insured Against	HO-3
	B. Section II – Liability – All Forms.....	HO-3
505.	Earthquake Coverage.....	HO-19, HO-20
	A. Coverage Description	HO-19
	B. Deductible.....	HO-19
	C. Loss Assessment Coverage	HO-20
	D. Base Premium	HO-20
	E. Premium For Higher Deductibles.....	HO-20
	F. Building Code Effectiveness Grading	HO-20
104.	Eligibility	HO-3, HO-4
	A. All Forms Except HO 00 04 And HO 00 06	HO-3, HO-4
	B. Form HO 00 04	HO-4
	C. Form HO 00 06	HO-4
	D. Seasonal Dwelling	HO-4
	E. Mobile Home, Trailer Home Or House Trailer	HO-4
	F. Permitted Business Occupancies	HO-4
	G. Farm Property.....	HO-4
	H. Residence Held in Trust (All Forms Except HO 00 04)	HO-4
614.	Farmers Personal Liability.....	HO-36
	A. Eligibility.....	HO-36
	B. Endorsement	HO-36
	C. Premium And Rating Instructions	HO-36
506.	Fire Department Service Charge.....	HO-20
507.	Form HO 00 06 Coverage A Dwelling Basic And Increased Limits And Special Coverage – HO 00 06	HO-20, HO-21
	A. Basic Limits	HO-20
	B. Increased Limits	HO-21
	C. Special Coverage	HO-21
	D. Endorsement	HO-21
508.	Form HO 00 06 Units Regularly Rented To Others.....	HO-21
	A. Coverage C And Section II Liability	HO-21
	B. Premium Computation	HO-21
	C. Endorsement	HO-21
509.	Home Day Care Coverage	HO-21
	A. Coverage Description	HO-21
	B. Other Structures	HO-21
	C. Personal Property.....	HO-21
	D. Premium Computation.....	HO-21
607.	Home Day Care Coverage	HO-34
	A. Coverage Description	HO-34
	B. Endorsement	HO-34
	C. Premium	HO-34
528.	Home Business Insurance Coverage.....	HO-28 – HO-32
	A. Eligibility.....	HO-28
	B. Classifications.....	HO-28, HO-29
	C. Coverages	HO-29
	D. Home Business Premium Computation.....	HO-30
	E. Endorsement	HO-30
	F. Options	HO-31, HO-32

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
INDEX**

RULE NO.		PAGE NO.
615.	Incidental Farming Personal Liability	HO-36, HO-37
	A. On The Residence Premises	HO-36, HO-37
	B. Away From The Residence Premises	HO-37
	C. Endorsement	HO-37
611.	Incidental Low Power Recreational Motor Vehicles	HO-35
	A. Coverage Description	HO-35
	B. Premium	HO-35
	C. Endorsement	HO-35
405.	Inflation Guard – All Forms Except HO 00 04 And HO 00 06	HO-12
	A. Coverage Description	HO-12
	B. Premium Computation	HO-12
	C. Endorsement	HO-12
100.	Introduction	HO-1
	A. About The Homeowners Manual	HO-1
	B. Manual Structure	HO-1
522.	Landlords Furnishings	HO-25
	A. Basic Limit	HO-25
	B. Increased Limits	HO-25
	C. Premium	HO-25
	D. Endorsement	HO-25
101.	Limits Of Liability And Coverage Relationships	HO-1, HO-2
	A. Limits	HO-1, HO-2
	B. All Forms	HO-2
	C. Form HO 00 02 , HO 00 03 Or HO 00 05	HO-2
	D. Form HO 00 06	HO-2
	E. Form HO 00 08	HO-2
520.	Livestock Collision Coverage	HO-25
	A. Coverage Description	HO-25
	B. Coverage Exclusion	HO-25
	C. Premium	HO-25
	D. Endorsement	HO-25
511.	Loss Assessment Coverage	HO-22
	A. Residence Premises	HO-22
	B. Additional Locations	HO-22
	C. Endorsement	HO-22
512.	Loss Of Use – Increased Limit	HO-22
	C. Special Loss Settlement – HO 00 02 , HO 00 03 And HO 00 05 Only	HO-9
302.	Loss Settlement Options	HO-8, HO-9
	A. Functional Replacement Cost Loss Settlement – HO 00 02 , HO 00 03 And HO 00 05 Only	HO-8, HO-9
	B. Actual Cash Value Loss Settlement – HO 00 02 , HO 00 03 And HO 00 05 Only ..	HO-9
103.	Mandatory Coverages	HO-3
203.	Manual Premium Revision	HO-6
205.	Minimum Premium	HO-7
529.	Modified Other Insurance And Service Agreement Condition – HO 00 06 Only	HO-32
	A. Introduction	HO-32
	B. Coverage Description	HO-32
	C. Premium	HO-32
	D. Endorsement	HO-32
525.	Motorized Golf Cart – Physical Loss Coverage	HO-26, HO-27
	A. Coverage Description	HO-26
	B. Eligibility	HO-26
	C. Limit Of Liability	HO-26
	D. Deductible	HO-26
	E. Premium	HO-26
	F. Endorsement	HO-27

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
INDEX**

RULE NO.		PAGE NO.
204.	Multiple Company Insurance	HO-6, HO-7
	A. Application	HO-6
	B. Endorsement	HO-6
	C. Premium	HO-6
	D. Example	HO-6, HO-7
616.	Optional Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages	HO-37, HO-38
	A. Coverage Outline	HO-37, HO-38
	B. Higher Limits	HO-38
	C. Application Of Limits Of Liability	HO-38
	D. Rating Basis	HO-38 – HO-40
303.	Ordinance Or Law Coverage All Forms Except HO 00 08	HO-9, HO-10
	A. Basic Limit	HO-9
	B. Increased Amount Of Coverage	HO-9, HO-10
513.	Ordinance Or Law Increased Amount Of Coverage – HO 00 04 And HO 00 06	HO-22
	A. Coverage Increase	HO-22
	B. Premium Determination	HO-22
701.	Other Exposures – Personal Liability Increased Limits	HO-41
702.	Other Exposures – Medical Payments To Others Increased Limits	HO-41
602.	Other Insured Location Occupied By Insured	HO-33
	A. Introduction	HO-33
	B. Premium	HO-33
524.	Other Members Of A Named Insured's Household	HO-26
	A. Introduction	HO-26
	B. Coverage Description	HO-26
	C. Premium	HO-26
	D. Endorsement	HO-26
514.	Other Structures	HO-22, HO-23
	A. On-Premises Structures	HO-22, HO-23
	B. Structures Off The Residence Premises	HO-23
605.	Other Structures Rented To Others – Residence Premises	HO-33
	A. Coverage Description	HO-33
	B. Premium	HO-33
	C. Endorsement	HO-33
612.	Outboard Motors And Watercraft	HO-35
	A. Introduction	HO-35
	B. Coverage Description	HO-35
	C. Premium	HO-35
	D. Endorsement	HO-35
613.	Owned Snowmobile	HO-36
	A. Coverage Description	HO-36
	B. Premium	HO-36
	C. Endorsement	HO-36
510.	Permitted Incidental Occupancies Residence Premises	HO-21, HO-22
	A. Coverage Description	HO-21
	B. Permitted Incidental Occupancies	HO-21
	C. Other Structures	HO-21
	D. Personal Property	HO-21
	E. Premium Computation	HO-22
608.	Permitted Incidental Occupancies – Residence Premises And Other Residences	HO-34
	A. Coverage Description	HO-34
	B. Premium	HO-34
610.	Personal Injury	HO-35
	A. Introduction	HO-35
	B. Premium	HO-35
	C. Endorsement	HO-35

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
INDEX**

RULE NO.		PAGE NO.
515.	Personal Property	HO-23, HO-24
	A. Increased Limit.....	HO-23
	B. Increased Limits – Other Residences	HO-23
	C. Reduction In Limit	HO-23
	D. Increased Special Limits Of Liability	HO-23
	E. Refrigerated Personal Property	HO-24
	F. Theft Coverage Increase – HO 00 08	HO-24
403.	Personal Property (Coverage C) Replacement Cost Loss Settlement	HO-11
	A. Introduction	HO-11
	B. Loss Settlement Option.....	HO-11
	C. Endorsement.....	HO-11
	D. Scheduled Personal Property	HO-11
	E. Scheduled Personal Property (With Agreed Value Loss Settlement)	HO-11
	F. Premium Determination	HO-11
516.	Personal Property – Scheduled	HO-24
	A. Introduction	HO-24
	B. Loss Settlement	HO-24
	C. Endorsements	HO-24
201.	Policy Period.....	HO-6
106.	Protection Classification Information	HO-5
404.	Protective Devices	HO-12
210.	Refer To Company	HO-7
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	HO-24
	A. Coverage Description	HO-24
	B. Premium.....	HO-24
	C. Endorsement	HO-24
409.	Replacement Cost Loss Settlement For Certain Non-Building Structures – Forms HO 00 02, HO 00 03 And HO 00 05	HO-17
	A. Introduction	HO-17
	B. Coverage Description	HO-17
	C. Premium Determination	HO-17
	D. Endorsement.....	HO-17
	E. Endorsement Exception.....	HO-17
110. – 200.	Reserved For Future Use	HO-5
212. – 300.	Reserved For Future Use	HO-7
305. – 400.	Reserved For Future Use	HO-10
411. – 500.	Reserved For Future Use	HO-18
530. – 600.	Reserved For Future Use	HO-32
617. – 700.	Reserved For Future Use	HO-40
603.	Residence Employees	HO-33
526.	Residence Held In Trust All Forms Except HO 00 04	HO-27, HO-28
	A. Trust And Trustee – Named Insured.....	HO-27
	B. Endorsement.....	HO-27
	C. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust	HO-27
	D. Liability Coverage Explained.....	HO-27
	E. Additional Conditions	HO-27
	F. Premium.....	HO-27, HO-28
601.	Residence Premises – Basic And Increased Limits/Other Exposures – Basic Limits	HO-33
	A. Residence Premises	HO-33
	B. Other Exposures	HO-33
	C. Rates And Factors Not Shown.....	HO-33
209.	Restriction Of Individual Policies	HO-7
108.	Seasonal Dwelling Definition	HO-5
105.	Secondary Residence Premises.....	HO-4, HO-5
	A. Application	HO-4
	B. Premium Adjustment.....	HO-5

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES
INDEX**

RULE NO.		PAGE NO.
109.	Single And Separate Buildings Definition	HO-5
	A. Single Building	HO-5
	B. Separate Building	HO-5
518.	Sinkhole Collapse Coverage All Forms Except HO 00 04 And HO 00 06	HO-24, HO-25
	A. Coverage Description	HO-24
	B. Premium Determination	HO-24
	C. Endorsement	HO-25
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	HO-25
	A. Coverage Description	HO-25
	B. Premium	HO-25
	C. Endorsement	HO-25
304.	Special Personal Property Coverage HO 00 04 And HO 00 06	HO-10
	A. Coverage Description	HO-10
	B. Premium Computation	HO-10
	C. Endorsement	HO-10
527.	Student Away From Home	HO-28
	A. Introduction	HO-28
	B. Coverage Description	HO-28
	C. Premium Determination	HO-28
	D. Endorsement	HO-28
401.	Superior Construction	HO-11
402.	Townhouse Or Row House – All Forms Except HO 00 04 And HO 00 06	HO-11
206.	Transfer Or Assignment	HO-7
207.	Waiver Of Premium	HO-7
521.	Water Back Up And Sump Discharge Or Overflow	HO-25
	A. Coverage Description	HO-25
	B. Coverage Option	HO-25
	C. Premium	HO-25
	D. Endorsement	HO-25
208.	Whole Dollar Premium Rule	HO-7

HOMEOWNERS POLICY PROGRAM MANUAL 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

Coverage A – Dwelling	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages. For HO 00 06 refer to Rule 507.A.
Coverage B – Other Structures	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	10% of A (One and two family dwelling) 5% of A (Three and four family dwelling)
Coverage C – Personal Property	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 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	
HO 00 02, HO 00 03 or HO 00 05 HO 00 04 HO 00 06 HO 00 08	30% of A 30% of C 50% of C 10% of A

Table 101.A.1. Property Damage Limits

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS (Cont'd)**

2. Section II – Liability (All Forms)

Coverage E – Personal Liability And Coverage F – Medical Payments*
Refer to Rule 301 . in the state classification pages.
* Unless otherwise stated, Coverage E limits apply on an "occurrence" basis; Coverage F 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 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**.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**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 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 Cov. C	Yes	No	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes	Yes Cov. C	Yes	No	Yes
Vandalism or malicious mischief	Yes	Yes Cov. C	Yes	No	Yes
Theft	Yes	Yes Cov. C	Yes	No	Yes
Volcanic eruption	Yes	Yes Cov. C	Yes	No	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current.	Yes	Yes Cov. C	Yes	No	No
Additional risks with certain exceptions (Special Coverage)	No	Yes Cov. A, B and D	No	Yes Cov. A, B, C and D	No

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 1, 2, 3 or 4 family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs F. and H.). A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2, 3 or 4 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

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**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 2, 3 or 4 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 in the name of a trust and trustee(s) when legal title to a 1 through 4 family dwelling or a condominium unit is held solely by the trust and:

1. The trustee and/or beneficiary or grantor regularly reside in the residence held in trust; and
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph **F**.

Refer to Rule **526**. for the rule of application.

**RULE 105.
SECONDARY RESIDENCE PREMISES**

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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 105.
SECONDARY RESIDENCE PREMISES (Cont'd)**

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.

**RULE 106.
PROTECTION CLASSIFICATION INFORMATION**

The Protection Class listings in the Public Protection Classification Manual apply to risks insured under Homeowners Program policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.).
- B. In a classified area where two or more classifications are shown (for example, 6/9), the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9
3. Over 5 road miles	10
* First protection class (for example, 6/9...use Class 6)	

Table 106.B. Two Or More Classifications

- C. All other properties are Class 10.

**RULE 107.
CONSTRUCTION DEFINITIONS**

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.

**RULE 108.
SEASONAL DWELLING DEFINITION**

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

**RULE 109.
SINGLE AND SEPARATE BUILDINGS DEFINITION**

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 inner-side 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.

**RULES 110. – 200.
RESERVED FOR FUTURE USE**

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 00 78**, the total limits that apply to each of the Section I Coverages.

**HOMEOWNERS POLICY PROGRAM MANUAL
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**

Whenever a risk is rated on a refer to company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

**RULE 211.
ADDITIONAL INTEREST**

- 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**.

**RULES 212. – 300.
RESERVED FOR FUTURE USE**

HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

PART III BASE PREMIUM COMPUTATION RULES

RULE 301. BASE PREMIUM COMPUTATION

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

- From the company Base Class Premium Table, select the **HO 00 03** premium for the territory that applies.
- From the Classification Tables in this Manual, select the Form and Protection – Construction Classification Factors that apply.
- Multiply the company Base Class Premium by the Form Factor and round to the nearest whole dollar.
- Multiply this result by the Protection – Construction Classification Factor and round, again, to the nearest whole dollar to arrive at the Key Premium.
- 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.
- 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

- From the company Base Class Premium Table, select the **HO 00 04** or **HO 00 06** premium for the territory that applies.
- From the Form **HO 00 04** or **HO 00 06** Classification Table in this Manual, select the Protection – Construction Classification Factor that applies.
- 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.
- 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.
- 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

- 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.

- 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.

RULE 302. LOSS SETTLEMENT OPTIONS

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
GENERAL RULES**

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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**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 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 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.

**RULES 305. – 400.
RESERVED FOR FUTURE USE**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**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
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
9 & Over	Refer to company	
3 Or 4 Family Dwelling		
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**.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**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

\$250 Deductible.

B. Optional 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 Deductible

To compute the premium for this option, multiply the Base Premium by a factor of 1.10.

3. \$250 Theft Deductible

All forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage Endorsement **HO 05 24** and **HO 00 06** with Unit-Owners Coverage **C** (Special Coverage) Endorsement **HO 17 31**.

- a. The 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, as described in Paragraph **C.3.**, and a \$100 deductible applies to All Other Perils.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 406.
DEDUCTIBLES (Cont'd)**

- b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by a factor of:
- (1) 1.09 for all forms except **HO 00 04** and **HO 00 06**; or
 - (2) 1.05 for Forms **HO 00 04** or **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 Paragraphs **C.3.a.(6)** or **C.3.b.(5)**.

C. Optional Higher Deductibles

1. All Perils Deductible

To compute the premium for this deductible type, multiply the Base Premium by the factors selected from the following table:

All Forms Except HO 00 04 And HO 00 06			
Coverage A Limit	Deductible Amounts		
	\$500	\$1,000	\$2,500
Up to \$59,999	.91	.79	.62
\$60,000 to 99,999	.91	.79	.62
100,000 to 200,000	.92	.79	.62
200,001 and Over	.96	.89	.75
HO 00 04			
Coverage C Limit	\$500	\$1,000	\$2,500
Up to \$25,000	.91	.77	.59
\$25,001 and over	.93	.84	.68
HO 00 06			
Coverage C Limit	\$500	\$1,000	\$2,500
Up to \$40,000	.90	.76	.56
\$40,001 and over	.92	.81	.63

Table 406.C.1. All Perils Deductibles Factors

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. Declarations Instructions

Separately enter, on the policy declaration, the deductible amounts that apply to Theft and All Other Section I Perils.

c. Deductible Factors

(1) Form HO 00 04

Theft Deductible		All Other Perils Deductible Amount	Coverage C Limit	
Territory	Amount		Up to \$25,000	\$25,001 and over
City	\$ 1,000	\$ 100	.87	.92
		250	.84	.90
		500	.81	.87
	\$ 2,500	\$ 100	.74	.83
Other Than City	\$ 1,000	250	.72	.81
		500	.69	.78
		1000	.64	.74
	\$ 2,500	\$ 100	.83	.88
		250	.80	.85
		500	.75	.82
		1000	.69	.77

Table 406.C.2.c.(1) Theft Deductible Factors

(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

Theft Deductible		All Other Perils Deductible Amount	Coverage C Limit	
Amount			Up to \$40,000	\$40,001 and over
\$ 1,000	\$ 100	1.01	1.00	
	250	.95	.96	
	500	.87	.90	
\$ 2,500	\$ 100	.97	.97	
	250	.91	.92	
	500	.83	.86	
	1000	.72	.77	

Table 406.C.2.c.(3) Theft Deductible Factors

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 406.
DEDUCTIBLES (Cont'd)**

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

The following deductible options are 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% or 5% 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:

- Deductible – Windstorm or Hail 1% of Coverage A limit and \$250 for All Other Perils.
- Deductible – Windstorm or Hail 2% of the Coverage A limit, \$250 for Theft of Personal Property and \$100 for All Other.

(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. For example:

Cov.	Limit Of Liability	1% Ded.	Amount Of Loss	
			Before Ded.	After Ded.
A	\$100,000	\$1,000	\$7,500	–
C	50,000		3,000	–
B	10,000		1,350	–
D	20,000		660	–
			\$12,510	\$11,510

Table 406.C.3.a.(4) Example

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Peril Deductibles shown in Paragraphs **B.3.** and **C.1.** 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 following tables for the deductible amounts desired:

1% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 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 406.C.3.a.(6)#1 1% Windstorm Or Hail Deductible

2% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 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 406.C.3.a.(6)#2 2% Windstorm Or Hail Deductible

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 406.
DEDUCTIBLES (Cont'd)**

5% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 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 406.C.3.a.(6)#3 5% Windstorm Or Hail Deductible

b. Higher Fixed-Dollar Deductibles

(1) Deductible Amounts

This option provides for higher fixed-dollar deductible amounts of \$1,000, \$2,000 and \$5,000 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) Use Of Factors

The factors displayed in Paragraph (5) incorporate the factors for the All Perils Deductibles shown in Paragraphs **B.3.** and **C.1.** Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm Or Hail deductible.

(5) Deductible Factors

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired:

\$1,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.02	1.03	1.05	1.06
250	.95	.95	.97	.98
500	.88	.88	.90	.95

Table 406.C.3.b.(5)#1 \$1,000 Windstorm Or Hail Deductible

\$2,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.98	1.00	1.03	1.04
250	.91	.92	.95	.96
500	.85	.85	.88	.93
1,000	.75	.75	.77	.88

Table 406.C.3.b.(5)#2 \$2,000 Windstorm Or Hail Deductible

\$5,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.96	.97	1.01	1.02
250	.88	.89	.92	.94
500	.82	.82	.85	.91
1,000	.72	.72	.75	.86
2,500	.58	.59	.60	.74

Table 406.C.3.b.(5)#3 \$5,000 Windstorm Or Hail Deductible

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**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:

Additional Amount Options	Factor
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**.

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.

**RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING
– ALL FORMS EXCEPT HO 00 04**

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**.

HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

RULE 409. REPLACEMENT COST LOSS SETTLEMENT FOR CERTAIN NON-BUILDING STRUCTURES – FORMS HO 00 02, HO 00 03 AND HO 00 05

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. Re-inforced 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); and
5. Driveways.

C. Premium Computation

The premium is computed by multiplying the Base Premium by a factor of 1.02.

D. Endorsement

Use Replacement Cost Loss Settlement For Certain Non-Building Structures On The Resident 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**.

RULE 410. BUILDING CODE EFFECTIVENESS GRADING

This rule does not apply to Mobile or Trailer homes.

A. General Information

1. The Building Code Effectiveness Grading Schedule 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 Building Code Effectiveness Grading factor applies, where applicable, in addition to the Public Protection Classification factors.

2. In some communities, two Building Code Effectiveness Grades may be assigned. One grade will apply to 1 and 2 family dwelling buildings and/or personal property contained in such buildings. The other grade will apply to all other buildings occupied for residential, commercial and/or manufacturing purposes including personal and business property contained therein. The Public Protection Classification Manual will indicate the application of each grade.
3. The Building Code Effectiveness Grades for a community, and their effective dates, are provided in the Public Protection Classification Manual published by Insurance Services Office, Inc.

B. Community Grading

1. The Building Code Effectiveness Grade 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 grade.
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 grading applicable at the time the reconstruction is completed will apply to such building.
5. The Building Code Effectiveness Grade may apply to Windstorm/Hail or Earthquake, or to both. Specific information is provided in the Public Protection Classification Manual. If the grade in the manual does not apply to one of the perils, the factor should not be applied for that peril.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 410.
BUILDING CODE EFFECTIVENESS GRADING (Cont'd)**

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 Grade 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 Grade 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 Grade assignment are rated and coded as ungraded risks. Do **not** classify as Grade 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 Grade 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.

**RULES 411. – 500.
RESERVED FOR FUTURE USE**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**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 **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**.

**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**.

**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. 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 \$500 is automatically increased, at no additional charge, to an amount that is 20 percent 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**

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**.

**RULE 505.
EARTHQUAKE COVERAGE**

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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 505.
EARTHQUAKE COVERAGE (Cont'd)**

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 F of the table by the appropriate limit of liability for Other Building or Structure options. (for example 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 Increased Limit Form **HO 00 04** Endorsement **HO 04 51**).

7. Ordinance Or Law – Basic And Increased Limit – All Forms:

Multiply the rate determined in Paragraphs **D.3.a.**, **D.4.b.**, **D.5.b.** and/or **D.6.** by the Ordinance or Law total amount of insurance. This includes basic and, if applicable, increased amounts.

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.

**RULE 506.
FIRE DEPARTMENT SERVICE CHARGE**

The limit of \$500 may be increased subject to the rules and rates of the company.

**RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06**

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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND
INCREASED LIMITS AND SPECIAL COVERAGE –
HO 00 06 (Cont'd)**

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**.

**RULE 508.
FORM HO 00 06 UNITS REGULARLY RENTED TO
OTHERS**

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**.

**RULE 509.
HOME DAY CARE COVERAGE**

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**.

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.

**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**.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE
PREMISES (Cont'd)**

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.

**RULE 511.
LOSS ASSESSMENT COVERAGE**

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 2 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 Loss Assessment Coverage Endorsement **HO 04 35**. (Note: This Endorsement does not cover loss to property under Section **I** caused by Earthquake.)

**RULE 512.
LOSS OF USE – INCREASED LIMIT**

- 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.

**RULE 513.
ORDINANCE OR LAW INCREASED AMOUNT OF
COVERAGE – HO 00 04 AND HO 00 06**

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 appropriate Key Factor for "Each Add'l \$1,000" by the appropriate Key Premium.

**RULE 514.
OTHER STRUCTURES**

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**.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 514.
OTHER STRUCTURES (Cont'd)**

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**.

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. Refer to state company rates for additional charge.
4. Use Increased Limits On Personal Property In Other Residences Endorsement **HO 04 50**.

C. Reduction In Limit

1. The limit of liability for Coverage C may be reduced in accordance with Rule **101.D**.
2. Refer to state company rates for credit.

D. 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:

Special Limits

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. Electronic Apparatus		
a. In or upon a motor vehicle or motorized land conveyance	1,500	6,000**
b. Not in or upon a motor vehicle that is away from the residence premises and used for business.	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.D.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**.

**RULE 515.
PERSONAL PROPERTY**

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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 515.
PERSONAL PROPERTY (Cont'd)**

E. 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**.

F. 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.

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.

**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**

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**.

**RULE 518.
SINKHOLE COLLAPSE COVERAGE ALL FORMS
EXCEPT HO 00 04 AND HO 00 06**

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;
 - 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**; Building Additions And Alterations (Other Residence) Endorsement **HO 04 49**; and Building Additions And Alterations (Increased Limit Form **HO 00 04**) Endorsement **HO 04 51**.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 518.
SINKHOLE COLLAPSE COVERAGE ALL FORMS
EXCEPT HO 00 04 AND HO 00 06 (Cont'd)**

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**.

**RULE 521.
WATER BACK UP AND SUMP DISCHARGE OR
OVERFLOW**

A. Coverage Description

The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

B. Coverage Option

The policy may be endorsed to provide such coverage for a limit of liability of \$5,000 subject to a \$250 deductible. No other deductible option is available.

C. Premium

Refer to state company rates for the additional charge.

D. Endorsement

Use Water Back Up And Sump Discharge Or Overflow Endorsement **HO 04 95**.

**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 applies 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**.

**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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

RULE 523.

ASSISTED LIVING CARE COVERAGE (Cont'd)

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**.

C. Premium

Refer to state company rates for additional charge.

D. Endorsement

Use Other Members Of Your Household Endorsement **HO 04 58**.

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.

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).

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS
COVERAGE (Cont'd)**

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. Trust And Trustee – Named Insured

A Homeowners policy may be issued in the name of both the trust and trustee when:

1. The residence held in trust is a 1, 2, 3, or 4 family dwelling or a condominium unit used exclusively for residential purposes, except as provided in Rule **104.F.**;
2. Legal title to the dwelling or condominium unit is held solely by the trust;
3. The resident of the residence held in trust include at least one of the following: the trustee, the grantor of the trust, or the beneficiary of the trust; and
4. The trust and trustee are both shown as the named insured on the policy declarations, regardless of who resides in the residence held in trust.

B. Endorsement

Use Residence Held In Trust Endorsement **HO 05 43**.

C. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust

1. If the trustee regularly resides in the residence held in trust along with the grantor or beneficiary and the grantor and/or beneficiary:
 - a. Is related to the trustee and is a member of the trustee's household, the grantor and/or beneficiary is an insured as defined in the policy form and should **not** be named in Endorsement **HO 05 43**; or
 - b. Is **not** related to the trustee, or is related but not a member of the trustee's household, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** to be covered for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

2. If the trustee does **not** regularly reside in the residence held in trust, the grantor and/or beneficiary must be named in Endorsement **HO 05 43** whether or not they are related to the trustee. This is necessary to provide the grantor or beneficiary with coverage for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

D. Liability Coverage Explained

1. Coverage **E – Personal Liability and Coverage F – Medical Payments To Others** is provided to the trust and trustee named insured who regularly resides on the residence premises. However, if the trustee named insured does **not** regularly reside on the residence premises, coverage for the trust and trustee is **only** provided for bodily injury or property damage arising out of the ownership, maintenance or use of the residence premises (premises liability).
2. Endorsement **HO 05 43** excludes:
 - a. Liability coverage for claims or suits for bodily injury or property damage arising out of any act or decision or failure to act or decide by the trustee named insured in administering the trust except as provided in Paragraph **1.**; and
 - b. Liability coverage for bodily injury to all insureds covered under this policy, for example, the trustee named insured, the grantor or beneficiary of the trust who is named on the endorsement or any person acting on their behalf.

E. Additional Conditions

The policy may **not** be endorsed or extended to insure:

1. Under Section **I**, any other dwelling on the residence premises, or any other structure, on or away from the residence premises, unless legal title to that other dwelling or structure is held solely by the trust; or
2. Under Section **II**, any location away from the residence premises unless legal title to that other location is held solely by the trust.

F. Premium

Additional charges are provided for the trustee and any beneficiary and/or grantor. These charges reflect Section **II – Liability** basic limits.

1. Trustee

The charge for the trustee applies whether or not the trustee resides on the residence premises. Refer to state company rates for this additional charge.

HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

RULE 526. RESIDENCE HELD IN TRUST ALL FORMS EXCEPT HO 00 04 (Cont'd)

2. Beneficiary And/Or Grantor

- a. Refer to state company rates for additional charge when either the beneficiary or grantor is named in the endorsement.
- b. Refer to state company rates for additional charge when both the beneficiary and grantor are named in the endorsement.

RULE 527. STUDENT AWAY FROM HOME

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 older than 24.

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**.

RULE 528. HOME BUSINESS INSURANCE COVERAGE

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 the 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.

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.

HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

RULE 528. HOME BUSINESS INSURANCE COVERAGE (Cont'd)

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 3., 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 **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
- (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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

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 **D.2.** and **3.** that follow, to arrive at the Home Business premium.

2. Section I – Property

- a.** From the Company Homeowners Premium Tables, 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 preceding 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 9 or more individual family units within a fire division, apply the factor for the 5 through 8 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. Other Structures**, 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 preceding Paragraph **3.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

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 **c.(2)** to the premium developed in preceding Paragraph **3.a.** or **b.** to compute the Section II premium component.

E. Endorsement

Use Home Business Insurance Coverage Endorsement **HO 07 01.**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

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**.

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**.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)**

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.

**RULE 529.
MODIFIED OTHER INSURANCE AND SERVICE
AGREEMENT CONDITION – HO 00 06 ONLY**

A. Introduction

Form **HO 00 06** provides that if there is other insurance in the name of a corporation or association of property owners covering the same property covered by **HO 00 06**, payment for a covered loss under **HO 00 06** will be excess over the amount recoverable under such insurance. If the Association does not recover under its policy, for any reason, there is no payment to the insured unit-owner under Form **HO 00 06**.

B. Coverage Description

The policy may be endorsed to alter the Other Insurance and Service Agreement Condition to provide for payment of a covered loss in excess of the amount due from the other insurance whether the corporation or association of property owners can collect on it or not.

C. Premium

Multiply the Base Premium developed in accordance with Rule **301**. by 1.25.

D. Endorsement

Use Unit-Owners Modified Other Insurance And Service Agreement Condition Endorsement **HO 17 34** with **HO 00 06** only.

**RULES 530. – 600.
RESERVED FOR FUTURE USE**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**PART VI
SECTION II – LIABILITY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES**

**RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

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.

**RULE 602.
OTHER INSURED LOCATION OCCUPIED BY INSURED**

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.

**RULE 603.
RESIDENCE EMPLOYEES**

- 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.

**RULE 604.
ADDITIONAL RESIDENCE RENTED TO OTHERS**

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**.

**RULE 605.
OTHER STRUCTURES RENTED TO OTHERS –
RESIDENCE PREMISES**

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.C.** 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
GENERAL RULES**

**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.

**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.

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.

**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 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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 609.
BUSINESS PURSUITS (Cont'd)**

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**.

**RULE 610.
PERSONAL INJURY**

A. Introduction

Liability coverage for personal injury to others, such as false arrest, malicious prosecution, wrongful eviction, slander, libel or violations of right of privacy, may be added to the policy.

B. Premium

Refer to state company rates.

C. Endorsement

Use Personal Injury Endorsement **HO 24 82**.

**RULE 611.
INCIDENTAL LOW POWER RECREATIONAL MOTOR VEHICLES**

A. Coverage Description

1. The policy may be endorsed to provide liability coverage for certain types of recreational motor vehicles that cannot exceed a speed of 15 miles per hour on level ground. However, even with the endorsement there is no coverage for such vehicles if, at the time and place of an occurrence, the involved vehicle:
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by law, or regulation issued by a government agency, for it to be used at the place of an "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. The following may not be covered:
 - a. Motorized bicycles;
 - b. Motorized Golf carts; or

c. Mopeds.

3. Read the endorsement for conditions of coverage applying to eligible motor vehicles.

B. Premium

Refer to state company rates.

C. Endorsement

Use Incidental Low Power Recreational Motor Vehicles Endorsement **HO 24 13**.

**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**.

HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

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**.

RULE 615. INCIDENTAL FARMING PERSONAL LIABILITY

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.

HOMEOWNERS POLICY PROGRAM MANUAL GENERAL RULES

RULE 615. INCIDENTAL FARMING PERSONAL LIABILITY (Cont'd)

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**.

RULE 616. OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES

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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**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.

3. Rating Information For Property Remediation For Escaped Liquid Fuel And Limited Lead And Escaped Liquid Fuel Liability Coverages Endorsement HO 05 83

Attach this optional endorsement to the policy and enter the applicable Risk Class Numbers on the policy declarations. If the insurer shows this rating information elsewhere in the policy, this endorsement does not have to be used.

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 **D.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 **D.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 **D.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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 616.
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 preceding Paragraphs **D.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) One or more fuel storage containers, tanks, or vessels are partially or completely buried below ground (inside or outside of a building or structure); (b) Are all completely above ground (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 D.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 equal to or less than:
 - (a) 100 micrograms per square foot on uncarpeted floors;
 - (b) 500 micrograms per square foot on interior window sills; or
 - (c) 800 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.

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**RULE 616.
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED
LIQUID FUEL AND LIMITED LEAD AND ESCAPED
LIQUID FUEL LIABILITY COVERAGES (Cont'd)**

d. Lead Risk Assessment

For the purposes of this rule, a lead risk assessment of a residential building consists of:

- (1) The testing of paint either through use of on site testing equipment such as XRF analyzers or the collection of samples of paint for analysis by a recognized environmental laboratory; and
- (2) The collection of samples of dust, soil and water for analysis by a recognized environmental laboratory.

e. Recognized Environmental Laboratory

For the purposes of this rule, a Recognized Environmental Laboratory is a laboratory:

- (1) Recognized by the U.S. Environmental Protection Agency or otherwise found acceptable by the insurer, as being capable of performing an analysis for lead compounds in paint, soil and dust; and
- (2) Certified by the U.S. Environmental Protection Agency or a state authority as being capable of performing an analysis of the lead concentration in drinking water as specified under Federal regulations.

**RULES 617. – 700.
RESERVED FOR FUTURE USE**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**PART VII
SECTION II – LIABILITY – OTHER EXPOSURES
INCREASED LIMITS**

**RULE 701.
OTHER EXPOSURES – PERSONAL LIABILITY
INCREASED LIMITS**

Apply the appropriate factor shown in the following table to the basic limits premium for each exposure.

Limit	Factor
\$200,000	1.15
300,000	1.24
400,000	1.30
500,000	1.35

Table 701. Personal Liability Increased Limits

**RULE 702.
OTHER EXPOSURES – MEDICAL PAYMENTS TO
OTHERS INCREASED LIMITS**

Refer to the state company rates for increased limit rates.

**RULE 301.
BASE PREMIUM COMPUTATION**

Base Class Premium Table

TERRITORY	HO 00 03	HO 00 04	HO 00 06
05	1295	140	126
06	1295	140	126
32	410	45	46
34	531	73	54
36	354	34	34
38	358	37	32
39	345	33	30
41	614	57	44
42	809	83	78
43	809	83	78
44	414	47	39
45	518	47	40
46	393	48	42
47	446	46	38
53	398	40	43
57	357	35	29
60	316	31	26

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 Construction Factors		
Protection Class	Construction*	
	Frame	Masonry
1-6	1.00	.95
7	1.25	1.00
8	1.40	1.10
9, 9E, 9S	1.50	1.30
10	1.90	1.60

* Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Table 301.A.1.a.#2 Protection Construction Factors

b. Three And Four Family Factor 1.04

2. Key Factor Table

Cov. A Amt. (In 000)	Factor	Cov. A Amt. (In 000)	Factor
**\$ 10	.510	\$ 55	.853
** 12	.526	60	.930
** 14	.542	65	.953
** 16	.558	70	.977
** 18	.574	75	1.000
20	.590	80	1.023
22	.606	85	1.040
24	.622	90	1.050
26	.638	95	1.068
28	.654	100	1.109
30	.670	110	1.195
32	.686	120	1.281
34	.702	130	1.367
36	.718	140	1.453
38	.734	150	1.539
40	.750	160	1.609
42	.766	170	1.679
44	.782	180	1.749
46	.798	190	1.819
48	.814	200	1.889
50	.830		
Each Add'l \$1,000			.0070
Minimum Limits Of Liability			
**Section I – Property	HO 00 02, 03 & 05	HO 00 08	
Primary Location	\$ 25,000	\$ 15,000	
Secondary Location	\$ 15,000	\$ 10,000	
Section II – Liability		All Forms	
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 Construction Factors		
Protection Class	Construction*	
	Frame	Masonry
1-6	1.00	.90
7	1.00	.90
8	1.10	.90
9, 9E, 9S	1.50	1.20
10	1.70	1.30

* Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Table 301.B.1. Protection Construction Factors

2. 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
Each Add'l \$1,000			.08
Minimum Limits Of Liability			
**Section I – Property			
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			
Section II – Liability		All Forms	
Personal Liability		\$ 25,000	
Medical Payments to Others		1,000	

Table 301.B.2. Key Factors

**RULE A1.
SPECIAL STATE REQUIREMENTS**

A. Special Provisions Endorsement HO 32 32

Use this endorsement with all Homeowners policies.

B. No Coverage For Home Day Care Business HO 32 96

This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Homeowners policies.

C. Windstorm Exterior Paint And Waterproofing Exclusion Endorsement HO 32 86

Use this endorsement with all Homeowners policies in Territories 05 and 06.

D. Flood, Earthquake, Mudslide, Mudflow, Or Landslide 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, or landslide 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. must be 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]. 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."

E. North Carolina Joint Underwriting Association

Section XVI of the Plan of Operation of the Joint Underwriting Association (Fair Plan) sets forth the following as to "Responsibility with Respect to Cancellation or Nonrenewals":

As respects risks eligible under the Plan of Operation, each participating Insurer agrees that with respect to cancellation or nonrenewals initiated by it, it will give to policyholders, except in cases of nonpayment of premium, material misrepresentation, or evidence of incendiarism, thirty days to avail themselves of the Plan of Operation and the Insurer shall, in writing, explain to the policyholder the procedures for making application under the Plan of Operation.

F. Company Rates/State Rate Pages

References in the manual to "state company rates" means "state rate pages" in North Carolina.

**RULE A2.
INSTALLMENT PAYMENT PLAN**

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.

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES 05, 06, 42 AND 43 ONLY**

- 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 Underwriting Association; and
 2. A Windstorm or Hail Rejection Form is secured and maintained by the company.

Use Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94**.

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES 05,
06, 42 AND 43 ONLY (Cont'd)**

- 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 = \$640
 Windstorm or Hail Exclusion Credit = \$427
 Key Factor for \$100,000 = 1.109
 Step 1. Determine the Key Premium
 Key Premium = \$640
 Step 2. Subtract Windstorm or Hail Exclusion Credit from Key Premium
 \$640 – \$427 = \$213
 Step 3. Multiply Key Factor for desired limit by amount in Step 2. \$213 x 1.109 = \$236.22, round to \$236 = 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.**

**RULE A4.
THEFT COVERAGE – NEWLY CONSTRUCTED
DWELLINGS**

- A. Coverage Description**
 The policy may be endorsed to provide theft coverage in or to a newly constructed, unoccupied dwelling.
- B. Premium**
 Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.
- C. Endorsement**
 Use Theft Endorsement – Newly Constructed Unoccupied Dwelling Endorsement **HO 32 26**.

**RULE A5.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06**

- 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 A6.
YEAR OF CONSTRUCTION – NEWLY CONSTRUCTED
DWELLINGS – ALL FORMS EXCEPT HO 00 04
AND HO 00 06**

- A. A Dwelling is eligible for a discount depending 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. To compute the premium for this provision, multiply the Base Premium by the appropriate credit factor selected from the following table:**

Age Of Dwelling (In Years)	Credit
up to 1	.82
1 up to 2	.85
2 up to 3	.88
3 up to 4	.91
4 up to 5	.94
5 up to 6	.97
6 and over	No Credit Applies

Note: A dwelling under construction shall be considered to be completed and occupied during the current calendar year.

Table A6.B. Age Of Dwelling Credits

- C. To develop a premium for this option, multiply the Base Premium by the appropriate credit factor.**

**RULE A7.
COMMUNITY MITIGATION CLASSIFICATION MANUAL**

With the renaming of the Public Protection Classification (PPC) Manual all references to the PPC Manual shall be understood to be references to the Community Mitigation Classification Manual.

**RULE A8.
DWELLING UNDER CONSTRUCTION – THEFT
COVERAGE**

A. Coverage Description

The policy may be endorsed to provide theft coverage in or to a dwelling under construction.

B. Premium

Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.

C. Endorsement

Use Dwelling Under Construction – Theft Coverage Endorsement **HO 32 25**.

**RULE A9.
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.

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 A10.
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 A11.
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 A11.
PRIMARY INSURANCE COVERAGE (Cont'd)**

FIRST LOSS TABLE

(Used When Primary Coverage Provided)

% Of Total Value	Factor
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

% Of Total Value	Factor
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

% Of Total Value	Factor
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

**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

Coverage A – Dwelling	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages. For HO 00 06 refer to Rule 507.A.
Coverage B – Other Structures	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	10% of A (One and two family dwelling) 5% of A (Three and four family dwelling)
Coverage C – Personal Property	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 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	
HO 00 02, HO 00 03 or HO 00 05 HO 00 04 HO 00 06 HO 00 08	20% of A 20% of C 40% of C 10% of A

Table 101.A.1. Property Damage Limits

The following is added to Paragraph E.:

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 **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.

**RULE 106.
PROTECTION CLASSIFICATION INFORMATION**

Rule 106. is replaced by the following:

The Protection Class listings in the Community Mitigation Classification Manual apply to risks insured under Homeowners policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8,7,6, etc.).
- B. In a classified area where a single classification is "9E", the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less	9S
2. Between 5 and 6 road miles	9E

Table 106.B. Two Or More Classifications

- C. In a classified area where two or more classifications are shown (Example: 6/9 or 6/9S), the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9 or 9S
3. Over 5 road miles	10
* First protection class (Example: 6/9 ... use Class 6)	

Table 106.C. Two Or More Classifications

- D. In a classified area where two or more classifications are shown and an "E" is designated, (Example: 6/9E), the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9S
3. Between 5 and 6 road miles	9E
4. Over 6 road miles	10
* First protection class (Example: 6/9E ... use Class 6)	

Table 106.D. Two Or More Classifications

- E. In a classified area where split classifications are shown where no hydrants are installed (Example: 9/10), or where the hydrant distance does not apply due to an alternate creditable water supply (Example: 7/10), the classification is determined as follows:

1. If the split class is X/10 (Example: 7/10):
 - a. Within 5 road miles of fire station, unless otherwise indicated, use first protection class.
 - b. Over 5 road miles from fire station, use class 10.
2. If the split class is X/9E (Example: 7/9E):
 - a. Within 5 road miles of fire station, unless otherwise indicated, use first protection class.
 - b. Between 5 and 6 road miles of fire station use Class 9E.
 - c. Over 6 road miles from fire station, use class 10.

- F. Rural Fire Protection Districts are areas which have been inspected and for which protection classes are published.

- G. All other properties are Class 10.

**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.

**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 05, 06, 42 And 43 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 05, 06, 42 And 43 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 05, 06, 42 And 43 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 Endorsement **HO 04 56**.

**RULE 303.
ORDINANCE OR LAW COVERAGE ALL FORMS
EXCEPT HO 00 08**

Paragraph **B.2.a.** is replaced by the following if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy:

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 multiply the premium computed in accordance with the Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 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. Factors

**RULE 304.
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04
AND HO 00 06**

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.

**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
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
9 & Over	Refer to company	
3 Or 4 Family Dwelling		
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 increased:

1. To 70% of Coverage A for all forms except HO 00 04 and HO 00 06.

2. To \$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.

RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT (Cont'd)

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.

RULE 404.
PROTECTIVE DEVICES

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.

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.

**RULE 404.
PROTECTIVE DEVICES (Cont'd)**

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 firststep 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.

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 Fire 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**

Paragraph **B.3.** is replaced by the following:

B. Optional Deductibles

3. \$250 Theft Deductible

All forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage Endorsement **HO 32 95** and **HO 00 06** with Unit-Owners Coverage **C** Special Coverage Endorsement **HO 32 35**.

- a. The 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, as described in Paragraph **C.3.**, 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 a factor of:
 - (1) 1.09 for all forms except **HO 00 04** and **HO 00 06**; or
 - (2) 1.05 for Forms **HO 00 04** or **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.(5)** for policies applicable to a higher windstorm or hail deductible.

Paragraph **C.1.** is replaced by the following:

C. Optional Higher Deductibles

1. All Perils Deductibles

To compute the premium for this deductible type, multiply the Base Premium by the factors selected from the following table:

All Forms Except HO 00 04 And HO 00 06				
Coverage A Limit	Deductible Amounts			
	\$500	\$1000	\$1500	\$2500
Up to \$59,999	.91	.79	.73	.62
\$60,000 to 99,999	.91	.79	.73	.62
100,000 to 200,000	.92	.79	.73	.62
200,001 and Over	.96	.89	.84	.75
HO 00 04				
Coverage C Limit	\$500	\$1000	\$1500	\$2500
Up to \$25,000	.91	.77	N/A	.59
\$25,001 and Over	.93	.84	N/A	.68
HO 00 06				
Coverage C Limit	\$500	\$1000	\$1500	\$2500
Up to \$40,000	.90	.76	N/A	.56
\$40,001 and Over	.92	.81	N/A	.63

Table 406.C.1. All Perils Deductibles Factors

Paragraph **C.3.a.(6)** is replaced by the following:

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

a. Percentage Deductibles

(6) Deductible Factors

In Territories 05, 06, 42 and 43 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.

**RULE 406.
DEDUCTIBLES (Cont'd)**

(a) Property Not Located In Area Served 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 Served 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 A3. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 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.

1% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.05	1.04	1.04	1.04
250	.96	.96	.96	.96
500	.89	.89	.89	.93
1,000	–	–	.78	.88
1,500	–	–	.73	.84
2,500	–	–	–	.74

Table 406.C.3.a.(6)#1 1% Windstorm Or Hail Deductible

2% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 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
1,500	–	.71	.71	.80
2,500	–	–	.60	.72

Table 406.C.3.a.(6)#2 2% Windstorm Or Hail Deductible

5% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.97	.97	.99	1.00
250	.89	.89	.91	.93
500	.82	.82	.84	.89
1,000	.72	.72	.73	.83
1,500	.67	.67	.68	.78
2,500	.59	.59	.59	.70

Table 406.C.3.a.(6)#3 5% Windstorm Or Hail Deductible

Paragraph C.3.b.(5) is replaced by the following:

b. Higher Fixed-Dollar Deductibles

(5) Deductible Factors

In Territories 05, 06, 42 and 43 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.

**RULE 406.
DEDUCTIBLES (Cont'd)**

(a) Property Not Located In Area Served 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 Served 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 A3. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 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.

\$1,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.02	1.03	1.05	1.06
250	.95	.95	.97	.98
500	.88	.88	.90	.95

Table 406.C.3.b.(5)#1 \$1,000 Windstorm Or Hail Deductible

\$2,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 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 406.C.3.b.(5)#2 \$2,000 Windstorm Or Hail Deductible

\$5,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 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 406.C.3.b.(5)#3 \$5,000 Windstorm Or Hail Deductible

**RULE 406.
DEDUCTIBLES (Cont'd)**

The following is added to Rule 406.:

D. Hurricane Percentage Deductible – Territories 05, 06, 42 And 43 Only (All Forms Except HO 00 04 And HO 00 06)

1. Deductible Amounts

a. The Hurricane 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 limit of liability is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I perils.

b. The Hurricane percentage deductible applies to the total of the windstorm loss that occurs during a hurricane. This deductible applies beginning at the time a hurricane warning is issued for any part of North Carolina by the National Weather Service and ends 24 hours following the termination of the last hurricane warning issued for any part of North Carolina by the National Weather Service.

2. Definition

Hurricane means a storm system that has been declared to be a hurricane by the National Weather Service. The National Weather Service currently uses the Saffir/Simpson Hurricane scale to categorize hurricanes. This scale specifies that a hurricane is a storm that originates in the tropics and results in either a sustained wind speed of at least 74 miles per hour or a storm surge of at least 4 feet above normal.

3. Endorsement

Use Hurricane Percentage Deductible Endorsement **HO 32 24**.

4. Declarations Instructions

Enter on Endorsement **HO 32 24** or the policy declarations, the percentage amount that applies to Hurricane and the dollar amount that applies to All Other Section I Perils. For example:

- Deductible – Section I 250 except 1% of the Coverage A Limit for Windstorm during a Hurricane.
- Deductible – Section I \$100 except 2% of the Coverage A Limit for Windstorm during a Hurricane.

5. Loss By Windstorm That Is A Hurricane

In the event of Hurricane loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

For Example:

Coverage	Limit Of Liability	Amount Of Loss Before
A	\$ 100,000	\$ 7,500
B	10,000	1,350
C	50,000	3,000
D	20,000	660
		\$ 12,510
		-11,510
		1% Deductible 1,000

Table 406.D.5. Example

6. 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 Hurricane 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 **A3**, Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 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)

1% Hurricane Deductible	
All Other Perils Deductible Amount	Territory – 05, 06, 42, 43
\$ 100	1.06
250	.97
500	.94
1,000	.89
1,500	.85
2,500	.75

Table 406.D.6.#1 1% Hurricane Deductible

2% Hurricane Deductible	
All Other Perils Deductible Amount	Territory – 05, 06, 42, 43
\$ 100	1.03
250	.96
500	.92
1,000	.86
1,500	.81
2,500	.73

Table 406.D.6.#2 2% Hurricane Deductible

5% Hurricane Deductible	
All Other Perils Deductible Amount	Territory – 05, 06, 42, 43
\$ 100	1.01
250	.94
500	.90
1,000	.84
1,500	.79
2,500	.71

Table 406.D.6.#3 5% Hurricane Deductible

RULE 407.
**ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05**

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. does not apply.

