

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

BEFORE THE COMMISSIONER

IN THE MATTER OF THE FILING)
DATED FEBRUARY 7, 2018 BY THE)
NORTH CAROLINA RATE BUREAU) DOCKET NO. 1892
FOR REVISED DWELLING INSURANCE)
RATES AND DWELLING INSURANCE)
TERRITORY DEFINITIONS)

SETTLEMENT AGREEMENT
AND CONSENT ORDER

On February 7, 2018, the North Carolina Rate Bureau ("Rate Bureau") filed with the North Carolina Department of Insurance ("Department") a proposal for revised dwelling insurance rates and dwelling insurance territory definitions (the "2018 Dwelling Filing"). This 2018 Dwelling Filing was assigned Docket No. 1892 and proposed a statewide overall increase in dwelling insurance rates of 18.9% with changes varying by form and territory.

The Rate Bureau and the Department have agreed to settle the 2018 Dwelling Filing. The proposed settlement would provide for an overall statewide rate increase of 4.8%, with changes varying by form and territory as set forth on