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 **HO 04 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 \$250 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 **HO 04 36** 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

Paragraph **A.2.** is replaced by the following:

A. Coverage C And Section II Liability

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 515.
PERSONAL PROPERTY

Paragraph **D.1.** is replaced by the following:

D. 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:

Special Limits

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 C	10,000**
5. Firearms	10% of Coverage C	10,000***
6. Electronic Apparatus		
a. In or upon a motor vehicle or motorized land conveyance	1,500	6,000**
b. Not in or upon a motor vehicle that is away from the residence premises and used for business.	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.D.1. Special Limits

Paragraphs **D.3.** and **D.4.** are replaced by the following:

3. Use Coverage **C** Increased Special Limits Of Liability Endorsement **HO 32 88** – for all forms except as noted in Paragraph **4.**
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.:**

G. Additional Coverage – Jewelry And Furs

1. The policy may be endorsed to provide an increased limit of liability (up to \$6500) 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.**

H. 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.

**RULE 515.
PERSONAL PROPERTY (Cont'd)**

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.

**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**

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.

**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**

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**.

**RULE 520.
LIVESTOCK COLLISION COVERAGE**

Rule **520**. does not apply.

**RULE 521.
WATER BACK UP AND SUMP DISCHARGE OR
OVERFLOW**

Rule **521**. is replaced by the following:

A. Coverage Description

The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

B. Coverage Option

The policy may be endorsed to provide such coverage up to the policy limits of liability.

C. Premium

Refer to the state rate pages for the additional charge.

D. Endorsement

Use Water Back Up and Sump Overflow Endorsement **HO 04 84**.

**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**.

RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)

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**, **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**.

PART VI
SECTION II – LIABILITY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES

RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED LIMITS/OTHER EXPOSURES – BASIC LIMITS

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.

RULE 606.
COMPUTER-RELATED DAMAGE OR INJURY EXCLUSION AND COVERAGE OPTIONS

Rule **606.** does not apply.

RULE 607.
HOME DAY CARE COVERAGE

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.

RULE 610.
PERSONAL INJURY

Paragraph **C.** is replaced by the following:

C. Endorsement

Use Personal Injury Endorsement **HO 32 82**.

RULE 613.
OWNED SNOWMOBILE

Rule **613.** does not apply.

**RULE 614.
FARMERS PERSONAL LIABILITY**

Rule **614.** does not apply.

**RULE 616.
OPTIONAL PROPERTY REMEDIATION FOR ESCAPED
LIQUID FUEL AND LIMITED LEAD AND ESCAPED
LIQUID FUEL LIABILITY COVERAGES**

Rule **616.** does not apply.

**PART VII
SECTION II – LIABILITY – OTHER EXPOSURES
INCREASED LIMITS**

**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)

**RULE A2.
INSTALLMENT PAYMENT PLAN**

C. Charge per installment – \$3

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES 05,
06, 42 AND 43 ONLY**

Territories 05 And 06		Territories 42 And 43	
All Forms Except HO 00 04 and HO 00 06	\$ 1053	All Forms Except HO 00 04 and HO 00 06	\$ 578
HO 00 04	65	HO 00 04	49
HO 00 06	80	HO 00 06	42

Table A3. Wind Or Hail Exclusion Credit

**RULE A4.
THEFT COVERAGE – NEWLY CONSTRUCTED
DWELLINGS**

B. Premium
Charge per policy – \$13

**RULE A5.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06**

B. Premium
Charge per policy – \$14

**RULE A8.
DWELLING UNDER CONSTRUCTION – THEFT
COVERAGE**

B. Premium
Rate per \$1,000 of Coverage A limit – \$1

**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 406.
DEDUCTIBLES**

B. Optional Deductibles
1. Additional Premium Charge
b. Minimum additional charge – \$30
Maximum additional charge – \$60

**RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT**

A. On-Premises
2. Rate per \$2,500 – \$25

**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

Base Deductible – Rate Per \$1,000				
	Zone	Frame+	Masonry+	Superior
Table A				
All forms except HO 00 04 and HO 00 06	3	\$.54	\$ 1.24	\$.86
	4	.35	1.24	.50
	5	.27	.86	.36
Table B				
Form HO 00 04 or Form HO 00 06 (apply to Coverage C limit) and Higher Coverage C limits for other forms	3	\$.36	\$.95	\$.36
	4	.23	.82	.23
	5	.18	.57	.18
Table C				
Form HO 00 06 (apply to Coverage A limit), Higher Coverage D Limits, Endorsement HO 04 48 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 not covered, rate as Frame.				

Table 505.D.#1 Premium For Base Deductible

Zone 3			
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

Zone 4			
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

Zone 5			
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.
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	5
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	7
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	\$ 5
5,000	8
10,000	10
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	\$ 6
5,000	10
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 05, 06, 42 And 43 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 05, 06, 42 And 43 Only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$3

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

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. Reduction In Limit

2. Credit per \$1,000 – \$1

D. 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. Electronic Apparatus – Rate per \$500 – \$10

E. Refrigerated Personal Property

3. Charge per policy – \$10

F. Theft Coverage Increase – HO 00 08**3. Premium****a. On-Premises**

Rate per \$2,000 – \$19

b. Off-Premises

Additional Charge – \$10

G. 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

H. 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.
WATER BACK UP AND SUMP DISCHARGE OR
OVERFLOW**

C. Premium

Charge per policy – Up to the policy limits of liability – \$25

**RULE 522.
LANDLORDS FURNISHINGS**

C. Premium

Rate per \$500 per unit

1. Forms HO 00 02 and HO 00 03 – \$1
2. Form HO 00 05 – \$2

**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

RULE 523.
ASSISTED LIVING CARE COVERAGE (Cont'd)

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 motorized golf cart **without** collision – \$7
Rate per motorized golf cart **with** collision – \$12

RULE 526.
RESIDENCE HELD IN TRUST ALL FORMS EXCEPT HO 00 04

F. Premium

For basic limits rates:

1. Trustee

Applies whether or not the trustee resides on the residence premises – \$26

2. Beneficiary And/Or Grantor

a. Beneficiary **or** grantor named in the endorsement; and

- (1) Trustee resides on the residence premises – \$26
- (2) Trustee does **not** reside on the residence premises – No add'l Charge

b. Beneficiary **and** grantor named in the endorsement; and

- (1) Trustee resides on the residence premises – \$51
- (2) Trustee does **not** reside on the residence premises – \$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

RULE 527.
STUDENT AWAY FROM HOME (Cont'd)

- 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

- 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	\$ 3.66

* New Business, use 10 or more classification

Table 528.D.3.a.(1) Office Basic Limits Premium

RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)

(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

c. Coverage F – Increased Limits

(2) All home business classifications:

Business Visitors Per Week	All Home Business Classifications			
	Homeowners Increased Limit Of Liability			
	\$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 601.
RESIDENCE PREMISES – BASIC AND INCREASED
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

A. Residence Premises
3. Increased Limits

Coverage E – Liability			
1 and 2 Family Premium		3 or 4 Family Premium	
Reduced Coverage E Limit (Credit)			
Limit	Rate	Limit	Rate
\$ 25,000	\$ 11	\$ 25,000	\$ 22
50,000	6	50,000	11
Basic And Increased Coverage E Limit			
Limit	Rate	Limit	Rate
\$ 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

Coverage F – Medical Payments	
Limit	Rate
\$ 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**

B. Premium

Rate per Policy – \$13

**RULE 611.
INCIDENTAL LOW POWER RECREATIONAL MOTOR
VEHICLES**

B. Premium

Rate per Conveyance – \$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

Basic Limit Rule #	Coverage F – Medical Payments	\$2,000	\$3,000	\$4,000	\$5,000
524.	Other Members of an Insured's Household	\$ 1	\$ 2	\$ 3	\$ 4
526.	Residence Held in Trust All Forms Except HO 00 04	1	2	3	4
527.	Student Away From Home	1	2	3	4
602.	Other Insured Locations Occupied By Insured	1	2	3	4
603.	Residence Employees	1	2	3	4
604.	Add'l. Residence Rented to Others	1	2	3	4
605.	Other Structures Rented to Others – Residence Premises	1	2	3	4
607.	Home Day Care Coverage	5	10	15	19
608.	Permitted Incidental Occupancies				
	1. Residence Premises	5	10	15	19
	2. Other Residence	3	6	9	11
609.	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			
611.	Incidental Motorized Land Conveyances	1	2	3	4
612.	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			
613.	Owned Snowmobile	Not Applicable			
615.	Incidental Farming Personal Liability	1	2	3	4

Table 702. Other Exposures – Medical Payments To Others Increased Limits

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

A. Cities

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

B. Other Than Cities

County of	Code
Alamance	57
Alexander	60
Alleghany	60
Anson	44
Ashe	60
Avery	60
Beaufort	43
Bertie	45
Bladen	41
Brunswick	42
Buncombe	60
Burke	60
Cabarrus	60
Caldwell	60
Camden	43
Carteret	43
Caswell	46
Catawba	60
Chatham	53
Cherokee	60
Chowan	43
Clay	60
Cleveland	60
Columbus	41
Craven	43
Cumberland	34
Currituck	43
Dare	43
Davidson	57
Davie	60
Duplin	45
Durham	53
Edgecombe	47
Forsyth	57
Franklin	47
Gaston	39
Gates	45
Graham	60
Granville	46
Greene	45
Guilford	57
Halifax	47
Harnett	47
Haywood	60

County of	Code
Henderson	60
Hertford	45
Hoke	47
Hyde	43
Iredell	60
Jackson	60
Johnston	47
Jones	43
Lee	47
Lenoir	45
Lincoln	60
Macon	60
Madison	60
Martin	45
McDowell	60
Mecklenburg	39
Mitchell	60
Montgomery	44
Moore	47
Nash	47
New Hanover	42
Northampton	47
Onslow	42
Orange	53
Pamlico	43
Pasquotank	43
Pender	42
Perquimans	43
Person	46
Pitt	45
Polk	60
Randolph	57
Richmond	44
Robeson	41
Rockingham	60
Rowan	60
Rutherford	60
Sampson	45
Scotland	47
Stanly	60
Stokes	60
Surry	60
Swain	60
Transylvania	60
Tyrrell	43
Union	39
Vance	46
Wake	53
Warren	46
Washington	43
Watauga	60
Wayne	45
Wilkes	60
Wilson	47
Yadkin	57
Yancey	60

Beach Area – Localities south and east of the Inland Waterway from the South Carolina Line to Fort Macon (Beaufort Inlet), thence south and east of Core, Pamlico, Roanoke and Currituck Sounds to the Virginia Line, being those portions of land generally known as the "Outer Banks."

Beach Areas in Carteret, Currituck, Dare and Hyde Counties: 05

Beach areas in Brunswick, New Hanover, Onslow and Pender Counties: 06

**PREFILED TESTIMONY
OF
ROBERT J. CURRY**

**2008 HOMEOWNERS INSURANCE
RATE FILING BY THE
NORTH CAROLINA RATE BUREAU**

- Q. Please state your name and business address.
- A. My name is Robert J. Curry. My business address is Insurance Services Office, 545 Washington Boulevard, Jersey City, New Jersey.
- Q. By whom are you employed?
- A. I am employed by Insurance Services Office ("ISO") and have been employed by ISO since October 8, 1984.
- Q. What are your responsibilities at ISO?
- A. I am generally responsible for managing and overseeing the operations of the Personal Property Actuarial Division at ISO. The Personal Property Actuarial Division is responsible for ISO's total ratemaking operation as it pertains to personal property insurance, including homeowners, dwelling and inland marine coverages. We are generally responsible for doing analyses that pertain to ratemaking for the personal property coverages including reviewing experience, making filings, analysis of classification plans, etc. ISO is involved in ratemaking for the personal property coverages in general in all of the 50 states plus the District of Columbia and Puerto Rico.
- Q. What is your employment background?
- A. I have been employed by ISO for over twenty-four years in various actuarial positions. I was hired as an Actuarial Assistant in 1984 in the Data Management and Control area. In 1990, I joined Actuarial Development as an Actuarial Consultant coordinating work on the quarterly Industry Operating Results and several Insurance Issues Series studies. In 1994, I joined Actuarial Government Services as a Regional Actuary. In 1998, I joined the Personal Lines Actuarial Division (PLAD) as a Manager and Associate Actuary. In PLAD, I was responsible for personal auto filings in 25 states and the use of catastrophe models in personal property ratemaking. In 2003 I was appointed

Assistant Vice President and Actuary of the Personal Property Actuarial Division.

- Q. What is your background in actuarial science and your educational background?
- A. I have a Bachelor of Science degree in mathematics from Cook College at Rutgers University. I am a Fellow of the Casualty Actuarial Society ("CAS") and a member of the American Academy of Actuaries. I am a Chartered Property Casualty Underwriter (CPCU). I have also earned the Associate in Insurance Accounting and Finance (AIAF) and Associate in Regulatory Compliance (ARC) designations. I am currently the chairman of the CAS Predictive Modeling Seminar Committee. I have served on the CAS Examination Committee, CAS Syllabus Committee, CAS Committee on Special Interest Seminars and the CAS Continuing Education Committee. I have also served as a member of the American Academy of Actuaries Committee on Automobile Insurance Issues
- Q. Are you familiar with homeowners ratemaking in other states?
- A. Yes. As part of my duties at ISO, I am familiar with the data collection and ratemaking procedures in use in states in addition to North Carolina. I am responsible at the present time for either preparing or supervising the preparation of filings for all of the states and the District of Columbia and Puerto Rico.
- Q. What work have you performed with respect to the Rate Bureau's 2008 homeowners rate filing in North Carolina?
- A. Through ISO I have been involved in the preparation of the 2008 homeowners rate filing for the Rate Bureau in two respects. First, ISO collects rate-related statistical data from a significant number of the companies which write homeowners insurance in North Carolina, as well as the North Carolina Beach Plan which is a residual market mechanism. The Property Casualty Insurers Association of America ("PCI"), the American Association of Insurance Services ("AAIS") and the National Independent Statistical Service ("NISS") are the statistical organizations which collect data from the other companies. The data which they collect are sent to ISO and compiled in the proper format so that they can be reviewed to determine whether rates are adequate or inadequate. Second, ISO provides consulting actuarial services directly to the Rate Bureau.

Under my direction, my staff put together the vast majority of the data and information contained in Exhibit RB-1.

Finally, I have also reviewed the filed rates to determine if they are calculated in accordance with the Casualty Actuarial Society's (CAS) Statement of Principles Regarding Property and Casualty Insurance Ratemaking. 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 rate standards set forth in North Carolina General Statute 58-36-10, i.e., that rates must be adequate, not excessive and not unfairly discriminatory and that explicit factors must be given due consideration.

The ratemaking experience reflected in Exhibit RB-1 is, in general, supplied by the individual insurance companies. The data are submitted to one of the four statistical organizations (either ISO, AAIS, NISS or PCI). The four statistical organizations subject the data that are reported to them to a series of verification edits and then consolidate the data. The PCI, the NISS and the AAIS then transmit their consolidated data to ISO for a further consolidation with the ISO data. Upon review of the data reported by the statistical agents to ISO, a minor reporting issue was examined involving one company's mapping of zip codes that overlapped municipal boundaries and the situation was remedied by providing summarized information directly to ISO. After consolidating the data ISO produces the hard-copy exhibits of the combined data in a format and detail necessary for ratemaking.

- Q. What data are utilized in Exhibit RB-1?
- A. With respect to Exhibit RB-1 the supporting data for the rate level changes for homeowners are contained in Section C. Five years of experience are displayed in Section C. The five years are the years ended December 31, 2001 through December 31, 2005.

The loss experience used in the filing is what we call "accident year" experience. I can explain that best by giving you an example. The losses for the accident year ended December 31, 2005 consist of all losses caused by accidents which occurred during the one year period ended December 31, 2005. If an accident occurred December 29, 2004 and resulted in either a loss being paid or a reserve being established after January 1, 2005, that loss would be a part of the accident year losses for the period ended December 31, 2004. The test for breaking losses down into accident years is the date the accident occurred.

- Q: What is the reason for using five years of premium and loss data to determine the indicated rate level change?
- A: Five years of data are used to balance the stability of the rates with responsiveness to current conditions. The North Carolina statutes allow the Rate Bureau to review five years of experience in its rate level filings. Furthermore, traditional homeowners ratemaking has relied on five years of experience with the weights of .10, .15, .20, .25 and .30 being given to each year respectively as the way to achieve this balance. The accident year weights used by the Bureau are identical to those used by Insurance Services Office in other states in developing their advisory loss costs for homeowners insurance. These weights are generally accepted in all jurisdictions in which these loss costs are submitted.
- Q: Mr. Curry, please turn to page C-1 of Exhibit RB-1. Would you explain what that page is.
- A: Page C-1 is what we call a statewide rate level calculation for homeowners forms 2, 3, 3w/HO 32 36, 7 and 8 for North Carolina. Page C-1 is a determination of what the actual indicated rate level changes are for policy forms 2, 3, 3w/HO 32 36, 7, and 8 which are the forms commonly referred to as the "owners forms". The data shown are for all business written in the state.
- Q: Referring to column 1 on page C-1, what are "Non-Modeled Adjusted Incurred Losses"?
- A: The incurred losses in column 1 are the losses from all causes, except those losses identified as being caused by hurricanes, from insured events which occurred during each of the 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 exists because they have not yet been reported.
- Q: Have the losses excluding hurricanes as shown in column (1) been adjusted in any way?
- A: Yes, there are two adjustments. First, these losses have been adjusted to a \$250 deductible level. The second adjustment results from the use of a loss development factor.
- Q: What is the purpose of adjusting the reported losses by applying a loss development factor?

- A. As I mentioned a moment ago, the losses in column 1 of page C-1 include losses which are not yet reported. By definition since they are not yet reported we cannot simply take a reported number and add it in. They are included by what is known as an adjustment for IBNR (incurred but not reported) losses. This is accomplished through the use of loss development factors. The losses as they are reported to us 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. The loss reserves, of course, are estimates of what will ultimately be paid on these outstanding claims. Since we want the estimates to be as accurate as possible, we look at history to see how losses have changed, or "developed," in the past from the time they were initially reported to the time they were ultimately paid. For example, if we look back and see that historically there has been a 1% increase in the 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 pattern will hold true for losses incurred during the year ended December 31, 2005. Accordingly we would make an adjustment by increasing the losses as they are initially reported to us by 1%.
- Q. What causes losses to change or develop as you have described?
- A. The losses which are paid as of the date of the initial reporting, of course, do not change. As to the reserve portion of the losses, however, changes would typically result from the fact that the ultimate loss payments are more or less than estimated at the time of the initial report. Another factor would be the late reporting of claims. For example, if an accident occurred on December 25 of any given year and for some reason was not timely reported to the company, it might very well be that the losses as initially reported would not include any provision for that particular claim. By the time of the 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. Will you please refer to page D-8 of RB-1 and explain how the loss development factors used in the filing were calculated?

A. Yes. In the top section of that page, the North Carolina incurred losses evaluated as of 15, 27, 39, 51 and 63 months for the accident years for which data are available are shown. In calculating loss development factors, we have used the data of companies reporting to ISO and three large writers reporting to PCI. The first entry for the accident year ended December 31, 2003 is \$560,960,942. This is in the column which is labeled "15 Months." This is the first evaluation of the losses caused by accidents which occurred during the year which ended December 31, 2003. The evaluation was made as of March 31, 2004 -- 15 months after the beginning of the accident year. Twelve months later (March 31, 2005) the losses caused by accidents which occurred during the year ended December 31, 2003 had grown to \$572,032,872. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$561 million to \$572 million represents a growth in losses, or a positive development, of 2.0% (or 1.020) as shown in the column on that page labeled "27:15." As shown on page D-8, we have looked at the development from 15 months to 27 months for all years. The average development for these years was 1.018, or 1.8%. The selected loss development factor for 15 to 27 months is 1.018 or 1.8%.

Q. Does page D-8 also show development figures for periods later than 27 months?

A. Yes. Studies have shown that for homeowners virtually all losses have been paid by the time of the evaluation at 63 months after the beginning of an accident year. For that reason 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. For example, by the time of the 39 month evaluation the losses for the accident year ended December 31, 2003 had become \$574,199,639. This represents an increase of 1.004 or 0.4%, over the losses for the same accident year evaluated as of 27 months. The average development over the period 27 months to 39 months for the years for which the data are available was 1.001, or 0.1%.

Q. Will you explain how the loss development factor used to determine the ultimate payment value of the accident year ended December 31, 2005 losses was determined?

A. Yes. The loss development factors for each of the applicable periods, as shown on page D-8, are:

<u>Development Period</u>	<u>Factor</u>
15 to 27	1.018
27 to 39	1.001
39 to 51	1.000
51 to 63	.998

If you multiply all of these factors you will get a factor of 1.017 to apply to the year ended December 31, 2005 losses.

- Q: You indicated that losses due to hurricanes have been excluded on Page C-1. Have you excluded them anywhere else in the filing?
- A: Yes, they have been excluded in the development of the territory indications and in the calculation of the non-hurricane excess factor.
- Q: How have these losses been identified in order to be excluded from the Derivation of Excess Factor (Excludes Hurricane Losses) exhibit on page D-26?
- A: The method to remove the hurricane losses depends on the detail of the available data. For 1950-1965 only statewide data is available; and it is from dwelling policies for the early years. Consequently for a year in which a hurricane occurred, losses from that year are removed from the calculation of the statewide non-hurricane excess factor.

Since territory data are available (in varying detail) for 1966-2005, the calculation of the non-hurricane losses is done at the territory level for this period. After it has been determined that a particular hurricane is accounted for by the AIR hurricane model, the territories affected (territories exposed to windspeeds of 50 MPH or higher) are determined by the use of recorded windspeeds and central pressures at 6 hour intervals, storm tracks, and wind to non-wind ratios.

For 1966 - 1985, the non-hurricane wind losses for a territory are calculated by replacing the hurricane year wind to non-wind ratio by the average wind to non-wind ratio of the non-hurricane years. Given the revised wind to non-wind ratio for the hurricane year, the reported non-hurricane total losses and the reported non-hurricane wind losses are then "backed into." For the years (1966 - 1982) in which the old territory codes (01-04) were in effect, the average wind to non-wind ratios are based on the non-hurricane years from 1966-1982. For the years (1983-1999) in which the former territory codes (04, 30-41) were in effect, the average wind

to non-wind ratios are based on the non-hurricane years from 1983 to 1999. For the territory codes introduced as part of the 1993 filing, the average wind to non-wind ratios from the predecessor territories have been used.

For 1986-1995, 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 appropriately to either reported losses or adjusted losses by territory for all statistical agents to obtain non-hurricane losses. For severe hurricanes, wind type 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 1996-2005, 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.

Q: Do you have an opinion as to whether the incurred losses excluding hurricanes shown in column 1 on page C-1 of RB-1 accurately represent the anticipated value of Homeowners owners forms incurred losses excluding actual hurricane losses which resulted from accidents which took place during each of the years ended December 31 in North Carolina?

A: Yes, I do.

Q: What is that opinion?

A: I believe that the losses shown in column 1 do accurately represent the expected ultimate value of those losses excluding actual hurricane losses.

Q: Could you please describe the figures contained in column 4 labeled "Modeled Hurricane Losses" on page C-1?

A: These are the hurricane losses resulting from the model used by AIR Worldwide Inc. (AIR). ISO furnished to AIR North Carolina homeowners insurance data on the 2005 total number of earned house years and earned insurance years by territory. These data are ISO, PCI and NISS data, were compiled by ISO and are correct to the best of my knowledge, information and belief. The pre-filed testimony of David LaLonde discusses the AIR methodology in detail.

Q: How are these losses for each year derived?

A: The AIR model simulates 100,000 years of hurricane losses and develops a mean hurricane loss cost per \$1,000 of coverage by territory. The model's aggregate demand surge accounts for the expected additional cost for supplies and labor if a large hurricane event occurs. To produce the modeled hurricane losses, the Rate Bureau has multiplied the hurricane loss cost per \$1000 of coverage times the amounts of insurance in effect. The calculations of the 2005 modeled hurricane losses are shown on pages D-29-31.

Q: How is the amount of insurance in effect determined?

A: For the purpose of developing the hurricane loss cost for the owners forms, the amount of insurance in effect is determined as the sum of the various internal limits found in a homeowners policy -- the Coverage A amount (building coverage), the Coverage B amount (other structures), the Coverage C amount (contents) and the Coverage D amount (loss of use). In terms of the buildings coverage amount, the amount of insurance in effect is:

Coverage A	100%
Coverage B	10%
Coverage C	50%
Coverage D	20%
	<u>180%</u>

Therefore, for the purpose of determining the hurricane loss cost, the amount of insurance in effect is 180% of the Coverage A amount. This is also often referred to as the total sum insured.

Q: Why was a simulation used to develop the hurricane wind losses?

- A: A simulation was used to develop the hurricane losses because it is a more accurate way of including the exposure than using traditional insurance statistics. Hurricanes are highly variable in frequency, intensity and place of occurrence. The simulation allows for the smoothing out of the hurricane losses as well as better reflecting the potential for losses in a given location. For example, since we are using the losses from five years of data, if a very large loading for hurricanes like Fran or Floyd hit a certain part of the state during those years, it would be reflected only in those areas of the state, with little or no loading for other areas of the state. The simulation model produces a more accurate estimate of the loss potential both in terms of territory and dollar value than is possible using any analysis of the insurance data.
- Q: What other adjustments must be made to the losses?
- A: The losses need to be adjusted by trend to reflect the cost levels anticipated to prevail during the period that the proposed rates are expected to be in effect.
- Q: Could you please describe how the loss trend is developed and applied?
- A: The loss trend is developed in a two step process. The first step is the development of a current cost factor which brings the losses up to the current cost level. The second step is the development of a loss projection factor based upon an exponential fit of the last twelve quarters of the Current Cost Index and the actual homeowners pure premium trend. The loss projection factor projects the losses from November 15, 2007 (the midpoint of the latest quarter of the external index) to January, 2010 the average date of loss for policies which will be written at the proposed rates (i.e. one year beyond the assumed effective date of January 1, 2009).
- Q: You mentioned that the loss trend is based on a Current Cost Index. What are the components of the Current Cost Index used for the owners forms?
- A: The Current Cost Index is a weighted average of the Modified Consumer Price Index (MCPI) and the Boeckh Residential Index (BRI), with the MCPI receiving 45% weight and the BRI receiving 55% weight. The intent of the weights is to reflect the split between contents type losses and buildings type losses.

Q. How are the weights of 55% to the Boeckh Residential Index and 45% to the Modified Consumer Price Index determined?

A. The weights were based on an examination of losses by cause of loss and apportioning the losses between buildings and contents. For example, if we were to examine the North Carolina homeowners losses (normalized for catastrophe losses) by cause and split them into percentages that correspond to buildings and contents, we would get:

<u>Cause</u>	<u>% of Total</u>	<u>Building %</u>	<u>Contents %</u>
Fire	38.1	75-80	20-25
Wind & Hail	21.2	80-90	10-20
Water Damage & Freezing	21.0	40-45	55-60
Theft	6.4	5-10	90-95
All Other PD	10.8	50	50
Liability	2.5	0	100
		<u>60-65</u>	<u>35-41</u>

Q. What is the Boeckh Residential Index?

A. The Boeckh Residential Index is an index of construction costs compiled by Marshall & Swift/Boeckh. The particular index used in this filing is based on information compiled specifically for construction costs in North Carolina.

Q: What is the Modified Consumer Price Index composed of?

A: The Modified Consumer Price Index is based on selected components of the Consumer Price Index which correspond to the items for which homeowners insurance provides coverage. The components used and the weight given to them are House Furnishings (48%), Medical Care (20%), Apparel Commodities (16%) and Entertainment Commodities (16%).

Q: Please illustrate what factors would be applied to trend the losses for the year ended December 31, 2005.

A: The losses from the accident year ended December 31, 2005 are first adjusted by the Current Cost Factor for 2005 found on page D-9. The observed annual rate of change in pure premium during the 2001-2005 experience period are lower than the observed annual change in the Current Cost Index. Therefore, to project losses to a 2004 level, a -2% annual trend was selected for the owners forms. The Current Cost Factor for all years is the ratio of the Current Cost Index from the quarter ending December 31, 2007 to the Current Cost Index value for the full year 2005. The Current Cost factor brings the losses from the cost levels corresponding to an average

date of loss of June 30, 2005 to the cost levels corresponding to the midpoint of the latest quarter (November 15, 2007). Since the average date of loss for policies which will be written at the proposed rates is assumed to be January 1, 2010 (one year past the effective date) it is necessary to project the losses from the November 15, 2007 cost level to that assumed effective date. This is accomplished by projecting the losses at the annual rate of change of 4.0% (as determined by an exponential fit of the Current Cost Index) for 25.5 months. This factor is calculated on page D-10.

Q: You mentioned that the actual pure premium trend was considered in the selection of trend factors. How was this data used?

A: The pure premium experience was examined. A pure premium is the ratio of the losses to the number of insured house years. These data were fit to an exponential curve and an annual rate of change was calculated. This rate of change was compared to the annual rate of change of the Current Cost Index. In reviewing the loss trends, the annual rates of change in owners pure-premium during the 2001-2005 experience period are lower than the observed annual changes in the external indices. Therefore, to project losses to a 2005 level, a -2% annual trend was selected for the owners forms. The annual rates of change in pure premium for the tenant and condominium-unit owners forms were similar to the external trend therefore no adjustment was necessary for these forms.

Q: Where on page C-1 are these two factors applied?

A: The Current Cost factor for each year is applied as part of the current cost/current amount factor in column 6. For example, for the year ended December 31, 2005 the current cost/current amount factor of 0.966 is the ratio of the current cost factor of 1.092 (shown on page D-9) and the current amount factor of 1.131 (shown on page D-16). The loss projection factor is combined with the premium projection factor and the trend from first dollar to produce the composite projection factor. This composite projection factor is applied in column 8 in the development of the Trended Base Class Loss Cost in column 10.

Q: You mentioned the trend from first dollar. Could you describe what that is and how it is developed and applied?

A: The index is a first dollar index. All of the losses have been adjusted to a \$250 deductible level. As such, increases

in cost as measured by the current cost index would affect losses below the deductible and cause an additional increase as losses below the deductible increase above it. For example, a loss of \$1,000 subject to a \$250 deductible results in a payment of \$750 to the insured. If there is 10% inflation the \$1,000 loss grows to \$1,100. This results in a payment to the insured of \$850, which is a resulting effective inflation of 13.3%, an incremental trend of 3%. The procedure used in the filing accounts for this effect. The procedure in essence converts all the losses to a first dollar basis before the trend factor is applied. To obtain the resulting trended losses, the deductible portion of the trended losses are subtracted out. The trend from first dollar factor as shown on page D-16 is the incremental difference in the trend factor resulting from the application of our procedure. Using our example from before, and the formula for trend from first dollar on page D-16 results in a trend from first dollar factor of $1 + \left(\frac{(.1)(250)}{(1.1)(750)} \right) = 1.03$, which matches what was calculated earlier.

Q: Please refer to column 5 of page C-1. With reference to the column headed "losses with LAE," please tell us what the figure \$728,389,657 represents.

A: These are the losses and loss adjustment expenses associated with claims or accidents that occurred in the accident year ended December 31, 2005. The losses are the sum of the adjusted incurred losses excluding hurricane losses found in Column 1, minus the non-modeled adjusted excess losses in Column 2, all multiplied by the non-modeled excess factor of 1.033 to arrive at the number shown in Column 3, plus the modeled hurricane losses found in Column 4, adjusted by a trended loss adjustment expense factor of 1.153.

Q: How is the trended loss adjustment expense factor of 1.153 developed?

A: Each year the Rate 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, 2001, December 31, 2002, December 31, 2003, December 31, 2004 and December 31, 2005, after dropping the high and low values averaged 14.3% for the period as shown on page D-24.

This factor of 14.3% must be adjusted for the change in cost levels of the items that go into loss adjustment expenses. These expenses include items like 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.

Q: Could you 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 50/50 weighting of the all items CPI and the compensation cost index for marine, fire and casualty insurance. 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 3.2% was selected.

Q: Please explain the development and application of the expense projection factor in adjusting the loss adjustment expense factor?

A: The five year (excluding the high and low values) average loss adjustment expense factor of 14.3% reflects an averaging of the five years 2001, 2002, 2003, 2004 and 2005. As such the factor is representative of the time period corresponding to 2003.

The expense projection factor uses the 3.2% annual rate of change based on an exponential curve of the Current Expense Index. Since we have brought our loss adjustment expense ratio up to the cost level corresponding to July 1, 2003 it is necessary to project this cost to the average date of accident for the period which our rates are assumed to be effective, January 1, 2010 (one year beyond our assumed effective date). This calculation is displayed on line (2) on page D-25.

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, we need to adjust the denominator of the factor, the portion corresponding to losses, by the loss trend, reflecting both the current cost factor and the loss projection factor.

Q: Could you please describe what is being done in Column 6 on page C-1?

A: In Column 6 the current cost factors and current amount of insurance factors are combined into the current cost/current amount factors. This is done by taking the ratio of the

current cost factor to the current amount factor. For example, the current cost/current amount factor of 0.996 for 2005 is the ratio of the 2004 current cost factor of 1.092 to the 2005 current amount factor of 1.131. In combining these steps the losses and average rating factor have been brought to the cost level of November 15, 2007.

Q: Please describe the development of the current amount factor.

A: The current amount factor is calculated by taking the ratio of the average policy size relativity for each year to the projected policy size relativity as of November 15, 2007. The average policy size relativity is a value which is calculated by taking a weighted average of the policy size relativity curve for each amount of insurance using the exposures for each amount of insurance as weights. In effect then, by taking the ratio of these relativities for each year to the November 15, 2007 value, we are measuring the percentage growth in the premiums at present rates from year to year caused by changes in amount of insurance. These changes in average amount of insurance are not based on a consistent set of insureds, since some of the growth is due to the addition of new homes. For this reason, the percentage change part of the ratio is adjusted by a factor of .95. This adjusted ratio is the current amount of insurance factor and is shown on Column (3) on Page D-16.

Q: How is the current amount factor used in the calculation of the indicated rate level change

A: The current amount factor for each year is the denominator in the current cost/current amount factor for that year shown in column (6) of page C-1. The premium projection factor is the denominator in the composite projection factor used in column (8) of page C-1. The combined effect of these two factors is to adjust our average rating factor to the level for the amount of insurance expected to prevail during the period for which these rates are expected to be in use.

Q. Could you please describe what is being done in Column 8 of page C-1?

A. Column 8 combines all of the elements in Columns 1 to 7. In Column 8, the losses and loss adjustment expenses are trended to the cost level expected to prevail during the period in which the policies written at the proposed rates will be providing coverage (average date of accident of January 1, 2010). The house years are also projected to reflect the anticipated amounts of insurance for business written between January 1, 2009 and December 31, 2009. Column 8 is the

equivalent of multiplying the losses by the current cost factor and loss projection factor and the house years by the current amount factor and premium projection factor. Using 2005 as an example:

(1) Losses and Loss Adjustment Expenses	\$728,389,657
(2) Current Cost Factor (D-16, Col. 4)	1.092
(3) Loss Projection Factor (D-16, Line 7)	1.086
(4) Trend from first dollar (D-16, Line 8)	1.009
(5) Trended Losses and Loss Adjustment Expenses	\$863,806,035
(1) x (2) x (3) x (4)	
(6) Earned House Years	1,823,513
(7) Current Amount Factor (D-16, Col. 3)	1.131
(8) Premium Projection Factor (D-16, Line 6)	1.064
(9) Trended adjusted house years	2,210,886
(6) x (7) x (8)	
(10) Average Trended Loss Cost	\$397.19
(5) ÷ (9)	

Note that because of rounding the trended loss cost calculated in this example differs slightly from the trended loss cost in column 8 -- 397.44 -- that is used in the statewide rate calculation.

Q: Please describe the development of the premium projection factor.

A: For each year we have an average policy size relativity which is calculated as a weighted average of each amount of insurance relativity. The premium projection factor is calculated by fitting an exponential curve to the average policy size relativities. This curve is used to develop an annual rate of change for the policy size relativities. In the case of homeowners owners forms the average annual rate of change is 4.6% as shown on page D-15. In calculating the premium projection factor, we adjust the rate of change by a factor of .85 to account for the anticipated lower growth in

average amounts of insurance because of the decrease in real estate values. This then provides us with a rate of change of 3.9% for use in developing the premium projection factor. Since the current amount factor has been calculated as the value up to November 15, 2007, the premium projection factor will be calculated as the expected growth from November 15, 2007 to July 1, 2009 (which is six months beyond the assumed effective date of January 1, 2009). This date of September 1, 2007 represents the midpoint of the year in which policies are assumed to be written using the proposed rates. This results in a premium projection factor of 1.064 which is shown on Page D-16.

Q. Could you please explain column 9 on page C-1?

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. For example, let's assume that the current territory base rate for frame construction with \$75,000 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 \$100,000 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.

Q. Could you please explain line 12 on page C-1?

A. Line 12 is the resulting trended 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 our forecasted base class loss cost for policies written during the one-year period after the assumed effective date of January 1, 2009, if there were no change in rate level.

Q. Could you please explain line 13 on page C-1?

- A. Line 13 is the reflection of the credibility of the experience based on the number of house years during the 5 year 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. Could you please explain what line 14 entitled "fixed expense per policy" on page C-1 refers to and what it represents?
- A. Line 14 "fixed expense per policy" refers to the dollars of the prospective premium that the general expenses will be on policies written between January 1, 2009 and December 31, 2009. 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, employee salaries (other than claims employees) would be among the items classified as either general expenses or other acquisition expenses. Those salaries are fixed in the sense that they do not vary directly as a function of premium. Such things as commissions and premium taxes, on the other hand, are examples of expenses which do rise or fall directly with premium. The number shown on line 14 - \$34.95 - represents the dollars of general expenses trended to the levels anticipated to prevail during the periods from January 1, 2009 to December 31, 2009 (the average date of which is July 1, 2009) and the projected premiums for business written during the same period. This is appropriate because general expenses are generally incurred at the time a policy is written.
- Q. Could you explain how the figure \$34.95 was derived?
- A. The derivation of the 34.95 is shown on page D-25 in line (4) "Factor for trending GE, OA expenses based on Current Expense Index." It starts out with an untrended general expense ratio of .038 and other acquisition expenses of .055 which are based on the rounded average of the 2003, 2004 and 2005 general expense ratios. These are shown on page D-23. The averages of these represent the average expense ratio corresponding to 2004. In order to trend these to the cost levels anticipated to prevail between January 1, 2009 and December 31, 2009, we project these by using the Current Expense Index described earlier. This is done by means of a

two step process. First the expenses are trended by a factor based on the annual rate of change in the Current Expense Index. This is the factor of 1.171 shown under Section (4) next to the label "All Forms" on page D-25. Since we are dealing with a ratio of expenses to premium we must project the amount of insurance from 2004 levels to the level anticipated to be in effect on business written between January 1, 2009 and December 31, 2009. This is done by using the current amount factor for 2004 of 1.193 and the premium projection factor of 1.064. The resulting calculation is

$$\frac{.093 \times 1.171}{1.193 \times 1.064} = 0.8593$$

This trended fixed expense ratio is then multiplied by the average current rate for all forms of 695.95. The result is a statewide all forms fixed expense loading of 59.80. It is projected that forms 4 and 6 need 50% of the fixed expenses of Forms 1-3, 5. A calculation is then performed to ensure that the average fixed expense loadings by form balance to the 59.80. The average dollar loading for forms 1-3,5 is 62.91. This is adjusted to a base policy level by dividing by the average rating factor of 1.8 which results in a fixed expense loading of 34.95.

- Q. What does Line 15 "Total Loss & Fixed Expenses" show on page C-1?
- A. Line 15 is a combination of the trended base class loss cost and the trended general expense and other acquisition expenses. The figure \$238.92 is the dollar amount that is required to cover the portion of the insurance base rate that covers losses, loss adjustment expenses, general expenses and other acquisition expenses
- Q. What does line 16 on page C-1 entitled "Expected Loss Ratio" show?
- A. This line takes into account the expenses and other items to which I just referred. If you look at page D-23 of the filing, you can see that the commissions and brokerages round to 14.0% of the premium dollar and taxes, licenses and fees round to 2.6% of the premium dollar. The provision utilized in this filing for underwriting profit is 9.5%. This filing also contains a 1% margin for contingencies and a 15.8% factor for net cost of reinsurance. All those items add up to 42.9%. These items are what are known as variable expenses. They vary in direct proportion with the premium dollar. You know that out of every dollar of premium, 42.9 cents will have to go to pay for these expenses and you are left with 57.1 cents to pay for losses, loss adjustment

expenses and general expenses and other acquisition expenses. The expected loss and fixed expense ratio shows the percentage of the premium dollar you will have available to pay for trended losses, trended loss adjustment expenses and trended general expenses and other acquisition expenses.

- Q. What is the source of the percentage on page D-23 for contingencies?
- A. The 1% contingency factor is a standard factor used across the country and in past Bureau filings for property insurance. It was selected by the Bureau committees upon recognition of the systematic bias that causes actual underwriting experience to be worse than the provision assumed in the rates. Reasons for this bias are many. Homeowners insurance involves many risks, including the potential for conflagration and other catastrophic type losses that are not adequately recognized in normal ratemaking. In addition, in this and many other states there is regulatory delay in obtaining necessary rate level increases. Also there are law changes and court interpretations expanding coverage under the policies and other such factors.
- Q. What is the source of the percentages on page D-23 with respect to commissions and brokerage and taxes, licenses, and fees?
- A. They were calculated from the 2004, 2005 and 2006 North Carolina expense call for 2003, 2004 and 2005 data undertaken by the North Carolina Rate Bureau.
- Q. What is the source of the 15.8% item for net cost of reinsurance?
- A. The source of the 15.8% item for net cost of reinsurance is an analysis performed for the Rate Bureau by Dr. David Appel. In that analysis he determines the net cost of reinsurance incurred by homeowners insurers in North Carolina because of the need to buy catastrophe reinsurance. The net cost of reinsurance is the expense and profit component of the reinsurance premium paid by homeowners insurers (the loss component is in the direct losses used in the overall rate determination). One of the principal factors driving this calculation is the fact that reinsurers, because of the variability in the loss exposure they face, write business at a significantly higher premium to surplus ratio than primary insurers. More details of the analysis are included in Dr. Appel's direct testimony.

- Q. Would you explain line 17 on page C-1 entitled "Base Rate excluding deviations and residual market reinsurance cost"?
- A. The Net Base Rate per policy is calculated by dividing the Loss and Fixed expenses in line 15 by the expected loss ratio in line 16. This is the net base rate before incorporating the anticipated deviation and residual market reinsurance cost per policy.

- Q. Would you explain line 18 on page C-1 entitled "Residual Market Reinsurance Cost per Policy"?

- A. The Residual Market Reinsurance Cost per policy is a quantity which is calculated by Dr. Appel (see his prefiled testimony and Exh. RB-17) to reflect the cost to voluntary market insurers for providing free reinsurance to the residual market (Beach Plan and FAIR Plan). If the residual market does not have sufficient capital, reinsurance and reserves to pay losses for a catastrophic event, then voluntary insurers in the state will be assessed for such losses even if they do not write in the coastal or beach areas. The Residual Market Reinsurance Cost is the compensation paid to voluntary market insurers for bearing this risk - i.e., it is the cost of the capital required to support the exposure to potential residual market assessments.

The Residual Market Reinsurance Cost of 56.73 is calculated by first multiplying the 11.3% percentage load for this quantity by the statewide base rate of 418.69, resulting in a value of 47.31. To be incorporated in the rates, however, this quantity must be adjusted to account for the commissions and taxes, license and fees that the company will need to pay on this additional premium. That is done by dividing the 47.31 by 1 minus the commission and brokerage expense and the taxes, licenses and fees.

$$\frac{47.31}{1 - 0.14 - .026} = 56.73$$

- Q. What is the source of the percentages used on line 20 for anticipated deviations?
- A. As done in past homeowners filings, the Rate Bureau has elected to use a total provision for deviations of 5%. This provision reflects consideration by the Rate Bureau of the magnitude of the deviations, consent to rate and the rate differential on policies in the residual market. This 5% factor corresponds to the magnitude of the amount found by the Commissioner in several previous automobile insurance cases to be the appropriate amount of deviations and dividends to policyholders to anticipate when setting manual

rates. However, whereas the Commissioner did not actually include the 5% provision in his rate calculations, the Rate Bureau does explicitly include the 5% provision in the rate calculations in this filing. The explicit inclusion of deviations in the rate calculations is necessary in order for the target profit to be achieved. Even though this 5% provision for deviations was incorporated into the rates, the Rate Bureau believes that the actual net level of deviations, even after being reduced by consent to rate and the rate differential for the residual market policies, will be greater than 5%. The selection of the 5% provision is conservative and represents an attempt by the Rate Bureau to reach a compromise on this issue.

- Q. Would you explain line 21 on page C-1 entitled "Deviation Amount per Policy"?
- A. Line 21 is the dollar amount of deviation that needs to be in the final rate to ensure that the selected 5.0% deviation amount is accounted for.
- Q. Would you explain line 22 on page C-1 entitled "Required Base Rate per Policy"?
- A. Line 22 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 23 on page C-1 entitled "Current Base Rate"?
- A. Line 23 is the current base rate for all of the policies written in the most recent year included in the review. This rate assumes that each policyholder is buying only the base coverage.
- Q. Would you explain line 24 on page C-1 entitled "Indicated Rate Level Change"?
- A. Line 24 is the percentage change in the current rates which 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. It is determined by taking the required base rate per policy on line 22 and dividing it by the current base rate from line 23. This results in an indicated rate level change for the owners forms of 19.5%.

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; these are shown on page A-3. This filing is introducing separate rates for territories 5 and 6 and 42 and 43. Previously territories 5 and 6 had the same rate. Similarly 42 and 43 previously had the same rate.

The development of the indicated relative change by territory is completed in such a way that the overall effect of the territory relativities is to balance to no overall change before application of the statewide rate level change. This is shown in Column 8 of page C-5. Because of the different levels of exposure to catastrophic losses by territory the profit and reinsurance loadings vary by territory group. The profit and reinsurance loading for zone 1 (territories 5, 6, 42 and 43) is 41.6%, for zone 2 (territories 32, 34, 41, 44-47 and 53) is 25% and for zone 3 (territories 36, 38-39, 57 and 60) is 16.7% In calculating the indicated rate levels by territory, these indicated changes are then multiplied by the overall statewide rate level change.

Q. Are the calculations for Forms 4 and 6 on pages C-2 and C-3 similar to the calculations you have described for Page C-1?

A. Yes they are. For Forms 4 (tenants) and 6 (condos) there is no long term non-hurricane excess procedure used in determining the statewide rate level change.

Q. What other changes does the filing make for homeowners insurance?

A. The filing revises the credit for the Windstorm or Hail Exclusion that is available in Territories 05, 06, 42 and 43.

Q. How is this revised credit calculated?

A. The indicated credit for the exclusion is developed using the following formulas:

The credit as a percentage of premium is:

$$C = 1 - \frac{(Ld + F)}{(1 - V)*R}, \quad \text{where}$$

C = indicated percentage credit

F = provision in proposed rates for fixed expenses

V = provision in proposed rates for variable expenses
L = provision in proposed rates for losses and loss
adjustment expenses
R = territory risk load factor
d = percentage of losses remaining after wind losses are
excluded

The formula for determining the value of d is:

$$d = \frac{N}{N+W}, \text{ where}$$

N = 5 year non-wind losses
W = X+Y, where
X= 5 year modeled hurricane losses; and
Y= 5 year non-hurricane wind losses

The filed credit is determined by first determining the indicated non-wind base class rate by subtracting the indicated wind credit from the indicated base rate, and then subtracting the indicated non-wind base rate from the filed base rate.

The dollar credit net of deviations is determined by the following formula:

$$\text{Dollar Credit (Net of deviations)} = \frac{\text{Filed Wind Rate}}{\text{Avg. Prot/Const Relativity}} \times \text{Average Form Relativity.}$$

The final dollar credit is then determined by applying the same 5% loading for deviations as the base rate.

- Q. Please turn to page A-1 of Exhibit RB-1 and explain what is shown on that page?
- A. Page A-1 of Exhibit RB-1 shows the filed statewide rate level changes.
- Q. What is shown on Page A-2 of Exhibit RB-1?
- A. Page A-2 shows the average rate level change filed for each territory.
- Q. Do you have an opinion as to whether the data utilized and the method of calculating the filed rate level and other changes contained in the filing are sound and actuarially reliable and if so, what is that opinion?
- A. Yes, I have an opinion. In my opinion they are.

Q. Do you have an opinion satisfactory to yourself as an actuary as to whether the filed rate level changes contained in Exhibit RB-1 are fully justified and, if so, what is that opinion?

A. In my opinion they are fully justified.

**PREFILED TESTIMONY OF SHANTELE THOMAS
2008 FILING
HOMEOWNERS INSURANCE
NORTH CAROLINA RATE BUREAU**

- Q. Please state your name and business address.
- A. My name is Shantelle Thomas. My business address is 2775 Sanders Road, Northbrook, IL 60062.
- Q. By whom are you employed?
- A. I am employed by Allstate Insurance Company and have been so employed since 1996.
- Q. What is your educational background?
- A. I received a Bachelor of Arts degree in Integrated Science and Mathematics from Northwestern University in Evanston, IL in 1996.
- Q. What is your employment background?
- A. I was employed by Allstate as an analyst in property insurance pricing upon graduation from Northwestern University in Evanston, IL. From 1996 through July 1999 and from July 2000 to March 2006 I had various actuarial pricing responsibilities for homeowners insurance pricing in various states, including North Carolina. Between March 2006 and February 2008 I had responsibility for pricing countrywide for Allstate's Specialty Product Lines, which includes Renters, Condo, Mobilehome and Dwelling Fire and Extended Coverage insurance. I currently have overall actuarial responsibility for homeowners and auto pricing for the Eastern half of the United States, including North Carolina.
- Q. Are you a member of any professional organizations?
- A. Yes. I have been a Fellow of the Casualty Actuarial Society since 2004. I have been on the Examination Committee of the Casualty Actuarial Society since 2004. I have been a member of the American Academy of Actuaries since 2001.
- Q. Are you familiar with homeowners insurance ratemaking throughout the country?
- A. Yes. With a few exceptions such as North Carolina, Allstate makes its own filings in virtually all of the United States, and I have had responsibility for filings in most states at some point in my career.

- Q. Are you familiar with homeowners insurance ratemaking in North Carolina and how it differs from other states?
- A. Yes. As part of my duties at Allstate, property pricing has been one of my responsibilities since 1996. This has included numerous states, including North Carolina. In addition, Allstate chairs the Property Rating Subcommittee (the "Subcommittee") of the North Carolina Rate Bureau (the "Bureau"). Since April, 2006, I have served as Allstate's representative and chaired the Subcommittee.
- In North Carolina, unlike other states, companies are not able to set rates independently. Instead, companies rely on the Bureau to establish the maximum rate level. This process adds time, uncertainty, and additional administrative burdens to the process and makes doing business in North Carolina unique.
- Q. Are you familiar with homeowners insurance ratemaking in other states?
- A. Yes. I have had responsibility for filings in most states at some point in my career. In those other states we independently make our rates and do not have to rely on a rating bureau to make needed rate changes to an industry-wide maximum rate.
- Q. What is the function of the Subcommittee?
- A. Generally, the Subcommittee is concerned with ratemaking matters pertaining to the property insurance coverages subject to the Bureau's jurisdiction, including the development of classifications, rules, rates and rating plans.
- Q. What companies were members of the Subcommittee that reviewed the filing?
- A. The current members of the Subcommittee are Allstate Insurance Company, Nationwide Mutual Insurance Company, North Carolina Farm Bureau Mutual Insurance Company, State Farm Fire and Casualty Company, Travelers Indemnity Company, Foremost Insurance Company, American Modern Insurance Group, American Bankers Insurance Company of Florida and United Services Automobile Association. Representatives of these member companies attend the meetings of the Subcommittee and conduct the work of the Subcommittee. Allstate Insurance Company chairs the Subcommittee. All representatives on the Subcommittee are actuaries or have extensive experience in actuarial matters.
- Q. Can you identify Exhibit RB-1?
- A. Yes. This is a large portion of the filing submitted by the Bureau to the Honorable James E. Long, Commissioner of Insurance, with respect to revised homeowners insurance rates in North Carolina.

Q. Can you identify the document marked Exhibit RB-2 and entitled "Homeowners Policy Program Manual"?

A. Yes. This exhibit is also part of the filing. It includes the manual of rules, rates and classifications used to write homeowners insurance in North Carolina. This manual and any approved amendments are on file with the Department. A copy of this manual is maintained at the offices of the Bureau.

Q. Would you describe generally how the Subcommittee was involved in the preparation of this filing?

A. Over the years the Subcommittee has developed the methodologies it has felt were appropriate for ratemaking in North Carolina and has recommended those methodologies to the Bureau's Property Committee and Governing Committee. Generally speaking, the process is as follows. Insurance Services Office ("ISO") consolidates various premium, loss and expense data in the format historically reviewed by the Subcommittee and sends that out to the members. These data include data for business written at or below the Bureau manual rates, business written under consent to rate procedures and business written in the residual market. The North Carolina Rate Bureau assembles expense data and furnishes it to the Subcommittee. In addition, AIR Worldwide runs its hurricane simulation model to produce estimated hurricane loss costs that are furnished to ISO. Then, the Subcommittee meets by telephone conference and/or in person to consider the data and to formulate its final recommendations to the Property Committee and Governing Committee of the Bureau.

With this review the same procedure was followed. A loss cost methodology was used to determine the rate indication. This is consistent with the last homeowners filing and is similar to the method utilized by the Auto Committee.

Q. Would you describe the basic ratemaking methodology that underlies the filing?

A. The indicated rate change was determined by first projecting the losses and loss adjustment expenses for the policy period that the filed rates are expected to be in effect. The projected loss and loss adjustment expenses are then divided by historical earned house years to produce loss costs. These loss costs are then adjusted to the base class level. The trended base class loss costs are then credibility weighted with the expected base class loss cost. The measure of credibility is based on the number of house years in the experience period used to develop the loss costs, and in this instance, the data for each of the policy forms is considered fully credible.

Then, other anticipated costs associated with policies expected to be in effect, along with provisions for underwriting profit and contingencies, were added to derive the required base rate per policy. The required base rate was compared to the current base rate to determine the indicated rate level change. This comparison of base rates is an actuarially sound method of developing indicated

rate changes. In determining each component of the ratemaking formula, the Subcommittee analyzed the data presented to it and considered the recommendations of ISO's actuary, Robert Curry, and economic consultants, Dr. David Appel and Dr. James Vander Weide as well as data from AIR Worldwide.

- Q. Did the Subcommittee consider the accuracy of data in its review?
- A. Yes. Companies and statistical agents employ extensive procedures to assure the quality of ratemaking data. When a possible error is noted, care is taken to analyze the situation and correct the data if possible. If it is not possible to correct the data so that it is acceptable for ratemaking, the company's data is excluded from the review. When data from a company is omitted, the filing notes that fact. In addition, the Subcommittee requested the statistical agents to produce exhibits displaying exposure distributions for key factors such as territory, amount of insurance and protection class for the years in the filing for the top 10 companies. Each company was asked to review and evaluate the accuracy of its data as reported to its statistical agent. Companies have confirmed that they have performed these reviews and that to the best of their knowledge their data are correct in all material aspects.

The Subcommittee believes that the data underlying the 2008 rate filing are reliable and appropriate for ratemaking purposes.

- Q. How were the premiums used in the rate level calculations in the filing determined?
- A. The calculations are based on premiums expected to be produced by current manual rates. The premiums are determined by applying current manual rates to the exposures in effect during the experience period. This is known as the extended exposure method. Earned premiums at present rates are 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 by territory. The average rating factor is used to convert the pure-premiums incurred during the experience period to the base class level.
- Q. How were anticipated losses determined?
- A. The starting point for losses is accident years 2001-2005 incurred losses evaluated at 63, 51, 39, 27 and 15 months of development respectively. Loss development factors were applied to estimate ultimate settlement amounts. Historical loss development patterns were observed and the selected factors are the average of the prior years for each 12 month link, consistent with past years' practice.

In order to insure stability in rate levels while maintaining adequacy in the event of wide swings in hurricane and other wind losses, an excess wind procedure and

a hurricane loss model have been utilized. Hence, violent 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 avoided. The incurred non-modeled excess losses are those losses that result from unusually severe wind activity (other than hurricane). They are removed from the experience used in developing rates. In order to reflect the impact of excess wind losses (that are not related to hurricanes and not accounted for in the hurricane model) on a long-term basis, non-modeled losses are multiplied by an excess wind factor. A particular year's excess wind losses and the long-term excess wind factors are determined using ISO's standard excess wind procedure. Total excess losses for each year, which are the sum of the capped excess wind and the excess wind losses, are removed from the actual non-modeled losses for the experience period. The long-term excess factor is 1.0 plus the ratio of the long-term average of the excess wind ratios to the sum of 1 plus the long-term average of the capped wind ratio less the long-term average of the capped excess wind ratio.

Expected hurricane losses are derived from the modeled damage ratios provided by AIR Worldwide. The model was run with aggregate demand surge included. This option accounts for the expected additional cost for supplies and labor if a large hurricane event occurs. These damage ratios are provided by territory and represent the expected hurricane loss per thousand dollars of coverage in effect for one year. The damage ratios are multiplied by each year's insurance years to determine the expected hurricane losses by territory for that year. The statewide expected annual hurricane losses are the sum of the territory expected annual losses.

Losses were trended from the midpoint of each experience period to the midpoint of the trend period. As in past years, the Subcommittee reviewed external trend information and pure premium information. The Boeckh Residential Index and the Modified Consumer Price Index are used; these indices are averaged on an appropriately weighted basis and comprise the Current Cost Index.

The loss trending procedure is accomplished in two steps. In the first step Current Cost Factors are applied to each year's losses. The Current Cost Factors are derived from the external indices and, when applied to given year's losses, adjust these losses to a cost level as of November 15, 2007. In order to trend losses from 11/15/07 to the trend date, a Loss Projection Factor is applied. This projection factor is based on the annual change inherent in the latest twelve quarterly points of the Current Cost Index.

In reviewing the loss trends, the annual rates of change in pure-premium during the 2001-2005 experience period are lower than the observed annual changes in the external indices. Therefore, to project losses to a 2005 level, a -2.0% additional annual trend was selected for the owners form and a -5.0% annual trend was selected for the tenant and condominium-unit owners forms.

Since the external indices necessarily ignore the effect of policy deductibles, a first dollar procedure to trend from the first dollar of loss is also incorporated into the calculation of the Loss Projection Factor.

- Q. Are you familiar with the procedures used to collect the expense experience?
- A. Yes. The Bureau sends a data call to all companies annually. Companies complete the 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 their use in the rate filing. The Bureau also obtains information appearing in the annual statements and the insurance expense exhibits of the companies. This information is part of the official records maintained at the Department. Data from this information is provided to ISO.
- Q. How were the anticipated expense provisions used in the filing determined?
- A. Commissions and brokerage, taxes, licenses, and fees are a function of premium, and the ratios for these expenses from the North Carolina special calls for expense experience were used. For general and other acquisition expenses, dollar amounts were determined based on the data collected in the Bureau's special calls for expense experience.

The allocated and unallocated loss adjustment expenses are included with losses by use of a factor derived from the Bureau's calls for expense experience. Experience from calendar years 2001-2005 was used. After removing the highest and lowest value, the average of the remaining three years was used. This was done in order to reduce the fluctuation in the ratio due to the variation in incurred losses from year to year.

The Subcommittee reviewed Current Expense Index trends. Based on the review, the Subcommittee selected a 3.2% trend. This factor was then used to trend expense dollars from the midpoint of the base period to the midpoint of the trend period.

The provision for reinsurance costs reflects the Bureau's projection of reinsurers' expenses and profit as a percentage of homeowners insurance premium that would be required for reinsurance purchased for North Carolina homeowners insurance. The Subcommittee reviewed the analysis performed by Dr. Appel to determine the provision for the net cost of reinsurance in developing the indicated rates and considers this provision to be appropriate. In particular, the Subcommittee recommended the use of AIR Worldwide's near-term event set as the basis for the determining the provision for reinsurance costs since reinsurers have been using near-term event sets to determine their rates.

There has been a large growth in the exposure of the residual market (Beach Plan and Fair Plan) in North Carolina over the past few years. If the North Carolina residual market does not have enough reinsurance, capital and reserves to pay losses, the voluntary market faces assessments, and those assessments could be very large in magnitude. The Subcommittee requested Dr. Appel to analyze this situation in detail. The Subcommittee reviewed the analysis performed by Dr. Appel and determined that it would be appropriate to include in the indication a provision reflecting the cost of providing this reinsurance to the residual market. The Residual Market Reinsurance Cost per Policy is being included for the first time in this filing. More details of this analysis are included in Dr. Appel's direct testimony.

Q. Did the Subcommittee make a determination of the underwriting profit provision to be used in calculating rates in the filing?

A. Yes. The Subcommittee adopted a conservative position with respect to the selection of an underwriting profit provision. Under the law in North Carolina, the Rate Bureau is entitled to utilize in its rates an underwriting profit provision such that the anticipated return on insurance operations (the sum of underwriting profit and investment income from insurance operations) is commensurate with the total return expected from industries of comparable risk. In this filing, the selected underwriting profit, when combined with investment income from insurance operations, produces a return on net worth that does not exceed the cost of capital estimates provided by our consultants. However, because of the conservative selections made by the Subcommittee, it is also the case that the underwriting profit, when combined with both investment income from insurance operations and investment income from surplus, produces a return that does not exceed the cost of capital. The 9.5% provision was tested in the profit analysis by Dr. Appel. The range of cost of capital estimates provided by Dr. Vander Weide was found to be reasonable and accepted by the Subcommittee.

An issue related to underwriting profit is the need for the ratemaking methodology to adequately recognize a systematic bias that causes actual underwriting experience to be different from the provision allowed in the rates. Sources of this systematic bias include, but are not limited to, economic variations, changes in the judicial environment, legislative changes, regulatory delay or reduction of rate filings and catastrophic events not sufficiently recognized in the normal ratemaking process. Note that these events are unpredictable in terms of both when they will occur and what the magnitude will be on the relevant premiums and losses. Note however that what is not unpredictable is the direction of the bias; the bias that these events introduce is virtually always upward in terms of expected loss costs or downward in terms of expected premium. For example, rate filings are virtually never implemented before the assumed effective date or for more than the original requested amount; judicial decisions with regard to contract language almost never restrict coverage

beyond what was intended by the Bureau when it filed policy forms, but such decisions often expand it beyond what was contemplated in the rate level.

Thus, estimated premium that does not reflect a provision for these contingencies will always fall short of needed premium. When these premiums are inadequate and underwriting losses are observed, an insurer must borrow from surplus to properly indemnify its policyholders or claimants. The contingency provision is intended to provide for these variations in a stable method over time. The Subcommittee believes that a contingency provision is appropriate and necessary, and has conservatively selected the traditional 1% factor in this filing.

Q. Have dividends to policyholders been considered in the filing?

A. Yes. The ratemaking statutes require consideration of policyholder dividends. Dividends to policyholders are a return of a portion of the premiums paid by the policyholders. Dividends are an additional cost associated with policies written because they are payments anticipated to be made to policyholders as part of the insurance transaction. The ratemaking formula must recognize all costs that are expected to be associated with the risk transfer, consistent with ratemaking principles. The Subcommittee recognizes the discretionary nature of dividends on an individual company basis. The data shows that the industry, as a whole, pays dividends to policyholders. To ignore dividends would result in rates that would not allow the aggregate industry to realize a fair rate of return. However, since dividends have been small in recent years, a factor of zero was employed in this filing.

Q. Have deviations been considered in the filing?

A. Yes. Deviations have also been recognized as one of the statutory elements required to be considered in North Carolina. Deviations are an up front reduction from the manual rates. Once a deviation is approved by the Department for an individual insurer, that lower rate must be charged until the deviation is changed in accordance with the statutory provisions. Therefore, deviations are an additional cost associated with the policies written because they represent the portion of manual premiums that will not be collected by the aggregate industry. The ratemaking formula must recognize all costs associated with the risk transfer, consistent with ratemaking principles. Deviations in the marketplace are driven by competition. To exclude deviations in the ratemaking process would have both short-run and long-run ramifications. In the short-run, the industry would be denied a fair return because companies would be reluctant to remove deviations due to the effect on their ability to compete for policyholders they have identified as the better risks in the state. In the long-run, companies would be forced to remove deviations in order to compensate for the inadequacy of rates, and some companies may leave the market or may have to change their manner of doing business simply because the rates would be inadequate to allow them to continue providing the same level of service. The end result would be a less competitive

market with a narrower range of services, and the impact of the increased rates would be borne primarily by the best risks in the state. Ignoring deviations would not only be counter to sound actuarial principles, but would also have serious negative implications for the competitive market in North Carolina.

The Subcommittee has selected 5% as the deviation level to be recognized in developing the proposed rates. The 5% provision reflects the Subcommittee's consideration of downward deviations, the upward premium differential due to consent to rate policies and the rate differential charged to risks in the residual market. This 5% provision, which has been employed in past homeowners filings is also based in part on findings made by the Commissioner of Insurance in previous automobile insurance rate cases to the effect that 5% of premium is the appropriate amount of deviations to anticipate when setting manual rates. The Subcommittee recognized that the Commissioner did not actually include a 5% provision for deviations in his ordered rates in those cases, but for the reasons described earlier, it is necessary and appropriate to include an explicit provision of 5% for deviations in developing the proposed rates in this filing. The 5% factor is less than the level of net deviations, i.e., after reductions for the premium differential on consent to rate and residual market business.

Q. Did the Subcommittee review rate level adequacy by territory?

A. Yes, the Subcommittee reviewed indicated relative changes by territory.

These indicated relative changes suggest to what extent the existing territorial rate relativities need to change in order to more equitably spread the overall rate level. The indicated rate level change for a particular territory is determined by comparing the required base class rate to the current base class rate. With this filing, separate rates will be created for territories 5 and 6, which previously had the same rate, and 42 and 43, which also had the same rate until now.

The indicated base class loss cost by territory is determined by calculating the total loss cost by territory and applying the resulting territorial relativity to the indicated statewide base loss cost. A credibility value, based on the number of house years underlying the loss cost, is assigned to each territory. Actual hurricane losses have been removed and replaced by estimated loss costs based on the damage ratios provided by AIR Worldwide.

The territorial indicated base class loss cost is converted to the required base class rate by performing expense, profit and deviation adjustments at the territorial level similar to those performed at the statewide level.

At the direction of the Subcommittee, Dr. David Appel prepared a risk load analysis that was used to allocate the net cost of reinsurance and the underwriting profit in the rates, based on territorial differences in risk. In this analysis, measures of risk were developed for three "Zones" of North Carolina. These

zones are: Zone 1: NCRB territories 5, 6, 42 and 43; Zone 2: NCRB territories 32, 34, 41, 44, 45, 46, 47 and 53; Zone 3: NCRB territories 36, 38, 39, 57 and 60. The measures of risk that were developed by Dr. Appel provide indicated relative levels of return, or profit, necessary for each zone. Conceptually, this methodology reflects the principle that required return is related to risk, and that a varying level of required return should be reflected in the premiums. The statewide impact of the methodology is revenue neutral; the effect is to increase the needed premium on the coast (zone 1) and decrease the needed premium in the western part of the state (zone 3) by way of an underwriting profit and reinsurance provision that varies by zone.

The Subcommittee examined various issues relating to hurricane modeling and made refinements with respect to the AIR Worldwide methodology. First, based on the experience following a number of hurricanes, particularly those in 2004 and 2005, the Subcommittee chose to employ the demand surge component of the AIR model as has been done in other recent property filings. This component reflects the fact that following significant hurricanes, the net cost of virtually everything paid by insurance rises. This includes lumber, bricks, plywood, labor, shingles, hotel rooms and other such items. In addition to actual experience, economic theory dealing with supply and demand supports the use of the demand surge component.

The Subcommittee also considered recent advances in the science of hurricane climatology and forecasting, both on a short term basis and on an intermediate term basis. Most in the scientific community agree that the Southeastern United States, including North Carolina, is now in a period of greater hurricane activity and that this greater activity is expected to continue for the next several years for which rates are being made, at a minimum. There are various schools of thought as to why the activity in recent years has been and continues to be greater than average. Some scientists argue that there is a long term climactic shift resulting from global warming. Under this theory, warming of ocean temperatures will continue to occur and will result in more frequent and more severe hurricanes. Other scientists claim that we are simply in the early stages of the increased activity portion of a multi-decade long cycle of hurricane activity resulting from high sea surface temperatures. Under this theory, the increased hurricane activity will ultimately subside, as the cycle turns several decades in the future.

The Subcommittee does not currently take a position as to the cause of the current level of hurricane activity, but the Subcommittee feels that it is demonstrably true that we are in a period of greater activity and that it is expected to continue at least in the short term. This being the case, the Subcommittee felt that merely employing an average of the last 105 years of hurricane activity (using meteorological data back to 1900) would under-predict the risk of hurricanes over the period when this filing will be effective.

Following discussions with AIR, the Subcommittee instructed AIR to run its model using its near term event set. In addition, the Bureau instructed AIR to prepare an analysis in its traditional manner. Losses from the near-term model were employed in the reinsurance factor analysis by Dr. Appel, but the traditional AIR data set was employed in the general losses as in past years. The Subcommittee feels that this is a conservative approach.

The use of AIR's near-term model by Dr. Appel in his reinsurance analysis reflects the fact that reinsurers now employ near term models to price reinsurance treaties with primary insurers.

Q. Do you have an opinion as to whether the rate level changes contained in the filing are fully justified and actuarially sound and reliable?

A. Yes.

Q. What is that opinion?

A. First let me note that I have relied on the accuracy of the data supplied by the statistical agents and the Bureau as reviewed and checked and on the reinsurance and profit analyses performed by Dr. Appel and Professor Vander Weide. With these qualifications, it is my opinion that the rate level changes are fully justified and actuarially sound and reliable.

Q. Does this conclude your prefiled testimony?

A. Yes.

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PREFILED TESTIMONY of DAVID A. LALONDE

2008 HOMEOWNERS INSURANCE RATE FILING BY THE NORTH CAROLINA RATE BUREAU

1. Q. What is your name and address?

A. My name is David Lalonde. I live at 1073 Augustus Drive, Burlington, Ontario.

2. Q. What is your occupation?

A. I am Senior Vice President of AIR Worldwide Corporation a corporation in Boston, Massachusetts.

3. Q. What is AIR Worldwide Corporation?

A. AIR Worldwide Corporation is a company that analyzes and models the characteristics and impacts of natural and man-made extreme events such as hurricanes, severe thunderstorms (hail, tornadoes, and straight-line winds), earthquakes, and terrorism to estimate the potential property losses from these hazards.

4. Q. What is your educational background?

A. I have a Bachelors of Mathematics (Honours) in Actuarial Science with Statistics from University of Waterloo and I am a Fellow of the Casualty Actuarial Society.

5. Q. What is your work experience?

A. I was employed at Economical Group from 1985-89 becoming Manager, Actuarial Services; I was employed at Insurance Corporation British Colombia 1989-1993 becoming Chief Actuary; I was employed at Coopers & Lybrand 1993-95 as Director, Casualty Actuarial Risk Management Consulting; and from 1995 to the present I have been employed by AIR Worldwide Corporation and its predecessor company Applied Insurance Research, Inc.

6. Q. Please describe your technical publications and speaking engagements relating to computer models and insurance.

A.

- In June 2008, I spoke at the CAS Spring Meeting in Quebec City, PQ.
- In March 2008, I spoke at the CAS Ratemaking Seminar in Boston, MA.
- In November 2007, I spoke at CAS Annual Meeting in Chicago, IL.
- In July 2007, I spoke at the Aon Client Conference in Dallas, TX.
- In June 2007, I spoke at the CAS Spring Meeting in Orlando, FL.
- In March 2007, I spoke at the CAS Ratemaking Seminar in Atlanta, GA.

- In December 2006, I spoke at the Southwest Actuarial Forum meeting in San Antonio, TX.
- In November 2006, I spoke at the Southern Risk and Insurance Association meeting in Hilton Head, SC.
- In November 2006, I spoke at CAS Annual Meeting in San Francisco, CA.
- In October 2006, I spoke at the Society of Insurance Research Annual Meeting in Charleston, SC.
- In June 2006, I spoke at CPCU Annual Meeting in Nashville, TN.
- In May 2006, I spoke at CAS Spring Meeting in Fajardo, Puerto Rico.
- In March 2006, I spoke at CAS Ratemaking Seminar in Salt Lake City, UT.
- In March 2006, I spoke at the NAIC meeting in Orlando, FL.
- In June 2005, I spoke at Summer meeting of the Southwest Actuarial Forum in Austin, TX.
- In May 2005, I spoke at Enterprise Risk Management Symposium in Chicago, IL.
- In April 2005, I spoke at Watson Wyatt Client Conference in Orlando, FL.
- In March 2005, I spoke at CAS Ratemaking Seminar in New Orleans, LA.
- In November 2004, I spoke at the Fall Meeting of the CAS in Montreal, PQ.
- In September 2004, I spoke at the Casualty Actuaries in Reinsurance Meeting in New York, NY.
- In May of 2004, I spoke at American Academy of Actuaries Annual Meeting in Washington, DC.
- In April of 2004, I spoke at International Accounting and Statistical Association Annual Meeting in Las Vegas, NV.
- In March of 2004, I spoke at the CAS Ratemaking Seminar in Philadelphia, PA.
- In June 2003, I spoke at the Annual Meeting of the Canadian Institute of Actuaries (CIA) in Victoria, BC.
- In June 2003, I spoke at the Spring Meeting of the Casualty Actuaries of Greater New York in New York, NY.
- In June 2003, I spoke at the Casualty Actuaries in Reinsurance (CARE) Meeting in Philadelphia, PA.
- In May 2003, I spoke at the Spring Meeting of the CAS in Marcos Island, FL.
- In March 2003, I spoke at the CAS Seminar on Ratemaking in San Antonio, TX.
- In February 2003, I spoke at the Windstorm Insurance Network Conference in Orlando, FL.
- In October 2002, I spoke at the CAS Special Interest Seminar on Catastrophe Risk Management in Atlanta, GA.
- In April 2002, I spoke at the CAS Special Interest Seminar in Dallas, TX.
- I have co-authored (i) "Aggregation and Correlation of Reinsurance Exposures," CAS Forum, Spring 2003; (ii) "Aggregation and Correlation of Insurance Exposures," CAS Forum, Summer 2003; and (iii) "The Basis Risk of Catastrophic-loss Index Securities," Journal of Financial Economics, 2004, Elsevier, vol. 71(1), Pages 77-111. I was also a contributing author of: "Catastrophe Modeling: A New Approach to Managing Risk," Springer, 2005.

7. Q. Please describe your experience with respect to the issue of computer modeling of windstorms, including tornadoes, hurricanes, hailstorms and other storms.

A. I began modeling insurance risk in 1985; while at ICBC I implemented a Stochastic Planning Model to manage overall corporate risk. I began work on the modeling of natural hazard risk including tornadoes, hurricanes, hailstorms and other, storms in 1995. My work involves review of model components and responsibility for the review of the Atlantic Tropical Cyclone model by the Florida Commission on Hurricane Loss Projection Methodology.

8. Q. Please describe the companies or organizations for which you have consulted in connection with the computer modeling of windstorm losses.

A. AIR provides catastrophe risk assessment and management products and services to primary insurance companies, coastal FAIR and Beach plans, reinsurers, intermediaries, involuntary markets, state funds, and other insurance industry organizations. We also provide services to investment banks and investors in catastrophe bonds.

AIR has been directly involved in ratemaking proceedings in the states of Florida, Massachusetts and North Carolina.

9. Q. Have these companies and organizations relied upon your hurricane loss computer simulation methodology?

A. Yes.

10. Q. Please explain how these companies and organizations have relied upon your computer simulated hurricane loss estimates?

A. Reinsurers use AIR Software Systems (CATRADER®, CATMAP®/2, CLASIC/2™, CATSTATION™) to estimate expected and potential large losses on the reinsurance treaties of primary ceding companies. Based on these expected loss estimates as well as other underwriting information, reinsurers can develop rates for catastrophe treaties and can decide how much, if any, to participate in catastrophe, aggregate excess or pro rata treaties. AIR Software CATRADER® and CATMAP®/2 also helps reinsurers to estimate the potential losses on their total portfolios of property treaties.

Primary companies use our services and software systems to estimate their windstorm and/or earthquake loss potential. They are also interested in estimating large loss potential, commonly referred to as "probable maximum losses." This information helps them to decide how much catastrophe reinsurance to buy. Particularly after Hurricane Andrew, companies want to make sure that they are not overly exposed to a single catastrophic event. Primary companies are becoming increasingly interested in estimating catastrophe pure premiums and loss costs in various geographical areas.

The coastal FAIR and Beach Plans provide their member companies with the results of our analyses so that they can estimate their potential assessments due to catastrophic events.

Intermediaries use our services to provide catastrophe loss analyses to their primary company clients.

AIR also provides hurricane loss estimation services to the investment community in conjunction with various catastrophe bond offerings that have been issued. Investment bond rating companies use the probabilistic estimates derived from the AIR catastrophe models as the primary basis for assigning catastrophe bond ratings.

11. Q. Have you been asked by the North Carolina Rate Bureau to prepare an analysis based on your models of windstorm loss potential for the state of North Carolina?

A. Yes.

12. Q. What specifically have you prepared for the North Carolina Rate Bureau relating to North Carolina homeowners, tenant, and condominium insurance?

A. We have prepared a report for the North Carolina Rate Bureau based on an analysis using a simulated sample of 100,000 "years" of potential hurricane experience based on a standard view of the hurricane risk. A copy of our report is attached hereto as Exhibit RB-6A.

We have also prepared a report using a simulated sample of 50,000 "years" of potential hurricane experience that incorporates the impact of elevated sea surface temperatures (SSTs) in the North Atlantic on hurricane activity ("WSST" catalog simulation). A copy of our report is attached hereto as Exhibit RB-6B.

A simulated "year" in this context represents a hypothetical year of hurricane experience that could happen in the current year. For the North Carolina Rate Bureau we used exposures for 2005, which was then the most recent year available. These large samples of simulated loss experience enabled us to estimate pure hurricane premiums and loss costs as well as the probabilities of losses of various magnitudes.

13. Q. What is meant by the term "pure premiums"?

A. Pure premiums are calculated by dividing the long run average annual aggregate losses by the number of risks, i.e., the house years.

14. Q. What is meant by the term "loss costs"?

A. Loss costs are calculated by dividing the long run average annual aggregate losses by the insurance in force, i.e., the insurance years plus the liabilities for contents and other coverages.

15. Q. When were you asked by the North Carolina Rate Bureau to do your study?

A. 2007.

16. Q. Please describe the approach that you used to develop your reports.

A. Our approach is that of a computer simulation model. AIR Worldwide, Inc. (AIR) was the first company to develop probabilistic catastrophe modeling as an alternative to the standard actuarial or "rule of thumb" approaches on which insurance companies had to rely for the estimation of potential catastrophe losses. In 1987, AIR introduced to the insurance industry a modeling methodology based on simulation techniques and mathematical approaches long-accepted in a wide variety of scientific disciplines. Since the inception of this new approach, the AIR hurricane model has undergone a comprehensive process of refinement, enhancement, validation, and review.

Standard actuarial techniques rely on data on past losses to project future losses. But the scarcity of historical loss data resulting from the infrequency of these events makes standard actuarial techniques of loss estimation inappropriate for catastrophe losses. Furthermore, the usefulness of the loss data that does exist is limited because of the constantly changing landscape of insured properties. Property values change, along with the costs of repair and replacement. Building materials and designs change, and new structures may be more or less vulnerable to catastrophe events than were the old ones. New properties continue to be built in areas of high hazard. Therefore, the limited loss information that is available is not suitable for directly estimating future losses

By way of example in North Carolina, if historical insurance loss data were used, the only recent significant hurricane events would be Hugo in 1989, Fran in 1996, Bonnie in 1998, and Floyd in 1999. Hugo entered North Carolina in the Charlotte area and continued through the central and western parts of the state. While Hurricane Fran made direct landfall on the North Carolina coast and did significant damage to coastal exposures, it caused even more damage inland in the Raleigh area. Raleigh incurred more loss than one would normally expect for an inland area because of the significant amount of rain that had fallen in Raleigh just prior to Hurricane Fran. The two weeks of rain prior to Hurricane Fran's arrival left the ground saturated resulting in significantly more damage from uprooted trees than would normally be expected for a storm of its size.

If the data from these storms were the only data used in ratemaking, it could well be the case that rates for the Raleigh and Charlotte areas would be higher than for coastal areas. Such a result would not fairly reflect the relative wind loss vulnerability of the territories in the state.

17. Q. Do you know how many years of homeowners insurance data exist for North Carolina?

A. I am advised that data for homeowners insurance exists only back to approximately 1960.

18. Q. What is your opinion as to whether homeowners insurance data for the period from 1960 to 2005 adequately represents the state's likely exposure to hurricanes.

A. In my opinion, 46 years of insurance data is not sufficient to estimate the true hurricane loss potential in North Carolina. Hurricanes, particularly intense hurricanes, are low frequency events. The absence or presence of even one Category 4 or 5 hurricane (under the Saffir-Simpson scale) can dramatically influence the loss potential calculated over such a short time horizon.

Furthermore, as stated previously, the usefulness of the loss data that does exist is limited because of the constantly changing landscape of insured properties.

For these reasons, a better measure of North Carolina's exposure to hurricanes can be gained by using a computer simulation model such as ours, which is based on historical data and meteorological information.

19. Q. What is a computer simulation model?

A. Basically, a computer simulation model is a series of computer programs which describe or model the particular system under study. All of the system's significant variables and interrelationships are included. A high-speed computer then "simulates" the activity of the system and outputs the measures of interest. Our simulation models incorporate random variables. In such simulation models, numbers are generated from the probability distributions of random variables to assign values to the variables for each model simulation. These probability distributions are usually standard statistical distributions selected on the basis of good fits with empirical data. Many simulations or iterations are performed to derive estimates from simulation models. Many simulations are necessary so that the output distribution converges to the true distribution and that model-derived estimates are "stable."

20. Q. Is computer modeling commonly used and relied on in meteorology?

A. Yes. In current operational hurricane forecasting practice, experts in the National Hurricane Center rely heavily on various kinds of computer models. These models range in complexity from simple statistical models to three-dimensional primitive equation models. The statistical and two-dimensional models are maintained by the Tropical Prediction Center (TPC). The three-dimensional models are maintained by the National Centers for Environmental Prediction's (NCEP) Environmental Modeling Center (EMC). More detailed information regarding the forecast NWP models used by NHC can be found at <http://www.nhc.noaa.gov/aboutmodels.html>.

21. Q. How long have computer simulation models been used in insurance?

A. AIR pioneered the probabilistic catastrophe modeling technology that is used today by the world's leading insurers, reinsurers and financial institutions. The AIR hurricane simulation model has been in use by our clients since 1987.

22. Q. How many simulations are typically performed?

A. There is no standard number of simulations that are performed. The required number is a function of the number of random variables and the probability distributions of those variables. The required number also depends on the geographical resolution of the data and the convergence level desired. The number of iterations can, however, be estimated using a formula which is based on the Central Limit Theorem. The Central Limit Theorem states that for a large number of samples, the normal distribution is a good approximation of the mean of the samples. Additionally, model output is tested for convergence by re-calculating the various moments or percentiles of the output distributions after adding more simulations to ensure that the additional simulations do not change significantly the output distributions.

23. Q. How many simulations did you perform for your study as to North Carolina homeowners insurance?

A. We performed two analyses, each with a different number of simulation "years."

One analysis was performed with 100,000 "years" of simulations, based on a standard view of the hurricane risk. This analysis formed the basis of the work performed for the NCRB.

Additionally, we performed an analysis with 50,000 "years" of simulations that incorporates the impact of elevated sea surface temperatures (SSTs) in the North Atlantic on hurricane activity.

24. Q. What is the implication of using 100,000 simulated "years" vs. 50,000 simulated "years," and is each an appropriate number of simulations?

A. A 100,000 "year" simulation yields results that are stable and appropriate for base rate-making purposes, where results are drilled down to the relatively high geographical resolution of territory(s).

A 50,000 "year" simulation yields results that are stable and appropriate for use at a lower geographical resolution, such as zones.

Our approach was based on the Monte Carlo simulation method which is a generally accepted mathematical technique that has been used extensively in the fields of insurance, operations research, and nuclear physics, among others.

25. Q. In general, what are the uses of Monte Carlo simulation models?

A. One of the first real uses of Monte Carlo simulation as a research tool was for work on the atomic bomb during World War II. With the advent of powerful computers, the uses for this technique expanded. Computer simulation models are particularly useful tools for the analysis of problems that involve solutions that are difficult to obtain analytically.

As one noted authority, Law and Kelton, has stated: "Most complex, real-world systems cannot be accurately described by a mathematical model which can be evaluated analytically. Thus, a simulation is often the only type of investigation possible." The natural hazard loss-producing system is one such system.

26. Q. What is the natural hazard simulation model?

A. The natural hazard simulation model is a model of the natural disaster "system." The primary variables are meteorological in nature. The AIR research team collects the available scientific data pertaining to the meteorological variables critical to the characterization of hurricanes and therefore to the simulation process. These primary model variables include landfall location, central pressure, radius of maximum winds, forward speed, and track direction. Data sources used in the development of the AIR hurricane model include the most complete databases available from various agencies of the National Weather Service, including the National Hurricane Center.

After the rigorous data analysis, AIR researchers develop probability distributions for each of the variables, testing them for goodness-of-fit and robustness. The selection and subsequent refinement of these distributions are based not only on the expert application of statistical techniques, but also on well-established scientific principles and an understanding of how hurricanes behave.

These probability distributions are then used to produce a large catalog of simulated events. By sampling from the various probability distributions, the model generates simulated "years" of event activity. A simulated year in this context represents a hypothetical year of hurricane experience that could happen in the current year. The AIR models allow for the possibility of multiple events occurring within a single year. That is, each simulated year may have no, one, or multiple hurricanes, just as might be observed in an actual year. Many thousands of these scenario years are generated to produce the complete and stable range of potential annual experience of tropical cyclone activity. The pattern and distribution of the simulated years approximates the pattern of historical and future years because their derivation is based on a scientific extrapolation of actual historical data.

Once values for each of the important meteorological characteristics have been stochastically assigned, each simulated storm is propagated along its track. Peak wind speeds and wind duration are estimated for each geographical location affected by the storm. Based on peak winds and duration, damages are estimated at each location for

different types of structures. Finally, policy conditions are applied to estimate the insured losses resulting from each event.

As opposed to purely deterministic simulation models, probabilistic simulation models enable the estimation of the complete probability distribution of losses from hurricanes. Once this probability distribution is estimated, hurricane loss can be derived.

27. Q. What are the meteorological data sources that underlie your model?

A. The following are key data sources that underlie the model.

<u>Source</u>	<u>Years of Data</u>
Monthly Weather Review	1900-present
NWS-23	1900-1976
NWS-38	1900-1984
Neumann, Charles J., "Tropical Cyclones of the North Atlantic Ocean, 1871-1998." NCDC, NOAA*	1900-1998
National Hurricane Center Preliminary Reports for Specific Hurricanes*	1977-2006
Tropical Cyclone Data Tape for the North Atlantic Basin, HURDAT	1900-2006
http://weather.unisys.com/hurricane/index.html	1900-present

* Supplemental data added to report by NHC upon request by AIR.

28. Q. Are all of these sources governmental reports?

A. All are except for the Monthly Weather Review, which is a peer-reviewed journal published by AMS and the Unisys web site which is maintained by Unisys Corporation.

29. Q. Are these sources generally relied upon in the meteorological and insurance communities?

A. Yes.

30. Q. What steps were taken to assure that the meteorological data underlying the model were correctly inputted into the model?

A. When the meteorological and other data are input into the model, we consistently follow the policy of carefully cross-checking and verifying the numbers for accuracy. We continually review our models and their underlying meteorological data to make sure that the data have been input correctly. We also compare our model-generated data with the actual historical data to make sure that there is a close match. For example, we overlay maps of our simulated wind speeds on maps of the actual wind speeds for actual historical events.

31. Q. What is a hurricane?

A. Hurricanes form when warm ocean water evaporates, is further warmed by the sun, and rises to create a high, thick layer of humid air. This rising of warm, dense air creates an area of low pressure, technically known as a depression, near the ocean's surface. Surface winds converge and, due to the earth's Coriolis force, display a clear cyclonic pattern.

The inward rush of peripheral surface winds toward the central area of low pressure, the rise of warm humid air in the center, and the subsequent outflow away from the system at high altitude, combine to create a self-sustaining heat engine. The warmer the water temperature, the faster the air in the center of the system rises. The faster this air rises, the greater will be the difference between the surface air pressures inside and outside the vortex.

Air flows from areas of relative high pressure to relative low pressure. The greater the difference between peripheral and central pressures, the faster the inflow. When wind speeds reach 40 miles per hour, the depression reaches tropical storm status. When wind speeds reach 74 miles per hour, the storm is designated a hurricane or typhoon. The term "super-typhoon" is used for tropical cyclones that reach maximum sustained 1-minute surface winds of at least 130 knots, which is the equivalent of a strong Category 4 or Category 5 hurricane in the Atlantic basin. Note that the terms "hurricane" and "typhoon" are regionally specific names for the same phenomenon. Severe tropical cyclones that occur in the Atlantic and eastern Pacific are referred to as hurricanes, and in the western Pacific as typhoons.

32. Q. What is meant by sustained wind speed?

A. The term sustained wind speed refers to the wind averaged over a given period of time, such as one or ten minutes, or an hour. Generally for the purpose of this testimony as to hurricanes, a one minute sustained wind is used. The speed of shorter period gusts or lulls may be considerably higher or lower than the sustained wind. Surface wind speed is defined as the wind at 33 feet (10 meters) above ground for this purpose.

33. Q. What are the categories of hurricanes?

A. Under the Saffir-Simpson Hurricane Scale, there are five categories of hurricanes. They are categorized according to sustained wind speeds and central pressure as follows:

Saffir-Simpson Hurricane Scale

Category	Wind Speed (mph)	Central Pressure
1	74-95	≥ 980
2	96-110	965-979
3	111-130	945-964
4	131-155	920-944
5	>155	<920

34. Q. How many hurricanes made landfall in the historical experience period?

A. There were one hundred and sixty-nine hurricanes making landfall in the U.S. during the sample period (1900-2006). A single hurricane may comprise several landfalls, for example hurricane Donna in 1960 had three landfall points. By landfall point, I mean the latitude and longitude coordinates of the place where the center of the wind circulation of the hurricane crossed from the ocean to land. In addition to landfalling hurricanes, AIR scientists have analyzed historical data on the storm tracks of bypassing events. A bypassing storm is defined as a hurricane that does not make landfall but causes damaging winds over land.

35. Q. What was the most intense hurricane to directly strike North Carolina during the period 1900-2006?

A. Hazel, a Category 4 hurricane, in 1954 was the most intense hurricane to hit North Carolina during this period from a meteorological standpoint.

36. Q. What are "bypassing" storms and how are they handled?

A. Bypassing storms are hurricanes which do not actually make landfall, that is, where the center of the hurricane never actually comes on shore but where winds of hurricane strength, i.e. 74 mph or higher, are recorded on-shore. Bypassing storms are modeled like all other hurricanes starting with estimates of the frequency and location of such storms. As is the case with landfalling hurricanes, the frequency and location distributions of bypassing hurricanes have been derived from the historical record and other scientific information.

37. Q. Are there any climatological factors influencing hurricane frequency and intensity in general and with respect to North Carolina in particular?

A. There are a number of climate signals that are correlated with mechanisms within the earth's environment that impact hurricane activity in the Atlantic Basin. These include the Atlantic Multidecadal Oscillation (AMO), the El Niño Southern Oscillation

(ENSO), the Quasi-Biennial Oscillation (QBO), and the North Atlantic Oscillation (NAO). The AMO is the oscillation of sea surface temperatures in North Atlantic, which fluctuates over a period of several decades. The ENSO is the oscillation of sea surface temperatures in Eastern Pacific Ocean, which fluctuates over a period of approximately 2.5 to 7 years. The QBO is the oscillation in wind directions over the tropics in the upper atmosphere, which fluctuates about every 2 years. The NAO is the large scale oscillation in atmospheric pressure in the Atlantic Ocean between the subtropic high and the polar low pressure system, which fluctuates over a period of days, weeks, or months. These factors have different impacts on hurricane activity in the Atlantic basin.

38. Q. How are these factors incorporated into the model?

A. These factors are not explicitly accounted for in AIR's standard 100,000 "year" hurricane catalog. The standard catalog is a catalog that is based on the past 107 years of historical hurricane activity which includes multiple observations of each of these climatological signals and oscillations.

Additionally, AIR has developed a WSST hurricane catalog which incorporates the impact of elevated sea surface temperatures (SSTs) in the North Atlantic on hurricane activity.

A correlation has been drawn between SST cycles and hurricane activity in the Atlantic basin. There is an increased probability of hurricane activity during warm cycles, and a decreased probability of hurricane activity during cool cycles. As with many meteorological matters, this correlation is subject to uncertainty and continues to be an area of active research.

SSTs have been considered in the generation of the WSST hurricane catalog because they vary over the longest time period, specifically multi-decadal periods as noted in previous references to the AMO.

39. Q. Based on this information, what conclusions can be drawn about the probability of hurricane activity in the Atlantic basin in the coming years?

A. We are currently in an SST warm cycle. This condition results in an increased probability of hurricane activity. While other cycles might oscillate to result in an increased or decreased probability of hurricane activity from one season to the next, the SST varies over a longer period of time and thus results in an overall increased probability of hurricane activity in the coming years.

40. Q. Is the AIR modeling methodology a sound and appropriate method of projecting the wind losses used in the filing for homeowners insurance in North Carolina?

A. Yes. AIR's simulation methodology is based on mathematical/statistical models that represent real-world systems. As with all models, these representations are not exact; however simulation methodology is a superior technique for estimating potential

hurricane losses. The best approach is to consider the longest period of consistently maintained and reported meteorological data available, which is what AIR's models do.

AIR's standard hurricane catalog incorporates the best and longest period of data available, and analyses performed using this catalog yield the long run average wind loss for the modeled exposure set. AIR's WSST hurricane catalog also incorporates the best and longest period of data available, with modifiers applied to account for the impact of elevated SSTs on hurricane activity. Analyses performed using this catalog yield the average wind losses given elevated SSTs.

41. Q. How does the hurricane model simulate hurricanes affecting the U.S. and North Carolina?

A. For each simulated year, the model first determines the number of landfalls that occur during that year. If a landfall occurs, the landfall location is generated using a probability distribution for landfall location. Having simulated the location, values for landfall angle, central pressure, radius of maximum wind, and forward speed are generated using probability distributions derived from historical data and meteorological knowledge. As the hurricane moves from its landfall location, the track of the hurricane is simulated using probability distribution derived from historical data and meteorological knowledge. As the hurricane moves from its landfall location, the track of the hurricane is simulated using a Markov procedure with transition probabilities estimated using historical data.

42. Q. How is hurricane frequency modeled?

A. The AIR hurricane model uses a negative binomial distribution to generate the number of landfalling storms per year. Actual historical data from 1900-2006 is compared to the modeled distribution for the entire Gulf and East Coasts. The modeled distribution fits the historical data very closely. The average number of hurricanes per year making landfall in the U.S. is 1.6. The average number of landfalling and bypassing storms is 1.7.

43. Q. How is landfall location modeled?

A. In the AIR hurricane model there are 3,100 possible landfall points at each one nautical mile of smoothed coastline from Texas to Maine. Historical hurricane occurrences since 1900 are used to estimate a smoothed locational frequency distribution. The actual smoothing technique employed was selected because it has been utilized in other climatological studies and because it produces a smoothed distribution that maintains areas of high versus low frequency while smoothing out variations due to limitations on completeness in the historical record.

44. Q. How is hurricane severity modeled?

A. The hurricane model generates values for the severity variables. There are five primary variables which account for hurricane severity. These variables are the minimum central pressure, the radius of maximum winds, the forward speed, the angle at which the storm enters the coast, and the track of the storm once on shore.

45. Q. What is the central pressure variable?

A. Central pressure is defined as the minimum atmospheric pressure measured in a hurricane. The central pressure distribution is based on the historical database and is determined for each 100-nautical-mile coastline segment.

46. Q. What is meant by the radius of maximum winds?

A. The radius of maximum winds is the distance from the center of circulation to the location of maximum wind speeds. The radius distribution is based on the historical database and is determined for each 100 nautical mile segment.

47. Q. What is forward speed?

A. Forward speed is the speed at which a hurricane moves from point to point. The forward speed distribution is based on the historical database and is determined for each 100-nautical-mile segment.

48. Q. Does the combination of forward speed and wind speed affect the damage caused by a given hurricane?

A. Yes, this is what is referred to as the asymmetrical effect of hurricane winds. Hurricane winds move in a counter clockwise direction around the eye of the hurricane, which means that winds on the right side of the hurricane are moving with the forward direction of the storm thereby creating a higher effective wind speed at any location on the right side of the hurricane. Conversely, the effective wind speed at any given location on the left side of the storm is reduced by the combined effect of the hurricanes rotational winds moving in the opposite direction from the translational winds.

49. Q. What is the track angle at landfall?

A. Track angle at landfall is the angle between track direction and due north at landfall location.

50. Q. What is the storm track?

A. Storm track is the path the hurricane takes. The procedure that AIR has developed to simulate storm tracks, which is described in more detail under question 56 below, allows the tracks to curve and recurve in the same way and to the same extent that actual historical storms do.

51. Q. Does the location of the hurricane make a difference?

A. Yes. Hurricane intensity as well as frequency vary by location. In general, as latitude increases, average hurricane intensity decreases and we model this effect accordingly. When a hurricane moves over cooler waters, its primary source of energy (latent heat from warm water vapor) is reduced so that the intensity of circulation decreases in the absence of outside forces. For this reason, the parameters of the severity variable probability distributions were estimated separately for each of the 31 100-mile coastal segments using state-of-the-art statistical techniques combined with published scientific information.

52. Q. How does the simulation model generate values for the distribution of hurricane central pressures?

A. The AIR hurricane model utilizes central pressure as the primary hurricane intensity variable. Using the historical data, Weibull distributions are fitted to the data for each of the 31 100-nautical-mile coastal segments as well as for larger regional segments, with the final distribution for each segment being a weighted combination of the two. The Weibull form was selected based on "goodness-of-fit" tests with actual historical data. The use of the Weibull distribution for storm central pressure is documented in the scientific literature.

53. Q. How does the model generate values for the radius of maximum winds?

A. The radius of maximum wind is simulated using a regression model that relates the mean radius to central pressure and latitude. The error term in this model is assumed to follow a Normal distribution. The parameters are estimated using the least squares method and standard diagnostic tests are used to evaluate the adequacy of the fit. The resulting values are bounded based on central pressure to produce a final distribution for the radius.

54. Q. How does the model generate values for forward speed?

A. Probability distributions are estimated for forward speed for each 100-nautical-mile segment of coastline with bounds based on the historical record. Separate distributions are estimated for each of the segments because the likely range and probabilities of values within the range for these variables depend upon geographical location, particularly latitude.

55. Q. How does the model generate values for track angle at landfall?

A. Separate distributions for track angle at landfall are estimated for variable length segments of coastline with bounds based on the historical record. The length of each segment is governed by the general orientation of that segment. Standard 100-mile

segments cannot be used because the orientation of the coastline might change dramatically within these segments. The corresponding probability distributions are combined normal distributions with bounds based on the historical record and meteorological expertise.

56. Q. How does the model generate values for storm track?

A. AIR has developed a unique and scientific procedure to simulate storm tracks. Our scientists and engineers have collected and analyzed historical data on the tracks of more than 900 Atlantic tropical cyclones, both landfalling and non-landfalling. Using this data, they have created conditional probability matrices from which the tracks of simulated events are generated. There are 16 primary directional probabilities. Within each of these 16 primary directions there is a continuous probability distribution, resulting in an infinite number of potential track directions. For each of 16 directional probabilities of storm arrival, these matrices specify the probability of a directional change to each of the other 16 directional probabilities. The advantage of this probabilistic approach is that the storm tracks generated for simulated tropical cyclones will closely resemble the curving and recurving tracks that are actually observed. Furthermore, the simulated storm tracks are fully probabilistic, which means that any possible storm track can be generated, not just historical tracks. Other approaches that use either straight-line tracks or historical tracks are not as realistic because future hurricanes will not travel in perfectly straight lines, nor will they follow the exact path of previous hurricanes.

In order to model hurricanes with multiple landfalls, or combination of landfall and bypass, selected storm tracks are joined statistically. The criteria used to select tracks to be joined are consistency in the following storm parameters: central pressure, forward speed and radius of maximum wind. The number of bypasses and landfalls selected to be joined is determined based on the historical record for the region. The tracks are joined using a cubic spline and the storm parameters are interpolated along the joining path to ensure appropriate hurricane behavior. This procedure ensures that multiple landfalling storms, such as triple-landfalling Donna in 1960, which affect more than one area of the U.S. coastline, are accurately reflected in the catalog.

57. Q. How does the model calculate maximum wind speeds?

A. Once values are obtained for all of the severity variables, the maximum sustained wind speed is calculated using generally accepted meteorological formulas. For each simulated event, the AIR hurricane model simulates the storm's movement along its track. A complete time profile of wind speeds is developed for each location affected by the storm, thus capturing the effect of duration of wind on structures as well as peak wind speed. Calculations of local intensity take into account the effects of the asymmetric nature of the hurricane windfield, storm filling over land, surface friction, and relative wind speeds as the distance from the radius of maximum winds increases.

58. Q. You have explained how the model generates values determining the frequency and severity of hurricanes. Now please explain how are insured damages computed?

A. AIR scientists and engineers have developed mathematical functions called damageability relationships, which describe the interaction between buildings, both their structural and nonstructural components as well as their contents, and the local intensity to which they are exposed. Damageability functions have also been developed for estimating time element losses. These functions relate the mean damage level as well as the variability of damage to the measure of storm intensity at each location. Because different structural types will experience different degrees of damage, the damageability relationships vary according to construction materials and occupancy. The AIR model estimates a complete distribution around the mean level of damage for each local intensity and each structural type, and from there constructs an entire family of probability distributions. Losses are calculated by applying the appropriate damage function to the replacement value of the insured property.

The AIR damageability relationships incorporate the results of well-documented engineering studies, tests, and structural calculations. AIR engineers continually survey the engineering literature and consult with other experienced engineers to verify our damage functions, and if necessary, they refine these relationships. AIR also performs post-disaster field surveys and analysis for all U.S. landfalling hurricanes. We have analyzed over \$10 billion of actual claims data from recent hurricanes. Much of the loss data is by zip code, coverage, and construction.

59. Q. Has the model been independently peer reviewed?

A. Yes.

60. Q. By whom?

A. All hurricane characteristics were reviewed by Dr. Walter Lyons in 1986. Dr. Lyons, a Certified Consulting Meteorologist, was contracted by the E.W. Blanch Company to review the AIR hurricane simulation model. There are no unresolved issues.

The WSST catalog generation process has been reviewed by well-respected meteorological experts. The research used to develop the WSST catalog was peer reviewed and published in the American Meteorological Society's *Journal of Applied Meteorology and Climatology*. The WSST catalog generation process was also reviewed by Dr. Kerry Emanuel of MIT, Dr. James Elsner of Florida State University, and Dr. Timothy Hall of the NASA Goddard Institute for Space Studies.

During 1996 and 1997, Duff & Phelps, Fitch, Moody's and Standard & Poors all reviewed AIR's hurricane model in conjunction with their rating of the USAA catastrophe bond.

The vulnerability functions have been reviewed by Dr. Joseph Minor, P.E. every year since 2001. There are no unresolved issues.

61. Q. What type of reviews have been performed?

A. In 1986 Dr. Lyons was asked to independently review and make suggestions as to the hurricane and tornado simulation models and our sources of meteorological information. Dr. Lyons reviewed the meteorological variables and relationships used in the models. In 1986, Dr. Lyons recommended and provided copies of a few additional meteorological papers for our review and made several suggestions for change. For example, he made a suggested correction to our approximation of the air density term in the gradient wind equation. Our original formula could have resulted in up to a 5 percent error in the estimation of peak wind speeds near the center of the storm. This correction was made immediately following Dr. Lyons' recommendation. In 1993 Dr. Lyons again reviewed these models, including how the climatology had been updated to reflect storms since 1986 and validation results based on actual events.

The testing conducted by Duff & Phelps, Fitch, Moody's and Standard & Poors was particularly extensive because the USAA catastrophe bond was the first such bond to be assigned a corporate bond rating by all four agencies, and the probabilistic estimates derived from the AIR hurricane model were the primary bases for the assigned ratings. Over a period of 18 months, AIR staff met with employees and consultants hired by the rating agencies representing many fields, including insurance, statistics, and finance, to explain in detail the AIR hurricane model. In addition, a number of sensitivity analyses and stress tests were performed at the requests of the rating agencies during this year and half period of time. These tests, performed by outside experts whose primary interest is the protection of their investors, confirm the robustness of the AIR model. Moody's wrote, "Moody's did not simply accept AIR's modeling results at face value. Rather, we followed an examination and calibration procedure, aiming to provide Moody's with a high degree of confidence in the reliability and stability of the simulation results." Similarly, "Fitch evaluated the underlying technical integrity of the AIR model on the basis of model specification and model structure." Because of the first-time nature of such a large catastrophe bond issuance, the rating agencies very carefully scrutinized model assumptions, data, and methodology. These rating agencies have continued their scrutiny of the model in the course of several subsequent securitization transactions.

62. Q. What information did you provide the reviewers about your methodology?

A. In 2007 AIR provided Dr. Minor with the 2006 submission of the AIR Hurricane Model to the Florida Commission and documents describing the Commission's process for determining the acceptability of a computer simulation. Dr. Minor had access to the full AIR hurricane modeling team in two days of briefings and discussion. His training and experience as a structural/wind engineer provided for a principal focus on the vulnerability functions in the AIR model.

In the review of the AIR model in 1996 and 1997 by the bond rating companies, access was given to the probability distributions assumed by AIR and the estimation methods employed to fit the parameters of those distributions. Also reviewed were the mathematical functions used in the model to approximate the interactions between simulated storm parameters. For the validation testing and sensitivity analysis, the rating companies reviewed model output under various distributional assumptions.

In 1986 we provided to Dr. Lyons technical documents describing our methodology. For example, the hurricane simulation model technical document describes the model-variables, the estimated probability distributions that we fit to the model variables, the variable interrelationships, such as the formula relating minimum central pressure to maximum wind speed, our filling equations, how we account for the effects of surface terrain on wind speed, and how we estimate storm surge heights at various coastal locations. In 1993 we additionally provided him with copies of our original documentation along with information regarding validation of the hurricane model. Validation information included, for several hurricanes such as Alicia (1983), Elena (1985), Gloria (1985), Kate (1985), Hugo (1989), Bob (1991) and Andrew (1992), a comparison of simulated losses with actual losses.

63. Q. Has your model been reviewed by the Florida Commission on Hurricane Loss Projection Methodology?

A. Yes. The Florida Commission on Hurricane Loss Projection Methodology was established in 1995 with the mission to "assess the effectiveness of various methodologies that have the potential for improving the accuracy of projecting insured Florida losses resulting from hurricanes and to adopt findings regarding the accuracy or reliability of these methodologies for use in residential rate filings." The Commission has established 35 standards that need to be met before a catastrophe model is acceptable for ratemaking purposes in the state of Florida. The AIR hurricane model was the only model approved under the 1996 standards, and it has consistently been approved under the standards of subsequent years. In addition, AIR has been working with insurance departments in other states for a number of years in meeting their informational requirements. Rates based on the AIR models have been filed and approved in an increasing number of states.

64. Q. What sorts of specialists comprise the Florida Commission's professional team?

A. The Florida Commission professional team includes two persons from each of the following professions: actuary, computer scientist, statistician, structural engineer, and meteorologist.

65. Q. Does AIR have a staff meteorologist?

A. Yes, AIR has numerous staff meteorologists. Dr. Peter Dailey, who joined the company in 2001, is the Director of Atmospheric Science at AIR.

66. Q. Have the meteorological components of your model been reviewed?

A. Yes, staff meteorologists have thoroughly reviewed all meteorological components of AIR's hurricane model.

67. Q. Have you validated the models?

A. Yes. AIR scientists and engineers validate the models at every stage of development by comparing model results with actual data from historical events. The simulated event characteristics parallel patterns observed in the historical record and resulting loss estimates correspond closely to actual claims data provided by clients. Internal peer review is a standard operating procedure and is conducted by the AIR professional staff of scientists and engineers, over 20 of whom hold Ph.D. credentials in their area of expertise. AIR models have also undergone extensive external review, beginning with Dr. Walter Lyons' systematic review of the AIR hurricane model in 1986.

68. Q. What are the advantages of computer simulation?

A. There are several advantages of the computer simulation approach. First, it is able to capture the effects on the catastrophe loss distribution of changes over time in population patterns, building codes, amounts insured and construction costs. Second, this estimation procedure provides a complete picture of the probability distribution of losses rather than just estimates of probable maximum losses. As opposed to using actual loss data, this procedure also leads to more stability in the estimated expected annual losses. Simulation models can be tested much more easily than other approaches to catastrophe loss estimation. Additionally, they provide a means to determine the impact of new scientific information and/or developments. And finally, the simulation approach provides a framework for performing sensitivity analyses and "what-if" studies. Disadvantages of the simulation approach include long model development time and potential high development costs. Overall the benefits provided by the model and the value of the model output outweigh the costs. The simulation approach provides much more reliable and consistent loss estimates than traditional approaches to catastrophe risk assessment and management.

69. Q. Have your models been updated and refined since they were originally constructed?

A. Yes. The AIR hurricane model was first developed in 1985. Since that time the model has been updated at least once each year. At a minimum, the zip code database is updated each year. For each new zip code centroid, the following data needs to be re-estimated: distance from coastline, elevation, surface terrain, and any other special topographical features. This is a technical update.

Additionally, all of the probability distributions for all of the meteorological variables have been re-estimated to include additional years of actual hurricane experience every

two to three years. These updates are not substantive and do not result in major changes to loss estimates.

Damageability relationships are continually reviewed and validated as actual events occur and new loss data is received from our client companies. Usually, changes to loss estimates are not significant.

The updates listed above are ongoing and reflect the efforts of AIR professionals to incorporate the most current data available, particularly those relating to recent hurricane activity. There are other revisions to the model, however, that represent one-time refinements to various model components. These are undertaken when new data becomes available or when the results of new research, which may be conducted either by AIR scientists and engineers or by outside experts, warrant such revision.

70. What were the main model updates in the past 4 years?

A. The main updates to the model from 2004 to 2007 are detailed below:

2004:

- Updated historical storm set to include all landfalling and bypassing hurricanes through 2002
- Incorporation of higher resolution land use/land cover data for all of U.S. Gulf and East Coasts for more accurate estimation of local wind speeds (Florida updated in 2003)
- Implementation of a new component-based methodology for the derivation of commercial damage functions that explicitly account for building height

2005:

- Updated historical storm set to include all landfalling and bypassing hurricanes through 2004
- Implementation of an aggregate demand surge function

2006:

- Refined distribution governing radius of maximum winds to allow for larger radii for intense hurricanes
- Enhanced storm surge model
- Updated wind damage functions to incorporate finding of AIR's analysis of claims data and post-disaster survey findings
- Updated demand surge function that reflects findings from the 2004 and 2005 hurricane seasons; the update produces generally increased loss estimates, particularly for "mega-catastrophes" at high return periods

2007:

- Updated historical storm set to include all landfalling and bypassing hurricanes through 2006
- Revised bounds on distribution governing central pressure in the Northeast
- Refined distributions governing the day of year of hurricane landfall
- Refined damage functions for residential contents
- Updated secondary risk modifier for pool enclosures, based on claims data that show higher vulnerability of these structures than previously estimated
- Enhanced business interruption damage function
- Updated demand surge function
- Updated WSST catalog

71. Q. What has been your role as to model development?

A. I have been involved in the model development process, and oversee the process of submitting the model to Florida Commission on Hurricane Loss Prediction Methodology.

72. Q. Did you receive any data from Insurance Services Office on which you relied in preparing your analyses?

A. Yes, we first received an original data set reflecting the 2005 number of earned house years and the 2005 earned insurance years by territory and construction class, for North Carolina, for the homeowners, tenant, and condominium lines of business.

73. Q. What use did you make of such data?

A. For each territory the total number of house years and insurance years were calculated for homeowners policies from the original data set by multiplying the percentage of house years and the percentage of insurance years by the total house years and total insurance years, respectively. House years and insurance years were then distributed to the five digit zip codes within each territory using a territory to zip code mapping developed by AIR in conjunction with the NCRB and AIR's proprietary industry exposure database by five digit zip code.

Assumptions were then applied to account for non-primary coverages (appurtenant structures, contents, and time element in the case of the homeowners line of business; building and time element in the case of the condominiums line of business; and time element in the case of the tenants line of business). Assumptions were also applied to account for deductibles.

The data was then analyzed in AIR's CLASIC/2™ software application using the models referenced previously in order to yield loss estimates. These loss estimates were rolled up to the territory level for reporting purposes.

74. Q. What are the areas of highest hurricane frequency in North Carolina?

A. The figures very convincingly show that the higher risk areas are the coastal zones. The hurricane is at maximum force in coastal areas just as it crosses over land. As it travels inland, the storm dissipates because of the elimination of its primary energy source (heat and moisture from the sea) and because of surface frictional effects.

75. Q. As between the northern and southern coasts of North Carolina, which one experiences greater hurricane frequency?

A. The highest frequency of hurricanes occurs in a 100-mile segment which includes Cape Lookout, Cape Hatteras, and Pamlico Sound. The coastline in this area juts out into the Atlantic Ocean where it is exposed as storms move up the coastline. The far northern coast towards Virginia suffers relatively few hurricane landfalls because of the westerly orientation of the coastline in this region.

76. Q. Have you examined North Carolina's building code?

A. Yes. In our windstorm simulation models, we assume that the residential buildings built to North Carolina's code will perform better than average with respect to hurricane force winds. One of the major reasons for this assumption is the fact that the code is prescriptive in nature which means that it clearly instructs the builder on what to do to make the structure wind resistive, particularly in the coastal areas. For example, the more common type of building code might simply say to build the structure to withstand 120 mph winds. The North Carolina building code specifically tells the builder in high hazard areas how to space studs, how many hurricane clips to use and where to attach them, etc. We have given maximum credit to the coastal areas of the state, assuming that these buildings are built to code and that the code will be effective. The vulnerability functions are modified to incorporate the effects of building codes in different regions. The AIR modifications have been validated by comparing actual losses with simulated losses from multiple storms affecting North Carolina.

77. Q. Are there any changes that you have made to your model for North Carolina?

A. No. The model version and settings used for North Carolina were the same as that accepted by the Florida Commission on Hurricane Loss Projection Methodologies. Although the model can take into consideration the effects of storm surge, and construction modification (individual building characteristics), these components of the model were not employed at the direction of the North Carolina Rate Bureau. The results were provided with aggregate demand surge.

78. Q. What is demand surge and how is it calculated in the model?

A. Demand Surge according to the Actuarial Standards Board is defined as a sudden and usually temporary increase in the cost of materials, services and labor due to the

increased demand for them following a catastrophe. Historical evidence from major catastrophic events in past 15 years suggests that after a major event, increased demand for materials and services to repair and rebuild damaged property can put pressure on prices, resulting in temporary inflation. This phenomenon is often referred to as demand surge and it results in increased losses to the insurers.

After Hurricane Andrew in 1992, AIR developed a rudimentary demand surge function to allow companies the capability to assess the potential impact on losses due to demand surge. In order to develop a default demand surge function AIR reviewed several studies on the impact on prices of material and labor after Hurricane Andrew and Northridge Earthquake. It was commonly accepted that the demand surge from a Hurricane Andrew sized event (\$15.5 billion) was 8-12 %.

AIR continues to review the impact that catastrophic events have had on material and labor prices. We have found that Hurricane Hugo, for example, had a significant temporary impact on personal incomes in the construction industry in South Carolina. Analyses performed after the 2004 hurricane season in Florida revealed that demand surge had a significant impact on insured losses. Specifically, empirical data reveals that roof rebuilding costs increased substantially in the period following the hurricane season, and losses resulting from Additional Living Expense (Time Element) coverage were significantly impacted due to the amount of time it took to repair damages from the multiple events.

79. Q. Was demand surge used for the analyses you performed for the NCRB?

A. Yes, demand surge was used for both analyses.

80. Q. What does the demand surge factor depend on and how is it applied?

A. AIR's demand surge function relates the level of demand surge to the amount of industry loss. Each event is assigned demand surge factors by coverage based on the amount of industry loss caused by the given event, as well as by other events that occur close to the given event in both time and space. The factors are then applied to losses from the specific exposure set to calculate the loss with demand surge.

81. Q. Now let me ask you several questions concerning Exhibit RB-6A to your prefiled testimony. What is the significance of the figure from the column called "Loss Cost (Per 100)" from Exhibit LossCosts.NCRB_Terr on page 11 of Exhibit RB-6A?

A. The figures show the estimated loss costs per \$100 of exposure, including contents and all other coverages.

82. Q. On page 5 of Exhibit RB-6A entitled "Exposure Information and Assumptions," there is reference to the estimation of zip code distribution using certain information. One such type of information is "the 2005 total earned insurance years by line of business, construction class, and territory." Please explain to what that phrase refers.

A. This phrase refers to the insured values under homeowners policies. The source of this data is ISO.

83. Q. On the same page there is also reference to AIR's "proprietary database of insured residential properties by line of business, construction class, and five-digit zip code." Please explain what is referred to by that phrase.

A. We have developed a database of estimated total insured property values by five digit zip code including estimates for single family homes, tenants, and condominiums. Our estimates of the number of insured single family homes are based primarily on census data. Our estimates of replacement values are based primarily on census, property tax and residential construction cost data. We continually verify our estimated numbers with actual insurance company exposure data.

84. Q. On the same page there is reference to a "five-digit zip code to territory mapping algorithm." Please explain what was referred to by that phrase.

A. Since we had to relate our zip code-level data to ISO-supplied territory data, we needed a zip code to territory mapping. The mapping simply shows which zip codes are included in each territory. Note that some zip codes can cross territories. However, in our mapping procedure each zip code is assigned to only one territory. The assignment is based on the territory in which-the population centroid of the zip code lies.

85. Q. Beginning on page 6 of your Exhibit RB-6A shows exposure by territory. What is the source of your data on this exhibit?

A. The exposure by territory was provided by ISO.

86. Q. Page 9 of your Exhibit RB-6A show the average annual aggregate losses by territory. What is source of the data on these exhibits?

A. The average annual aggregate loss is the sum of all losses caused by all simulated events, divided by the number of simulation years. It represents the long run average annual hurricane loss potential by territory. As can be seen, the territory with the highest average annual aggregate loss is territory 42. This fact is a function of that territory's population and its exposure to hurricanes.

87. Q. What is the source of the data on page 10 of Exhibit RB-6A?

A. Exhibits Expo.NCRB and AAL.NCRB.

88. Q. What does Exhibit Dist.NCRB on page 10 of Exhibit RB-6A show?

A. It shows the distribution of exposures and average annual losses by territory. Obviously, coastal territories account for a much higher percentage of losses than

exposures because of their vulnerability to hurricanes. For instance, Exhibit Dist.NCRB demonstrates that territory 60 has 26.5% of the statewide insurance in force, but accounts for only 5.2% of total annual hurricane losses. Territory 5, on the other hand, accounts for only 0.7% of insurance in force, but its average annual hurricane loss is 5.3% of the statewide total.

89. Q. What is the source of the data on pages 11-14 of Exhibit RB-6A?

A. Exhibits Expo.NCRB and AAL.NCRB

90. Q. What does Exhibit LossCosts.NCRB of Exhibit RB-6A show?

A. It shows the estimated hurricane pure premiums and loss costs, per \$100 of exposure, by territory for all coverages and broken down by Homeowners, Tenants, and Condos on pages 11-14. As can be seen from these exhibits, loss costs are highest in territories 5, 6, 42 and 43.

91. Q. On page 11 of Exhibit RB-6A, please explain the significance of the number "882.53" for territory 5 in the column entitled "Pure Premium."

A. \$882.53 is the amount, exclusive of expenses and provisions for profit and contingencies, that on average needs to be collected each year to cover the long run average hurricane loss potential on homeowners policies in territory 5. This number is based on 2005 values. By comparison, only \$19.05 needs to be collected to cover that same potential in territory 60.

92. Q. Do the explanations set forth above for Exhibit RB-6A also follow for similar pages in Exhibit RB-6B?

A. Yes. The explanations follow of the format of the numbers. The loss costs and pure premiums in Exhibit RB-6B reflect those appropriate to the view of risk that incorporates the impact of elevated sea surface temperatures (SSTs) in the North Atlantic on hurricane activity.

93. Q. Are the numbers used in your model true and accurate to the best of your knowledge, information and belief?

A. Yes. The AIR research team collects the available scientific data pertaining to the meteorological variables critical to the characterization of hurricanes and therefore to the simulation process. Data sources used in the development of the AIR hurricane model include the most complete databases available from various agencies of the National Weather Service, including the National Hurricane Center. All data is cross-verified. If data from different sources conflict, a detailed analysis and the use of expert judgment is applied to prepare the data for modeling purposes. Furthermore, to the extent possible, we cross-check and verify the numbers that go into our models as well as the numbers

that come out of the models. To the best of my knowledge, information and belief, the data that we use are the most reliable and accurate data that is publicly available.

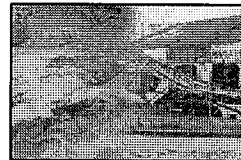
94. Q. Are both Exhibits RB-6A and RB-6B to your prefiled testimony true and accurate to the best of your knowledge, information and belief?

A. Yes.

95. Q. Do you have an opinion as to whether your model is a reasonable method of projecting the hurricane losses used in the filing for homeowners insurance in North Carolina, and if so what is that opinion?

A. Yes. It is a reasonable, consistent, and reliable method of doing so. The projected hurricane losses in the filing are reasonable projections of insured hurricane losses on the policy forms reviewed.

Catastrophe Loss Analysis Service Atlantic Tropical Cyclone



Prepared for:
North Carolina Rate Bureau

December 28, 2007

BETTER TECHNOLOGY
BETTER DATA
BETTER DECISIONS



INTRODUCTION

This report contains the results of the Catastrophe Loss Analysis Service (CLAS™) for Homeowners, Tenants and Condominiums policies in the state of North Carolina as requested by the North Carolina Rate Bureau (NCRB). Loss estimates are provided using AIR Worldwide's (AIR) Atlantic Tropical Cyclone model.

The NCRB provided AIR with information that represents the exposures analyzed. AIR reviewed and reformatted the exposure data as necessary and used them as input to the AIR hurricane model, which generated the loss estimates that form the core of this analysis. The AIR model is a system of computer programs that incorporate the fundamental physical characteristics, expressed mathematically, of hurricanes. These characteristics are then overlaid on the geographical distribution of the NCRB's exposures. Building, contents, and time element damage are estimated by applying AIR's proprietary damageability relationships. Finally, insured losses are calculated by applying policy conditions to the total damage estimates.

The AIR model simulated 100,000 years of potential hurricane experience. The results of the model are expressed in terms of probability distributions of event losses. These distributions represent a range of possible losses and the relative likelihood of occurrence of various levels of loss.

All aspects of the AIR hurricane model undergo extensive validation tests. The stochastic model variables have been compared to the actual characteristics of historical hurricanes occurring in North Carolina since 1900. The simulated event characteristics parallel patterns seen in the historical record, and resulting loss estimates correspond closely to actual claims data provided by clients.

The model has also undergone extensive internal and external peer review. Internal peer review is a standard part of AIR's operating process and is conducted by AIR's technical staff of over 100 professionals, over 30 of whom hold Ph.D. credentials in their fields of expertise. The AIR hurricane model has also undergone extensive external review, beginning with Dr. Walter Lyons' systematic review in 1986. Dr. Lyons, a Certified Consulting Meteorologist, was contracted by the E.W. Blanch Company. A further independent review was conducted by engineer Dr. Joseph E. Minor. During 1996 and 1997, Duff & Phelps, Fitch, Moody's and Standard & Poors reviewed all aspects of AIR's hurricane model in conjunction with their rating of the USAA catastrophe bond.

Probably the most extensive peer review of the AIR hurricane model has been conducted by the Florida Commission on Hurricane Loss Projection Methodology (FCHLPM). The FCHLPM was established in 1995 with the mission to "assess the effectiveness of various methodologies that have the potential for improving the accuracy of projecting insured Florida losses resulting from hurricanes and to adopt findings regarding the accuracy or reliability of these methodologies for use in residential rate filings." The Commission has established 35 standards that need to be met before a catastrophe model is acceptable for



ratemaking purposes in the state of Florida. The AIR hurricane model has been reviewed and has met the standards of the Commission annually since 1996.

Catastrophe modeling has become widely used and accepted. AIR was the first organization to have its model approved under the rigorous standards of the Florida Hurricane Commission. AIR's simulation methodology is a robust technique for estimating potential hurricane losses. It is based on mathematical/statistical models that represent real-world systems. As with all models, these representations are not intended to represent specific prior or future events.

The hurricane model used in this report is Atlantic Tropical Cyclone v.9.01.315, CLASIC/2 V9.0.



EXECUTIVE SUMMARY

To estimate the hurricane loss potential for NCRB, AIR simulated 100,000 years of potential hurricanes. The simulation included aggregate demand surge, which is demand surge caused by a given event, as well as by other events that occur close to the given event in both time and space.

The long-term average annual aggregate hurricane loss for the NCRB Homeowners, Tenants and Condominiums policies is \$198.3 million including aggregate demand surge. In the 100,000-year sample, 47,250 hurricanes resulted in losses to North Carolina's insured properties net of deductibles. Given that a hurricane has occurred, the estimated average hurricane loss is \$419.6 million.

The largest simulated hurricane loss is \$25.3 billion including aggregate demand surge. This loss resulted from a category 5 hurricane with landfall in Onslow County, North Carolina. Note that higher occurrence losses, that is, losses in excess of \$25.3 billion, are possible. They have, however, a very low probability of occurrence. Nevertheless, it should be understood that the largest simulated hurricane losses do not represent the worst possible scenarios.

Hurricane events of specified probabilities of exceedance and estimated return times appear below.

Annual Maximum Occurrence Loss

Hurricane Occurrence (\$millions)	Estimated Probability of Exceedance	Estimated Average Return Time (years)
306	0.1	10
890	0.05	20
2,280	0.02	50
3,833	0.01	100
6,663	0.004	250
9,064	0.002	500
11,601	0.001	1000

Actual hurricane losses are influenced by a number of characteristics, the most important of which is intensity as measured by wind speed, commonly expressed in terms of Saffir-Simpson (SS) category. Given the same landfall point, storms with higher wind speeds typically result in larger losses than do storms with lower wind speeds. Other



characteristics that influence loss amounts include radius of maximum winds, forward speed, and storm track.

Actual losses also depend on the geographical distribution of exposures in relation to the area affected by the storm. That is, a severe hurricane could result in a smaller overall loss than a less severe hurricane if the less severe hurricane strikes an area of higher property value.

EXPOSURE INFORMATION AND ASSUMPTIONS

The NCRB provided exposure information used to generate the loss estimates. The exposure file contained information on number of risks, coverage amounts of insurance and construction class by line of business and by NCRB territory. NCRB requested that AIR allocate territory exposure to ZIP Code. This was completed using AIR's database of industry exposure by ZIP Code using the following information:

- The 2005 total earned insurance years by line of business, construction class, and territory
- AIR's proprietary database of insured residential properties by line of business, construction class, and five-digit ZIP Code
- A five-digit ZIP Code to territory mapping algorithm

The information on house-years and insurance-years by line of business, construction class, and territory was provided by the Insurance Services Office (ISO) and represents the Full Statistical Plan experience of companies reporting to either ISO or the National Association of Independent Insurers. House years and insurance years were then distributed to the five digit ZIP Codes within each territory using a territory to zip mapping developed by AIR in conjunction with the NCRB and AIR's proprietary database of insured residential properties by five digit ZIP Code. This database was developed using U.S. Census data and other information.

Consistent in the level of coverage provided by NCRB forms, the insurance years provided by NCRB were increased by 80% for Homeowners, by 20% for Tenants, and by 42% for Condominiums to reflect non-primary coverages.

An original data set was provided by ISO and analyzed by AIR in order to yield loss estimates. Exhibit Expo.NCRB shows total insured values, number of risks, and average values by territory.

Exhibit Expo.NCRB

**Insured Value by Territory
North Carolina**

<i>Territory</i>	<i>Homeowners</i>	<i>Condo</i>	<i>Tenants</i>	<i>Total</i>
5				
Value	4,237,488,000	39,067,600	9,360,000	4,285,915,600
Num. Risks	10,844	793	224	11,861
Avg. Value	390,768	49,266	41,786	361,345
Avg. Ded \$	250	250	250	250
6				
Value	2,860,164,000	411,980,000.02	1,007,160,000	2,911,433,600
Num. Risks	7,740	773	246	8,759
Avg. Value	369,530	53,296	40,941	332,393
Avg. Ded \$	250	250	250	250
32				
Value	40,763,772,000	309,491,200	612,110,400	41,685,373,600
Num. Risks	107,894	4,497	16,709	129,100
Avg. Value	377,813	68,822	36,634	322,892
Avg. Ded \$	250	250	250	250
34				
Value	14,211,001,800	60,748,200	169,370,400	14,441,120,400
Num. Risks	52,777	957	4,327	58,061
Avg. Value	269,265	63,478	39,143	248,723
Avg. Ded \$	250	250	250	250
36				
Value	34,183,798,200	369,270,000	541,190,400	35,094,258,600
Num. Risks	97,274	5,445	12,685	115,404
Avg. Value	351,418	67,818	42,664	304,099
Avg. Ded \$	250	250	250	250
38				
Value	45,620,753,400	958,717,200	717,232,800	47,296,703,400
Num. Risks	120,486	12,523	17,820	150,829
Avg. Value	378,639	76,557	40,249	313,578
Avg. Ded \$	250	250	250	250
39				
Value	45,614,266,200	292,862,400	339,536,400	46,246,665,000
Num. Risks	128,034	4,419	8,076	140,529
Avg. Value	356,267	66,273	42,043	329,090
Avg. Ded \$	250	250	250	250
41				
Value	6,154,934,400	3,793,800	37,362,000	6,196,090,200
Num. Risks	23,607	74	981	24,662
Avg. Value	260,725	51,268	38,086	251,240
Avg. Ded \$	250	250	250	250



<i>Territory</i>	<i>Homeowners</i>	<i>Condo</i>	<i>Tenants</i>	<i>Total</i>
42				
Value	25,631,011,800	228,780,200	230,184,000	26,089,976,000
Num. Risks	80,749	3,754	5,698	90,201
Avg. Value	317,416	60,943	40,397	289,243
Avg. Ded \$	250	250	250	250
43				
Value	17,928,948,600	71,849,200	131,888,400	18,132,686,200
Num. Risks	61,362	1,159	3,188	65,709
Avg. Value	292,183	61,992	41,370	275,954
Avg. Ded \$	250	250	250	250
44				
Value	3,956,621,400	2,952,600	24,885,600	3,984,459,600
Num. Risks	15,035	35	608	15,678
Avg. Value	263,161	84,360	40,930	254,143
Avg. Ded \$	250	250	250	250
45				
Value	22,215,087,000	47,972,400	228,202,800	22,491,262,200
Num. Risks	80,349	861	6,357	87,567
Avg. Value	276,482	55,717	35,898	256,846
Avg. Ded \$	250	250	250	250
46				
Value	8,109,784,800	1,351,200	51,008,400	8,162,144,400
Num. Risks	28,264	24	1,324	29,612
Avg. Value	286,930	56,300	38,526	275,636
Avg. Ded \$	250	250	250	250
47				
Value	42,541,617,600	83,264,000	327,075,600	42,951,957,200
Num. Risks	143,605	1,315	8,287	153,207
Avg. Value	296,241	63,319	39,469	280,352
Avg. Ded \$	250	250	250	250
53				
Value	64,695,756,600	359,989,200	676,554,000	65,732,299,800
Num. Risks	161,143	5,078	17,455	183,676
Avg. Value	401,480	70,892	38,760	357,871
Avg. Ded \$	250	250	250	250
57				
Value	58,569,915,600	196,586,800	480,927,600	59,247,430,000
Num. Risks	188,648	3,167	11,569	203,384
Avg. Value	310,472	62,074	41,570	291,308
Avg. Ded \$	250	250	250	250
60				
Value	158,525,211,600	778,002,800	1,123,006,800	160,426,221,200
Num. Risks	498,379	10,814	26,663	535,856
Avg. Value	318,082	71,944	42,119	299,383
Avg. Ded \$	250	250	250	250



<i>Territory</i>	<i>Homeowners</i>	<i>Condo</i>	<i>Tenants</i>	<i>Total</i>
Total				
Value	595,820,133,000	3,845,896,800	5,709,967,200	605,375,997,000
Num. Risks	1,806,190	55,688	142,217	2,004,095
Avg. Value	329,877	69,061	40,150	302,070
Avg. Ded \$	250	250	250	250

* US Dollars



LONG-TERM AVERAGE LOSSES

Exhibit AAL.NCRB shows the long run average annual hurricane loss potential by territory including aggregate demand surge.

Exhibit Dist.NCRB shows North Carolina's distribution of Homeowners, Tenants and Condominiums average annual hurricane losses including aggregate demand surge and total insurance in force by territory. The coastal territories account for much higher shares of loss than exposure due to their vulnerability to the hurricane peril.

Exhibit AAL.NCRB

Average Annual Loss by Territory North Carolina

Territory	Homeowners	Tenants	Condos	Total*
5	10,400,738	14,227	52,736	10,467,702
6	8,006,041	15,032	52,899	8,073,972
32	10,087,610	34,304	13,582	10,135,496
34	5,581,896	16,396	4,933	5,603,225
36	3,249,693	9,602	5,576	3,264,872
38	5,008,781	15,500	16,237	5,040,518
39	5,065,404	6,903	5,147	5,077,454
41	3,683,992	6,666	600	3,691,258
42	54,145,577	295,704	237,498	54,678,779
43	29,358,946	108,709	51,205	29,518,860
44	930,669	1,411	132	932,212
45	12,852,185	38,014	6,718	12,896,918
46	1,515,671	2,088	47	1,517,806
47	14,261,628	27,194	5,947	14,294,769
53	16,201,533	34,946	14,762	16,251,241
57	6,602,857	10,870	3,909	6,617,636
60	10,190,479	12,070	7,502	10,210,050
Total	197,143,700	649,637	479,432	198,272,770

*US Dollars



Exhibit Dist.NCRB

**Distribution of Exposure and Loss by Territory
North Carolina**

Territory	Insured Value*	Percent of Total	Est. Avg. Annual Loss*	Percent of Total
5	4,285,915,600	0.7%	10,467,702	5.3%
6	2,911,433,600	0.5%	8,073,972	4.0%
32	41,685,373,600	6.9%	10,135,496	5.1%
34	14,441,120,400	2.4%	5,603,225	2.8%
36	35,094,258,600	5.8%	3,264,872	1.7%
38	47,296,703,400	7.8%	5,040,518	2.5%
39	46,246,665,000	7.6%	5,077,454	2.6%
41	6,196,090,200	1.0%	3,691,258	1.9%
42	26,089,976,000	4.3%	54,678,779	27.6%
43	18,132,686,200	3.0%	29,518,860	14.9%
44	3,984,459,600	0.7%	932,212	0.5%
45	22,491,262,200	3.7%	12,896,918	6.5%
46	8,162,144,400	1.4%	1,517,806	0.8%
47	42,951,957,200	7.1%	14,294,769	7.2%
53	65,732,299,800	10.9%	16,251,241	8.2%
57	59,247,430,000	9.8%	6,617,636	3.3%
60	160,426,221,200	26.5%	10,210,050	5.2%
Total	605,375,997,000	100.0%	198,272,770	100.0%

* US Dollars



ESTIMATED PURE PREMIUMS AND LOSS COSTS

ExhibitLossCosts.NCRB shows the estimated hurricane loss costs and pure premiums by territory. ExhibitLossCostsHO.NCRB, ExhibitLossCostsTent.NCRB and ExhibitLossCostsCondo.NCRB show results for the Homeowners, Tenants and Condominiums exposure separately. Clearly, the coastal territories are most vulnerable to hurricane losses. The estimated loss costs are highest in coastal territories 5 and 6, as well as territories 42 and 43. These territories form part of the eastern tip of North Carolina, an area of relatively high hurricane frequency.

For all exhibits, the estimated loss costs are per \$100 of exposure. The estimated hurricane pure premiums are calculated by dividing the estimated average annual losses by the number of risks. The estimated hurricane pure premiums show the amounts, exclusive of expenses and provisions for profit and contingencies, that need to be collected each year to cover only the long run hurricane loss potential.

Exhibit LossCosts.NCRB

Loss Costs by Territory- All Lines

North Carolina

Territory	Insured Value*	Risk Count	Average Annual Loss*	Pure Premium*	Loss Cost (Per \$100)
5	4,285,915,600	11,861	10,467,702	882.53	0.2442
6	2,911,433,600	8,759	8,073,972	921.79	0.2773
32	41,685,373,600	129,100	10,135,496	78.51	0.0243
34	14,441,120,400	58,061	5,603,225	96.51	0.0388
36	35,094,258,600	115,404	3,264,872	28.29	0.0093
38	47,296,703,400	150,829	5,040,518	33.42	0.0107
39	46,246,665,000	140,529	5,077,454	36.13	0.0110
41	6,196,090,200	24,662	3,691,258	149.67	0.0596
42	26,089,976,000	90,201	54,678,779	606.19	0.2096
43	18,132,686,200	65,709	29,518,860	449.24	0.1628
44	3,984,459,600	15,678	932,212	59.46	0.0234
45	22,491,262,200	87,567	12,896,918	147.28	0.0573
46	8,162,144,400	29,612	1,517,806	51.26	0.0186
47	42,951,957,200	153,207	14,294,769	93.30	0.0333
53	65,732,299,800	183,676	16,251,241	88.48	0.0247
57	59,247,430,000	203,384	6,617,636	32.54	0.0112
60	160,426,221,200	535,856	10,210,050	19.05	0.0064
Total	605,375,997,000	2,004,095	198,272,770	98.93	0.0328

* US Dollars



Exhibit LossCostsHO.NCRB

Loss Costs by Territory – Homeowners

North Carolina

Territory	Insured Value*	Risk Count	Average Annual Loss*	Pure Premium*	Loss Cost (Per \$100)
5	4,237,488,000	10,844	10,400,738	959.12	0.2454
6	2,860,164,000	7,740	8,006,041	1,034.37	0.2799
32	40,763,772,000	107,894	10,087,610	93.50	0.0247
34	14,211,001,800	52,777	5,581,896	105.76	0.0393
36	34,183,798,200	97,274	3,249,693	33.41	0.0095
38	45,620,753,400	120,486	5,008,781	41.57	0.0110
39	45,614,266,200	128,034	5,065,404	39.56	0.0111
41	6,154,934,400	23,607	3,683,992	156.06	0.0599
42	25,631,011,800	80,749	54,145,577	670.54	0.2113
43	17,928,948,600	61,362	29,358,946	478.45	0.1638
44	3,956,621,400	15,035	930,669	61.90	0.0235
45	22,215,087,000	80,349	12,852,185	159.95	0.0579
46	8,109,784,800	28,264	1,515,671	53.63	0.0187
47	42,541,617,600	143,605	14,261,628	99.31	0.0335
53	64,695,756,600	161,143	16,201,533	100.54	0.0250
57	58,569,915,600	188,648	6,602,857	35.00	0.0113
60	158,525,211,600	498,379	10,190,479	20.45	0.0064
Total	595,820,133,000	1,806,190	197,143,700	109.15	0.0331

* US Dollars



Exhibit LossCostsTent.NCRB

Loss Costs by Territory – Tenants

North Carolina

Territory	Insured Value*	Risk Count	Average Annual Loss*	Pure Premium*	Loss Cost (Per \$100)
5	9,360,000	224	14,227	63.52	0.1520
6	10,071,600	246	15,032	61.10	0.1492
32	612,110,400	16,709	34,304	2.05	0.0056
34	169,370,400	4,327	16,396	3.79	0.0097
36	541,190,400	12,685	9,602	0.76	0.0018
38	717,232,800	17,820	15,500	0.87	0.0022
39	339,536,400	8,076	6,903	0.85	0.0020
41	37,362,000	981	6,666	6.80	0.0178
42	230,184,000	5,698	295,704	51.90	0.1285
43	131,888,400	3,188	108,709	34.10	0.0824
44	24,885,600	608	1,411	2.32	0.0057
45	228,202,800	6,357	38,014	5.98	0.0167
46	51,008,400	1,324	2,088	1.58	0.0041
47	327,075,600	8,287	27,194	3.28	0.0083
53	676,554,000	17,455	34,946	2.00	0.0052
57	480,927,600	11,569	10,870	0.94	0.0023
60	1,123,006,800	26,663	12,070	0.45	0.0011
Total	5,709,967,200	142,217	649,637	4.57	0.0114

* US Dollars



Exhibit LossCostsCondo.NCRB

Loss Costs by Territory – Condos

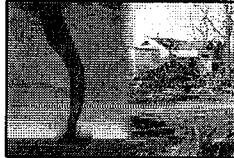
North Carolina

Territory	Insured Value*	Risk Count	Average Annual Loss*	Pure Premium*	Loss Cost (Per \$100)
5	39,067,600	793	52,736	66.50	0.1350
6	41,198,000	773	52,899	68.43	0.1284
32	309,491,200	4,497	13,582	3.02	0.0044
34	60,748,200	957	4,933	5.15	0.0081
36	369,270,000	5,445	5,576	1.02	0.0015
38	958,717,200	12,523	16,237	1.30	0.0017
39	292,862,400	4,419	5,147	1.16	0.0018
41	3,793,800	74	600	8.11	0.0158
42	228,780,200	3,754	237,498	63.27	0.1038
43	71,849,200	1,159	51,205	44.18	0.0713
44	2,952,600	35	132	3.78	0.0045
45	47,972,400	861	6,718	7.80	0.0140
46	1,351,200	24	47	1.97	0.0035
47	83,264,000	1,315	5,947	4.52	0.0071
53	359,989,200	5,078	14,762	2.91	0.0041
57	196,586,800	3,167	3,909	1.23	0.0020
60	778,002,800	10,814	7,502	0.69	0.0010
Total	3,845,896,800	55,688	479,432	8.61	0.0125

* US Dollars



Catastrophe Loss Analysis Service Atlantic Tropical Cyclone Near-Term Catalog



Prepared for:
North Carolina Rate Bureau

December 31, 2007

BETTER TECHNOLOGY
BETTER DATA
BETTER DECISIONS



INTRODUCTION

This report contains the results of the Catastrophe Loss Analysis Service (CLAS™) for Homeowners, Tenants and Condominiums policies in the state of North Carolina as requested by the North Carolina Rate Bureau (NCRB). Loss estimates are provided using AIR Worldwide's (AIR) Atlantic Tropical Cyclone model and the 50,000-year near-term hurricane catalog.

The NCRB provided AIR with information that represents the exposures analyzed. AIR reviewed and reformatted the exposure data as necessary and used them as input to the AIR hurricane model, which generated the loss estimates that form the core of this analysis. The AIR model is a system of computer programs that incorporate the fundamental physical characteristics, expressed mathematically, of hurricanes. These characteristics are then overlaid on the geographical distribution of the NCRB's exposures. Building, contents, and time element damage are estimated by applying AIR's proprietary damageability relationships. Finally, insured losses are calculated by applying policy conditions to the total damage estimates.

All aspects of the AIR hurricane model undergo extensive validation tests. The stochastic model variables have been compared to the actual characteristics of historical hurricanes occurring in North Carolina since 1900. The simulated event characteristics parallel patterns seen in the historical record, and resulting loss estimates correspond closely to actual claims data provided by clients.

The model has also undergone extensive internal and external peer review. Internal peer review is a standard part of AIR's operating process and is conducted by AIR's technical staff of over 100 professionals, over 30 of whom hold Ph.D. credentials in their fields of expertise. The AIR hurricane model has also undergone extensive external review, beginning with Dr. Walter Lyons' systematic review in 1986. Dr. Lyons, a Certified Consulting Meteorologist, was contracted by the E.W. Blanch Company. A further independent review was conducted by engineer Dr. Joseph E. Minor. During 1996 and 1997, Duff & Phelps, Fitch, Moody's and Standard & Poors reviewed all aspects of AIR's hurricane model in conjunction with their rating of the USAA catastrophe bond.

Probably the most extensive peer review of the AIR hurricane model has been conducted by the Florida Commission on Hurricane Loss Projection Methodology (FCHLPM). The FCHLPM was established in 1995 with the mission to "assess the effectiveness of various methodologies that have the potential for improving the accuracy of projecting insured Florida losses resulting from hurricanes and to adopt findings regarding the accuracy or reliability of these methodologies for use in residential rate filings." The Commission has established 35 standards that need to be met before a catastrophe model is acceptable for ratemaking purposes in the state of Florida. The AIR hurricane model has been reviewed and has met the standards of the Commission annually since 1996.

Catastrophe modeling has become widely used and accepted. AIR was the first organization to have its model approved under the rigorous standards of the Florida



Hurricane Commission. AIR's simulation methodology is a robust technique for estimating potential hurricane losses. It is based on mathematical/statistical models that represent real-world systems. As with all models, these representations are not intended to represent specific prior or future events.

Catastrophe models combine the latest scientific and engineering knowledge with computer simulation technology to develop probability distributions of long-run potential losses. They are not forecasting tools.

Forecasting hurricane activity on a short term time horizon, such as a year or a few years ahead, is very difficult because of the many climatological factors that influence hurricane activity—and landfall activity, in particular—in the North Atlantic. There are several important mechanisms within the earth's environment that are reported to affect hurricane activity. These mechanisms are correlated with a variety of climate signals, which are measurements of the natural feedback systems of the earth in its effort to maintain equilibrium. Climate signals are typically presented as a measurement of anomalies.

For example, the energy source of the hurricane "engine" is heat and moisture from the ocean's surface. The warmer the ocean, the more heat energy is available to tropical storms. Scientists have observed that sea surface temperatures (SSTs) in the North Atlantic undergo fluctuations above and below their long run average values in phases that can last multiple decades. Their cause is the subject of considerable scientific debate.

Other climate signals that have an impact on hurricane activity include:

- El Niño Southern Oscillation (ENSO), which measures sea surface temperature anomalies in the Pacific Ocean off the coast of Peru. These SSTs alternate over an approximate three- to eight-year cycle with an opposite cold phase known as "La Niña". Certain researchers have concluded that the presence of El Niño has a mitigating effect on the frequency of hurricane activity in the Atlantic and the opposite effect in the Pacific.
- North Atlantic Oscillation (NAO), a pressure pattern between the high pressure system near the Azores and the low pressure system near Iceland. Scientists have observed that the large-scale general circulation associated with the NAO steers North Atlantic tropical cyclones in a characteristic pattern to the west and eventually to the north. Informally known as the "Bermuda High", when it is in a more southwesterly position, hurricanes are more likely to make landfall than when it is further north and east, off the northern African Coast. The position and strength of the Bermuda High changes many times within a single hurricane season.
- Quasi-Biennial Oscillation (QBO), a signal tracking the direction of the equatorial winds in the stratosphere. One theory hypothesizes that when these winds blow from west to east, they have a positive impact on hurricane formation. The QBO has an approximate two-year cycle.

- In addition to the large scale climate influences noted above, secondary factors can also play a role, such as particles from dust storms over the Sahara Desert that are transported over the Atlantic Ocean, blocking sunlight and cooling the ocean below. Dust from the Saharan windstorms can also inhibit the formation of clouds and precipitation in tropical cyclones.

ENSO has a period that is too short to make it very useful for estimating hurricane activity in upcoming seasons, while the periodicity of the NAO is too short and too irregular to be useful. The QBO has a regular period, but has the weakest correlation with hurricane activity in the Atlantic. The influence of Saharan dust storms cannot be forecast more than weeks ahead. For these reasons, of the signals identified above, scientific research has focused on SSTs as the best predictor of near-term hurricane risk.

Since 1995, SSTs in the North Atlantic have been in a warm phase characterized by elevated SSTs and above-normal hurricane activity. However, quantifying the time horizon and magnitude of this elevated risk and its impact on landfall frequency and insured losses, in particular is too uncertain to incorporate into AIR's standard U.S. hurricane model, which represents the long term view of the probabilities of losses of different sizes. Therefore, AIR has performed a sensitivity analysis to provide a measure of uncertainty arising from the possible impact of SST anomalies on hurricane activity.

While recognizing the challenges of forecasting hurricane activity over the next several years based on limited data characterized by significant uncertainty, AIR has reviewed current scientific research and conducted extensive internal analyses. Based on this research, AIR has developed an alternative catalog of simulated hurricanes ("near-term sensitivity catalog") that incorporates the impact of elevated SSTs on hurricane activity over the near term.

The development of the near-term catalog begins with the assumption, borne out by historical data, that if SSTs have been elevated for many years, they are likely to remain elevated in the near term. The ocean holds an enormous amount of latent heat and oceanic systems do not undergo rapid or radical change. Statistical forecast techniques of the SST data in the Atlantic indicate that the ocean is likely to remain warmer than the average temperature over the next several years.

Statistical analyses were then performed to assess the impact of warm SST anomalies in the North Atlantic on hurricane landfall frequency and intensity. Although this analysis shows that the correlation between SST anomalies and landfall hurricane frequency is relatively weak a hurricane index is defined as the ratio of mean frequency of hurricanes under warm SST anomalies relative to mean frequency of hurricanes in all years. The index has been developed by hurricane intensity and for four regions along the U.S. coastline. The final index values are guided by statistical assessment of the impact of SSTs and a physical understanding of the varying regional impact warm SST anomalies have along the coastline.

The index values developed by AIR were used to develop a revised landfall frequency distribution by coastal segment, which ultimately results in a near-term stochastic catalog. (See the section above under the heading "The AIR U.S. hurricane model for the U.S. Gulf and East Coasts, Storm Characteristics and Associated Probabilities").

This report contains the results of an analysis of the NCRB data using AIR's near-term sensitivity catalog. They are provided as one view of the uncertainty in the near-term risk. However, the interaction of other shorter-term climate fluctuations, such as those listed above (ENSO, QBO and NAO), can affect the likelihood that hurricanes will make landfall in any given year. This sensitivity analysis is limited by a number of other additional factors, including but not limited to:

- Uncertainty in forecasting SST conditions.
- Fewer years of data from periods of warm SST conditions compared to more than 100 years of data used in creating the long-term catalog.
- Random events that influence climate (for example, volcanic eruptions) cannot be predicted or accounted for.

The AIR model simulated 50,000 years of potential hurricane experience. The results of the model are expressed in terms of probability distributions of event losses. These distributions represent a range of possible losses and the relative likelihood of occurrence of various levels of loss. The hurricane model used in this report is Atlantic Tropical Cyclone v.9.01.315, CLASIC/2 V9.0.

EXECUTIVE SUMMARY

To estimate the hurricane loss potential for NCRB, AIR simulated 50,000 years of potential hurricanes using AIR Worldwide's near-term hurricane catalog. The simulation included aggregate demand surge, which is demand surge caused by a given event, as well as by other events that occur close to the given event in both time and space.

The long-term average annual aggregate hurricane loss for the NCRB Homeowners, Tenants and Condominiums policies is \$279.7 million including aggregate demand surge. In the 50,000-year sample, 29,068 hurricanes resulted in losses to North Carolina's insured properties net of deductibles. Given that a hurricane has occurred, the estimated average hurricane loss is \$481.1 million.

The largest simulated hurricane loss is \$23.9 billion including aggregate demand surge. This loss resulted from a category 5 hurricane with landfall in Onslow County, North Carolina. Note that higher occurrence losses, that is, losses in excess of \$23.9 billion, are possible. They have, however, a very low probability of occurrence. Nevertheless, it should be understood that the largest simulated hurricane losses do not represent the worst possible scenarios.

Hurricane events of specified probabilities of exceedance and estimated return times appear below.

Annual Maximum Occurrence Loss

Hurricane Occurrence (\$millions)	Estimated Probability of Exceedance	Estimated Average Return Time (years)
553	0.1	10
1349	0.05	20
3,076	0.02	50
4,888	0.01	100
8,062	0.004	250
10,541	0.002	500
12,951	0.001	1000

Actual hurricane losses are influenced by a number of characteristics, the most important of which is intensity as measured by wind speed, commonly expressed in terms of Saffir-Simpson (SS) category. Given the same landfall point, storms with higher wind speeds typically result in larger losses than do storms with lower wind speeds. Other

characteristics that influence loss amounts include radius of maximum winds, forward speed, and storm track.

Actual losses also depend on the geographical distribution of exposures in relation to the area affected by the storm. That is, a severe hurricane could result in a smaller overall loss than a less severe hurricane if the less severe hurricane strikes an area of higher property value.



EXPOSURE INFORMATION AND ASSUMPTIONS

The NCRB provided exposure information used to generate the loss estimates. The exposure file contained information on number of risks, coverage amounts of insurance and construction class by line of business and by NCRB territory. NCRB requested that AIR allocate territory exposure to ZIP Code. This was completed using AIR's database of industry exposure by ZIP Code using the following information:

- The 2005 total earned insurance years by line of business, construction class, and territory
- AIR's proprietary database of insured residential properties by line of business, construction class, and five-digit ZIP Code
- A five-digit ZIP Code to territory mapping algorithm

The information on house-years and insurance-years by line of business, construction class, and territory was provided by the Insurance Services Office (ISO) and represents the Full Statistical Plan experience of companies reporting to either ISO or the Property Casualty Insurers Association of America. House years and insurance years were then distributed to the five digit ZIP Codes within each territory using a territory to zip mapping developed by AIR in conjunction with the NCRB and AIR's proprietary database of insured residential properties by five digit ZIP Code. This database was developed using U.S. Census data and other information.

Consistent in the level of coverage provided by NCRB forms, the insurance years provided by NCRB were increased by 80% for Homeowners, by 20% for Tenants, and by 42% for Condominiums to reflect non-primary coverages.

An original data set was provided by ISO and analyzed by AIR in order to yield loss estimates. Exhibit Expo.NCRB shows total insured values, number of risks, and average values by territory.



Exhibit Expo.NCRB

**Insured Value by Territory
North Carolina**

Territory	Homeowners	Condo	Tenants	Total
5				
Value	4,237,488,000	39,067,600	9,360,000	4,285,915,600
Num. Risks	10,844	793	224	11,861
Avg. Value	390,768	49,266	41,786	361,345
Avg. Ded \$	250	250	250	250
6				
Value	2,860,164,000	411,980,000.02	1,007,160,000	2,911,433,600
Num. Risks	7,740	773	246	8,759
Avg. Value	369,530	53,296	40,941	332,393
Avg. Ded \$	250	250	250	250
32				
Value	40,763,772,000	309,491,200	612,110,400	41,685,373,600
Num. Risks	107,894	4,497	16,709	129,100
Avg. Value	377,813	68,822	36,634	322,892
Avg. Ded \$	250	250	250	250
34				
Value	14,211,001,800	60,748,200	169,370,400	14,441,120,400
Num. Risks	52,777	957	4,327	58,061
Avg. Value	269,265	63,478	39,143	248,723
Avg. Ded \$	250	250	250	250
36				
Value	34,183,798,200	369,270,000	541,190,400	35,094,258,600
Num. Risks	97,274	5,445	12,685	115,404
Avg. Value	351,418	67,818	42,664	304,099
Avg. Ded \$	250	250	250	250
38				
Value	45,620,753,400	958,717,200	717,232,800	47,296,703,400
Num. Risks	120,486	12,523	17,820	150,829
Avg. Value	378,639	76,557	40,249	313,578
Avg. Ded \$	250	250	250	250
39				
Value	45,614,266,200	292,862,400	339,536,400	46,246,665,000
Num. Risks	128,034	4,419	8,076	140,529
Avg. Value	356,267	66,273	42,043	329,090
Avg. Ded \$	250	250	250	250
41				
Value	6,154,934,400	3,793,800	37,362,000	6,196,090,200
Num. Risks	23,607	74	981	24,662
Avg. Value	260,725	51,268	38,086	251,240
Avg. Ded \$	250	250	250	250



Territory	Homeowners	Condo	Tenants	Total
42				
Value	25,631,011,800	228,780,200	230,184,000	26,089,976,000
Num. Risks	80,749	3,754	5,698	90,201
Avg. Value	317,416	60,943	40,397	289,243
Avg. Ded \$	250	250	250	250
43				
Value	17,928,948,600	71,849,200	131,888,400	18,132,686,200
Num. Risks	61,362	1,159	3,188	65,709
Avg. Value	292,183	61,992	41,370	275,954
Avg. Ded \$	250	250	250	250
44				
Value	3,956,621,400	2,952,600	24,885,600	3,984,459,600
Num. Risks	15,035	35	608	15,678
Avg. Value	263,161	84,360	40,930	254,143
Avg. Ded \$	250	250	250	250
45				
Value	22,215,087,000	47,972,400	228,202,800	22,491,262,200
Num. Risks	80,349	861	6,357	87,567
Avg. Value	276,482	55,717	35,898	256,846
Avg. Ded \$	250	250	250	250
46				
Value	8,109,784,800	1,351,200	51,008,400	8,162,144,400
Num. Risks	28,264	24	1,324	29,612
Avg. Value	286,930	56,300	38,526	275,636
Avg. Ded \$	250	250	250	250
47				
Value	42,541,617,600	83,264,000	327,075,600	42,951,957,200
Num. Risks	143,605	1,315	8,287	153,207
Avg. Value	296,241	63,319	39,469	280,352
Avg. Ded \$	250	250	250	250
53				
Value	64,695,756,600	359,989,200	676,554,000	65,732,299,800
Num. Risks	161,143	5,078	17,455	183,676
Avg. Value	401,480	70,892	38,760	357,871
Avg. Ded \$	250	250	250	250
57				
Value	58,569,915,600	196,586,800	480,927,600	59,247,430,000
Num. Risks	188,648	3,167	11,569	203,384
Avg. Value	310,472	62,074	41,570	291,308
Avg. Ded \$	250	250	250	250
60				
Value	158,525,211,600	778,002,800	1,123,006,800	160,426,221,200
Num. Risks	498,379	10,814	26,663	535,856
Avg. Value	318,082	71,944	42,119	299,383
Avg. Ded \$	250	250	250	250



<i>Territory</i>	<i>Homeowners</i>	<i>Condo</i>	<i>Tenants</i>	<i>Total</i>
Total				
Value	595,820,133,000	3,845,896,800	5,709,967,200	605,375,997,000
Num. Risks	1,806,190	55,688	142,217	2,004,095
Avg. Value	329,877	69,061	40,150	302,070
Avg. Ded \$	250	250	250	250

* US Dollars



LONG-TERM AVERAGE LOSSES

Exhibit AAL.NCRB shows the long run average annual hurricane loss potential by territory including aggregate demand surge.

Exhibit Dist.NCRB shows North Carolina's distribution of Homeowners, Tenants and Condominiums average annual hurricane losses including aggregate demand surge and total insurance in force by territory. The coastal territories account for much higher shares of loss than exposure due to their vulnerability to the hurricane peril.

Exhibit AAL.NCRB

Average Annual Loss by Territory North Carolina

Territory	Homeowners	Tenants	Condos	Total*
5	14,494,276	20,119	74,791	14,589,186
6	11,341,813	21,810	76,921	11,440,544
32	14,327,396	49,074	19,439	14,395,909
34	8,034,142	24,161	7,264	8,065,567
36	4,647,018	14,003	8,123	4,669,144
38	7,192,980	23,092	24,103	7,240,176
39	7,273,440	10,261	7,633	7,291,335
41	5,334,710	9,997	900	5,345,607
42	76,198,991	427,283	343,722	76,969,996
43	40,463,542	150,066	70,616	40,684,224
44	1,339,769	2,085	195	1,342,049
45	18,059,649	53,732	9,499	18,122,880
46	2,167,046	3,042	69	2,170,157
47	20,245,675	38,988	8,519	20,293,182
53	23,002,367	49,945	21,122	23,073,434
57	9,431,507	15,731	5,656	9,452,894
60	14,540,148	17,799	11,049	14,568,996
Total	278,094,470	931,187	689,622	279,715,279

*US Dollars



Exhibit Dist.NCRB

**Distribution of Exposure and Loss by Territory
North Carolina**

Territory	Insured Value*	Percent of Total	Est. Avg. Annual Loss*	Percent of Total
5	4,285,915,600	0.7%	14,589,186	5.2%
6	2,911,433,600	0.5%	11,440,544	4.1%
32	41,685,373,600	6.9%	14,395,909	5.2%
34	14,441,120,400	2.4%	8,065,567	2.9%
36	35,094,258,600	5.8%	4,669,144	1.7%
38	47,296,703,400	7.8%	7,240,176	2.6%
39	46,246,665,000	7.6%	7,291,335	2.6%
41	6,196,090,200	1.0%	5,345,607	1.9%
42	26,089,976,000	4.3%	76,969,996	27.5%
43	18,132,686,200	3.0%	40,684,224	14.5%
44	3,984,459,600	0.7%	1,342,049	0.5%
45	22,491,262,200	3.7%	18,122,880	6.5%
46	8,162,144,400	1.4%	2,170,157	0.8%
47	42,951,957,200	7.1%	20,293,182	7.3%
53	65,732,299,800	10.9%	23,073,434	8.3%
57	59,247,430,000	9.8%	9,452,894	3.4%
60	160,426,221,200	26.5%	14,568,996	5.2%
Total	605,375,997,000	100.0%	279,715,279	100.0%

* US Dollars



ESTIMATED PURE PREMIUMS AND LOSS COSTS

ExhibitLossCosts.NCRB shows the estimated hurricane loss costs and pure premiums by territory. ExhibitLossCostsHO.NCRB, ExhibitLossCostsTent.NCRB and ExhibitLossCostsCondo.NCRB show results for the Homeowners, Tenants and Condominiums exposure separately. Clearly, the coastal territories are most vulnerable to hurricane losses. The estimated loss costs are highest in coastal territories 5 and 6, as well as territories 42 and 43. These territories form part of the eastern tip of North Carolina, an area of relatively high hurricane frequency.

For all exhibits, the estimated loss costs are per \$100 of exposure. The estimated hurricane pure premiums are calculated by dividing the estimated average annual losses by the number of risks. The estimated hurricane pure premiums show the amounts, exclusive of expenses and provisions for profit and contingencies, that need to be collected each year to cover only the long run hurricane loss potential.

Exhibit LossCosts.NCRB

Loss Costs by Territory- All Lines

North Carolina

Territory	Insured Value*	Risk Count	Average Annual Loss*	Pure Premium*	Loss Cost (Per \$100)
5	4,285,915,600	11,861	14,589,186	1,230.01	0.3404
6	2,911,433,600	8,759	11,440,544	1,306.15	0.3930
32	41,685,373,600	129,100	14,395,909	111.51	0.0345
34	14,441,120,400	58,061	8,065,567	138.92	0.0559
36	35,094,258,600	115,404	4,669,144	40.46	0.0133
38	47,296,703,400	150,829	7,240,176	48.00	0.0153
39	46,246,665,000	140,529	7,291,335	51.88	0.0158
41	6,196,090,200	24,662	5,345,607	216.75	0.0863
42	26,089,976,000	90,201	76,969,996	853.32	0.2950
43	18,132,686,200	65,709	40,684,224	619.16	0.2244
44	3,984,459,600	15,678	1,342,049	85.60	0.0337
45	22,491,262,200	87,567	18,122,880	206.96	0.0806
46	8,162,144,400	29,612	2,170,157	73.29	0.0266
47	42,951,957,200	153,207	20,293,182	132.46	0.0472
53	65,732,299,800	183,676	23,073,434	125.62	0.0351
57	59,247,430,000	203,384	9,452,894	46.48	0.0160
60	160,426,221,200	535,856	14,568,996	27.19	0.0091
Total	605,375,997,000	2,004,095	279,715,279	139.57	0.0462

* US Dollars



Exhibit LossCostsHO.NCRB

Loss Costs by Territory – Homeowners

North Carolina

Territory	Insured Value*	Risk Count	Average Annual Loss*	Pure Premium*	Loss Cost (Per \$100)
5	4,237,488,000	10,844	14,494,276	1,336.62	0.3420
6	2,860,164,000	7,740	11,341,813	1,465.35	0.3965
32	40,763,772,000	107,894	14,327,396	132.79	0.0351
34	14,211,001,800	52,777	8,034,142	152.23	0.0565
36	34,183,798,200	97,274	4,647,018	47.77	0.0136
38	45,620,753,400	120,486	7,192,980	59.70	0.0158
39	45,614,266,200	128,034	7,273,440	56.81	0.0159
41	6,154,934,400	23,607	5,334,710	225.98	0.0867
42	25,631,011,800	80,749	76,198,991	943.65	0.2973
43	17,928,948,600	61,362	40,463,542	659.42	0.2257
44	3,956,621,400	15,035	1,339,769	89.11	0.0339
45	22,215,087,000	80,349	18,059,649	224.77	0.0813
46	8,109,784,800	28,264	2,167,046	76.67	0.0267
47	42,541,617,600	143,605	20,245,675	140.98	0.0476
53	64,695,756,600	161,143	23,002,367	142.75	0.0356
57	58,569,915,600	188,648	9,431,507	50.00	0.0161
60	158,525,211,600	498,379	14,540,148	29.17	0.0092
Total	595,820,133,000	1,806,190	278,094,470	153.97	0.0467

* US Dollars



Exhibit LossCostsTent.NCRB

Loss Costs by Territory – Tenants

North Carolina

Territory	Insured Value*	Risk Count	Average Annual Loss*	Pure Premium*	Loss Cost (Per \$100)
5	9,360,000	224	20,119	89.82	0.2149
6	10,071,600	246	21,810	88.66	0.2165
32	612,110,400	16,709	49,074	2.94	0.0080
34	169,370,400	4,327	24,161	5.58	0.0143
36	541,190,400	12,685	14,003	1.10	0.0026
38	717,232,800	17,820	23,092	1.30	0.0032
39	339,536,400	8,076	10,261	1.27	0.0030
41	37,362,000	981	9,997	10.19	0.0268
42	230,184,000	5,698	427,283	74.99	0.1856
43	131,888,400	3,188	150,066	47.07	0.1138
44	24,885,600	608	2,085	3.43	0.0084
45	228,202,800	6,357	53,732	8.45	0.0235
46	51,008,400	1,324	3,042	2.30	0.0060
47	327,075,600	8,287	38,988	4.70	0.0119
53	676,554,000	17,455	49,945	2.86	0.0074
57	480,927,600	11,569	15,731	1.36	0.0033
60	1,123,006,800	26,663	17,799	0.67	0.0016
Total	5,709,967,200	142,217	931,187	6.55	0.0163

* US Dollars



Exhibit LossCostsCondo.NCRB

Loss Costs by Territory – Condos

North Carolina

Territory	Insured Value*	Risk Count	Average Annual Loss*	Pure Premium*	Loss Cost (Per \$100)
5	39,067,600	793	74,791	94.31	0.1914
6	41,198,000	773	76,921	99.51	0.1867
32	309,491,200	4,497	19,439	4.32	0.0063
34	60,748,200	957	7,264	7.59	0.0120
36	369,270,000	5,445	8,123	1.49	0.0022
38	958,717,200	12,523	24,103	1.92	0.0025
39	292,862,400	4,419	7,633	1.73	0.0026
41	3,793,800	74	900	12.16	0.0237
42	228,780,200	3,754	343,722	91.56	0.1502
43	71,849,200	1,159	70,616	60.93	0.0983
44	2,952,600	35	195	5.58	0.0066
45	47,972,400	861	9,499	11.03	0.0198
46	1,351,200	24	69	2.88	0.0051
47	83,264,000	1,315	8,519	6.48	0.0102
53	359,989,200	5,078	21,122	4.16	0.0059
57	196,586,800	3,167	5,656	1.79	0.0029
60	778,002,800	10,814	11,049	1.02	0.0014
Total	3,845,896,800	55,688	689,622	12.38	0.0179

* US Dollars



PREFILED TESTIMONY
OF
JAMES H. VANDER WEIDE

2008 HOMEOWNERS INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU

Q. WHAT IS YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS?

A. My name is James H. Vander Weide. I am Research Professor of Finance and Economics at Duke University, the Fuqua School of Business. I am also President of Financial Strategy Associates, a firm that provides strategic and financial consulting services to corporate clients. My business address is 3606 Stoneybrook Drive, Durham, North Carolina.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR ACADEMIC EXPERIENCE.

A. I graduated from Cornell University with a Bachelor's Degree in Economics and then attended Northwestern University where I earned a Ph.D. in Finance. I joined the faculty of the School of Business at Duke University where I was subsequently named Assistant Professor, Associate Professor, and then Professor.

Since joining the faculty I have taught courses in corporate finance, investment management, and management of financial institutions. I have also taught a graduate seminar on the

theory of public utility pricing and lectured in executive development seminars on the cost of capital, financial analysis, capital budgeting, mergers and acquisitions, cash management, short-run financial planning, and competitive strategy.

I have served as Program Director and taught in numerous executive education programs at Duke, including the Duke Advanced Management Program, the Duke Management Challenge, the Duke Executive Program in Telecommunications, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. I also teach in tailored programs developed for corporations such as ABB, Accenture, Allstate, AT&T, Progress Energy, GlaxoSmithKline, Lafarge, MidAmerican Energy, Norfolk Southern, The Rank Group, Siemens, TRW, and Wolseley PLC.

In addition to my teaching and executive education activities, I have written research papers on such topics as portfolio management, the cost of capital, capital budgeting, the effect of regulation on the performance of public utilities, and cash management. My articles have been published in *American Economic Review*, *Financial Management*, *International Journal of Industrial Organization*, *Journal of*

Finance, Journal of Financial and Quantitative Analysis, Journal of Bank Research, Journal of Accounting Research, Journal of Cash Management, Management Science, The Journal of Portfolio Management, Atlantic Economic Journal, Journal of Economics and Business, and Computers and Operations Research. I have written a book titled *Managing Corporate Liquidity: an Introduction to Working Capital Management*, a chapter for *The Handbook of Modern Finance*, "Financial Management in the Short Run," and a chapter for *The Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*, "Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory," (forthcoming Spring 2009).

- Q. HAVE YOU PREVIOUSLY PRESENTED EVIDENCE ON THE COST OF CAPITAL AND OTHER REGULATORY ISSUES?
- A. Yes. As an expert on financial and economic theory, I have testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, depreciation, accounting, valuation, and other financial and economic issues in approximately 400 cases before the U.S. Congress, the Federal Communications Commission, the National Telecommunications and Information Administration, the Federal Energy Regulatory Commission, the Canadian Radio-

Television and Telecommunications Commission, The National Energy Board (Canada), the public service commissions of 42 states and the District of Columbia, the insurance commissions of five states, the Iowa State Board of Tax Review, and the National Association of Securities Dealers. In addition, I have testified as an expert witness in proceedings before the U.S. District Court for the Northern District of California; U.S. District Court for the District of Nebraska; United States District Court for the District of New Hampshire; U.S. District Court for the Eastern District of North Carolina; Superior Court, North Carolina; the U.S. Bankruptcy Court for the Southern District of West Virginia; and the U.S. District Court for the Eastern District of Michigan.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been asked by the North Carolina Rate Bureau to make an independent appraisal of the aggregate cost of equity capital for the companies writing homeowners coverage insurance in North Carolina and to recommend a rate of return on equity that is fair, that allows those companies in the aggregate to attract and retain capital on reasonable terms, that is commensurate with returns on investments of comparable risk, and that maintains the financial integrity of those companies in the aggregate.

Q. WHAT DO YOU MEAN BY THE PHRASE "COST OF EQUITY CAPITAL?"

A. A firm's cost of equity capital is the rate of return expectation that is required in the marketplace on equity investments of comparable risk. If an investor does not expect to earn a return on an equity investment in a firm that is at least as large as the return the investor could expect to earn on other investments of comparable risk, then the investor will not invest in that firm's shares. Thus, a firm's cost of equity capital is also the rate of return expectation that is required in the marketplace in order to induce equity investors to purchase shares in that firm.

Q. IS THE COST OF EQUITY CAPITAL THE SAME AS THE RETURN ON EQUITY?

A. No. The cost of equity capital is a market-based concept that reflects investors' future expectations, while the return on equity is an accounting concept that measures results of past performance. The return on equity is equal to income available for common equity divided by the book value of common equity.

Q. HAVE YOU FORMED AN OPINION REGARDING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. Yes.

Q. WHAT IS YOUR OPINION IN THAT REGARD?

A. The cost of equity capital for such a company is in the range 11.4 percent to 14.3 percent.

Q. WHAT ECONOMIC PRINCIPLES DID YOU CONSIDER IN ARRIVING AT THAT OPINION?

A. There are two primary economic principles relevant to my appraisal of the cost of equity capital. The first, relating to the demand for capital, states that a firm should continue to invest in its business only so long as the return on its investment is greater than or equal to its cost of capital. In the context of a regulated firm, this principle suggests that the regulatory agency should establish revenue levels which will offer the firm an opportunity to earn a return on its investment that is at least equal to its cost of capital.

The second principle, relating to the supply of capital, states that rational investors are maximizing their total return on capital only if the returns they expect to receive on investments of comparable risk are equal. If these returns are not equal, rational investors will reduce or completely eliminate investments in those activities

yielding lower expected returns for a given level of risk and will increase investments in those activities yielding higher expected returns. The second principle implies that regulated firms will be unable to obtain the capital required to expand service on reasonable terms unless they are able to provide investors returns equal to those expected on investments of comparable risk.

Q. DO THESE ECONOMIC PRINCIPLES APPLY TO THE SETTING OF INSURANCE RATES?

A. Yes. These are general economic principles that apply to investing in any business activity, including insurance.

Q. HOW DID YOU GO ABOUT DETERMINING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. I used two generally accepted methods to estimate the cost of equity: (i) the Discounted Cash Flow (DCF) Model, and (ii) the Risk Premium Approach.

Q. PLEASE DESCRIBE THE DCF MODEL.

A. The DCF Model suggests that investors value an asset on the basis of the future cash flows they expect to receive from owning the asset. Thus, investors value an investment in a bond because they expect to receive a sequence of

semi-annual coupon payments over the life of the bond and a terminal payment equal to the bond's face value at the time the bond matures. Likewise, investors value an investment in a firm's stock because they expect to receive a sequence of dividend payments and, perhaps, expect to sell the stock at a higher price sometime in the future.

A second fundamental principle of the DCF approach is that investors value a dollar received in the future less than a dollar received today. This is because, if they had the dollar today, they could invest it in an interest earning account and increase their wealth. This principle is called the time value of money.

Applying the two fundamental DCF principles noted above to an investment in a bond suggests that investors should value their investment in the bond on the basis of the present value of the bond's future cash flows. Thus, the price of the bond should be equal to:

Equation 1

$$P_B = \frac{C}{(1+i)} + \frac{C}{(1+i)^2} + \dots + \frac{C+F}{(1+i)^n}$$

where:

P_B = Bond price;

- C = Cash value of the coupon payment (assumed for notational convenience to occur annually rather than semi-annually);
- F = Face value of the bond;
- i = The rate of interest the investor could earn by investing his money in an alternative bond of equal risk; and
- n = The number of periods before the bond matures.

Applying these same principles to an investment in a firm's stock suggests that the price of the stock should be equal to:

Equation 2

$$P_s = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n}$$

where:

- P_s = Current price of the firm's stock;
- $D_1, D_2 \dots D_n$ = Expected annual dividend per share on the firm's stock;
- P_n = Price per share of stock at the time the investor expects to sell the stock; and
- k = Return the investor expects to earn on alternative investments of the same risk, i.e., the investor's required rate of return.

Equation (2) is frequently called the Annual Discounted Cash Flow (DCF) Model of stock valuation.

Q. HOW DO YOU USE THE DCF MODEL TO DETERMINE THE COST OF EQUITY CAPITAL?

A. The "k" in the equation is the cost of equity capital. We make certain simplifying assumptions regarding the other

factors in the equation and then mathematically solve for "k."

Q. WHAT ARE THE ASSUMPTIONS YOU MAKE?

A. Most analysts make three simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate ("g") into the indefinite future. Second, they assume that the stock price at time "n" is simply the present value of all dividends expected in periods subsequent to "n." Third, they assume that the investors' required rate of return, "k," exceeds the expected dividend growth rate, "g."

Q. DOES THE ANNUAL DCF MODEL OF STOCK VALUATION PRODUCE APPROPRIATE ESTIMATES OF A FIRM'S COST OF EQUITY CAPITAL?

A. No. The Annual DCF Model of stock valuation produces appropriate estimates of a firm's cost of equity capital only if the firm pays dividends just once a year. Since most firms pay dividends quarterly, the Annual DCF Model produces downwardly biased estimates of the cost of equity. Investors can expect to earn a higher annual effective return on an investment in a firm that pays quarterly dividends than in one which pays the same amount of dollar dividends once at the end of each year. A complete analysis of the implications of the quarterly payment of dividends on the

DCF Model is provided in Exhibit RB-10. For the reasons cited there, I employed the Quarterly DCF Model throughout my calculations.

Q. PLEASE DESCRIBE THE QUARTERLY DCF MODEL YOU USED.

A. The Quarterly DCF Model I used is described by Equation 10 on page 11 in Exhibit RB-10. This equation shows that the cost of equity is: the sum of the dividend yield and the growth rate, where the dividend in the dividend yield is the equivalent dividend at the end of the year, and the growth rate is the expected growth in dividends or earnings per share.

Q. HOW DID YOU APPLY THE DCF APPROACH TO OBTAIN THE COST OF EQUITY CAPITAL FOR THE COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. I applied the DCF approach to two groups of companies: Value Line's group of property/casualty insurance companies and the S&P 500.

Q. WHY DID YOU APPLY THE DCF APPROACH TO THE S&P 500 AS WELL AS TO VALUE LINE'S PROPERTY/CASUALTY INSURANCE COMPANIES?

A. As I noted previously, the cost of equity is defined as the rate of return investors expect to earn on investments in other companies of comparable risk. I applied the DCF

approach to the S&P 500 because they are a large group of companies that, on average, are typically viewed as being comparable in risk to the property/casualty insurance industry. The use of a larger set of comparable risk companies should provide an accurate estimate of the cost of equity for the companies writing homeowners insurance in North Carolina.

Q. DID YOU INCLUDE ALL THE VALUE LINE PROPERTY/CASUALTY INSURANCE COMPANIES?

A. No. Among the Value Line property/casualty insurance companies, I deleted any firm which had recently lowered its dividend and which had fewer than three five-year earnings forecasts available from I/B/E/S (formerly known as the Institutional Brokers Estimate System, now part of Thomson Reuters). The Value Line property/casualty companies I used are shown in Exhibit RB-8.¹

Q. WHAT CRITERIA DID YOU USE TO SELECT COMPANIES IN THE S&P 500?

¹ At this time, my selection criteria produced a group of only five Value Line property/casualty insurance companies. Two of the Value Line insurance companies that have previously been available for inclusion in my comparable group are no longer available, including Safeco, which is in the process of being acquired by Liberty Mutual, and Progressive, which now pays a variable dividend declared once a year in December. Therefore, I also report DCF results for three additional companies, including Allstate, Hanover, and Old Republic, that had two I/B/E/S analysts' five-year earnings growth forecasts.

A. I included those firms which pay dividends and which have at least three five-year earnings forecasts available from I/B/E/S. I excluded the insurance companies in the S&P 500, as identified by I/B/E/S Thomson Reuters, because I had already calculated DCF results for the Value Line property/casualty insurance companies. To be conservative, I also eliminated those companies whose DCF results exceeded the mean by one standard deviation. The S&P 500 companies I used are shown in Exhibit RB-9.

Q. WHY DID YOU ELIMINATE ANY COMPANY WHICH HAD RECENTLY LOWERED ITS DIVIDEND OR WHICH FAILS TO PAY DIVIDENDS?

A. I eliminated those companies because it is difficult to make a reliable estimate of the future dividend growth rate for companies that have recently lowered their dividends or do not pay dividends. If a company has recently lowered its dividend, investors do not know whether the company will again lower its dividend in the future, or whether the company will attempt to increase its dividend back toward its previous level. If a company does not pay a dividend, one cannot mathematically apply the DCF approach.

Q. HOW DID YOU ESTIMATE THE GROWTH COMPONENT OF THE QUARTERLY DCF MODEL?

A. I used the average of analysts' estimates of future earnings per share (EPS) growth reported by I/B/E/S. As part of their research, financial analysts working at Wall Street firms periodically estimate EPS growth for each firm they follow. The EPS forecasts for each firm are then published. The forecasts are used by investors who are contemplating purchasing or selling shares in individual companies.

Q. WHAT IS I/B/E/S?

A. I/B/E/S is a collection of analysts' forecasts for a broad group of companies expressed in terms of a mean forecast and a standard deviation of forecast for each firm. The mean forecast is used by investors as an estimate of future firm performance.

Q. WHY DID YOU USE THE I/B/E/S GROWTH ESTIMATES?

A. The I/B/E/S growth rates (1) are widely circulated in the financial community, (2) include the projections of a large number of reputable financial analysts who develop estimates of future growth, (3) are reported on a timely basis to investors, and (4) are widely used by institutional and other investors. For these reasons, I believe these estimates represent unbiased estimates of investors' expectations of each firm's long-term growth prospects and, accordingly, are incorporated by investors into their return

requirements. Consequently, in my opinion, they provide the best available estimate of investors' long-term growth expectations.

Q. WHY DID YOU RELY EXCLUSIVELY ON ANALYSTS' PROJECTIONS OF FUTURE EPS GROWTH IN ESTIMATING THE INVESTORS' EXPECTED GROWTH RATE RATHER THAN LOOKING AT PAST HISTORICAL GROWTH RATES?

A. There is considerable empirical evidence that analysts' forecasts are more highly correlated with stock prices than are firms' historical growth rates, and, thus, that investors actually use these forecasts.

Q. HAVE YOU PERFORMED ANY STUDIES CONCERNING THE USE OF ANALYSTS' FORECASTS AS THE BEST ESTIMATE OF INVESTORS' EXPECTED GROWTH RATE, G?

A. Yes, I prepared a study in conjunction with Willard T. Carleton, Karl Eller Professor of Finance at the University of Arizona, on why analysts' forecasts provide the best estimate of investors' expectations of future long-term growth. This study is described in a paper entitled "Investor Growth Expectations: Analysts vs. History," published in the Spring 1988 edition of *The Journal of Portfolio Management*.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR STUDY.

A. First, we performed a correlation analysis to identify the historically-oriented growth rates which best described a firm's stock price. Then we did a regression study comparing the historical growth rates with the consensus analysts' forecasts. In every case, the regression equations containing the average of analysts' forecasts statistically outperformed the regression equations containing the historical growth estimates. These results are consistent with those found by Cragg and Malkiel, the early major research in this area. These results are also consistent with the hypothesis that investors use analysts' forecasts, rather than historically-oriented growth calculations, in making buy and sell decisions. They provide overwhelming evidence that the analysts' forecasts of future growth are superior to historically-oriented growth measures in predicting a firm's stock price.

Q. WHAT PRICE DID YOU USE IN YOUR DCF MODEL?

A. I used a simple average of the monthly high and low stock prices for each firm for the three-month period, April, May, and June 2008. These high and low stock prices were obtained from Thomson Reuters.

Q. WHY DID YOU USE THE THREE-MONTH AVERAGE STOCK PRICE, P_0 , IN APPLYING THE DCF METHOD?

A. I used a three-month average stock price in applying the DCF method because stock prices fluctuate daily, while financial analysts' forecasts for a given company are generally changed less frequently, often on a quarterly basis. Thus, to match the stock price with an earnings forecast, it is appropriate to average stock prices over a three-month period.

Q. PLEASE EXPLAIN YOUR INCLUSION OF FLOTATION COSTS.

A. All firms that have sold securities in the capital markets have incurred some level of flotation costs, including underwriters' commissions, legal fees, printing expense, etc. These costs are paid from the proceeds of the stock sale and must be recovered over the life of the equity issue. Costs vary depending upon the size of the issue, the type of registration method used and other factors, but in general these costs range between four percent and five percent of the proceeds from the issue. In addition to these costs, for large equity issues there is likely to be a decline in price associated with the sale of shares to the public. On average, the decline due to market pressure has been estimated at two percent to three percent.

These cost ranges have been developed and confirmed in a number of generally accepted studies. I believe a combined five percent allowance for flotation costs and market pressure is a conservative estimate that can be used in applying the DCF Model in this proceeding.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR APPLICATION OF THE DCF METHOD TO THE PROPERTY/CASUALTY INSURANCE COMPANIES AND THE S&P 500.

A. As shown in Exhibits RB-8 and RB-9, the average DCF cost of equity capital for my group of Value Line property/casualty companies is 12.1 percent; and for the S&P 500 companies, 14.3 percent.

Q. WHAT CONCLUSION DO YOU REACH FROM YOUR DCF ANALYSIS ABOUT THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. On the basis of my DCF analysis, I would conclude that for companies writing homeowners insurance in North Carolina the cost of equity is in the range 12.1 percent to 14.3 percent.

Q. YOU SAID THE SECOND METHOD YOU USED TO ESTIMATE THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA WAS A RISK PREMIUM APPROACH. PLEASE DESCRIBE THAT APPROACH.

A. I performed a study of the comparable returns received by bond and stock investors over the last 81 years. I estimated the returns on stock and bond portfolios, using stock price and dividend yield data on the S&P 500 stock portfolio and bond yield data on Moody's A-rated utility bonds.

My study consisted of analyzing the historically achieved returns on broadly based stock and bond portfolios going back to 1926. For stocks, I used the S&P 500 stock portfolio and for bonds I used Moody's A-rated utility bonds. The resulting annual returns on the stock and bond portfolios purchased in each year from 1926 through 2006 are shown on Exhibit RB-11. The difference between the stock return and the bond return over that period of time on an arithmetic average basis was 5.1 percentage points.

Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR RISK PREMIUM ANALYSES?

A. My own studies, combined with my analysis of other studies, provide strong evidence for the belief that investors today require an equity return of approximately 5.1 percentage points above the expected yield on A-rated long-term debt issues.

Interest rates on Moody's seasoned A-rated utility bonds during the three months April through June 2008 ranged from

6.3 percent to 6.4 percent. On the basis of this information and my knowledge of bond market conditions, I conclude that the long-term yield on A-rated utility bonds is approximately 6.3 percent. Adding a 5.1 percentage point risk premium to the 6.3 percent expected yield on A-rated utility bonds, I obtain an expected return on equity of approximately 11.4 percent.

Q. BASED ON YOUR ANALYSES, WHAT IS YOUR OPINION AS TO THE COST OF CAPITAL FOR THE AVERAGE INSURANCE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. Based on my review and studies, I believe that a conservative estimate of the cost of common equity capital for the average insurance company writing homeowners insurance in North Carolina is in the range 11.4 percent to 14.3 percent.

Q. IS THE COST OF EQUITY A FAIR RETURN ON EQUITY?

A. No. The cost of equity is a market-based concept that reflects the return investors expect on the market value of their investment. The fair return on equity is an accounting concept that expresses the accounting rate of return the company earns on the book value of its investment. The cost of equity and the fair return on equity will be equal only when the market value of equity is equal to the book value

of equity. Generally, the market value of equity is greater than the book value of equity for both the average firm and the average property/casualty insurer. When the market value of equity is greater than the book value of equity, the fair rate of return on equity must exceed the cost of equity capital for equity investors to have a reasonable expectation of earning their required return on investment.

Q. DID YOU CONVERT YOUR COST OF EQUITY CAPITAL TO A FAIR RETURN ON EQUITY?

A. No. In this proceeding I have not converted my cost of equity capital to the fair return on equity. The data that I previously used to convert my cost of equity to a fair return on equity has not been updated in several years. Given recent experience in the capital markets, I am confident that the fair return on equity would exceed the cost of equity. However, in the absence of data necessary to perform an explicit study, to be conservative, I recommend that my cost of equity estimate also be used as an estimate of the fair return on equity.

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
PROPERTY/CASUALTY INSURANCE COMPANIES
Smaller Company Group

COMPANY	d ₀	P ₀	g	k
ACE Limited	0.290	59.018	12.00	14.2%
Chubb Corp.	0.330	52.243	9.25	12.0%
Berkley (W.R.)	0.060	26.508	12.50	13.4%
Selective Ins. Group	0.130	21.823	6.00	8.6%
Travelers Cos.	0.300	48.987	9.67	12.4%
Average				12.1%

Larger Company Group

COMPANY	d ₀	P ₀	g	k
ACE Limited	0.290	59.018	12.00	14.2%
Chubb Corp.	0.330	52.243	9.25	12.0%
Berkley (W.R.)	0.060	26.508	12.50	13.4%
Selective Ins. Group	0.130	21.823	6.00	8.6%
Travelers Cos.	0.300	48.987	9.67	12.4%
Allstate Corp.	0.410	49.395	8.00	11.6%
Old Republic	0.170	14.198	9.00	14.3%
Hanover Insurance	0.100	44.750	11.00	12.0%
Average				12.3%

Notes:

- d₀ = Latest quarterly dividend.
d₁, d₂, d₃, d₄, = Expected next four quarterly dividends, calculated by multiplying the last four quarterly dividends per Value Line, by the factor (1 + g).
P₀ = Average of the monthly high and low stock prices during the three months ending June 2008 per Thomson Reuters.
FC = Flotation costs.
g = I/B/E/S forecast of future earnings growth June 2008.
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \frac{d_1(1+k)^{75} + d_2(1+k)^{50} + d_3(1+k)^{25} + d_4}{P_0(1-FC)} + g$$

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

COMPANY	d ₀	P ₀	g	k
3M	2.00	76.88	11.30%	14.4%
ABBOTT LABS.	1.44	53.71	11.42%	14.6%
ABERCROMBIE & FITCH	0.70	71.75	16.27%	17.5%
AETNA	0.04	43.60	14.50%	14.6%
AIR PRDS.& CHEMS.	1.76	99.75	13.48%	15.6%
ALTERA	0.20	21.64	16.56%	17.7%
ALTRIA GROUP	1.16	21.39	10.00%	16.4%
AMERICAN EXPRESS	0.72	45.64	10.67%	12.5%
AMERIPRISE FINL.	0.60	47.98	11.52%	13.0%
AMERISOURCEBERGEN	0.30	41.05	12.40%	13.3%
ANHEUSER-BUSCH COS.	1.32	54.01	10.93%	13.8%
APPLIED BIOSYSTEMS	0.17	32.95	12.45%	13.1%
APPLIED MATS.	0.24	19.69	12.84%	14.3%
AT&T	1.60	38.03	9.53%	14.5%
AUTOMATIC DATA PROC.	1.16	43.09	13.50%	16.8%
AVON PRODUCTS	0.80	38.87	13.32%	15.8%
BALL	0.40	51.85	11.00%	11.9%
BANK OF AMERICA	2.56	34.57	7.29%	15.9%
BANK OF NEW YORK MELLON	0.96	42.65	10.43%	13.1%
BAXTER INTL.	0.87	61.38	13.77%	15.5%
BB&T	1.88	31.30	6.09%	13.0%
BECTON DICKINSON	1.14	84.47	13.67%	15.3%
BEMIS	0.88	25.99	9.33%	13.3%
BEST BUY	0.56	43.77	15.31%	16.9%
BOEING	1.60	79.58	13.45%	15.9%
BRISTOL MYERS SQUIBB	1.24	21.82	10.98%	17.8%
BROWN-FORMAN 'B'	1.36	72.58	9.21%	11.4%
BURL.NTHN.SANTA FE C	1.28	104.12	13.15%	14.6%
CA	0.16	23.96	10.67%	11.4%
CAPITAL ONE FINL.	1.50	48.69	12.75%	16.5%
CARDINAL HEALTH	0.56	53.94	13.57%	14.8%
CARNIVAL	1.60	38.96	11.90%	16.8%
CATERPILLAR	1.68	80.43	11.40%	13.9%
CBS 'B'	1.08	22.10	6.83%	12.4%
CHEVRON	2.60	96.47	12.72%	16.0%
CIGNA	0.04	40.48	12.00%	12.1%
CINTAS	0.46	28.86	11.14%	13.0%
CIT GROUP	0.40	11.04	9.88%	14.1%
CITIGROUP	1.28	22.66	8.67%	15.3%
CITIZENS COMMS.	1.00	10.96	2.43%	12.6%
CLOROX	1.84	55.68	11.68%	15.6%
CMS ENERGY	0.36	14.78	9.00%	11.8%
COCA COLA	1.52	57.60	9.88%	13.0%
COLGATE-PALM.	1.60	73.03	11.62%	14.2%
COMERICA	2.64	34.88	5.43%	14.1%
CONAGRA FOODS	0.76	22.93	8.17%	12.0%
COOPER INDS.	1.00	43.67	13.25%	16.0%
CORNING	0.20	25.91	14.67%	15.6%
COSTCO WHOLESALE	0.64	70.34	13.67%	14.8%

COMPANY	d ₀	P ₀	g	k
CVS CAREMARK	0.24	41.43	15.75%	16.5%
D R HORTON	0.30	14.39	11.67%	14.1%
DANAHER	0.12	77.81	13.80%	14.0%
DARDEN RESTAURANTS	0.80	33.87	12.79%	15.6%
DEERE	1.12	82.89	12.00%	13.6%
DOMINION RES.	1.58	45.07	8.30%	12.4%
DOVER	0.80	49.72	15.33%	17.3%
E I DU PONT DE NEMOURS	1.64	47.66	7.38%	11.3%
EATON	2.00	88.69	12.25%	14.9%
ECOLAB	0.52	45.18	13.83%	15.2%
EDISON INTL.	1.22	51.76	8.67%	11.4%
EL PASO	0.16	18.92	11.40%	12.4%
EMERSON ELECTRIC	1.20	53.63	12.80%	15.5%
ENSCO INTL.	0.10	70.48	14.05%	14.2%
ENTERGY	3.00	116.59	12.42%	15.5%
EQUIFAX	0.16	36.85	11.25%	11.8%
ESTEE LAUDER COS. 'A'	0.55	46.60	11.62%	13.0%
EXELON	2.00	86.67	8.45%	11.1%
EXXON MOBIL	1.60	89.70	11.35%	13.5%
FAMILY DOLLAR STORES	0.50	20.81	13.67%	16.6%
FANNIE MAE	1.40	26.93	10.33%	16.5%
FEDERATED INVRS. 'B'	0.96	36.36	12.25%	15.4%
FEDEX	0.44	91.20	11.66%	12.2%
FIDELITY NAT.INFO.SVS.	0.11	21.39	13.58%	14.2%
FIRST HORIZON NATIONAL	0.80	10.63	6.60%	15.3%
FIRSTENERGY	2.20	77.12	8.33%	11.6%
FLUOR	1.00	171.68	16.67%	17.4%
FORTUNE BRANDS	1.68	68.84	8.53%	11.3%
FPL GROUP	1.78	65.80	9.63%	12.8%
FRANK.RES.	0.80	99.61	11.20%	12.1%
FREDDIE MAC	1.00	24.32	10.75%	15.6%
GAP	0.34	18.33	10.00%	12.2%
GENERAL DYNAMICS	1.40	88.98	9.50%	11.3%
GENERAL ELECTRIC	1.24	31.87	11.00%	15.6%
GENERAL MILLS	1.72	61.54	8.72%	12.0%
GENUINE PARTS	1.56	42.65	9.33%	13.6%
GENWORTH FINANCIAL	0.40	22.11	11.64%	13.8%
GOLDMAN SACHS GP.	1.40	179.84	15.75%	16.7%
GOODRICH	0.90	61.78	15.63%	17.4%
GRAINGER W W	1.60	85.94	12.65%	14.9%
H&R BLOCK	0.57	22.12	11.80%	14.9%
HARLEY-DAVIDSON	1.32	38.46	11.14%	15.2%
HASBRO	0.80	34.94	10.00%	12.7%
HEINZ HJ	1.66	48.29	9.25%	13.3%
HEWLETT-PACKARD	0.32	46.66	14.95%	15.8%
HOME DEPOT	0.90	27.63	11.22%	15.1%
HONEYWELL INTL.	1.10	57.76	12.60%	14.9%
HUDSON CITY BANC.	0.44	17.93	14.40%	17.4%
HUNTINGTON BCSH.	0.53	8.92	4.67%	11.4%
ILLINOIS TOOL WKS.	1.12	51.56	10.72%	13.3%
IMS HEALTH	0.12	23.80	12.50%	13.1%
INGERSOLL-RAND	0.72	43.17	12.00%	14.0%
INTEL	0.56	22.81	12.75%	15.7%

COMPANY	d ₀	P ₀	g	k
INTERNATIONAL BUS.MACH.	2.00	122.86	11.20%	13.1%
INTL.GAME TECH.	0.56	34.28	13.04%	15.0%
ITT	0.70	62.42	13.48%	14.8%
JANUS CAPITAL GP.	0.04	27.96	14.60%	14.8%
JOHNSON & JOHNSON	1.84	65.89	8.01%	11.2%
JOHNSON CONTROLS	0.52	33.20	13.00%	14.9%
JONES APPAREL GROUP	0.56	15.58	10.00%	14.2%
JP MORGAN CHASE & CO.	1.52	43.07	9.33%	13.4%
KB HOME	1.00	22.73	12.33%	17.6%
KELLOGG	1.24	51.36	8.93%	11.7%
KEYCORP	1.50	20.38	4.67%	13.0%
KIMBERLY-CLARK	2.32	63.22	8.25%	12.5%
KLA TENCOR	0.60	43.28	16.25%	18.0%
LEGG MASON	0.96	55.60	9.95%	12.0%
LEGGETT&PLATT	1.00	17.28	8.63%	15.4%
LENNAR 'A'	0.64	17.71	11.50%	15.8%
LIMITED BRANDS	0.60	18.19	12.42%	16.4%
LIZ CLAIBORNE	0.22	17.31	12.67%	14.2%
LOCKHEED MARTIN	1.68	105.00	11.75%	13.6%
LOWE'S COMPANIES	0.34	24.10	11.89%	13.6%
MACY'S	0.53	23.41	9.33%	12.0%
MARATHON OIL	0.96	50.23	10.35%	12.6%
MARRIOTT INTL.'A'	0.35	33.04	12.27%	13.5%
MARSHALL & ILSLEY	1.28	22.54	7.78%	14.4%
MCCORMICK & CO NV.	0.88	37.16	9.50%	12.3%
MCDONALDS	1.50	58.40	11.13%	14.2%
MCKESSON	0.48	55.33	12.75%	13.8%
MEDTRONIC	0.75	49.66	13.32%	15.1%
MERRILL LYNCH & CO.	1.40	44.13	12.75%	16.6%
MICROCHIP TECH.	1.32	35.23	13.38%	17.9%
MICROSOFT	0.44	29.20	11.38%	13.2%
MOLEX	0.45	27.25	14.40%	16.4%
MOLSON COORS BREWING 'B'	0.80	55.67	12.40%	14.1%
MORGAN STANLEY	1.08	44.52	11.88%	14.8%
MOTOROLA	0.20	9.16	10.40%	13.0%
NATIONAL SEMICON.	0.24	21.05	14.50%	15.9%
NEWELL RUBBERMAID	0.84	20.38	8.67%	13.5%
NEWMONT MINING	0.40	47.29	12.83%	13.8%
NEWS CORP.'A'	0.12	17.96	16.45%	17.3%
NIKE 'B'	0.92	66.01	14.38%	16.1%
NORDSTROM	0.64	34.76	10.72%	12.9%
NORFOLK SOUTHERN	1.16	61.89	12.30%	14.5%
NORTHERN TRUST	1.12	72.71	11.24%	13.1%
NORTHROP GRUMMAN	1.60	73.31	13.00%	15.6%
NOVELLUS SYSTEMS	0.15	22.49	15.00%	15.8%
OMNICOM GP.	0.60	47.22	11.50%	13.0%
PACCAR	0.72	48.39	11.75%	13.5%
PALL	0.52	38.21	13.25%	14.9%
PAYCHEX	1.20	34.75	13.70%	17.9%
PEABODY ENERGY	0.24	70.81	17.00%	17.4%
PENNEY JC	0.80	40.79	11.50%	13.8%
PEPCO HOLDINGS	1.08	25.54	10.50%	15.5%
PEPSI BOTTLING GP.	0.68	32.43	9.11%	11.5%

COMPANY	d ₀	P ₀	g	k
PEPSICO	1.70	67.93	10.90%	13.9%
PERKINELMER	0.28	27.37	14.75%	16.0%
PFIZER	1.28	19.63	4.33%	11.7%
PG&E	1.56	39.58	7.08%	11.6%
PHILIP MORRIS INTL.	1.84	50.92	11.67%	16.0%
PINNACLE WEST CAP.	2.10	33.97	4.38%	11.3%
PITNEY-BOWES	1.40	36.15	10.67%	15.3%
PNC FINL.SVS.GP.	2.64	64.85	7.31%	12.0%
POLO RALPH LAUREN 'A'	0.20	63.76	14.33%	14.7%
PPG INDUSTRIES	2.08	62.33	11.63%	15.6%
PRAXAIR	1.50	93.33	12.70%	14.6%
PREC.CASTPARTS	0.12	114.30	17.14%	17.3%
PROCTER & GAMBLE	1.60	66.11	11.61%	14.5%
PROGRESS ENERGY	2.46	42.35	6.10%	12.7%
QUEST DIAGNOSTICS	0.40	49.00	13.50%	14.5%
RADIOSHACK	0.25	14.72	10.00%	12.0%
RAYTHEON 'B'	1.12	63.03	13.00%	15.1%
REGIONS FINL.NEW	1.52	18.58	6.00%	15.4%
REYNOLDS AMERICAN	3.40	54.22	6.00%	13.2%
ROCKWELL COLLINS	0.96	59.61	15.33%	17.3%
ROHM & HAAS	1.64	54.10	12.80%	16.4%
ROWAN COS.	0.40	43.02	14.34%	15.5%
SAFeway	0.33	30.17	10.75%	12.0%
SARA LEE	0.42	13.77	8.66%	12.2%
SEALED AIR	0.48	24.22	11.33%	13.7%
SHERWIN-WILLIAMS	1.40	54.59	12.10%	15.2%
SNAP-ON	1.20	57.36	10.67%	13.1%
SOUTHWEST AIRLINES	0.02	13.14	11.00%	11.2%
SPECTRA ENERGY	0.92	26.12	8.33%	12.4%
STANLEY WORKS	1.24	48.15	11.75%	14.8%
STAPLES	0.33	23.17	13.43%	15.1%
STARWOOD HTLS.& RSTS. WORLDWIDE	0.90	49.06	14.08%	16.3%
STATE STREET	0.96	72.23	11.57%	13.1%
SUNTRUST BANKS	3.08	51.22	6.53%	13.4%
SYSCO	0.88	29.93	13.25%	16.8%
T ROWE PRICE GP.	0.96	58.55	14.03%	16.0%
TARGET	0.64	52.44	14.04%	15.5%
TECO ENERGY	0.80	18.72	6.95%	11.8%
TEXAS INSTS.	0.40	30.21	15.89%	17.5%
TEXTRON	0.92	58.89	13.20%	15.1%
TIFFANY & CO	0.68	44.49	13.40%	15.2%
TIME WARNER	0.25	15.33	13.66%	15.6%
TJX COS.	0.44	32.23	14.00%	15.6%
TOTAL SYSTEM SERVICES	0.28	24.40	13.29%	14.7%
TYSON FOODS 'A'	0.16	17.33	13.75%	14.9%
UNITED PARCEL SER.	1.80	69.51	12.00%	15.1%
UNITED TECHNOLOGIES	1.28	70.01	11.75%	13.9%
UNITEDHEALTH GP.	0.03	33.00	13.50%	13.6%
US BANCORP	1.70	32.52	7.36%	13.4%
US STEEL	1.00	162.82	12.83%	13.6%
V F	2.32	74.88	10.60%	14.3%
VERIZON COMMS.	1.72	37.32	8.70%	14.1%
VULCAN MATERIALS	1.96	70.57	9.00%	12.2%

COMPANY	d ₀	P ₀	g	k
WACHOVIA	1.50	24.57	9.67%	16.9%
WAL MART STORES	0.95	56.93	11.73%	13.7%
WALGREEN	0.38	35.81	14.02%	15.3%
WALT DISNEY	0.35	32.71	12.38%	13.7%
WELLS FARGO & CO	1.24	28.15	7.97%	13.1%
WENDY'S INTL.	0.50	27.58	14.33%	16.5%
WESTERN UNION	0.04	23.04	13.07%	13.3%
WRIGLEY WILLIAM JR.	1.34	74.72	10.63%	12.7%
XCEL ENERGY	0.95	20.80	6.32%	11.5%
XEROX	0.17	14.14	12.33%	13.8%
XILINX	0.56	25.65	14.79%	17.5%
XTO EN.	0.48	66.15	10.86%	11.7%
YUM! BRANDS	0.76	38.79	11.58%	13.9%
ZIONS BANCORP.	1.72	42.81	8.30%	13.0%
Average				14.3%

Notes: In applying the DCF Model to the S&P 500, I included in the DCF analysis only those companies in the S&P 500 group which pay a dividend, have a positive growth rate, and have at least three analysts' long-term growth estimates. In addition, I excluded all companies in the I/B/E/S group of insurance companies. I also eliminated those companies with DCF results that varied from the mean by one standard deviation or more.

Notes:

- D₀ = Latest dividend per Thomson Reuters.
d₀ = Latest quarterly dividend.
P₀ = Average of monthly high and low stock prices April, May, and June 2008 per Thomson Reuters.
FC = Selling and flotation costs.
g = I/B/E/S forecast of future earnings growth June 2008.
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \left[\frac{d_0 (1+g)^{\frac{1}{4}}}{P_0(1-FC)} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$

THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In this appendix, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

- | | | |
|------------------------|---|--|
| P_0 | = | current price per share of the firm's stock, |
| D_1, D_2, \dots, D_n | = | expected annual dividends per share on the firm's stock, |
| P_n | = | price per share of stock at the time investors expect to sell the stock, and |
| k | = | return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return. |

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating k . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate g into the indefinite future. Second, they assume that the stock price at time n is simply the present value of all dividends expected in periods subsequent to n . Third, they assume that the investors' required rate of return, k , exceeds the expected dividend growth rate g . Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24, ..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence $3, 3 \times 2, 3 \times 2^2, 3 \times 2^3, \dots$. This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is: a , the first term, r , the common ratio, and n , the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of n terms of a geometric progression. Call this sum S_n . Then

$$S_n = a + ar + \dots + ar^{n-1}. \quad (3)$$

However, this expression can be simplified by multiplying both sides of equation (3) by r and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n \quad ,$$

or

$$(1 - r) S_n = a (1 - r^n) \quad .$$

Solving for S_n , we obtain:

$$S_n = \frac{a(1-r^n)}{(1-r)} \quad (4)$$

as a simple expression for the sum of n terms of a geometric progression. Furthermore, if $|r| < 1$, then S_n is finite, and as n approaches infinity, S_n approaches $a \div (1 - r)$. Thus, for a geometric progression with an infinite number of terms and $|r| < 1$, equation (4) becomes:

$$S = \frac{a}{1 - r} \quad (5)$$

Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1+g)}{(1+k)}$$

and common factor

$$r = \frac{(1+g)}{(1+k)}$$

Applying equation (5) for the sum of such a geometric progression,
we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1 - \frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

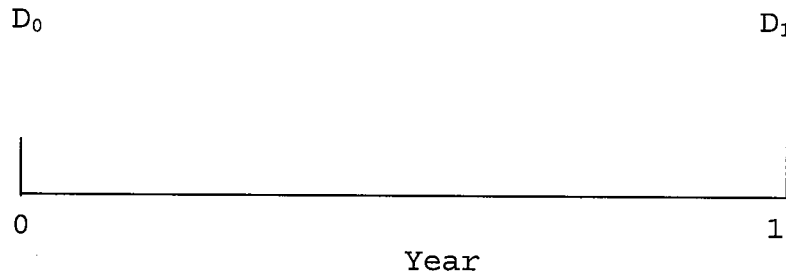
as we suggested earlier.

Quarterly DCF Model

The Annual DCF Model assumes that dividends grow at an annual rate of $g\%$ per year (see Figure 1).

Figure 1

Annual DCF Model

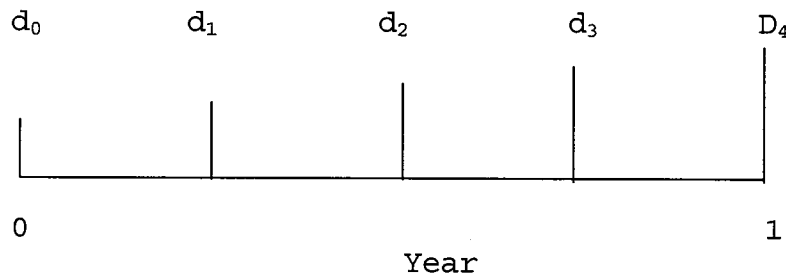


$$D_0 = 4d_0$$

$$D_1 = D_0(1 + g)$$

Figure 2

Quarterly DCF Model (Constant Growth Version)



$$d_1 = d_0(1+g)^{.25}$$

$$d_2 = d_0(1+g)^{.50}$$

$$d_3 = d_0(1+g)^{.75}$$

$$d_4 = d_0(1+g)$$

In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor $(1 + g)^{.25}$, where g is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of constant growth and $k > g$, we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where d_0 is the last quarterly dividend payment, rather than the last annual dividend payment. (We use a lower case d to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

Solving equation (7) for k , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend

assumption:

$$k = \left[\frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1 \quad (8)$$

An Alternative Quarterly DCF Model

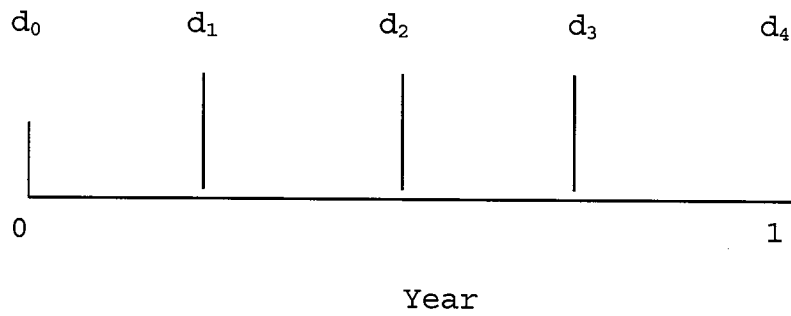
Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about where we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

Figure 3

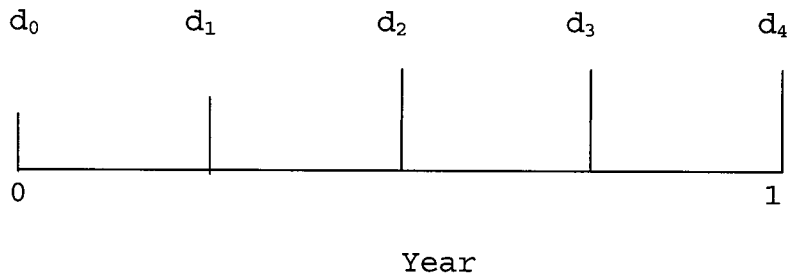
Quarterly DCF Model (Constant Dividend Version)

Case 1



$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

Case 2

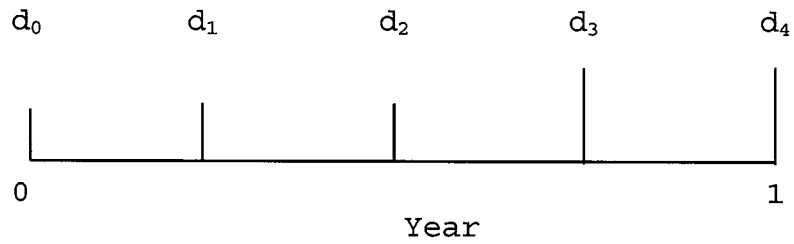


$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

Figure 3 (continued)

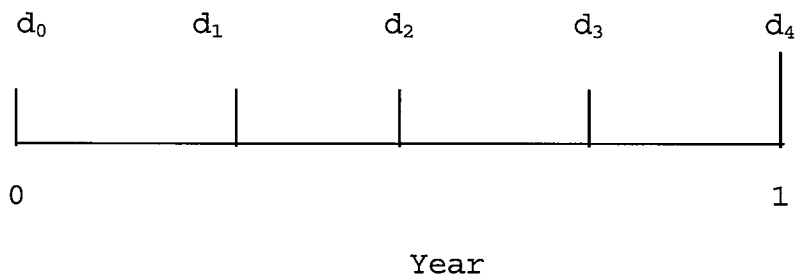
Case 3



$$d_1 = d_2 = d_0$$

$$d_3 = d_4 = d_0(1+g)$$

Case 4



$$d_1 = d_2 = d_3 = d_0$$

$$d_4 = d_0(1+g)$$

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where d_1 , d_2 , d_3 and d_4 are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that

$$D_1^* = d_1 (1 + k)^{3/4} + d_2 (1 + k)^{1/2} + d_3 (1 + k)^{1/4} + d_4 \quad (9)$$

is used in place of $D_0(1+g)$. But, we already know that the Annual DCF Model may be reduced to

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with D_1^* given by (9).

Although equation (10) looks like the Annual DCF Model, there are at least two very important practical differences. First, since D_1^* is always greater than $D_0(1+g)$, the estimates of the

cost of equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since D_1^* depends on k through equation (9), the unknown " k " appears on both sides of (10), and an iterative procedure is required to solve for k .

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Year	S&P 500 Stock Price	Stock Dividend Yield	Stock Return	A-rated Bond Price	Bond Return
2007	1,424.16	0.0181		72.91	
2006	1,278.72	0.0183	13.20%	75.25	2.20%
2005	1,181.41	0.0177	10.01%	74.91	5.80%
2004	1,132.52	0.0162	5.94%	70.87	11.34%
2003	895.84	0.0180	28.22%	62.26	20.27%
2002	1140.21	0.0138	-20.05%	57.44	15.35%
2001	1335.63	0.0116	-13.47%	56.40	8.93%
2000	1425.58	0.0118	-5.13%	52.60	14.82%
1999	1248.77	0.0130	15.46%	63.03	-10.20%
1998	963.35	0.0116	31.25%	62.43	7.38%
1997	766.22	0.0195	27.68%	56.62	17.32%
1996	614.42	0.0231	27.02%	60.91	-0.48%
1995	465.25	0.0287	34.93%	50.22	29.26%
1994	472.99	0.0269	1.05%	60.01	-9.65%
1993	435.23	0.0288	11.56%	53.13	20.48%
1992	416.08	0.0290	7.50%	49.56	15.27%
1991	325.49	0.0382	31.65%	44.84	19.44%
1990	339.97	0.0341	-0.85%	45.60	7.11%
1989	285.41	0.0364	22.76%	43.06	15.18%
1988	250.48	0.0366	17.61%	40.10	17.36%
1987	264.51	0.0317	-2.13%	48.92	-9.84%
1986	208.19	0.0390	30.95%	39.98	32.36%
1985	171.61	0.0451	25.83%	32.57	35.05%
1984	166.39	0.0427	7.41%	31.49	16.12%
1983	144.27	0.0479	20.12%	29.41	20.65%
1982	117.28	0.0595	28.96%	24.48	36.48%
1981	132.97	0.0480	-7.00%	29.37	-3.01%
1980	110.87	0.0541	25.34%	34.69	-3.81%
1979	99.71	0.0533	16.52%	43.91	-11.89%
1978	90.25	0.0532	15.80%	49.09	-2.40%
1977	103.80	0.0399	-9.06%	50.95	4.20%
1976	96.86	0.0380	10.96%	43.91	25.13%
1975	72.56	0.0507	38.56%	41.76	14.75%
1974	96.11	0.0364	-20.86%	52.54	-12.91%
1973	118.40	0.0269	-16.14%	58.51	-3.37%
1972	103.30	0.0296	17.58%	56.47	10.69%
1971	93.49	0.0332	13.81%	53.93	12.13%
1970	90.31	0.0356	7.08%	50.46	14.81%
1969	102.00	0.0306	-8.40%	62.43	-12.76%
1968	95.04	0.0313	10.45%	66.97	-0.81%
1967	84.45	0.0351	16.05%	78.69	-9.81%
1966	93.32	0.0302	-6.48%	86.57	-4.48%
1965	86.12	0.0299	11.35%	91.40	-0.91%
1964	76.45	0.0305	15.70%	92.01	3.68%
1963	65.06	0.0331	20.82%	93.56	2.61%
1962	69.07	0.0297	-2.84%	89.60	8.89%
1961	59.72	0.0328	18.94%	89.74	4.29%
1960	58.03	0.0327	6.18%	84.36	11.13%
1959	55.62	0.0324	7.57%	91.55	-3.49%

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Year	S&P 500 Stock Price	Stock Dividend Yield	Stock Return	A-rated Bond Price	Bond Return
1958	41.12	0.0448	39.74%	101.22	-5.60%
1957	45.43	0.0431	-5.18%	100.70	4.49%
1956	44.15	0.0424	7.14%	113.00	-7.35%
1955	35.60	0.0438	28.40%	116.77	0.20%
1954	25.46	0.0569	45.52%	112.79	7.07%
1953	26.18	0.0545	2.70%	114.24	2.24%
1952	24.19	0.0582	14.05%	113.41	4.26%
1951	21.21	0.0634	20.39%	123.44	-4.89%
1950	16.88	0.0665	32.30%	125.08	1.89%
1949	15.36	0.0620	16.10%	119.82	7.72%
1948	14.83	0.0571	9.28%	118.50	4.49%
1947	15.21	0.0449	1.99%	126.02	-2.79%
1946	18.02	0.0356	-12.03%	126.74	2.59%
1945	13.49	0.0460	38.18%	119.82	9.11%
1944	11.85	0.0495	18.79%	119.82	3.34%
1943	10.09	0.0554	22.98%	118.50	4.49%
1942	8.93	0.0788	20.87%	117.63	4.14%
1941	10.55	0.0638	-8.98%	116.34	4.55%
1940	12.30	0.0458	-9.65%	112.39	7.08%
1939	12.50	0.0349	1.89%	105.75	10.05%
1938	11.31	0.0784	18.36%	99.83	9.94%
1937	17.59	0.0434	-31.36%	103.18	0.63%
1936	13.76	0.0327	31.10%	96.46	11.12%
1935	9.26	0.0424	52.84%	82.23	22.17%
1934	10.54	0.0336	-8.78%	66.78	29.13%
1933	7.09	0.0542	54.08%	79.55	-11.03%
1932	8.30	0.0822	-6.36%	70.67	18.23%
1931	15.98	0.0550	-42.56%	84.49	-11.63%
1930	21.71	0.0438	-22.01%	81.19	8.99%
1929	24.86	0.0336	-9.31%	83.95	1.48%
1928	17.53	0.0431	46.12%	86.71	1.43%
1927	13.40	0.0502	35.84%	83.28	8.92%
1926	12.65	0.0446	10.39%	80.81	8.01%
Average Return					
Common Stocks			11.7%		
A-rated Utility Bonds			6.6%		
RISK PREMIUM			5.1%		

Note: See Page 3 for an explanation of how stock and bond returns are derived and the source of the data presented.

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Risk Premium Approach

Source of Data

Stock price and yield information is obtained from Standard & Poor's *Security Index Price Record*. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in 30 years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated Utility bond yield. The values shown on pages 1 and 2 are the January values of the respective indices.

Calculation of Stock and Bond Returns

Sample calculation of "Stock Return" column:

$$\text{Stock Return (2006)} = \left[\frac{\text{Stock Price (2007)} - \text{Stock Price (2006)} + \text{Dividend (2006)}}{\text{Stock Price (2006)}} \right]$$

where Dividend (2006) = Stock Price (2006) x Stock Div. Yield (2006).

Sample calculation of "Bond Return" column:

$$\text{Bond Return (2006)} = \left[\frac{\text{Bond Price (2007)} - \text{Bond Price (2006)} + \text{Interest (2006)}}{\text{Bond Price (2006)}} \right]$$

where Interest = \$4.00.

**PREFILED TESTIMONY
OF
DAVID APPEL**

**2008 HOMEOWNERS INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU**

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and present business address.

A. My name is David Appel, and my business address is 1 Pennsylvania Plaza, New York, NY.

Q. What is your occupation?

A. I am Director of Economics Consulting and a Principal with the firm of Milliman, Inc.

Q. What is Milliman, Inc.?

A. Milliman, Inc. (formerly Milliman & Robertson) is one of the nation's largest independently owned firms of actuaries and consultants. The company operates offices in 30 cities in the U.S., and, through our international network, Milliman Global, is affiliated with similar firms in more than 20 countries worldwide. Our U.S. employees number over 1,800 and our clients number in the thousands. They include insurers, self-insured entities, Federal and State Governments, private corporations, non-profit organizations, unions, and many others. I am a Principal with the firm, and I am in charge of its Economics Consulting practice.

Q. Please describe your educational and employment history.

A. A complete statement of my educational, employment and academic credentials is included as Exhibit RB-13 filed with this testimony.

To summarize, I have a B.A. in economics from Brooklyn College, City University of New York, and M.A. and Ph.D. degrees in economics from Rutgers University. Prior to 1980, I was an instructor in economics at Rutgers University. For the following nine years, I was employed by the National Council on Compensation Insurance (NCCI), the nation's largest workers compensation insurance statistical, research and ratemaking organization. I joined NCCI as Research Economist in 1980, and ultimately became Vice President for Research in 1985. In 1989, I joined Milliman, where I founded the economics consulting practice for the firm.

Q. Would you please describe some of your other professional activities?

A. Yes. Throughout my professional career, I have participated in a variety of academic and business activities related to insurance. I have been a member of the Board of Directors of the American Risk and Insurance Association, the leading learned society of insurance academics. I am currently a member of the editorial board of the Journal of Insurance Regulation (the official research publication of the National Association of Insurance Commissioners), as well as the journal Benefits Quarterly. I act as a peer referee for a number of scholarly journals in economics and insurance, and I maintain an active program of research and publication on issues of current interest in insurance economics. In addition, I was, for twelve years, an Adjunct Professor of Economics at Rutgers University.

Q. Have you ever published any papers or books?

A. Yes. In the last ten years I have authored many papers on various aspects of insurance that have been published in refereed books or scholarly journals. In addition, I have published a large number of papers in non-refereed journals as well. I have also co-edited three volumes of research papers dealing with various aspects of workers compensation and property-casualty insurance. My refereed publications are listed in Exhibit RB-13 filed with this testimony.

Q. Are you a member of any professional associations?

A. Yes. I am a member of the American Risk and Insurance Association, the leading association of insurance academicians. I am also an elected fellow of the National Academy of Social Insurance, a member of the panel of neutrals of the American Arbitration Association, and a certified arbitrator and umpire of ARIAS, the world's leading insurance and reinsurance arbitration society.

Q. Have you ever testified in insurance rate regulatory proceedings?

A. Yes. I have testified on many occasions in such proceedings, including several occasions in North Carolina in the past several years. A complete list is contained in Exhibit RB-13 filed with this testimony.

Q. What was the general nature of your testimony in these cases?

A. I have addressed a wide variety of insurance issues during public testimony, including such diverse topics as the impact of economic and demographic factors on insurance costs, the effects of regulation on insurance availability, the use of econometric and statistical models in insurance forecasting, and the use of modern financial theory in developing insurance prices. In North Carolina, my testimony in recent years has focused primarily on matters relating to the cost of capital and the returns expected from the underwriting profit provisions selected for use in the rates. In addition, in property filings, my testimony has addressed issues relating to risk and the net cost of reinsurance.

Q. Have you been retained by the North Carolina Rate Bureau as a consultant with respect to the subject of profitability in this rate case?

A. Yes. I have considered the following specific matters in connection with this case:

1. Whether Dr. Vander Weide's analysis provides a reasonable estimate of the cost of capital.
2. Whether other factors – notably interest rate sensitivity and the small firm size typical of homeowners insurers in North Carolina – create additional sources of risk which affect insurers' cost of capital.
3. How the expected costs of reinsurance should be incorporated into the homeowners insurance rates filed by the Rate Bureau and how those costs should be apportioned to regions within the state.
4. How the profits associated with underwriting homeowners insurance in North Carolina should be apportioned to regions within the state.
5. How homeowners insurers in North Carolina should be compensated for bearing the risk to their capital associated with exposure to assessments by the North Carolina Insurance Underwriting Association (“Beach Plan”) and the FAIR Plan (hereinafter referred to jointly as the “Beach/Fair Plans”).
6. The returns insurers would expect to earn from underwriting homeowners insurance in North Carolina, given that the filed underwriting profit provision is realized.

I have performed various studies and analyses on these matters.

Q. Have you reached any conclusions in regard to these matters?

A. Yes. I will summarize them in bullet form here, and then discuss them each more fully later in the testimony.

1. I have reviewed Dr. Vander Weide's cost of capital estimates, which rely on the two most widely recognized models used for this purpose, and find them to be reasonable. However, Dr. Vander Weide's estimates are based on the implicit assumption that insurers present investors with roughly average risk, relative to all possible investment activities. I believe that investors in the property-casualty insurance industry are subject to an above average degree of risk, and therefore I think it would be prudent to view Dr. Vander Weide's estimates as a conservative estimate of the return to which insurers are entitled.
2. I have considered the impact of two other factors on the risk and required return for insurers – interest rate sensitivity and firm size. As regards interest rate sensitivity, because of the high degree of financial leverage and the substantial share of medium

and long term bonds in insurer asset portfolios, insurers are particularly subject to interest rate risk that cannot be diversified away. Based on my previous analyses, I have found that investors must be compensated for this risk in the form of an additional risk premium above that required for the average security. As regards firm size, I have on many occasions studied the size distribution of insurers in North Carolina and found that the firms providing insurance coverage in the state tend to be smaller than those used in Dr. Vander Weide's cost of capital analysis. Since there is conclusive evidence that, over the long run, smaller firms have earned higher returns, this finding must be considered evidence that investors expect higher returns from small firms.

These analyses provide support for my opinion that Dr. Vander Weide's cost of capital estimates should be viewed as a conservative estimate of the return to which insurers are entitled.

3. I have considered the differential risk associated with underwriting homeowners insurance in different regions within North Carolina, and have concluded that the risk due to catastrophe exposure is substantially greater in and around the coastal regions of the state. I have also considered the high cost of catastrophe reinsurance that is regularly purchased by property casualty insurance companies writing homeowners insurance, and have concluded that a provision must be included in the rates to cover the cost of a typical catastrophe reinsurance program. Furthermore, I believe that it is appropriate to apportion this provision across regions of the state, proportional to the relative risk by region.
4. Even after the benefits of reinsurance are taken into account, the residual risk of writing homeowners insurance in North Carolina may still differ across regions within the state. As a consequence, I believe that it is appropriate to allocate the statewide profit built into homeowners rates across regions, proportional to the relative risk by region after consideration of reinsurance.
5. In addition to the risks attendant to the homeowners coverage directly written by insurers in North Carolina, there is substantial additional risk to insurers attributable to the exposures insured in the Beach/Fair Plans. This risk is associated with the potential for assessments that can be imposed on insurers in the state, should the Beach/Fair Plans incur a deficit arising from their insurance operations. Currently insurers receive no compensation for this additional risk to their capital. To address this situation, I have developed a procedure to incorporate a provision in the rates that compensates insurers in the state for this risk. This provision can also be characterized as the cost to insurers of providing reinsurance to the residual market.
6. In order to test the underwriting profit provision selected and filed by the Rate Bureau, I have estimated the returns insurers would expect to earn from North Carolina homeowners coverage assuming the filed underwriting profit provision is fully earned, and assuming all of the other assumptions embedded in the rate calculations actually materialize. I am aware that North Carolina law provides that insurers are entitled to expect to earn a return equal to the returns of industries of comparable risk, and that in calculating that expected return, investment income from capital and surplus funds is not to be considered. I refer to that operating return as the

statutory return. However, as is evident from the attached exhibits, I have estimated insurer pro forma returns both including and excluding expected investment income from capital and surplus. (I refer to the return including investment income on surplus as the total return.) I have done this to demonstrate that if the filed underwriting profits are actually realized, and even if investment income on surplus is considered, insurer returns will not be excessive. Obviously, if returns are not excessive including investment income from capital and surplus, they will be non-excessive excluding such income.

Based on my calculations, the selected underwriting profit provision generates a statutory return on net worth of 7.6% for the homeowners line of business in North Carolina. In addition, the total return on net worth (i.e., including investment income on surplus) is 11.5%. Since these returns, even those that include investment income on surplus funds, are near or below the lower bound of Dr. Vander Weide's range for the fair rate of return, I conclude that the underwriting profit provisions are clearly not excessive.

II. COST OF CAPITAL REVIEW

Q. You said your first assignment was to review Dr. Vander Weide's estimate of the cost of capital. Are you familiar with Dr. Vander Weide's approach to estimating the cost of capital in insurance rate cases?

A. Yes. I am aware of the methodology upon which Dr. Vander Weide relies to estimate the cost of capital and have reviewed it on a number of occasions in the course of previous rate cases in North Carolina. Dr. Vander Weide has used the most widely recognized and accepted models for this purpose, namely the Discounted Cash Flow (DCF) model and the risk premium method. These models, when taken together and properly applied to a reasonably selected data set, provide acceptable estimates of the cost of capital for regulated insurers.

Q. What has Dr. Vander Weide concluded with respect to the fair rate of return in this case?

A. Dr. Vander Weide has concluded that the fair rate of return for insurers is in the range of 11.4% - 14.3% on net worth as determined under generally accepted accounting principles (GAAP).

Q. In your opinion, is this an appropriate estimate of the required rate of return?

A. Yes, however as I indicated a moment ago, I believe that Dr. Vander Weide may have been conservative in his calculation of the required rate of return. Dr. Vander Weide has assumed that the property-casualty industry presents investors with average risk. However, based on my studies, I conclude the following:

1. There is evidence that the property casualty industry is considerably above average with respect to the volatility of the returns that it provides to investors. This higher

volatility of returns makes the property-casualty industry an investment of above average risk.

2. Since investors require higher returns from smaller firms, and since the firms in Dr. Vander Weide's cost of capital analysis are significantly larger than the average property-casualty insurer in North Carolina, his approach tends to underestimate the true cost of capital for North Carolina homeowners insurers.

III. INTEREST RATE RISK, INSURER SIZE AND THE COST OF CAPITAL

- Q. Please turn to the impact of interest rate sensitivity on insurers' risk and required return and describe your analysis.
- A. I considered whether there was any reason to believe that the interest rate sensitivity of insurers' asset portfolios contributed to insurer risk. To address this question, I considered both the theoretical and empirical dimensions of the issue. Based on these analyses, I have concluded that the high degree of financial leverage and large share of intermediate and long term bonds in insurer asset portfolios combine to create a significant exposure to interest rate changes. This high degree of interest rate risk causes property-casualty stock returns to have a high degree of volatility, which requires additional compensation above that demanded for the average security.
- Q. You have made reference to the term interest rate risk. Can you please define this term?
- A. Yes. Interest rate risk refers to the risk that the value of fixed income investments (such as bonds) will fluctuate with changes in interest rates. This means that there is a risk associated with holding bonds, particularly those with a relatively long term to maturity. While investments in equities are still considerably riskier than investments in long term bonds, as evidenced by the fact that returns to large company stocks have had a much higher mean and standard deviation than returns on long term government bonds over the past 80 years, bonds investments impose risk as well.
- Q. Does interest rate risk affect investments in property-casualty insurance stocks?
- A. Yes. Property-casualty insurance companies invest large amounts of funds in bonds issued by both corporations and governmental bodies. The risk that investors face is that when interest rates change, the values of the bonds also change, and hence their investments in property-casualty stocks are subject to interest rate risk. This fact is widely recognized by the financial community. Since investors cannot diversify away interest rate risk, only the prospect of higher returns will induce them to purchase interest-sensitive stocks. That is, investors must be compensated for purchasing interest-sensitive stocks because they are increasing their exposure to interest rate risk.
- Q. Why is interest rate risk different from market risk?

- A. Interest rate risk is a separate source of volatility for insurance stocks. Interest rates often change as a result of changes in expectations of future inflation. These changes primarily affect firms that hold what are called nominal assets and liabilities. Nominal assets and liabilities have cash flows that are fixed in nominal terms (for example, accounts receivable, most contracts, and bonds) and are thus subject to erosion in value due to inflation. On the other hand, the cash flows associated with manufacturing and service operations tend to fluctuate with the price level. Since most non-financial firms hold relatively few nominal assets and liabilities, their stocks are not particularly sensitive to changes in interest rates that are due to changes in expected inflation. Therefore interest rate risk adds additional risk to insurance stocks, above and beyond market risk, that is not diversifiable.

Changes in interest rates that are not associated with changes in expected inflation will affect all stocks. This accounts for the moderate degree of correlation between changes in long term interest rates and returns to common stocks. However, the fact that most stocks are not very sensitive to changes in interest rates that are due to changes in expected inflation means that interest rate risk is not fully captured in measures of market risk.

Q. Is it possible to measure interest rate risk?

- A. Yes, and I have conducted a number of studies designed specifically to address this issue during the past several years. A more detailed discussion of these studies is available in the testimony I submitted with the 2003 auto rate filing.

Q. Can you please briefly summarize the principal conclusions of your work in this area?

- A. Yes. Since insurer assets on average have a substantially longer financial duration than insurance liabilities, when interest rates change, the value of insurer equity is subject to potentially wide fluctuation. While the market risk for insurers as measured by beta is roughly average, the degree of interest rate risk to which the industry is exposed is considerably higher than average. Since this risk cannot be entirely diversified away, the overall risk associated with an investment in property/casualty insurance is greater than average. As a consequence, insurers are entitled to a rate of return above that allowed for the average risk investment in the U.S. economy.

Q. Have you also conducted an empirical study of the risks of investing in the property-casualty insurance industry?

- A. Yes. I calculated the mean and standard deviation of the returns to investing in the property-casualty insurance industry, and compared them to the same statistics for investments in a portfolio of average risk common stocks (i.e., the S&P 500). In order to do this, I gathered data on prices, dividends, and number of shares outstanding from the December 31, 1998 edition of Compustat Research Insight. This data source contains up to 20 years of historical information on 141 property-casualty insurance stocks; to my knowledge, this is one the largest collections of data on property-casualty insurance companies that has ever been assembled for this purpose. My studies show that the standard deviation of returns to investors in property-casualty insurance stocks was greater than the standard deviation of

returns on the S&P 500 while the mean return was higher over the entire period from 1980 to 1998.

These data indicate that insurance stocks are more volatile, and hence riskier, than the average security in the economy. In addition, the higher than average returns for these securities indicate that investors have been compensated for this additional risk.

Q. Why are returns to investing in property-casualty insurance stocks more volatile than investing in the stocks that make up the Standard & Poor's 500?

A. I believe that there are three main reasons for this.

First, the high degree of financial leverage and mismatched durations of assets and liabilities contributes to the volatility of returns to investors in insurance stocks.

Second, the insurance industry is in the business of bearing risk. Individuals and corporations transfer to property-casualty insurers potential liability for a wide range of possible adverse events, ranging from property damage to professional liability. In light of the unforeseen events that can occur, and, in the recent past, actually have occurred, investors in property-casualty insurance stocks are subject to considerable risk.

Finally, insurance is in the unique position of being a highly competitive industry that is also subject to a high degree of regulation. This combination of regulation and competition creates an environment in which insurers are subject not only to the demands of the market but also to the pressures of the political process. There is substantial evidence that regulation can increase risk for a regulated enterprise, and when that is combined with an aggressively competitive industrial structure, risk is increased.

Q. You said that the combination of regulation and competition increased risk for insurers. Can you describe what you mean?

A. Yes. Traditionally, direct price and rate of return regulation has been imposed on industries known as "public utilities," such as generation and transmission of electric power, distribution of natural gas, provision of local water and sewer service and the like. Because of the nature of the production process, these industries are characterized as "natural monopolies," meaning that it is most efficient for a single producer to provide the service in question. In such circumstances, the state normally grants a monopoly to a single provider and then regulates that firm directly to prevent abuse of monopoly power.

Property-casualty insurance differs dramatically from this model. Rather than a single firm providing service, there are in most states literally hundreds of firms competing in the market, none of which typically have significant market power. These firms compete aggressively to increase market share and attract the best insureds by offering a variety of price and quality combinations that are best tailored to their business objectives. This vigorous competition provides discipline in the marketplace, and, when combined with direct rate of return regulation, the risk for insurers is increased.

I should note that in the past a number of competitively structured industries (such as airlines, trucking, and telecommunications) were subject to regulation, but in the past several decades there has been a movement to deregulate these activities. This is due in part to the widespread agreement that competition itself is an adequate regulator.

Q. You also said that you considered whether the size distribution of North Carolina insurers should impact the cost of capital in this case. Can you please describe this issue briefly and discuss its implications for this case?

A. Yes. It is a well established fact of empirical finance that small stocks tend to outperform large stocks. Ibbotson Associates, for instance, reports that firms in the tenth decile of stocks listed on the principal U.S. stock exchanges have outperformed the market as a whole by approximately 3.9 percentage points over the period 1926 to 2006, even after accounting for the fact that these firms have above average betas. Therefore an adjustment should be made to the cost of capital to the extent that the property-casualty insurance industry is composed of small stocks.

Q. Have you conducted any studies with respect to the significance of the small stock effect?

A. Yes. As with interest rate risk, I have conducted a number of studies of this issue in previous years, and in each instance I have found that (1) investors have earned higher returns from small stocks than from large stocks, and (2) the insurers in Dr. Vander Weide's cost of capital analysis are among the largest companies in the U.S. economy. The insurers in Dr. Vander Weide's analysis are larger, on average, than the companies in the property-casualty insurance industry, and they are larger, on average, than the companies writing homeowners insurance in North Carolina.

These facts suggest that the cost of capital for insurers writing homeowners insurance in North Carolina should be higher than for those firms contained in Dr. Vander Weide's cost of capital analysis. This reaffirms my conclusion that the cost of capital that Dr. Vander Weide has presented is conservative.

Q. Without describing in detail the studies you have undertaken in the past, what are your conclusions from the evidence you have reviewed on firm size and investors' required returns?

A. There are two principal findings from my analysis of firm size, rates of return, and cost of capital:

1. There is conclusive evidence that, over the long run, smaller firms have earned higher returns, and this finding must be considered evidence that investors expect higher returns from small firms.

2. The firms in Dr. Vander Weide's cost of capital analysis are among the larger firms in the U.S. economy, and they are significantly larger than the average

property-casualty insurer, both nationally and in the North Carolina homeowners insurance market.

In summary, the estimates from Dr. Vander Weide's cost of capital analysis should be viewed as a lower-bound estimate for property-casualty insurers writing North Carolina homeowners insurance.

Q. Can you please summarize your testimony on the cost of capital of the property-casualty insurance industry?

A. Yes. Professor Vander Weide has assumed that the property-casualty insurance industry presents investors with risks comparable to the average investment in equities. My analysis has shown that property-casualty insurance stocks are subject to additional volatility due to interest rate sensitivity, and are relatively small when compared with the broad cross section of publicly traded firms in the U.S. economy. Since these additional risks require compensation in the form of a higher return, I conclude that Professor Vander Weide has been conservative in his calculation of the required rate of return on property-casualty insurance investments.

IV. NET COST OF REINSURANCE & REGIONAL ALLOCATION OF STATEWIDE PROFIT

Q. In your summary, you said you considered how the net cost of reinsurance should be included in homeowners rates in North Carolina, and how the profit in the rates should be allocated proportional to risk. Can you please discuss your evaluation of these issues?

A. Yes. I have previously addressed these issues in homeowners, mobile homeowners and dwelling fire/extended coverage rate filings in North Carolina, where I have recommended that the indicated rates be developed to include the net cost of reinsurance. I will briefly outline the problem and then discuss each of the issues separately.

To begin with, homeowners is one of several lines of insurance that is subject to the potential for catastrophic loss. In such lines (homeowners, earthquake, allied lines and other property coverages), individual catastrophic events can result in enormous losses, far in excess of what the typical insurer could bear. Thus, in these lines of business, insurers routinely purchase reinsurance to manage their exposure to extreme events. This raises several concerns from a ratemaking perspective, since typically direct ratemaking procedures do not provide for the cost of reinsurance.

Second, the exposure to catastrophic loss varies substantially by geographic region within North Carolina. It is well known that the coastal counties in the state are subject to severe exposure to the hurricane peril, while the interior regions to the west are subject to considerably less exposure. Since the need for reinsurance is a function of the degree of catastrophe exposure, the cost of reinsurance should reflect such regional differences as exist within the state. Accordingly, in considering the cost of reinsurance in primary rates, we allocate the statewide cost across regions, proportional to risk.

Finally, even after the consideration of reinsurance, substantial differences in risk across regions remain. Therefore, to the extent that the underwriting profit in the rates is intended to compensate the insurer for risk, that profit should also be spread regionally proportional to the risk that remains after the benefits of reinsurance are considered. Similar to the cost of reinsurance, the profit in the statewide rates is also allocated across regions, proportional to the residual risk that remains after the benefits of reinsurance.

Q. You mentioned that direct ratemaking does not include the cost of reinsurance. Can you please explain?

A. Yes. Consider the following observations regarding direct ratemaking:

Direct ratemaking is the typical approach used when making insurance rates on an industrywide basis. In insurance, the use of the terminology "direct" refers to an analysis done without consideration of reinsurance. Typically a primary insurer sells policies to the public, and earns "direct premiums" in exchange for bearing the risk of future losses and expenses. The primary insurer, however, may "reinsure" some its exposure by ceding a portion of the direct premium in exchange for the commitment by the reinsurer to bear a specified portion of future losses and expenses. When an analysis is done including the consideration of reinsurance, it is termed a "net" analysis.

The direct approach depends on calculating a premium that covers the costs of direct losses and expenses and provides a fair rate of return on the capital used to support the insurance transaction. Because everything is done on a direct basis, reinsurance costs are never explicitly considered. However, when the fair rate of return and the amount of capital at risk are determined, these values are based on actual market data, which reflect the effects of reinsurance, as respects both the amount of capital and the fair rate of return on that capital. If reinsurance were unavailable, primary insurers would have to hold substantially more capital and would be viewed as riskier than they currently are.

The direct ratemaking procedure implicitly considers reinsurance costs, in the sense that it includes an allowance for all losses (both primary and reinsured) and a provision for expenses and profit based on those total losses. However, the manner in which the profit is determined effectively assumes that the reinsured loss layer has the same capitalization and requires the same rate of return as the primary layer, an assumption which is demonstrably untrue. Even if the fair rate of return for reinsurance is no higher than average, we know that reinsurers have significantly higher amounts of surplus relative to premium than primary insurers, particularly for reinsurers that underwrite catastrophe coverage. To the extent that the ratemaking procedure includes only the average return on average capital, it understates the actual cost of insurance.

Q. Is this a problem in ratemaking in lines where reinsurance is prevalent?

A. Yes. So long as markets require reinsurers to carry more capital per unit of exposure than primary insurers, the traditional ratemaking procedure will not properly provide for the true cost of reinsurance. In fact, the traditional procedure provides a rate that is biased downward, because it assumes that the reinsured layer has the same capital costs as the primary layer of

coverage. While this bias may be small for certain lines of business, it is large for homeowners insurance in North Carolina, because of the significant catastrophe potential in the state and the large portion of expected homeowners losses that are attributable to hurricanes.

Q. Did you perform any analysis to address this issue?

A. Yes. To address this issue and provide for a rate that will cover all the costs of the insurance transaction, I developed a procedure to include the "net cost of reinsurance" as an expense in the direct homeowners rates in North Carolina. (By net cost of reinsurance, I mean the expense and profit components of the reinsurance rate, since the loss costs are already included in the direct premium.) This procedure is conceptually identical to that employed in Florida, where insurers make rates using direct losses and expenses, but then add in a provision which covers the cost (to the primary insurer) of the reinsurer's profit and expense.

Q. Please describe your analysis.

A. To implement this procedure, I adopted the standard ratemaking assumption used in North Carolina – i.e., that there is a single aggregate company that is the composite of all carriers in the state. I then assumed that company was subject to a reinsurance program that is typical of property insurers in North Carolina, with provisions as follows:

- An attachment point equal to twice the annual average hurricane loss. (The attachment point is the loss level at which the reinsurer begins to share in the loss.)
- A limit equal to the one in a hundred year event (the 99th percentile of the statewide aggregate loss distribution from AIR). (The limit is the maximum loss amount upon which the reinsurer will share the costs under the contract.)
- A 10% quota share retention in the reinsured layer. (Quota share refers to a provision where the primary insurers share a specified percentage of the reinsured loss).

These provisions were based on a review of publicly available information on the reinsurance programs of a number of the largest writers in North Carolina and discussions with actuaries, risk managers and reinsurance brokers familiar with these types of exposures. However, I should note that I developed these provisions several years ago, and I believe they are relatively conservative in today's environment. That is, in light of recent catastrophe experience, primary insurers are seeking greater reinsurance protection now than may have been typical prior to the last several years. (For example, insurers are electing lower attachment points, higher limits and/or a smaller quota share in the reinsured layers.) As a result, the amount of reinsured losses will increase relative to losses retained, and the ultimate cost of providing homeowners coverage in the state will increase.

Given the program described above and the AIR statewide aggregate loss distributions, I then determined the amount of losses that would be subject to reinsurance coverage, as a share of the total hurricane losses in the state. Based on the projected reinsured losses, I then developed a "competitive market" reinsurance premium, following a series of steps that are

described below. Before describing the individual steps in that process, however, I should note two considerations in connection with the use of the AIR model in this filing.

First, in developing the projected hurricane losses for use in this filing, the Rate Bureau asked AIR to run two models. One is the standard model that involves 100,000 iterations, and the other is its near term model that involves 50,000 iterations. The near term model reflects the increased hurricane activity that occurs in periods of elevated sea surface temperatures such as currently exists. When calculating the base rates for this filing, the Rate Bureau relied upon the standard AIR model to project the level of hurricane losses included in the rates. However, I am aware that reinsurers are currently relying on near term models that use higher hurricane frequencies and/or severities to project expected property insurance losses. These models reflect the widespread recognition that we are currently in a phase of increased hurricane activity based on factors such as elevated sea surface temperatures. Since it is appropriate to rely on the models used in the reinsurance market in setting the price of reinsurance, and later, in allocating that cost to zone, I relied on the loss estimates from the AIR near term model.

Second, I also note that in projecting losses using either model, AIR's estimates reflect the phenomenon of "demand surge." Demand surge refers to the fact that, subsequent to the occurrence of a large natural catastrophe, the prices of labor and materials required to repair or replace damaged property tend to increase because of the surge in demand for such resources. This is exactly what one would expect given the underlying dynamics of supply and demand; with resources (particularly labor) that are relatively fixed in supply in the short run, a rapid increase in demand is expected to increase prices. This phenomenon has been observed following natural disasters such as Hurricane Andrew, the Northridge earthquake, Hurricane Katrina and the like. In estimating the damages attributable to catastrophic events, it is appropriate to include all factors that affect the level of expected losses, including, of course, factors that affect the price of the resources required to respond to those events.

Given the program described above and the AIR statewide aggregate loss distributions, I then determined the amount of losses that would be subject to reinsurance coverage, as a share of the total hurricane losses in the state. Based on the projected reinsured losses, I then developed a "competitive market" reinsurance premium, as follows:

- I loaded the reinsured loss for LAE, using the Incurred Loss/Incurred LAE ratio from the filing.
- I assumed that the reinsurer incurred fixed expenses equal to 10% of losses plus LAE.
- I assumed the reinsurer set an underwriting profit provision that would yield a return on net worth, after consideration of all investment income, of 13.0%. I determined the reinsurer's net worth such that the reinsurer premium to surplus ratio would be .40, the historical average ratio for professional reinsurers from Best's Aggregates and Averages.

Having determined the reinsurance premium that a competitive reinsurance market would produce under the assumptions described above, I then subtracted expected losses and LAE from the premium to leave the net cost of reinsurance. This latter amount was then divided by projected direct written premium to determine the expected net cost of reinsurance as a

percent of direct premium, which turned out to be 15.81% (comprised of the reinsurance expense cost of 1.58% and the cost of reinsurer capital of 14.23%). In the next step, that amount was added as an expense in the rates.

Q. Are the results of your calculations shown in an exhibit?

A. Yes. Exhibit RB-14 shows the calculations giving rise to the estimated net cost of reinsurance of 15.81%. This exhibit contains two pages; the first page shows the derivation of the statewide premium, part of which is required to determine the reinsurer's premium. The second page shows the derivation of the reinsurance premium, based on the portion of insured hurricane losses and the reinsurer's capitalization and required return. As can be seen in the second page, the reinsurance premium is 22.29% of statewide direct premium, while the net cost of reinsurance is 15.81% of premium. (The net cost of reinsurance is the total premium less the primary insurer's loss and expense recovery, which is equal to the reinsurer's expense cost and the cost of the reinsurer's capital).

Q. Do you believe that your calculations accurately reflect the net cost of reinsurance in North Carolina?

A. I believe that, if anything, my calculations understate the cost of reinsurance in the state. Over the past several years during which time I have been performing this analysis, I have compared my own estimates to the actual costs incurred by homeowners insurers, and I have generally found that my estimates are somewhat below the amounts actually paid by insurers to obtain reinsurance coverage. As a consequence I would contend that my estimates are quite conservative, in that they likely understate the true net cost of reinsurance.

Q. In your opinion, it is appropriate to include the net cost of reinsurance in homeowners insurance rates in North Carolina?

A. Yes. Insurers in North Carolina incur a substantial cost for bearing the risk of homeowners insurance in the state. The market cost of bearing that risk (whether the risk is retained by the insurer or transferred to a reinsurer) must be included in the rates. In the analysis described above, I have developed a competitive market reinsurance premium that reasonably reflects the net cost of reinsurance to the primary insurer. Since this is a legitimate cost of the risk transfer inherent in the purchase of homeowners insurance, it should properly be included in the rates.

Q. You said that the next step was to allocate the cost of reinsurance across regions in the state proportional to risk. Can you please discuss your analysis of this issue?

A. Yes. As discussed above, it is widely agreed that homeowners insurance in North Carolina is subject to substantial catastrophe exposure due to the possibility that hurricanes and other serious windstorms may strike the state. However that catastrophe potential differs significantly from region to region within the state; in coastal counties, for example, the hurricane risk is far higher than it is in the interior mountainous regions to the west. As a consequence, the risk to which insurers and reinsurers are exposed differs across the state as well. Since the need for reinsurance arises from the catastrophe exposure, regional

differences in relative risk should be taken into account when determining the allocation of reinsurance costs within the state.

Q. How did you analyze the regional differences in risk and allocate reinsurance costs to region?

A. To address this issue, I developed a general simulation model that calculates regional differences in risk within North Carolina. Based on the model results, costs can be allocated to different territories in proportion to the risk each territory contributes to the state as a whole. I used this model to allocate both the cost of reinsurance as well as the underwriting profit to the two different homeowners territories in the state. As a general rule, since the risk in the coastal areas is far greater than the risk in the interior, the cost of reinsurance and the required profit in those territories is greater, as a percent of premium, than in the less risky territories. This approach is in contrast to the Bureau's prior ratemaking practice, in which all expenses and profit were effectively allocated to territory proportional to premium (because the expenses and profit factors in the rates were constant across all territories).

In broad terms, my approach involved the following steps:

- (1) Determine appropriate measures of risk;
- (2) Build a Monte Carlo simulation model to calculate the risk measures in each territory;
- (3) Allocate statewide total profit proportional to risk.

I describe each of these steps briefly below. However, before outlining the general model, I should note that I did not conduct the analysis at the level of the individual territory, but rather at the "zone" level. That is, I aggregated the territories into three distinct zones for purposes of allocating profit: Zone 1 - coastal (territories 5, 6, 42 and 43); Zone 2 - central (territories 32, 34, 41, 44, 45, 46, 47 and 53); and Zone 3 - mountains (territories 36, 38, 39, 57 and 60).

- (1) Determine Appropriate Measures of Risk: To select appropriate risk measures, I reviewed relevant citations from the actuarial and economics literature relating to this issue. Based on this review, I selected three bases for measuring risk: variance of losses, standard deviation of losses and probability of ruin. Each of these has merit, and support in the literature, as a measure of relative risk across the various zones within the state.
- (2) Build a Simulation Model to Calculate Risk by Zone: Calculating risk by zone using the measures noted above involves estimating the distribution of annual aggregate losses by zone. To do this, I built a two part simulation model that separately estimates hurricane and non-hurricane losses. For the hurricane loss estimates, Applied Insurance Research (AIR) ran its proprietary model, and provided estimated losses by territory, which were then aggregated to the zone level (rather than the territory level of aggregation used elsewhere in ratemaking). For non-hurricane losses, I built a Monte Carlo simulation model based on ISO data to estimate the annual aggregate loss distribution across all non-hurricane perils. I then summed hurricane and non-hurricane losses from each iteration to derive the distribution of total losses by zone. From this distribution, I was able to calculate the variance and standard deviation of losses, as well as the probability of ruin.

I should note that I applied this model separately to both the reinsurer and the primary insurer, for two distinct purposes. In the case of the reinsurer, my intention was to allocate the net cost of reinsurance – that is, the reinsurance expense cost and the cost of reinsurer capital – to zone proportional to the risk borne by the reinsurer. In the case of the primary insurer, my intention was to allocate the underwriting profit in the rates – that is, the primary insurer’s compensation for risk – to zone, proportional to the residual risk retained by the primary insurer after considering the losses ceded to the reinsurer.

- (3) **Allocate Reinsurance Costs and Statewide Profit Proportional to Risk:** For the variance and standard deviation methods of measuring risk, I calculated the values of both variables in each zone, and then took the sum across all the zones as an estimate of the statewide total value. (The assumption that the statewide total variance is the sum of the individual zone variances implies that there is zero correlation of losses across zones, while the assumption that the total standard deviation is the sum of the individual zone standard deviations implies that there is perfect correlation of losses across zones. The actual result is clearly somewhere in between the two.) This was done separately for the reinsurer, based on ceded losses, and for the primary insurer, based on net (retained) losses. Each zone was then allocated a share of the net cost of reinsurance and total profit based on its share of total risk. Under the probability of ruin method, I ranked total losses (hurricane plus non-hurricane) across all iterations from largest to smallest, and found the iteration in which actual losses were equal to the losses that would produce ruin. (i.e., the level of losses that would just exceed the sum of premium net of expenses, plus investment income and surplus).¹ I then determined the proportion of those losses attributable to each zone, and allocated reinsurance costs and profit according to those percentages.

As I mentioned earlier, it is important to emphasize that the departure point for the risk based allocation process is the total cost of reinsurance and required profit in the state as a whole. That is, only after these amounts are determined are they then allocated to zone. Thus, there is no additional profit or return resulting from our analysis, and the allocation is independent of the methodology used to determine the cost of reinsurance or the overall profit.

Q. Can you please describe the results of your analysis?

A. The details of the analysis are contained in Exhibit RB-15 attached to this testimony. This exhibit, comprised of three pages, shows the allocation of reinsurance costs and statewide profit to zones depending on the selected allocation method. (The total statewide profit and reinsurance cost was determined in Exhibit RB-14, described above.)

The underwriting profit, cost of reinsurer capital and reinsurer expenses for each zone, all as a percentage of premium, based on the three methods just described, are summarized in the table below.

¹ I actually used the losses from the average of the 50 iterations surrounding the single iteration that just gave rise to ruin, so as to avoid any anomalous results that might occur due to the random nature of the simulation.

Summary: Reinsurance Costs and Profit by Zone

		<i>Zone 1</i>	<i>Zone 2</i>	<i>Zone 3</i>	<i>Sum</i>
Standard	Underwriting Profit	18.0%	8.6%	3.1%	9.5%
Deviation	Reinsurer Profit (Percent)	21.0%	14.2%	8.5%	14.2%
Method	Reinsurer Expenses (Percent)	2.6%	1.6%	0.7%	1.6%
Total Profit plus Reinsurance Cost		41.6%	24.4%	12.3%	25.3%
	Underwriting Profit	20.9%	7.0%	0.0%	9.5%
Variance	Reinsurer Profit (Percent)	22.4%	13.8%	6.1%	14.2%
Method	Reinsurer Expenses (Percent)	2.3%	1.7%	0.8%	1.6%
Total Profit plus Reinsurance Cost		45.6%	22.5%	6.8%	25.3%
Probability of Ruin	Underwriting Profit	11.5%	9.6%	8.0%	9.5%
	Reinsurer Profit (Percent)	23.2%	14.4%	7.7%	14.2%
Method	Reinsurer Expenses (Percent)	2.9%	1.6%	0.7%	1.6%
Total Profit plus Reinsurance Cost		37.6%	25.6%	16.4%	25.3%

Because each of the aforementioned methods has some support in the risk measurement literature, and the results under the various models are reasonably similar, I averaged the per territory total profit and reinsurance cost factors from the three methods. The final values used in the calculations were then selected by the Rate Bureau.

- Q. Have you recommended regional profit differentials in any other lines of insurance when you have testified in North Carolina?
- A. Yes, but only in mobile homeowners and extended coverage, since the other lines of insurance subject to the jurisdiction of the Rate Bureau are not subject to such extreme regional variation in risk. In the case of homeowners insurance, however, it is important for reasons of equity and economic efficiency to address this question forthrightly.
- Q. Does your methodology result in a higher overall cost than would have been the case without the allocations?

A. No, it does not; the allocation method itself is simply a manner in which to spread the costs across policyholders consistent with risk. Thus, it does not impose any additional costs on North Carolina policyholders in the aggregate; rather it simply apportions the costs in a manner that is consistent with the risks different policyholders impose.

Q. In your opinion, is it appropriate to allocate statewide profit and reinsurance costs proportional to these measures of risk?

A. Yes. It is both intuitively and empirically obvious that the relative risk of homeowners insurance varies geographically. As such, the cost for bearing that risk should be allocated proportional to the measurement of the risk. The three measures selected for this analysis have broad support in the actuarial and economic literature, and in my opinion are quite reasonable for the purpose to which they are put.

V. COMPENSATION FOR RISK OF ASSESSMENTS FROM BEACH/FAIR PLANS

Q. You said earlier that you also considered the risks faced by insurers in North Carolina associated with the exposures insured in the Beach/Fair Plans. Can you please explain this issue?

A. Yes. In addition to the risks attendant to the homeowners insurance coverage directly written by insurers in North Carolina, there is substantial additional risk to insurers attributable to the exposures insured in the Beach/Fair Plans.

The Beach/Fair Plans serve as the so-called "residual market" for residential property insurance in the state. Residual markets exist to provide access to insurance coverage for policyholders who cannot obtain such coverage from insurers in the voluntary market. In states such as North Carolina, which have significant exposure to catastrophes, property insurance residual markets often grow to represent a very sizable portion of the total insured risk in the state.

The Beach/Fair Plans provide either wind only or full residential property insurance coverage to North Carolina policyholders. The Plans use the premium from those policies to fund the future losses and expenses attributable to the coverages they write. The Beach/Fair Plans can accumulate surplus and that surplus is available to pay losses in the event that they exceed collected premiums plus investment income. However, if their surplus is exhausted, then any remaining losses are passed through to all insurers in the state in the form of assessments based generally upon each insurer's total property writings in North Carolina. Even if an insurer does not write property insurance in North Carolina's beach and coastal areas, it is nevertheless subject to any assessment by the Beach/Fair Plans due to its writings in other areas of North Carolina.

This risk of assessment has increased dramatically due to the growth in the Beach Plan in recent years. This growth in the Beach Plan is attributable to numerous factors, including the expansion of the Beach Plan territory, the addition of homeowners coverage to the coverages

available in the Beach Plan, the increase in the number and value of insured properties in the beach and coastal areas of North Carolina and the inadequacy of Rate Bureau rates.

While the risk of assessment is real and substantial, insurers currently receive no compensation for this additional risk to their capital. To address this situation, I have developed a procedure to incorporate a provision in the rates that compensates insurers for this risk. This provision can also be characterized as the cost to insurers of providing reinsurance to the residual market, and it is incorporated in the Residual Market Reinsurance Cost shown on line 18 on page C-1 of Exhibit RB-1.

Q. Can you please explain the procedure you developed?

A. Yes. The model I developed for this purpose involves two steps; the first is to quantify the magnitude of the exposure itself, and the second is to determine the fair compensation to be paid to insurers for bearing that risk.

To quantify the magnitude of the exposure, I obtained information from the Beach/Fair Plans regarding their actual financial position as of 3/30/2008, including data on existing exposures, written and earned premiums, expected losses and expenses, accumulated surplus, investment income and the like. I used that information to project the plans' accumulated surplus as of 9/30/2008 that would be available to pay hurricane losses for the 2008 storm season. I then obtained the AIR model runs used by the Beach/Fair Plans to estimate hurricane losses, and for each iteration of the AIR model, I estimated the amount of losses that would be covered by the reinsurance program I assumed and the remaining losses that would have to be funded either from the plans' accumulated surplus or through assessments on property insurers in the state. Finally, I subtracted the accumulated surplus of the plans from the losses remaining after the assumed program of reinsurance, and then calculated the average of that result across all iterations of the model. This represents the expected value of the losses that would have to be funded through assessments.²

As mentioned earlier, this amount represents the risk to insurers' capital associated with the exposure to Beach/Fair Plans assessments. Since there is currently no compensation in the rates for this exposure, I also developed a method of measuring the fair compensation to insurers for bearing this risk.

Q. Can you please explain how you measured the compensation for bearing this risk?

A. Yes. To measure the fair compensation for bearing this risk, I relied on data regarding the market price of catastrophe risk, taken from the market for insurance linked securities. Insurance linked securities (ILS) are securities (bonds, warrants and the like) that have payoffs that are virtually identical to reinsurance. Lenders purchase such securities at significant yield premiums to risk free bonds, because they are exposed to loss of principal and interest if certain "insured events" occur.

² I note that, in most years, there is no assessment attributable to hurricane losses, since the modeled losses are less than the Plans' capacity. However, in between 1% and 2% of the modeled years, losses exceed the sum of available premiums, investment income, reinsurance recoveries and accumulated surplus, and insurers are assessed for the excess.

Q. Can you explain how such securities work in practice?

A. Certainly. As an example, consider an insurer that issues \$100 million of a bond with a provision that, for every dollar of loss from an Atlantic hurricane in excess of \$1 billion, one dollar of the bond would not have to be repaid. Since the investor in that bond would effectively be paying for up to \$100 million of hurricane losses, such a security would be the functional equivalent of a reinsurance contract that provides \$100 million in coverage excess of a \$1 billion attachment point.

Now, with respect to the interest to be paid by the insurer on this bond, assume investors demand a premium of 10% in excess of the risk free rate in order to purchase such a security (because of the high degree of risk associated with the potential loss of principal and interest). This risk premium implies that the insurer would have to pay \$10 million in interest in excess of the risk free rate to induce investors to purchase such securities, which is equivalent to paying a premium of \$10 million in excess of the risk free rate for \$100 million of reinsurance. This kind of information can be very illuminating in connection with evaluating the risk premiums required to bear catastrophe risk.

Q. What kind of information is available in these markets that can help you to assess the fair compensation for bearing catastrophe risk?

A. Markets for ILS have been growing in recent years, as they provide a financially efficient method of transferring risk. While smaller than reinsurance markets, they can provide extremely useful data about the cost of risk, because they reflect estimates of the pure cost of risk transfer, unencumbered by insurance specific issues (such as expenses, capital requirements, required returns, regulation and the like).³

Lane Financial, LLC is a firm that specializes in and is the most prominent analyst of insurance linked securities. In April of each year, Lane publishes a data base that accumulates a variety of useful information that can help to evaluate the fair compensation for bearing catastrophe risk. For each ILS in the market, Lane publishes the following data: the yield on the security; the excess return over LIBOR (the risk free rate)⁴; the probability that the security will suffer a loss; and the expected value (or average) loss anticipated on the security. These data provide the foundation for my analysis of the proper compensation for bearing the risk of Beach/Fair Plans assessments.

I first define several terms that will prove useful in this discussion. The "yield spread" is simply the difference between the yield on the particular ILS and LIBOR. For example, in the case I cited above (where a \$100 million bond had a provision that, for every dollar of hurricane loss in excess of \$1 billion, one dollar of the bond would not have to be repaid) investors demanded a premium of 10% in excess of the risk free rate. In that case, the yield

³ While ILS markets are still relatively small, they represent some 18% of worldwide catastrophe reinsurance capacity, and they have been growing quickly.

⁴ LIBOR is the London Inter Bank Offer Rate, which is the rate at which banks lend to each other, and is the traditional international financial metric for the risk free rate.

spread was 10% (or 1000 basis points), which implies that the insurer would have to pay \$10 million in interest in excess of the risk free rate to induce investors to purchase such securities

Now assume that the expected distribution of hurricane losses is such that this security had an average annual loss of \$1 million, meaning that, based on the probability and amount of hurricane losses of varying sizes, an investor would anticipate having an average loss of \$1 million per year. This is termed the "expected loss." Since the investor in this example receives compensation of \$10 million in excess of the risk free rate for bearing the risk of loss, the "expected profit" to the investor is \$9 million (the yield in excess of the risk free rate minus the expected losses). Finally, I define a term known as the "profit multiple," which is the ratio of expected profit to expected loss – in this case \$9 million divided by \$1 million, or a profit multiple of 9.0.

The profit multiple provides an estimate of the compensation investors require to bear catastrophe risk, insofar as it tells us what returns investors require in order to take on the risk of loss from a catastrophic event. One particularly important feature of this variable is that it is a measure of compensation per dollar of expected loss; given the Beach/Fair Plan assessments to which insurers are exposed, the profit multiple can be used to provide a measure of the fair compensation for bearing such risk. This is the measure of risk I rely upon in evaluating the fair compensation for insurers whose capital is exposed to Beach/Fair Plans assessments.

Q. Before you explain exactly how you used this information, is it true that all ILS have yield spreads that are 10.0 times, or profit multiples that are 9.0 times, their expected loss?

A. No. This value fluctuates over time, with changes in perceived risk in the market, and across securities with a variety of different characteristics. In my example we had a bond with an attachment point of \$1 billion and an expected loss of \$1 million, but each of the securities traded in capital markets has different attachment points and limits, and different probabilities and amounts of expected loss. As you would expect, those securities that have more volatile exposures have larger risk premiums relative to expected loss than those with less volatility.

Q. How do you use the data on ILS to develop the fair compensation to insurers for bearing the risk of Beach/Fair Plans assessments?

A. First, to get a more precise estimate of the risk premia in capital markets, I compiled the data on profit multiples for all ILS issued in the last three years. However, as I mentioned earlier, each ILS has a different profit multiple, so I grouped these multiples into six layers or probability intervals based on the probability of loss on the security. (As mentioned, those securities with very low probabilities of loss tend to have much more volatile and hence riskier profiles, and as such require higher compensation.)⁵ I then computed the weighted

⁵ The securities with very low probabilities of loss are those that insure against the largest and least frequent events, such as 1 in 250 year hurricanes and earthquakes. Although the probability that such a loss occurs is very small, if it

average profit multiple within each probability interval for all ILS issued in the past three years.

Next, I obtained information from the Beach/Fair Plans on the distribution of hurricane losses, based on the AIR model runs using the most current exposures for the plans. For each iteration of the AIR model, I estimated the hurricane losses that would be ceded to reinsurers (assuming the same reinsurance program used to estimate the net cost of reinsurance for the voluntary market) and the amount of those losses that would be retained by the Beach/Fair Plans. Based on this analysis I was able to determine the expected value of hurricane losses retained by the Beach/Fair Plans in excess of their assumed reinsurance program, as well as the distribution of those losses within probability layers.⁶

Finally, to determine the fair compensation for bearing this risk, I determined the amount of losses that would exceed the Beach/Fair Plans' capacity, and thus would be assessed to voluntary insurers in the state. For each dollar of such assessments, I multiplied the expected loss by the appropriate profit multiple (given the probability interval in which the losses reside). The product of the expected losses by interval or layer and the appropriate profit multiple for the layer represents the fair compensation insurers should receive for bearing such risk.

Q. Have you developed any exhibits that provide the details of these calculations?

A. Yes. Exhibit RB-17 contains three pages of information required to develop projections of the fair compensation for bearing Beach/Fair Plans assessment risk.

The first page of Exhibit 17 shows the derivation of the total capital available to the Beach/Fair Plans for the 2008 storm season. This is based on the actual members' equity as of 3/31/2008 along with an estimate of the increase in equity attributable to the plans' operations through 9/30/2008.⁷ Also shown on this page is a demonstration of the hurricane loss from this year's array of modeled hurricane losses that would exhaust the total members' equity of the Plans. I describe that example briefly below.

Imagine a storm that had a probability of occurrence of approximately 1.4% (approximately a 1 in 70 year event). Based on the Plans' current exposures, such a storm would cause insured hurricane losses of \$2,374.6 million. If that storm had occurred on 10/1/2008, the Beach/Fair Plans would have had accumulated members equity of \$551.4 million, but would have been

does occur, the loss is enormous. This means that the security has very high volatility, which demands a very high return.

⁶As mentioned, I assumed that the Beach/Fair Plans purchased the same reinsurance program that was used to estimate the net cost of reinsurance in voluntary market rates. I did this because the Plans' policyholders pay rates that are based on voluntary market rates, and those rates include a provision to cover the net cost of reinsurance with a limit equal to a 1 in 100 year event. I note that had I used the Beach Plan's actual reinsurance program, I would have calculated a higher value of assessments than under the reinsurance program assumed for the market as a whole, because the actual Beach Plan reinsurance program has a limit that is lower than a 1 in 100 year event.

⁷ I note that in developing these projections, I conservatively assumed that all of the Beach/Fair Plans members' equity was available to pay residential losses. In reality, the Plans' equity is split between residential and commercial exposures; had I relied solely on the residential portion, the potential assessments would have been slightly greater than calculated here.

responsible for losses of almost \$2.4 billion. Of course the Plans have reinsurance, which would cover a substantial portion of the losses, but anything not reinsured would have to be paid from members' equity.

As shown on RB-17, page 1, the reinsurance program assumed in this model has an attachment point of twice the AAL, or \$348.8 million. This amount is the responsibility of the Plans before any reinsurance applies. Then 90% of losses above that amount would be covered by reinsurance, but the remaining 10% would be paid by the Plans. With a loss of \$2,374.6 million, and an attachment point of \$348.8 million, the amount of losses subject to reinsurance is \$2,025.8 million; thus the Plans' share of those losses is \$202.6 million. The sum of those amounts paid by the Beach/Fair Plans (\$551.4 million) would exhaust the entire members' equity.

Continuing, Page 2 of Exhibit RB-17 shows the weighted average ILS profit multiples based on all ILS issued in the last three years.⁸ For example, for securities with probabilities of loss ranging from, say, 5% to 2%, the average profit per dollar of expected loss was 3.18. For securities with the lowest probability of loss (less than 0.4% or less than a 1 in 250 year event), which are those that "cover" the storms that cause the largest amount of insured loss (those in excess of \$5.1 billion) but which have the lowest probability of occurrence, the average profit multiple was 19.85. This means that for securities with that high a degree of risk, investors received compensation of nearly \$20 per dollar of expected loss.

The final page of Exhibit RB-17 combines the information on the Beach/Fair Plans' available resources, the reinsurance program assumed, the results of the AIR model runs and the ILS profit multiples to project the appropriate compensation for bearing the risk of Beach/Fair Plans assessments. To observe the development of that value, see the fourth row of the table on page 3, entitled "Retained Losses in Layer." That row shows the losses within each of the probability intervals or layers that are expected to be retained by the Beach/Fair Plans, given a hurricane loss that exceeds the limit of the layer and in light of the assumed reinsurance program. The row immediately below that, entitled "Expected Loss for Exposed Layer," displays the average annual losses in excess of the Beach/Fair Plans' available resources that are expected in each layer, based on the entire distribution of modeled hurricane losses and the assumed reinsurance program. That is, it represents the annual assessments insurers would expect to pay in light of the actual Beach/Fair Plans exposure and the reinsurance program assumed in the model.⁹

- Q. How are these average annual assessments used to determine the appropriate compensation for bearing the risk of these assessments?
- A. As noted earlier, the profit multiples developed using information from the ILS market represent the compensation investors demand per dollar of expected loss on insurance linked securities. For example, consider the layer from a 1% to a 0.4% probability of loss; in that layer the profit multiple is 7.26, meaning that a dollar of expected loss requires compensation

⁸ The data on 2008 ILS has not yet been compiled by Lane Financial LLC.

⁹ As discussed above, it is only in years where hurricane losses exceed \$2,374.6 million that assessments are assumed to occur. The expected loss is the average loss in excess of that amount, averaged over all 50,000 modeled years.

of \$7.26. If insurers expect assessments of \$11,709,931 from losses within that layer, then they are entitled to compensation in the amount of $7.26 \times \$11,709,931$, or total compensation of \$84,971,892. Similar calculations in each layer produce the total required compensation of \$278,855,273, which is shown to the far right in the row entitled "Compensation for Assessment Risk."

The final step in this calculation is to determine the appropriate provision, as a percent of premium, to be included in the rates. Since assessments for Beach/Fair Plans losses are applied to all property insurance lines in the state, the bottom block on Exhibit RB-17, page 3 shows the development of a charge that will produce an amount of revenue equal to the total required compensation of \$278,855,273. As shown therein, that charge amounts to 11.3% of total property insurance premium in the state. This is the value that, once it is converted to dollars of premium, is added to the otherwise determined needed premium to develop the final rate level in the state, as shown on page C-1 of the filing.

- Q. In your opinion, is it appropriate to include such a provision in homeowners insurance rates in North Carolina.
- A. Yes, not only is it appropriate, it is necessary in order that homeowners insurance rates are fair and reasonable to insurers. Since insurers are involuntarily subjected to the risk of Beach/Fair Plans assessments as a result of writing voluntary market homeowners insurance in the state, they are entitled to receive fair compensation for bearing that risk. The model I have developed relies on a well established and widely accepted measure of compensation to determine a provision that will fairly reward insurers for bearing this additional risk to their capital.

VI. PROJECTED RETURN ATTRIBUTABLE TO INSURANCE OPERATIONS

- Q. Earlier you said that you had calculated the statutory return insurers would expect from underwriting homeowners insurance in North Carolina. Have you conducted such an analysis?
- A. Yes, I have. I developed a model using traditional insurance profitability analyses and have calculated the statutory returns on equity that would be expected to arise assuming that actual underwriting and investment results materialize exactly as projected in this filing. The results are contained in Exhibit RB-16 filed with this testimony.
- Q. What do you mean when you use the term pro forma in that exhibit in connection with rate of return?
- A. I use this term to indicate that the rate of return presented in these exhibits is based on a series of assumptions regarding such inputs as underwriting profit, investment gain, leverage and the like. If these assumptions actually materialize, then the "pro forma" rates of return calculated in the exhibits will prevail. However, to the extent that these assumptions are not realized, the rate of return will differ from that calculated in the exhibits.

Q. Can you please now describe the components of the model you developed?

A. Yes. The model really consists of a single page that calculates the rate of return on equity attributable to undertaking the insurance activity. It sets forth estimates of income derived from underwriting, installment fees and investment of reserves and estimates of costs, comprised of losses, expenses and taxes. This exhibit is supported by several other exhibits which provide calculations of investment yield rates, tax rates, premium to surplus and net worth to surplus ratios, and installment fee income.

Q. Can you now please describe the principle elements of the rate of return analysis?

A. Yes.

1. Underwriting profit is the difference between earned premiums and projected incurred losses and expenses. This provision was selected by the appropriate committees of the Rate Bureau.
2. Installment fee income is projected based on historical installment revenues, taking into consideration the most recent information on the installment fee program.
3. Taxes are calculated assuming that the regular corporate tax rate applies to statutory underwriting (plus installment fee) income, and that an additional tax liability applies due to the reserve discounting and revenue offset provisions that are applicable to property casualty insurers. Taxes on investment income are calculated assuming that the current statutory tax rates apply to the various classes of investment income earned.
4. Investment gain on the insurance transaction is estimated as the product of an investment yield rate and the investible funds available from loss, loss adjustment expense and unearned premium reserves (i.e., policyholder supplied funds). The investment yield rate is derived as the average of the "embedded yield" and the "current yield," based on the actual portfolios of securities held by insurers. This estimated yield rate includes income from interest, dividends, real estate, and other assets, as well as realized capital gains. The investible funds in this calculation are estimated using the well known ISO State-X model, with one modification as described below.

Q. In previous testimony in North Carolina, you identified certain changes you made to the traditional rate of return analysis that is performed using this model. Did you continue these changes for this year's filing?

A. Yes. I removed the reduction of investible funds by the amount of agents' balances from the ISO State-X calculation. However, it continues to be true that the funds represented by agents' balances are not available for investment by insurers. Therefore, in the rate of return

calculation, the investment income from this modified State-X calculation is reduced by the investment income attributable to agents' balances. This calculation recognizes (1) that the majority of agents' balances represent premiums not yet paid by insureds because of installment payment plans, and hence is unavailable for investment and (2) that for the small minority of agents' balances that is premiums collected by agents but not yet remitted to the companies, the investment income on that premium is additional compensation to the agents and a cost to the companies as part of the insurance transaction.

In addition, I adjusted the trended loss, LAE and fixed expense ratios to reflect the proposed rate change. That is to say, I have divided the trended loss and expense ratios at present rates by one plus the proposed rate change to reflect the change in these ratios that occur when rates are changed.

Q. Could you please clarify how the underwriting profit provision contained in the rate filing was determined?

A. Yes. The issue of how the Rate Bureau determines the underwriting profit and contingency factor has routinely arisen in rate hearings in North Carolina over the past several years. Although it is evident from my exhibits that the Rate Bureau selects an underwriting profit and contingency provision to be included in the rates, there has been lengthy cross examination on this issue in every rate hearing in recent memory. Therefore, to clarify this matter, I will briefly discuss the procedure used by the Rate Bureau to determine the underwriting profit and contingency factor that is included in the proposed rates.

As part of the process of preparing a property insurance rate filing, the Property Rating Subcommittee of the Rate Bureau meets to review data and determine values for a number of the important components of the proposed rates. One of these components is the underwriting profit factor. To determine this value, a procedure is followed in which I provide the committee with the estimated returns on equity (both statutory returns as well as returns adjusted to include investment income on surplus) associated with alternative underwriting profit provisions, and the committee then selects a provision that is consistent with the cost of capital that has been developed by Prof. Vander Weide. Thus, the process is best described as one in which I test alternative underwriting profit provisions, and the committee selects a value based on these tests.

Q. How do you know what values of the underwriting profit provision to test?

A. I have been performing this type of analysis on behalf of the Rate Bureau for many years, and I am quite familiar with the dynamics of these models. Therefore, it is relatively easy to know the general range of values around which the underwriting profit is likely to fall. Normally, I will select approximately five or six values of the underwriting profit provision to test, that comprise a range of perhaps two to three percentage points, and the committee typically selects a value within that range. (For example, for this filing, I believe I tested underwriting profit provisions for homeowners in one half percentage point increments ranging from 8.0% to 11.0%, and the committee selected a value of 9.5%.) Of course, if the committee is not satisfied with the range of values I propose, it is relatively straightforward to calculate returns associated with alternative values proposed by the committee.

Q. From what you've said, it appears that the Rate Bureau *selects* an underwriting profit provision, rather than *deriving* such a provision from the cost of capital. Is that correct, and if so, isn't it true that actuarial standards of practice require that the underwriting profit provision be *derived* from an underlying cost of capital?

A. It is correct that the Rate Bureau committee selects an underwriting profit provision and then tests whether that provision results in an expected rate of return on net worth that is consistent with the cost of capital. However, despite what has been suggested in the past by DOI witnesses, it is *not true* that actuarial standards of practice require that an underwriting profit be derived from the cost of capital. In fact, that issue is addressed explicitly in ASOP # 30, entitled "Treatment of Underwriting Profit and Contingency Factors and the Cost of Capital in Property/Casualty Insurance Ratemaking." Section 3.1 of that ASOP states the following:

Estimating the Cost of Capital and the Underwriting Profit Provision
– Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the specific risk transfer. This cost of capital can be provided for by estimating that cost and translating it into an underwriting profit provision, after taking leverage and investment income into account. Alternatively, the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital. The actuary may use any appropriate method, as long as such method is consistent with the considerations in this standard.

The procedure utilized by the Rate Bureau is exactly the approach articulated in this section (i.e., "the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital").

Q. Could you please clarify how you selected your investment yield rate and premium to surplus ratio?

A. Yes. To select the investment yield rate, I was asked by the Rate Bureau to compute the average of what are known as the "embedded" and "current" yields, where each was based on the actual asset portfolios insurers currently hold. There has been a long-standing debate regarding the choice between embedded and current yields in insurance profitability calculations. Since the Commissioner himself adopted an approach of averaging the embedded and current yields in his 1994 automobile decision (and in his decision in the 1996 case, he selected a yield which approximated the yield obtained from this approach), the Rate Bureau has chosen to follow that methodology.

To estimate the embedded yield, I calculated the ratio of 2007 investment income divided by average invested assets and added to that an estimate of the ten year average ratio of realized capital gains to invested assets. The sum of these two is the estimated embedded yield.

To estimate the current yield, I determined the yields available in today's capital markets for the portfolio of securities currently held by the property-casualty insurance industry. I then calculated a weighted average of these yield rates based on the proportion of assets held by the industry in each of the various securities such as stocks, bonds, real estate and the like.

As far as the premium to surplus ratio is concerned, I also relied on information which reflects the actual degree of leverage for insurers writing homeowners insurance in North Carolina. The premium to surplus ratio I used is the ten year (1997-2006) average premium to surplus ratio for the top 30 company groups which wrote homeowners insurance in North Carolina in each of those years.

Q. Can you please provide the results of your calculations regarding the projected rate of return to the insurance transaction if your underlying assumptions are realized?

A. Yes. I estimate that insurers in North Carolina should expect to earn a statutory return on GAAP equity of approximately 7.6%, and a total return on GAAP equity of 11.5%, from underwriting homeowners insurance in the state. While the statutory return is well below the lower bound of Dr. Vander Weide's range for the cost of capital, the total return falls within (albeit at the lower end of) that range.

Q. I understand that the Rate Bureau has incorporated an assumption in its development of the indicated rate change that insurers will provide savings to policyholders (i.e., deviations) in the amount of 5% of premium. What happens to these projected returns if the savings to policyholders are greater than 5%?

A. Assuming losses, expenses and investment results turn out exactly as projected in the filing, and savings to policyholders (either deviations or dividends) are exactly 5% of premium, then the aggregate industry will earn the rate of return projected in my analysis. However, if the savings to policyholders exceed 5%, these projected returns will not be realized by the aggregate industry – in fact, the aggregate returns will be lower than projected in my analysis.

Q. Are there any factors that might impact the realization of these projected returns?

A. Yes. In order for the aggregate industry to achieve the returns projected in these exhibits, every assumption in the model must be realized exactly. However, even if every other projection in the filing is exactly realized, the industry will still not realize these projected returns because the filing does not reflect the current surplus position of the aggregate industry. For the sake of stability in the ratemaking process, the premium to surplus ratios used in my calculations are based on long term historical data. The most recent data show that the aggregate industry writing homeowners insurance in North Carolina has more surplus in relation to premiums than the historical averages used in my calculations. Therefore, even if all other assumptions were realized exactly, the calculated rate of return would overstate the returns the aggregate industry would reasonably expect.

VII. CONCLUSION

Q. Based on the studies you have conducted, have you come to any conclusions regarding the underwriting profit provision that has been filed by the Rate Bureau in this case?

A. Yes. Based on my evaluation of Dr. Vander Weide's cost of capital estimates, my consideration of insurer specific risk characteristics, my analysis of the cost of reinsurance and the required compensation for Beach/Fair Plans assessments, and my estimation of projected and expected returns, I believe that the filed underwriting profit provision complies with North Carolina law and the return expected to be realized by insurers will not be excessive.

Q. Does this conclude your testimony?

A. Yes, it does.

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PROFESSIONAL EXPERIENCE:

1989 to present	MILLIMAN, INC. Principal & Director - Economics Consulting Responsible for the formation, development and management of a national consulting practice in insurance economics.
1980 to 1989	NATIONAL COUNCIL ON COMPENSATION INSURANCE Economic and Social Research Division
1985 to 1989	Vice President
1983	Assistant Vice President Responsible for all economic and social research of NCCI
1982	Director of Economic and Social Research
1981	Senior Research Economist
1980	Associate Research Economist
1976 to 1997	RUTGERS UNIVERSITY
1981-97	Associate of the Graduate Faculty, Department of Economics, Newark, New Jersey
1981-93	Teach variety of graduate courses including: Microeconomic Theory, Industrial Organization, Public Finance
1978-80	Instructor, Department of Economics, New Brunswick, New Jersey
1976-78	Adjunct Instructor, Department of Economics, Newark, New Jersey

EDUCATION:

1980	Ph.D., Economics, Rutgers University
1976	M.A., Economics, Rutgers University
1972	B.A., Economics, Brooklyn College, CUNY Certified ARIAS Arbitrator and Umpire Member: AAA Panel of Neutrals Fellow: National Academy of Social Insurance

PAPERS AND PUBLICATIONS

"Comment on Jaffee and Russell" in Deregulating Property-Liability Insurance, J. David Cummins, Editor, Brookings Institution Press, Washington, DC, 2002

"Dynamic Financial Analysis of a Workers Compensation Insurer", CAS Call Papers Program, 1997 (with Susan Witcraft and Mark Mulvaney)

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"Some Benefit Issues in Workers' Compensation", in Workers' Compensation Benefits: Adequacy, Equity, Efficiency, (Ithaca:1985 ILR Press), (with John Worrall)

Workers' Compensation Benefits: Adequacy, Equity, Efficiency, (co-editor with John Worrall), (Ithaca:1985 ILR Press)

"Survivorship and the Size Distribution of the Property-Liability Insurance Industry", Journal of Risk and Insurance, October 1985, (with John Worrall and Richard Butler).

"Regulating Competition-The Case of Workers' Compensation Insurance", Journal of Insurance Regulation, (with James Gerofsky), June 1985.

"The Wage Replacement Rate and Benefit Utilization in Workers' Compensation Insurance", Journal of Risk and Insurance, September 1982 (with John Worrall)

"Property Damages", in Joseph Seneca and Peter Asch, The Benefits of Air Pollution Control in New Jersey, Center for Coastal and Environmental Studies, Rutgers University, 1979

WORKING PAPERS

"Workers' Compensation Pricing: The Role of Policyholder Dividends" (with David Durbin)

"The Impact of Lifetime Work on Mortality: Do Unisex Pensions Matter?" (with Richard J. Butler)

"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler and John D. Worrall)

"Framing, Firm Size and Financial Incentives in Workers' Compensation Insurance" (with Richard J. Butler and John D. Worrall)

"Application of NAIC Profitability Models to Long Tailed Lines of Insurance" (with James Gerofsky)

INVITED PRESENTATIONS

Boston, MA, March 17, 2008
CAS Ratemaking Seminar
"Using Catastrophe Bonds to Infer Risk Loads/Profit Margins/Reinsurance Costs"

Pinehurst, North Carolina, May 21, 2007
Workers Compensation Insurance Organizations Annual Meeting
"Enterprise Risk Management: What Is It and Why Is It Important?"

Salt Lake City, Utah, March 13, 2006
CAS Ratemaking Seminar
"Including Reinsurance Costs in Primary Insurance Rates"

New Orleans, Louisiana, March 11, 2005
CAS Ratemaking Seminar
"Including Reinsurance Costs in Primary Insurance Rates"

Philadelphia, Pennsylvania, March 11, 2004
CAS Ratemaking Seminar
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

New York, New York, December 12, 2003
Goldman Sachs Insurance Conference
"Interest Rate Changes and Insurance Underwriting"

San Antonio, Texas, March 28, 2003
CAS Ratemaking Seminar
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

San Antonio, Texas, March 27, 2003
CAS Ratemaking Seminar
"Rate of Return Models in Insurance Ratemaking"

San Diego, California, May 20, 2002
CAS Annual Meeting
"The Actuary as an Expert Witness"

Tampa, Florida, March 7, 2002
CAS Ratemaking Seminar
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Chicago, Illinois, December 10, 2001
NAIC Meeting
"The Impact of Proposition 103 in California"

Kansas City, Missouri, April 30, 2001
NAIC Meeting
"Personal Lines Regulation"

Las Vegas, Nevada, March 12, 2001
CAS Ratemaking Seminar
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Washington DC, January 18, 2001
Brookings Institution Conference on Insurance Regulation
"Auto Insurance Experience in California"

Bermuda, September 14, 2000
Ace Insurance Worldwide Actuarial Conference
"Rate of Return Models In Property Casualty Insurance Ratemaking"

Orlando, Florida, June 9, 1998
Florida Managed Care Institute Annual Conferencc
"Issues in Integrated Health Care"

Seattle, Washington, July 21, 1997
CAS Dynamic Financial Analysis Seminar
"Dynamic Financial Analysis of a Workers Compensation Insurer"

Boston, Massachusetts, March 14, 1997
CAS Ratemaking Seminar
"Discounted Cash Flow Models in Insurance Ratemaking"

East Lansing, Michigan, July 15, 1996
National Symposium on Workers Compensation
"Managed Care in Workers Compensation"

New Orleans, Louisiana, March 20, 1996
Global Business Research Seminar: Partnerships Between Insurers and Providers
"Integrating the Data Systems"

Orlando, Florida, November 15, 1995
Global Business Research Seminar: Documenting Savings From Managed Care
"Evaluating Savings From Managed Care"

Orlando, Florida, October 27, 1995
Self Insurance Association of America Annual Meeting
"Managed Care in Workers Compensation: A Magic Act or Humbug?"

San Diego, California, October 16, 1995
Global Business Research Seminar: Documenting Savings From Managed Care
"Technical Issues in Measuring Savings From Managed Care"

Durham, North Carolina, September 6, 1995
North Carolina HMO Association Annual Meeting
"Workers Compensation in North Carolina: Risks and Opportunities for HMO's"

Washington, DC, May 22, 1995
Global Business Research Seminar: Outcomes for Workers' Compensation Managed Care
"Measuring and Reporting the Savings"

Orlando, Florida, April 13, 1995
NCCI Annual Meeting
"Managed Care in Workers Compensation"

Phoenix, Arizona, April 3, 1995
Casualty Actuarial Society Seminar on Profitability
"Rate of Return Models - Selecting the Parameters"

New Orleans, Louisiana, March 16, 1995
Casualty Actuarial Society Ratemaking Seminar
"Discounted Cash Flow Models for Insurance Ratemaking"

Orlando, Florida, March 14, 1995
Standard & Poor's Rating Conference
"Consolidation in the Property/Casualty Insurance Industry"

Minneapolis, Minnesota, October 11, 1994
Casualty Actuarial Society Seminar on Medical Cost Containment
"Managed Care and Workers' Compensation"

Toronto, Ontario, August 22, 1994
American Risk and Insurance Association Annual Meeting
"Current Issues in Workers' Compensation"

Boston, Massachusetts, May 17, 1994
Casualty Actuarial Society Annual Meeting
"Standard Of Practice on Profit and Contingency"

Hartford, Connecticut, April 20, 1994
University of Connecticut Blue Cross/Blue Shield Symposium
"24 Hour Coverage - What Will It Involve"

Atlanta, Georgia, March 10, 1994
Casualty Actuarial Society Ratemaking Seminar
"Cash Flow Models for Insurance Ratemaking"

Cambridge, Massachusetts, March 2, 1994
Workers' Compensation Research Institute Health Care Reform Conference
"Early Results of the Florida Pilot Project"

Phoenix, Arizona, November 15, 1993
Casualty Actuarial Society Annual Meeting
"The Use Of Managed Care in Workers' Compensation"

New York, New York, October 20, 1993
Insurance Information Institute/Reinsurance Association of America Research Conference
"The Impact of Health Care Reform on Casualty Insurance"

Somerset, New Jersey, July 13, 1993
National Symposium on Workers' Compensation
"Economic Analysis of Workers' Compensation Issues"

Boston, Massachusetts, June 30, 1993
Institute of Actuaries of Japan Special Meeting
"Health Care Costs in Workers' Compensation"

Dallas, Texas, June 15, 1993
Stirling-Cooke Workers' Compensation Seminar
"Workers' Compensation Medical Costs: Trends, Causes and Solutions"

New York, New York, June 3, 1993
New York Business Group On Health
"The Crisis in Workers' Compensation Health Care"

Mauna Lani Bay, Hawaii, May 3, 1993
Western Association of Insurance Brokers Annual Meeting
"Trends in Insurance Insolvency"

Kingston, Ontario, April 28, 1993
Queen's University Workers' Compensation Conference
"Exposure Bases for Workers' Compensation: Equity vs. Practicality"

Sanibel Island, Florida, March 29, 1993
Workers' Compensation Reinsurance Bureau Annual Meeting
"The Use of Managed Care in Workers' Compensation"

Baltimore, Maryland, March 23, 1993
CAMAR Annual Meeting
"Estimating the Cost of Capital in Insurance Ratemaking"

Philadelphia, Pennsylvania, December 1, 1992
Economic Issues in Workers' Compensation Seminar,
"Rate of Return Regulation in Workers' Compensation"

Seattle, Washington, October 16, 1992
Casualty Actuarial Society Seminar on Profitability
"Risk Based Capital Standards for Property Casualty Insurers"

Washington, DC, August 18, 1992
American Risk and Insurance Association Annual Meeting
"The Crisis in Workers' Compensation"

New York, New York, May 19, 1992
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Palm Beach, Florida, April 23, 1992
NCCI Annual Meeting
"Is the Workers' Compensation Industry Competitive?"

Philadelphia, Pennsylvania, March 20, 1992
University of Pennsylvania/Duncanson & Holt Special Seminar
"Current Issues in Workers' Compensation"

Dallas, Texas, March 12, 1992
Casualty Actuarial Society Ratemaking Seminar
"Profitability Models in Insurance Ratemaking: Estimating the Parameters"

Houston, Texas, December 11, 1991
NCCI/NAIC Commissioners Symposium
"Rate Adequacy: Solvency and Safety Implications"

New York, New York, November 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Philadelphia, Pennsylvania, November 12, 1991
Casualty Actuarial Society Annual Meeting
"The Impact of Medical Costs on Casualty Coverages"

New York, New York, May 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Kiawah Island, South Carolina, April 15 & 16, 1991
Casualty Actuarial Society Seminar on Profitability
"Cost of Capital Estimation: Lessons From Public Utilities"

Chicago, Illinois, March 14, 1991
Casualty Actuarial Society Ratemaking Seminar
"The Use of Profitability Models in Insurance Ratemaking"

Orlando, Florida, October 24, 1990,
Financial Management Association Annual Meeting,
"Current Issues in Insurance Rate Regulation: California Prop. 103 and Pennsylvania Act 6"

New Brunswick, New Jersey, May 18, 1990,
Joint Conference on Workers' Compensation,
"Current State Issues and Benefit Reforms"

Orlando, Florida, May 8, 1990,
National Association of Insurance Commissioners Southeast Zone Raters Conference,
"Loss Cost Rating for Workers' Compensation"

Orlando, Florida, April 3, 1990,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Medical Costs in Workers' Compensation: Recent Trends in Cost Containment"

Philadelphia, Pennsylvania, March 15, 1990,
CAS Ratemaking Seminar,
"Rate of Return Models in Insurance Regulation: Return on Sales vs. Return on Equity"

Chicago, Illinois, November 10, 1989,
Alliance of American Insurers Research Committee,
"Recent Developments in Rate Regulation: California Proposition 103"

New York, New York, October 5, 1989,
NCCI Legal Trends Seminar,
"Medical Cost Containment in Workers' Compensation"

Philadelphia, Pennsylvania, September 7, 1989,
Workers' Compensation Congress,
"Medical Cost Containment in Workers' Compensation"

Denver, Colorado, August 21, 1989,
American Risk and Insurance Association Annual Meeting,
"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler)

Hilton Head, South Carolina, April 4, 1989,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Prospects for Workers' Compensation in the 1990's"

Mountain Lakes, New Jersey, March 29, 1989,
St. Clares-Riverside Medical Center,
"Stress in the Workplace"

Dallas, Texas, March 16, 1989,
Casualty Actuarial Society Ratemaking Seminar,
"The Impact of Tax Reform on Insurance Profitability"

New Orleans, Louisiana, December 15, 1988,
NAIC-NCCI Commissioners School,
"A Forecast for Workers' Compensation"

Philadelphia, Pennsylvania, November 17, 1988,
Economic Issues in Workers' Compensation Seminar,
"The Impact of Regulation on the Probability of Insolvency" (with John D. Worrall and David Durbin)

Boston, Massachusetts, November 14, 1988,
American Public Health Association Annual Meeting,
"Stress in the Workplace"

Atlanta, Georgia, September 14, 1988,
Casualty Loss Reserve Seminar,
"Estimating the Cost of Social Inflation in Workers' Compensation"

Reno, Nevada, August 15, 1988,
American Risk and Insurance Association Annual Meeting,
"Benefit Increases in Workers' Compensation"

New York, New York, June 13, 1988,
National Association Of Insurance Commissioners Annual Meeting,
"Alternative Rate of Return Models for Insurance Regulation"

Syracuse, New York, May 5, 1988,
Current Issues in Workers' Compensation Symposium,
"Workers' Compensation Stress Claims"

Hilton Head, South Carolina, April 22, 1988,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"A Forecast for Workers' Compensation Insurers"

Absecon, New Jersey, April 19, 1988,
Pennsylvania Coal Mine Rating Bureau Annual Meeting,
"The Use of Rate of Return Models in Insurance Rate Regulation"

Philadelphia, Pennsylvania, November 17, 1987,
Economic Issues in Workers' Compensation Seminar,
"The Transition to Permanent Disability Status" (with John D. Worrall and David Durbin)

Charlotte, North Carolina, October 20, 1987,
American Insurance Association Government Affairs Conference,
"Prospects for Workers' Compensation in 1988"

Minneapolis, Minnesota, September 29, 1987,
Minnesota Workers' Compensation Reinsurance Association Annual Meeting,
"Economic and Demographic Characteristics of Workers' Compensation Claims"

Airlie, Virginia, July 7, 1987,
National Symposium on Workers' Compensation,
"Forecasting Workers' Compensation Experience"

Santa Clara, California, June 30, 1987,
Symposium on Recent Advances in Ratemaking,
"Econometric Models of Workers' Compensation Losses"

Storrs, Connecticut, May 1, 1987,
University of Connecticut Symposium on Current Issues in Workers' Compensation,
"Current Research in Workers' Compensation"

Philadelphia, Pennsylvania, April 16, 1987,
Wharton School Graduate Seminar Series,
"Impact of Tax Reform on Workers' Compensation Profitability"

Boca Raton, Florida, December 4, 1986,
National Association of Insurance Commissioners/NCCI Commissioners School,
Panel Discussion on Current Issues in Workers' Compensation

Philadelphia, Pennsylvania, November 7, 1985,
Wharton School, University of Pennsylvania, Graduate Seminar Series,
"Litigation in Workers' Compensation"

Vancouver, British Columbia, August 19, 1985,
American Risk and Insurance Association Annual Meeting,
"Earnings Loss and Permanent Disability"

Washington, D.C., April 23, 1985,
Washington Conference on the Economics of Disability,
"Employment Effects of Workers' Compensation Insurance"

Schenectady, New York, January 18, 1985,
Union University Graduate Business Seminar Series,
"The Use of Modern Portfolio Theory in Insurance Regulation"

EXPERT TESTIMONY

Santa Fe, New Mexico, November 19, 2008
Annual Title Insurance Rate Hearing

New York, New York, November 13, 2008
Georgia Hensley, et. al., vs. Computer Sciences Corp. et. al., Deposition

Tallahassee, Florida, October 29, 2008
State Farm Florida Homeowners Insurance Hearing

Raleigh, North Carolina, July 1, 2008
Auto Insurance Rate Hearing

San Francisco, California, May 5, 2008
GeoVera Insurance Company Earthquake Rate Hearing

Tallahassee, Florida, January 23, 2008
Hartford Insurance Group Homeowners Insurance Rate Hearing

Boston, Massachusetts, January 9, 2008
Commerce Insurance Group Auto Insurance Rate Hearing

San Francisco, California, November 29, 2007
Explorer Insurance Company Automobile Rate Hearing

Santa Fe, New Mexico, November 19, 2007
Annual Title Insurance Rate Hearing

Reno, Nevada, June 14, 2007
Public Hearing Regarding Merger Between UnitedHealth Group and Sierra Health Systems

Austin, Texas, May 31, 2007
State Farm Lloyds Homeowners Rate Hearing

Reno, Nevada, October 26, 2006
Public Hearing Regarding Demutualization of Employers Insurance Group

San Francisco, California, August 30, 2006
Hearing on Proposed Title Insurance Rate Regulations

Austin, Texas, August 14, 2006
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 28, 2005
Auto Insurance Rate Hearing

Providence, Rhode Island, September 27, 2005
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, August 23, 2005
Safeco Insurance Company Earthquake Rate Hearing

Boston, Massachusetts, April 15, 2005
Massachusetts Workers Compensation Rate Hearing

Lawrence, Massachusetts, February 14, 2005
Highground, Inc. v. Mazonson

New York, NY, January 21, 2005
NFHA v. Prudential Deposition

Austin, Texas, July 13, 2004
Medical Protective Insurance Company Medical Malpractice Insurance Rate Hearing

Austin, Texas, December 16, 2003
Biennial Title Insurance Rate Hearing

Providence, Rhode Island, November 17, 2003
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, September 16, 2003
Century National Proposition 103 Rollback Hearing

Austin, Texas, September 11, 2003
Farmers Insurance Exchange Homeowner Rate Rollback Hearing

Austin, Texas, September 2, 2003
State Farm Lloyds Homeowners Rate Rollback Hearing

Austin, Texas, May 21, 2003
Farmers Insurance Group Settlement Hearing

Boston, Massachusetts, April 29, 2003
Massachusetts Workers Compensation Rate Hearing

Los Angeles, California, March 12, 2003
SCPIE Medical Malpractice Rate Hearing

Raleigh, North Carolina, July 17, 2002
Auto Insurance Rate Hearing

Tallahassee, Florida, February 25, 2002
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, February 5, 2002
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 24, 2001
Auto Insurance Rate Hearing

Boston, Massachusetts, August 14, 2001
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, March 6, 2001
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 23, 2000
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, December 7, 1999
Texas Auto Insurance Plan Association Rate Hearing
Raleigh, North Carolina, December 3, 1999
Auto Insurance Rate Hearing

Austin, Texas, November 3, 1999
Biennial Title Insurance Rate Hearing

Austin, Texas, September 8, 1999
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 13, 1999
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, June 22, 1999
Texas Property Benchmark Rate Hearing

Honolulu, Hawaii, December 16, 1998
NCCI Workers Compensation Insurance Rate Hearing

Richmond, Virginia, November 15, 1998
NCCI Workers Compensation Insurance Rate Hearing

Boston, Massachusetts, October 9, 1998
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, May 19, 1998
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, April 7, 1998
Auto Insurance Benchmark Rate Hearing

Austin, Texas, February 17, 1998
Property Insurance Benchmark Rate Hearing

Austin, Texas, November 18, 1997
Biennial Title Insurance Rate Hearing

Tallahassee, Florida, September 8, 1997
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, April 8, 1997
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, March 10, 1997
Auto Insurance Benchmark Rate Hearing

San Francisco, California, March 4, 1997
Insurance Department Hearing on Rating Factors

Raleigh, North Carolina, July 16, 1996
Auto Insurance Rate Hearing

San Francisco, California, March 11, 1996
Century National Proposition 103 Rollback Hearing

Sacramento, California, January 30, 1996
Hartford Steam Boiler Proposition 103 Rollback Hearing
San Francisco, California, January 8, 1996
SAFECO Insurance Company Earthquake Rate Hearing

Austin, Texas, December 21, 1995
Residential Property Insurance Benchmark Rate Hearing

Clearwater, Florida, December 8, 1995
Florida Windstorm Underwriting Association Rate Hearing

Austin, Texas, November 28, 1995
Private Passenger Auto Insurance Benchmark Rate Hearing

Austin, Texas, October 31, 1995
Texas Automobile Insurance Plan Association Rate Hearing

Sacramento, California, April 18, 1995
California Insurance Department Hearing on Auto Insurance Rating Factors

Portland, Maine, April 13, 1995
Workers Compensation Assigned Risk Pool Fresh Start Hearing

San Francisco, California, February 6, 1995
Farmers Insurance Group Earthquake Insurance Rate Hearing

Austin, Texas, January 6, 1995
Special Hearing on Classification Rules for Automobile Insurance

Austin, Texas, December 15, 1994
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, October 4, 1994
Texas Automobile Insurance Plan Association Rate Hearing

Austin, Texas, September 27, 1994
Private Passenger Auto Insurance Benchmark Rate Hearing

Raleigh, North Carolina, July 19, 1994
Private Passenger Auto Insurance Rate Hearing

San Francisco, California, December 22, 1993
Century National Homeowner's Insurance Rate Hearing

Raleigh, North Carolina, October 13, 1993
Homeowners/Farmowners Insurance Rate Hearing

Tallahassee, Florida, October 4, 1993
Workers' Compensation Insurance Rate Hearing

Boston, Massachusetts, September 9, 1993
Automobile Insurance Rate Hearing

Austin, Texas, March 4, 1993

Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, February 10, 1993
Automobile Insurance Benchmark Rate Hearing
Honolulu, Hawaii, November 18, 1992
Liberty Mutual Insurance Automobile Rate Hearing

Raleigh, North Carolina, November 13, 1992
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 29, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 14, 1992
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, September 24, 1992
Workers' Compensation Insurance Rate Hearing

Nashville, Tennessee, May 27, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, May 13, 1992
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, April 10, 1992
Mercury General Proposition 103 Rollback Proceedings

Austin, Texas, January 27, 1992
Texas Automobile Insurance Plan Rate Hearing

Austin, Texas, December 17, 1991
Automobile Insurance Rate Hearing

Raleigh, North Carolina, December 16, 1991
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 22, 1991
Workers' Compensation Rate Hearing

Los Angeles, California, May 23, 1991,
Proposition 103 RCD-2 Proceedings

San Francisco, California, April 9, 1991
California Workers' Compensation Rate Study Commission

Nashville, Tennessee, March 20, 1991
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, March 12, 1991,
California Workers' Compensation Rate Study Commission

Olympia, Washington, February 26, 1991,
House Financial Institutions/Insurance Committee Hearing on Rules for Insurance Regulatory Legislation

Olympia, Washington, November 27, 1990,
Insurance Department Public Hearing on Proposed Rules for Ratemaking

Harrisburg, Pennsylvania, November 12, 1990,
Allstate Insurance Company Automobile Insurance Rate Hearing
Tallahassee, Florida, November 1, 1990,
Scanlan v. Martinez, et.al., Superior Court of Leon County

San Bruno, California, October 1, 1990,
SAFECO Insurance Group Proposition 103 Rate Rollback Hearing

Austin, Texas, July 23, 1990,
Texas State Board of Insurance Special Hearing on Investment Income in Ratemaking

Harrisburg, Pennsylvania, July 18, 1990,
Pennsylvania National Mutual Insurance Company Automobile Insurance Rate Hearing

Harrisburg, Pennsylvania, June 28, 1990,
Harleysville Mutual Insurance Company Automobile Insurance Rate Hearing

Columbia, South Carolina, March 30, 1990,
Workers' Compensation Insurance Rate Hearing

San Bruno, California, March 19, 1990,
California Proposition 103 Generic Hearing

Denver, Colorado, December 12, 1989,
Workers' Compensation Insurance Rate Hearing

Tampa, Florida, October 23, 1989,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 17, 1989,
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, September 25, 1989,
SAFECO Insurance Company of America Proposition 103 Rate Hearing

Austin, Texas, August 29, 1989,
Texas Insurance Advisory Association Property Insurance Rate Hearing

Providence, Rhode Island, April 13, 1989,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, January 24, 1989,
Workers' Compensation Insurance Rate Hearing

Hartford, Connecticut, November 14, 1988,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 3, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 2, 1988,
Workers' Compensation Insurance Rate Hearing

Montgomery, Alabama, June 30, 1988,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, March 24, 1988,
Workers' Compensation Insurance Rate Hearing
Austin, Texas, October 27, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 9, 1987,
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, August 6, 1987,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, February 24, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 14, 1986,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 18, 1986,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, May 28, 1986,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, December 6, 1985,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, October 10, 1985,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, July 23, 1985,
Workers' Compensation Insurance Rate Hearing

Austin Texas, June 14, 1985,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 18, 1984,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, August 29, 1984,
Workers' Compensation Insurance Rate Hearing

Portland, Oregon, March 6, 1984,
NA IC Public Hearing on Investment Income and Insurance Profitability

Tallahassee, Florida, February 25, 1984,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, August 18, 1983,
Workers' Compensation Insurance Rate Hearing

Austin Texas, July 13, 1983,

Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, March 6, 1983,
Workers' Compensation Insurance Rate Hearing

Baton Rouge, Louisiana, March 16, 1982,
Louisiana Insurance Commission Public Hearing on Investment Income

Providence, Rhode Island, February 3, 1982,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, October 1, 1981,
Workers' Compensation Insurance Rate Hearing

**NORTH CAROLINA RATING BUREAU
EXHIBIT RB-14, Sheet 1**

**Underwriting Profit Calculation
Statewide Total**

	<i>Total</i>
(1) Expected Value of Net Losses	645,960,507
(2) Expected Value of Ceded Losses	97,689,559
(3) Expected Value of All Losses (1)+(2)	743,650,066
(4) Commission and Brokerage	14.00%
(5) Other Acquisition	5.20%
(6) General	3.57%
(7) Taxes Licenses and Fees	2.60%
(8) Reinsurance Expense Cost	1.58%
(9) Cost of Reinsurer Capital	14.23%
(10) Net Profit	9.50%
(11) Loss Adjustment Expense Factor	1.153
(12) Total Indicated Premium (3) x (11) / (1-Sum[(4) to (10)])	1,739,563,332
(13) Total Indicated Underwriting Profit (10) x (12)	165,258,517
(14) Investment Income on Reserves as a Percentage of Losses & LAE	4.92%
(15) Total Indicated Investment Income on Reserves (1) x (11) x (14)	36,630,121
(16) Total Profit excluding Investment Income on Surplus (13) + (15)	201,888,638
(17) Premium/Allocated Surplus Ratio	1.19
(18) Total Available Surplus (12)/(17)	1,460,590,539
(19) Available for Allocation (16) + (18)	1,662,479,176

Notes:

1. (1)-(3) From Simulation
2. (4)-(7), (11) from ISO
3. (8), (9) See Exhibit RB-14, Sheet 2
4. (14), (17) Milliman Analysis

**NORTH CAROLINA RATING BUREAU
EXHIBIT RB-14, Sheet 2**

**Calculation of Reinsurance Cost
Statewide Total**

	<i>Total</i>
(1) Hurricane Losses	279,715,279
(2) Loss Adjustment Expense Factor	1.153
(3) Hurricane Losses and Loss Expenses (1) x (2)	322,647,530
(4) Percent Reinsured	0.484
(5) Reinsured Losses (3) x (4)	156,206,581
(6) Reinsurance Expense Factor	0.85
(7) Reinsurance Loss+Expenses (5) / (6)	183,772,448
(8) Reinsurance Expense Cost (7)-(5)	27,565,867
(9) Reinsurance Premium to Surplus Ratio	0.30
(10) Reinsurer Underwriting Return Percent of Surplus	15.7%
(11) Reinsurer Underwriting Return Percent of Premium (10) / (9)	52.6%
(12) Reinsurance Premium (7) / (1.000-(11))	387,739,800
(13) Reinsurer Expected Undewriting Profit (12)-(7)	203,967,352
(14) Direct Losses	781,381,867
(15) Direct Losses and LAE (14) x (2)	901,312,686
(16) Direct Variable Expense (Excl Reinsurance)	34.88%
(17) Direct Premium Including Reinsurance Cost ((15) + (13) + (8)) / (1.000-(16))	1,739,563,332
(18) Reinsurance Expense Cost as % of Direct Premium (8) / (17)	1.58%
(19) Cost of Reinsurer Capital as % of Direct Premium	14.23%
(20) Reinsurance Premium as % of Direct Premium (12) / (17)	22.29%

Notes:

- (1), (5) from Simulation
- (2), (16) From Sheet 1
- (4) Assumes 90% hurricane losses are reinsured from 2xmean to 1/100 year event.
- (6) Judgment based on Professional Reinsurers Cat Expenses.
- (9) Milliman Analysis.
- (10) Underwriting return that produces reasonable after-tax return on surplus.
- (14) From Simulation
- (19) =((13)+ (5) - Sheet1(2) x (2)) / (17)

NORTH CAROLINA RATING BUREAU

EXHIBIT RB-15, Sheet 1

Using Standard Deviation to Allocate Profit

	<i>Zone 1</i>	<i>Zone 2</i>	<i>Zone 3</i>	<i>Sum</i>
Allocation of Primary Company Amounts				
(1) Standard Deviation of Net Losses	359,814,406	228,677,370	132,941,361	721,433,137
(2) Allocation Percent [(1) / Sum(1)]	49.9%	31.7%	18.4%	100.0%
(3) Expected Profit to Allocate	100,691,854	63,993,959	37,202,824	201,888,638
(4) Expected Losses	102,520,495	224,894,688	318,545,324	645,960,507
(5) Loss Adjustment Expense Factor	1.153	1.153	1.153	1.153
(6) Expected Losses and Loss Expenses [(4) x (5)]	118,255,909	259,412,771	367,437,426	745,106,106
(7) Expected Investment Income on Policy Reserves Percent	4.9%	4.9%	4.9%	4.9%
(8) Underwriting Profit	94,878,282	51,240,982	19,139,253	165,258,517
(3) - (6) x (7)				
(9) Variable Expense Percent	25.38%	25.38%	25.38%	25.38%
Allocation of Reinsurer Amounts				
(10) Standard Deviation of Ceded Losses	320,417,302	239,712,422	157,614,319	717,744,043
(11) Allocation Percent [(1) / Sum(1)]	44.6%	33.4%	22.0%	100.0%
(12) Expected Profit to Allocate	94,483,874	70,685,815	46,476,927	211,646,616
(13) Expected Ceded Losses	48,290,013	34,122,693	15,276,853	97,689,559
(14) Additional NT Ceded Losses	17,364,466	14,097,936	6,269,399	37,731,801
(15) Loss Adjustment Expense Factor	1.153	1.153	1.153	1.153
(16) Expected Losses and Loss Expenses [(13) + (14)] x (15)]	75,731,493	55,621,798	24,853,290	156,206,581
(17) Expected Investment Income on Policy Reserves Percent	4.9%	4.9%	4.9%	4.9%
(18) Cost of Reinsurer Capital	110,790,503	84,213,160	52,486,776	247,490,439
(12) - (16) x (17) + (14) x (15)				
(19) Reinsurer Expenses	13,626,391	9,628,681	4,310,795	27,565,867
(Total (19) allocated with (16))				
Summary of Expense Provisions				
(20) Indicated Premium [((6) + (8) + (13) x (15) + (18) + (19)) / (1.000 - (9))]	526,990,234	594,801,897	617,771,201	1,739,563,332
(21) Underwriting Profit (Percent)	18.0%	8.6%	3.1%	9.5%
(8) / (20)				
(22) Cost of Reinsurer Capital (Percent)	21.0%	14.2%	8.5%	14.2%
(18) / (20)				
(23) Reinsurer Expenses (Percent)	2.6%	1.6%	0.7%	1.6%
(19) / (20)				

Notes:

- (1), (4), (10), (13), (14) From Simulation.
- Sum(3) from Exhibit I, Zone amounts from Sum and Allocation Percentage (2).
- (5), (7), (9), (15), (17) From Exhibit I.
- Sum(12) from Exhibit I, Zone amounts from Sum and Allocation Percentage (11).
- Sum(19) from Exhibit I, Zone amounts from Sum and Allocation based on (16).

NORTH CAROLINA RATING BUREAU

EXHIBIT RB-15, Sheet 2

Using Variance to Allocate Profit

	<i>Zone 1</i>	<i>Zone 2</i>	<i>Zone 3</i>	<i>Sum</i>
Allocation of Primary Company Amounts				
(1) Variance of Net Losses (in billions)	129,466,407	52,293,339	17,673,405	199,433,152
(2) Allocation Percent [(1) / Sum(1)]	64.9%	26.2%	8.9%	100.0%
(3) Expected Profit to Allocate	131,060,439	52,937,192	17,891,006	201,888,638
(4) Expected Losses	102,520,495	224,894,688	318,545,324	645,960,507
(5) Loss Adjustment Expense Factor	1.153	1.153	1.153	1.153
(6) Expected Losses and Loss Expenses [(4) x (5)]	118,255,909	259,412,771	367,437,426	745,106,106
(7) Expected Investment Income on Policy Reserves Percent	4.9%	4.9%	4.9%	4.9%
(8) Underwriting Profit	125,246,867	40,184,215	(172,565)	165,258,517
(3) - (6) x (7)				
(9) Variable Expense Percent	25.38%	25.38%	25.38%	25.38%
Allocation of Reinsurer Amounts				
(10) Variance of Ceded Losses (in billions)	102,667,248	57,462,045	24,842,274	184,971,566
(11) Allocation Percent [(1) / Sum(1)]	55.5%	31.1%	13.4%	100.0%
(12) Expected Profit to Allocate	117,473,058	65,748,740	28,424,818	211,646,616
(13) Expected Ceded Losses	48,290,013	34,122,693	15,276,853	97,689,559
(14) Additional NT Ceded Losses	17,364,466	14,097,936	6,269,399	37,731,801
(15) Loss Adjustment Expense Factor	1.153	1.153	1.153	1.153
(16) Expected Losses and Loss Expenses [(13) +(14)] x (15)]	75,731,493	55,621,798	24,853,290	156,206,581
(17) Expected Investment Income on Policy Reserves Percent	4.9%	4.9%	4.9%	4.9%
(18) Cost of Reinsurer Capital	133,779,687	79,276,085	34,434,668	247,490,439
(12) - (16) x (17) + (14) x (15)				
(19) Reinsurer Expenses	13,626,391	9,628,681	4,310,795	27,565,867
(Total (19) allocated with (16))				
Summary of Expense Provisions				
(20) Indicated Premium [((6) + (8) + (13) x (15) + (18) + (19)) / (1.000 - (9))]	598,493,895	573,368,874	567,700,563	1,739,563,332
(21) Underwriting Profit (Percent)	20.9%	7.0%	0.0%	9.5%
(8) / (20)				
(22) Cost of Reinsurer Capital (Percent)	22.4%	13.8%	6.1%	14.2%
(18) / (20)				
(23) Reinsurer Expenses (Percent)	2.3%	1.7%	0.8%	1.6%
(19) / (20)				

Notes:

- (1), (4), (10), (13), (14) From Simulation.
- Sum(3) from Exhibit I, Zone amounts from Sum and Allocation Percentage (2).
- (5), (7), (9), (15), (17) From Exhibit I.
- Sum(12) from Exhibit I, Zone amounts from Sum and Allocation Percentage (11).
- Sum(19) from Exhibit I, Zone amounts from Sum and Allocation based on (16).

NORTH CAROLINA RATING BUREAU

EXHIBIT RB-15, Sheet 3

Using Losses at Probability of Ruin to Allocate Profit

	<i>Zone 1</i>	<i>Zone 2</i>	<i>Zone 3</i>	<i>Sum</i>
Allocation of Primary Company Amounts				
(1) Net Losses at Probability of Ruin	399,049,928	476,060,339	474,334,963	1,349,445,230
(2) Allocation Percent [(1) / Sum(1)]	29.6%	35.3%	35.2%	100.0%
(3) Expected Profit to Allocate	59,701,309	71,222,730	70,964,599	201,888,638
(4) Expected Losses	102,520,495	224,894,688	318,545,324	645,960,507
(5) Loss Adjustment Expense Factor	1.153	1.153	1.153	1.153
(6) Expected Losses and Loss Expenses [(4) x (5)]	118,255,909	259,412,771	367,437,426	745,106,106
(7) Expected Investment Income on Policy Reserves Percent	4.9%	4.9%	4.9%	4.9%
(8) Underwriting Profit	53,887,736	58,469,753	52,901,027	165,258,517
(3) - (6) x (7)				
(9) Variable Expense Percent	25.38%	25.38%	25.38%	25.38%
Allocation of Reinsurer Amounts				
(10) Ceded Losses at Probability of Ruin	954,455,097	766,613,535	463,585,747	2,184,654,379
(11) Allocation Percent [(1) / Sum(1)]	43.7%	35.1%	21.2%	100.0%
(12) Expected Profit to Allocate	92,466,430	74,268,572	44,911,614	211,646,616
(13) Expected Ceded Losses	48,290,013	34,122,693	15,276,853	97,689,559
(14) Additional NT Ceded Losses	17,364,466	14,097,936	6,269,399	37,731,801
(15) Loss Adjustment Expense Factor	1.153	1.153	1.153	1.153
(16) Expected Losses and Loss Expenses [(13) +(14)] x (15)]	75,731,493	55,621,798	24,853,290	156,206,581
(17) Expected Investment Income on Policy Reserves Percent	4.9%	4.9%	4.9%	4.9%
(18) Cost of Reinsurer Capital	108,773,059	87,795,917	50,921,464	247,490,439
(12) - (16) x (17) + (14) x (15)				
(19) Reinsurer Expenses	13,626,391	9,628,681	4,310,795	27,565,867
(Total (19) allocated with (16))				
Summary of Expense Provisions				
(20) Indicated Premium [(6) + (8) + (13) x (15) + (18) + (19)] / (1.000 - (9))]	469,356,102	609,290,205	660,917,025	1,739,563,332
(21) Underwriting Profit (Percent)	11.5%	9.6%	8.0%	9.5%
(8) / (20)				
(22) Cost of Reinsurer Capital (Percent)	23.2%	14.4%	7.7%	14.2%
(18) / (20)				
(23) Reinsurer Expenses (Percent)	2.9%	1.6%	0.7%	1.6%
(19) / (20)				

Notes:

- (1), (4), (10), (13), (14) From Simulation.
- Sum(3) from Exhibit I, Zone amounts from Sum and Allocation Percentage (2).
- (5), (7), (9), (15), (17) From Exhibit I.
- Sum(12) from Exhibit I, Zone amounts from Sum and Allocation Percentage (11).
- Sum(19) from Exhibit I, Zone amounts from Sum and Allocation based on (16).

NCRB - PRO FORMA STATUTORY RETURN			
HOMEOWNERS INSURANCE			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	49.31%		
Commission & Brokerage	14.00%		
General Expense	3.57%		
Other Acquisition Expense	5.20%		
Taxes, Licenses and Fees	2.60%		
Net Cost of Reinsurance	15.81%		
2. Pro-Forma Underwriting Profit	9.50%		
3. Installment Fee Income	0.58%		
4. Regular tax		3.53%	
5. Additional tax due to TRA		0.20%	
6. Return from Underwriting (post-tax)			6.35%
7. Investment Gain on Insurance Transaction	2.46%		
Less Investment Income on Agents Balances	0.52%		
Net Investment Gain on Insurance Transaction	1.95%	0.50%	1.45%
8. Statutory Return as a % of Premium (post-tax)			7.80%
9. Premium-to-Net Worth Ratio			0.970
10. Statutory Return as a % of Net Worth (post-tax)			7.56%

Note: Lines (1) to (8) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	25.67%
(c) Inv. Yield =	5.00%
(d) P/S Ratio =	1.15
(e) NW/S Ratio =	1.19
(f) Installment Fee Income=	0.58%
(g) Additional TRA tax=	0.20%
(h) Net Cost of Reinsurance=	15.81%

NOTES TO EXHIBIT RB-16, Page 1

1. The expense provisions are those used in Exhibit RB-1, as adjusted for the proposed rate change.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-13. Investment income on agents' balances equals $0.132 \times 1.031 \times (c) \times [1 - (h)]$, where 0.132 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(6.) + (7.)$.
9. $(d.)/(e.)$.
10. $(8.) \times (9.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-16, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-16, pp. 11-13; average of current and embedded yields.
- (d) See RB-16, p. 14
- (e) See RB-16, pp. 15
- (f) See RB-16, p. 3
- (g) See RB-16, pp. 4-6
- (h) See prefiled testimony

NCRB - PRO FORMA STATUTORY RETURN ADJUSTED TO INCLUDE INVESTMENT INCOME ON SURPLUS HOMEOWNERS INSURANCE			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	49.31%		
Commission & Brokerage	14.00%		
General Expense	3.57%		
Other Acquisition Expense	5.20%		
Taxes, Licenses and Fees	2.60%		
Net Cost of Reinsurance	15.81%		
2. Pro-Forma Underwriting Profit	9.50%		
3. Installment Fee Income	0.58%		
4. Regular tax		3.53%	
5. Additional tax due to TRA		0.20%	
6. Return from Underwriting (post-tax)			6.35%
7. Investment Gain on Insurance Transaction	2.46%		
Less Investment Income on Agents Balances	0.52%		
Net Investment Gain on Insurance Transaction	1.95%	0.50%	1.45%
8. Investment Gain on Surplus (Including Prepaid Expense Adjustment)	5.46%	1.40%	4.06%
9. Total Return as a % of Premium (post-tax)			11.85%
10. Premium-to-Net Worth Ratio			0.970
11. Total Return as a % of Net Worth (post-tax)			11.50%

Note: Lines (1) to (9) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	25.67%
(c) Inv. Yield =	5.00%
(d) P/S Ratio =	1.15
(e) NW/S Ratio =	1.19
(f) Installment Fee Income=	0.58%
(g) Additional TRA tax=	0.20%
(h) Net Cost of Reinsurance=	15.81%

NOTES TO EXHIBIT RB-16, Page 1A

1. The expense provisions are those used in Exhibit RB-1, as adjusted for the proposed rate change.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-12. Investment income on agents' balances equals $0.132 \times 1.031 \times (c) \times [1 - (h)]$, where 0.132 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(c.) \times [1/(d.) + (0.4284 \times 0.5178)]$, where 0.4284 is the prepaid expense ratio from page 7 and 0.5178 is the unearned premium reserve to premium ratio from page 7.
9. $(6.) + (7.) + (8.)$.
10. $(d.)/(e.)$.
11. $(9.) \times (10.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-16, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-16, pp. 11-13; average of current and embedded yields.
- (d) See RB-16, p. 14
- (e) See RB-16, pp. 15
- (f) See RB-16, p. 3
- (g) See RB-16, pp. 4-6
- (h) See prefiled testimony

**NORTH CAROLINA
HOMEOWNERS INSURANCE
INSTALLMENT PAYMENT INCOME**

<u>Year</u>	<u>Inst. Charges</u>	Page 15 <u>Written Premium</u>	<u>Inst. Charges as a % of Prem.</u>
2005	8,684,682	1,433,056,057	0.61%
2004	7,534,179	1,338,700,556	0.56%
2003	6,755,739	1,216,831,977	0.56%
2002	6,025,672	1,077,177,024	0.56%
2001	6,033,595	975,922,641	0.62%
Selected Value			0.58%

Source: ISO.

**NORTH CAROLINA
HOMEOWNERS INSURANCE
CALCULATION OF TAXABLE INCOME**

1 Collected Earned Premium (current year)	100.00%
2 UEPR 12/31/current	53.30%
3 UEPR 12/31/prior	50.76%
4 Increase = (2) - (3)	2.54%
5 20% of Increase = Taxable Income	0.51%
6 Tax Liability = (5)x.35	0.18%
7 Unpaid Losses current yr.	11.13%
8 Discounted unpaid losses current yr.	10.01%
9 Unpaid Losses prior yr	10.60%
10 Discounted unpaid losses prior yr.	9.53%
11 Additional Income	0.05%
12 Tax Liability	0.02%
Other Tax Liabilities	
13 UEP	0.18%
14 Discounting of Loss Reserves	0.02%
15 Total	0.20%

NORTH CAROLINA
HOMEOWNERS INSURANCE
CALCULATION OF TAXABLE INCOME

(1) AY Avg Acc Date	(2) AY Pay Pattern	(3) Percent Unpaid	(4) Total Losses	(5) Unpaid Losses
0.5	85.50%	14.50%	49.311	7.2
1.5	95.70%	4.30%	46.963	2.0
2.5	98.00%	2.00%	44.726	0.9
3.5	99.00%	1.00%	42.596	0.4
4.5	99.40%	0.60%	40.568	0.2
5.5	99.60%	0.40%	38.636	0.2
6.5	99.80%	0.20%	36.796	0.1
7.5	99.80%	0.20%	35.044	0.1
8.5	99.90%	0.10%	33.375	0.0
9.5	99.90%	0.10%	31.786	0.0
10.5	99.90%	0.10%	30.273	0.0
11.5	100.00%	0.00%	28.831	0.0
12.5	100.00%	0.00%	27.458	0.0
13.5	100.00%	0.00%	26.151	0.0
14.5	100.00%	0.00%	24.905	0.0
15.5	100.00%	0.00%	23.719	0.0
16.5	100.00%	0.00%	22.590	0.0
17.5	100.00%	0.00%	21.514	0.0
18.5	100.00%	0.00%	20.490	0.0
19.5	100.00%	0.00%	19.514	0.0
20.5	100.00%	0.00%	18.585	0.0
21.5	100.00%	0.00%	17.700	0.0
22.5	100.00%	0.00%	16.857	0.0
23.5	100.00%	0.00%	16.054	0.0
24.5	100.00%	0.00%	15.290	0.0
25.5	100.00%	0.00%	14.562	0.0
26.5	100.00%	0.00%	13.868	0.0
27.5	100.00%	0.00%	13.208	0.0
28.5	100.00%	0.00%	12.579	0.0
29.5	100.00%	0.00%	11.980	0.0
30.5	100.00%	0.00%	11.409	0.0
31.5	100.00%	0.00%	10.866	0.0
32.5	100.00%	0.00%	10.349	0.0
33.5	100.00%	0.00%	9.856	0.0
34.5	100.00%	0.00%	9.387	0.0
35.5	100.00%	0.00%	8.940	0.0
36.5	100.00%	0.00%	8.514	0.0
37.5	100.00%	0.00%	8.108	0.0
38.5	100.00%	0.00%	7.722	0.0
39.5	100.00%	0.00%	7.355	0.0
40.5	100.00%	0.00%	7.004	0.0
41.5	100.00%	0.00%	6.671	0.0
42.5	100.00%	0.00%	6.353	0.0
43.5	100.00%	0.00%	6.051	0.0
44.5	100.00%	0.00%	5.763	0.0
45.5	100.00%	0.00%	5.488	0.0
46.5	100.00%	0.00%	5.227	0.0
47.5	100.00%	0.00%	4.978	0.0
48.5	100.00%	0.00%	4.741	0.0
49.5	100.00%	0.00%	4.515	0.0
50.5	100.00%	0.00%	4.300	0.0
51.5	100.00%	0.00%	4.095	0.0
52.5	100.00%	0.00%	3.900	0.0
53.5	100.00%	0.00%	3.715	0.0
54.5	100.00%	0.00%	3.538	0.0
55.5	100.00%	0.00%	3.369	0.0
56.5	100.00%	0.00%	3.209	0.0
57.5	100.00%	0.00%	3.056	0.0
58.5	100.00%	0.00%	2.910	0.0
59.5	100.00%	0.00%	2.772	0.0
60.5	100.00%	0.00%	2.640	0.0
61.5	100.00%	0.00%	2.514	0.0
62.5	100.00%	0.00%	2.394	0.0
63.5	100.00%	0.00%	2.280	0.0
64.5	100.00%	0.00%	2.172	0.0
65.5	100.00%	0.00%	2.068	0.0
66.5	100.00%		1.970	0.0
Sum				11.13

(6) AY at 12/31/yr. t	(7) Discount Factor	(8) Discounted Weight
2008	0.910149	6.5
2007	0.881893	1.8
2006	0.879825	0.8
2005	0.884479	0.4
2004	0.850140	0.2
2003	0.876937	0.1
2002	0.877996	0.1
2001	0.898774	0.1
2000	0.880851	0.0
1999	0.933151	0.0
1998	0.955652	0.0
1997	0.974648	0.0
1996	0.974648	0.0
1995	0.974648	0.0
1994	0.974648	0.0
1993	0.974648	0.0
1992	0.974648	0.0
1991	0.974648	0.0
1990	0.974648	0.0
1989	0.974648	0.0
1988	0.974648	0.0
1987	0.974648	0.0
1986	0.974648	0.0
1985	0.974648	0.0
1984	0.974648	0.0
1983	0.974648	0.0
1982	0.974648	0.0
1981	0.974648	0.0
1980	0.974648	0.0
1979	0.974648	0.0
1978	0.974648	0.0
1977	0.974648	0.0
1976	0.974648	0.0
1975	0.974648	0.0
1974	0.974648	0.0
1973	0.974648	0.0
1972	0.974648	0.0
1971	0.974648	0.0
1970	0.974648	0.0
1969	0.974648	0.0
1968	0.974648	0.0
1967	0.974648	0.0
1966	0.974648	0.0
1965	0.974648	0.0
1964	0.974648	0.0
1963	0.974648	0.0
1962	0.974648	0.0
1961	0.974648	0.0
1960	0.974648	0.0
1959	0.974648	0.0
1958	0.974648	0.0
1957	0.974648	0.0
1956	0.974648	0.0
1955	0.974648	0.0
1954	0.974648	0.0
1953	0.974648	0.0
1952	0.974648	0.0
1951	0.974648	0.0
1950	0.974648	0.0
1949	0.974648	0.0
1948	0.974648	0.0
1947	0.974648	0.0
1946	0.974648	0.0
1945	0.974648	0.0
1944	0.974648	0.0
1943	0.974648	0.0
1942	0.974648	0.0
Sum		10.01

(9) AY at 12/31/yr. t-1	(10) Weight	(11) Discount Factor	(12) Discounted Weight
2007	6.809581	0.910149	6.2
2006	1.923231	0.881893	1.7
2005	0.85193	0.879825	0.7
2004	0.405681	0.884479	0.4
2003	0.231818	0.850140	0.2
2002	0.147186	0.876937	0.1
2001	0.070088	0.877996	0.1
2000	0.066751	0.898774	0.1
1999	0.031786	0.880851	0.0
1998	0.030273	0.933151	0.0
1997	0.028831	0.955652	0.0
1996	0	0.974648	0.0
1995	0	0.974648	0.0
1994	0	0.974648	0.0
1993	0	0.974648	0.0
1992	0	0.974648	0.0
1991	0	0.974648	0.0
1990	0	0.974648	0.0
1989	0	0.974648	0.0
1988	0	0.974648	0.0
1987	0	0.974648	0.0
1986	0	0.974648	0.0
1985	0	0.974648	0.0
1984	0	0.974648	0.0
1983	0	0.974648	0.0
1982	0	0.974648	0.0
1981	0	0.974648	0.0
1980	0	0.974648	0.0
1979	0	0.974648	0.0
1978	0	0.974648	0.0
1977	0	0.974648	0.0
1976	0	0.974648	0.0
1975	0	0.974648	0.0
1974	0	0.974648	0.0
1973	0	0.974648	0.0
1972	0	0.974648	0.0
1971	0	0.974648	0.0
1970	0	0.974648	0.0
1969	0	0.974648	0.0
1968	0	0.974648	0.0
1967	0	0.974648	0.0
1966	0	0.974648	0.0
1965	0	0.974648	0.0
1964	0	0.974648	0.0
1963	0	0.974648	0.0
1962	0	0.974648	0.0
1961	0	0.974648	0.0
1960	0	0.974648	0.0
1959	0	0.974648	0.0
1958	0	0.974648	0.0
1957	0	0.974648	0.0
1956	0	0.974648	0.0
1955	0	0.974648	0.0
1954	0	0.974648	0.0
1953	0	0.974648	0.0
1952	0	0.974648	0.0
1951	0	0.974648	0.0
1950	0	0.974648	0.0
1949	0	0.974648	0.0
1948	0	0.974648	0.0
1947	0	0.974648	0.0
1946	0	0.974648	0.0
1945	0	0.974648	0.0
1944	0	0.974648	0.0
1943	0	0.974648	0.0
1942	0	0.974648	0.0
Sum			9.53

NOTES TO PAGES 4 AND 5

Page 4

- 1 Current year earned premium
- 2 Annual Statement, page 15, for all companies writing homeowners insurance in North Carolina
- 3 Estimated prior year UEPR
- 4 Line (2) - line (3)
- 5 Line (4) x .20.
- 6 Line (5) x .35.
- 7 Unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (5).
- 8 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (8).
- 9 Unpaid prior-year losses at year-end as a percent of premium. Sum of Page 5, Column (5) divided by 5% assumed growth rate.
- 10 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (12).
- 11 Line (7) - Line (8) - {Line (9) - Line (10)}
- 12 Line (11) x .35
- 13 Line (6)
- 14 Line (12)
- 15 Line (13) + Line (14)

Page 5

- 1 Midpoint of number of years since end of accident period.
- 2 Accident year payout pattern developed from policy year developed losses.
- 3 1 - Column (2)
- 4 Losses, given a 5% historical growth rate.
- 5 Column (3) x Column (4)
- 6 Accident Year "t"
- 7 Discount factor per IRS Regulations.
- 8 Column (5) x Column (7)
- 9 Accident Year "t-1"
- 10 Column (3), previous period x Column (4), current period
- 11 Discount factor per IRS Regulations.
- 12 Column (10) x Column (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 UEPR	51.78%	517,824
3. Deductions for prepaid expenses:		
Commissions & Brokerage	14.00%	
Taxes, Licenses & Fees (5/6)	2.17%	
Other Acquisition (1/2)	2.60%	
General Expense (1/2)	1.79%	
Cost of Reinsurance	22.29%	
Total	42.84%	
4. Deduction for Prepaid Expenses: (2) x (3)		221,861
5. Net UEPR Subject to Inv (2) - (4)		295,963
B. Loss and Loss Expense Reserves		
1. Direct Earned Premium		1,000,000
2. Expected Inc L & LAE to Premium Ratio	49.31%	493,108
3. Expected Mean L&LAE Reserve to Inc. L & LAE Ratio	39.90%	196,750
C. Net PH Funds Subj to Inv (A5 + B3)		
		492,713
D. Average Rate of Return		
		5.00%
E. Investment Earnings from Net Reserves (C) x (D)		
		24,636
F. Average Rate of Return as a Percent of Direct Earned Premium (E) / (A1)		
		2.46%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

All calculations are displayed per \$1,000,000 direct earned premiums.

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 12/31/05 for all companies writing homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/05	1,390,877,193
2. Unearned Premium Reserve as of 12/31/05	741,334,414
3. Unearned Premium Reserve as of 12/31/04	699,125,408
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	720,229,911
5. Ratio (4) \div (1)	51.78%

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.

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line B-2

The expected loss and loss adjustment expense ratio reflects the expense provisions utilized in the filing.

Line B-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of mean loss reserves to incurred losses. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

6	Incurring Losses	2001	467,635,393
7	Incurring Losses	2002	615,781,446
8	Incurring Losses	2003	776,431,232
9	Incurring Losses	2004	564,832,213
10	Incurring Losses	2005	546,910,154
11	Loss Reserves	2000	172,331,938
12	Loss Reserves	2001	169,626,576
13	Loss Reserves	2002	270,561,755
14	Loss Reserves	2003	215,086,893
15	Loss Reserves	2004	231,943,893
16	Loss Reserves	2005	239,459,079
17	Mean Loss Reserve	2001	170,979,257
18	Mean Loss Reserve	2002	220,094,166
19	Mean Loss Reserve	2003	242,824,324
20	Mean Loss Reserve	2004	223,515,393
21	Mean Loss Reserve	2005	235,701,486
22	Ratio	2001	36.56%
23	Ratio	2002	35.74%
24	Ratio	2003	31.27%
25	Ratio	2004	39.57%
26	Ratio	2005	43.10%
27	Average Loss Reserve		37.25%
28	Ratio of LAE Reserves to Loss Reserves		0.240
29	Ratio of Incurred LAE to Incurred Losses		0.159
30	Loss and LAE Reserve	$[(27) \times (1.0 + (28)) / (1.0 + (29))]$	0.399

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The average rate of return is calculated as the arithmetic mean of the embedded and current yields. The embedded yield is the sum of two ratios: the most recent ratio of investment income to invested assets (see page 12), 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 income and expected capital gains) on the property/casualty industry investment portfolio (see page 11).

Embedded Yield =	4.49% + 1.10% =	5.59%
Current Yield =		4.41%
Average =		5.00%

PORTFOLIO YIELD AND TAX RATE - CURRENT YIELD				
(1)	(2)	(3)	(4)	(5)
Investable Asset	Percent of Assets	Estimated Prospective Pre-Tax Return	Tax Rate	Estimated Prospective Post-Tax Return
Bonds				
U.S. Govt	12.58%	2.92%	35.00%	1.90%
States & territories	13.56%	3.29%	5.25%	3.12%
Special revenue	22.21%	3.26%	5.25%	3.09%
Public Utilities	1.40%	4.62%	35.00%	3.00%
Industrial	21.07%	4.37%	35.00%	2.84%
Preferred stock	1.34%	6.00%	14.18%	5.15%
Common stock	18.41%	10.69%	31.55%	7.32%
Mortgage Loans	0.30%	6.09%	35.00%	3.96%
Real estate	0.83%	5.57%	35.00%	3.62%
Cash & short-term invs.	8.28%	1.63%	35.00%	1.06%
Rate of Return Pre-Inv Exp	100.00%	4.77%	25.93%	3.53%
Investment Expenses		0.36%	35.00%	0.24%
Portfolio Rate of Return		4.41%	25.19%	3.30%

Sources:

Various issues of Federal Reserve Statistical Release, H.15(519).
Mergent Bond Record.
Standard & Poor's CreditWeek.
Value Line Investment Survey, Part II.
Ibbotson Associates, SBB1 Valuation Edition 2008 Yearbook.
Ibbotson and Siegel, AREUEA Journal, 1984.
A.M. Best's Aggregates & Averages, 2007 edition.

PORTFOLIO YIELD AND TAX RATE EMBEDDED YIELD		
	Income	Tax Rate
Bonds		
Taxable	25,429,410	35.00%
Non-Taxable	14,446,481	5.25%
Stocks		
Taxable	4,507,468	14.18%
Non-Taxable	2,839,135	5.25%
Mortgage Loans	195,240	35.00%
Real Estate	1,657,734	35.00%
Contract Loans	1,645	35.00%
Cash / Short Term Inv.	4,755,081	35.00%
All Other	5,389,774	35.00%
Total	59,221,968	24.73%
Inv. Expenses	4,573,873	35.00%
Net Inv. Income	54,648,095	23.87%
Mean Invested Assets	1,217,432,187	
Inv. Inc. Yield Rate	4.49%	23.87%
Capital Gains (10 yr. avg) (% Of Inv. Assets)	1.10%	35.00%
Invest. Yield Rate (pre-tax)	5.59%	26.06%
Invest. Yield Rate (post-tax)	4.13%	

Source: Best's Aggregates and Averages, 2007 Edition, p. 12 (Exhibit of Net Investment Income, Col. 2 (Earned During Year)).

Capital Gains: see RB-16, page 13

**CAPITAL GAINS OR LOSSES
AS A PERCENT OF MEAN ASSETS**
(All amounts in thousands of dollars)

Calendar Year	Mean Total Invested Assets	Realized Capital Gains	
		Amount	Percent
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
2006	1,217,432,187	3,587,228	0.29%
Total	8,971,918,076	98,625,131	1.10%

*Mean total invested assets is the average of the current year and prior year values of total invested assets (annual statement page 2, Line 9).

Source: "Best's Aggregates & Averages--Property-Casualty,"
various editions

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

PREMIUM-TO-SURPLUS RATIOS

<u>Year</u>	<u>Homeowners Insurance</u>
2006	0.97
2005	1.20
2004	1.26
2003	1.37
2002	1.42
2001	1.20
2000	1.03
1999	0.98
1998	0.98
1997	1.08
Ten - Year Average	1.15

Notes:

- 1 Data from Best's Data Service
and Best's Aggregates & Averages, various editions
- 2 Top 30 groups writing in each year

**NORTH CAROLINA HOMEOWNERS INSURANCE
CALCULATION OF GAAP NET WORTH TO SURPLUS RATIO**

	2002	2003	2004	2005	2006
Policyholder Surplus	285,385,631,797	347,020,052,576	391,294,425,276	425,759,944,800	486,231,429,443
+ Deferred Acquisition Costs	21,228,221,405	23,633,976,782	25,336,389,277	26,322,460,773	27,351,959,298
+ Non-Admitted DTA Provision	20,975,201,995	18,945,643,538	19,919,892,745	20,389,557,802	19,710,944,304
+ Non-admitted Assets (non-tax part)	15,273,483,824	16,495,566,662	22,629,830,486	23,050,311,315	25,215,840,687
+ Provision for Reinsurance	6,130,614,136	5,802,642,707	5,971,612,606	5,757,810,700	5,407,923,691
+ Provision for FASB 115(after-tax)	10,573,599,824	11,598,154,936	13,697,026,260	4,664,626,701	4,267,041,184
- Surplus Notes	(8,050,443,917)	(9,589,168,207)	(10,569,400,392)	(11,102,999,699)	(10,633,190,656)
GAAP-adjusted Net Worth	351,516,309,064	413,906,868,994	468,279,776,257	494,841,712,392	557,551,947,951
Ratio of GAAP Net Worth to Statutory Surplus	1.23	1.19	1.20	1.16	1.15
Five Year Average	1.19				

Source: ISO

Beach and FAIR Plans Combined
Residential Policies Only
Determination of Beach/Fair Plans Equity for 2008 Storm Season

Total Beach/Fair Plans Members' Equity as of 3/31/08	\$488,668,118
Expected Increase in Equity from Underwriting Operation Through 9/30/08	52,500,000
Expected Increase in Equity from Investment Income through 9/30/08	10,197,388
Total Projected Capital Available for Hurricane Losses for 2008 Storm Season	\$551,365,506

Demonstration of Hurricane Loss that Exhausts Members' Equity

Average Annual Loss (AAL) (a)	\$174,394,092
Reinsurance Attachment Point (2 x AAL) (b)	348,788,185
Reinsurance Limit (1 in 100 year event) (b)	3,392,712,190
Quota Share within Reinsured Layers (b)	10%
 Assumed Hurricane Losses (c)	 \$2,374,561,401
 Amount of Loss Subject to Reinsurance (Hurricane Loss - Attachment Point)	 \$2,025,773,217
 Beach/Fair Plans Retained Losses	
Amount Below Attachment Point	\$348,788,185
10% Quota Share Within Reinsured Layers	202,577,322
 Total Loss Retained by Beach/Fair Plans	 \$551,365,506
 Members' Equity as of 2008 Storm Season	 \$551,365,506
 Members' Equity Remaining After Loss of \$2,374,561,401	 0

Notes

- (a) From AIR model runs
- (b) Based on reinsurance program assumed, which provides reinsurance for up to a 1 in 100 year event, as opposed to the Beach Plan's actual reinsurance program, which provides reinsurance for up to approximately a 1 in 50 year event. See prefiled testimony.
- (c) Assumed storm with insured losses of \$2,374,561,401. This storm has a probability of occurrence of approximately 1.4% (approximately a 1 in 70 year event).

Catastrophe Bond Profit Multiples All Cat Bonds Issued 2005 - 2007

<u>Probability</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>All Years</u>
less than 0.4%	24.53	14.33	24.58	19.85
1% to 0.4%	5.96	8.79	6.24	7.26
2% to 1%	3.57	4.57	5.79	4.85
5% to 2%	2.87	4.08	2.91	3.18
10% to 5%	1.76	3.17	1.70	2.64
20% to 10%	N/A	2.09	1.28	1.99
All Bonds	3.43	4.00	3.87	3.86

Source: Lane Financial LLC, Annual Securitization Reviews

**Beach and FAIR Plans Combined
Residential Policies Only
Determination of the Compensation for Bearing Risk of Beach/Fair Plans Assessments**

Layer	Covered by Member's Equity			Exposed Layers		
	2 x AAL to 5.0%	5.0% to 2.0%	2.0% to 1.0%	1.0% to 0.4%	Less Than 0.4%	
Aggregate Annual Losses at Attachment of Layer (\$ millions)	\$348.8	\$923.6	\$1,961.1	\$2,374.6	\$3,392.7	\$5,167.0
Aggregate Annual Losses at End of Layer (\$ millions)	\$923.6	\$1,961.1	\$2,374.6	\$3,392.7	\$5,167.0	Unlimited
Beach/Fair Plans Share of Layer	10%	10%	10%	10%	100%	100%
Retained Losses in Layer (\$ millions)	\$57.5	\$103.8	\$41.3	\$101.8	\$1,774.2	Unlimited
Expected Assessment in Exposed Layer	\$0	\$0	\$0	\$1,243,123	\$11,709,931	\$9,463,903
Indicated Profit Multiple (From Cat Bond Market)	2.64	3.18	4.85	4.85	7.26	19.85
Compensation for Assessment Risk	\$0	\$0	\$0	\$6,030,299	\$84,971,892	\$187,853,081

Total

\$278,855,273

2 x AAL is approximately equal to a 9.6% probability of occurrence
Losses includes Loss & LAE

Allocation of Compensation for Bearing Assessment Risk to Residential Policy Form

Policy Form	Estimated 2008 Industry Written Premium @ Manual Rates	% of Industry Premium	Compensation for Assessment Risk	Compensation for Assessment Risk as % of 2007 Manual Premium
Homeowners	2,069,428,811	84.0%	234,154,880	11.3%
Dwelling Fire & EC	262,592,577	10.7%	29,712,224	11.3%
MobileHome	132,463,385	5.4%	14,988,169	11.3%
Total	2,464,484,773	100.0%	278,855,273	11.3%

2007 Industry Premium includes Beach/Fair Plans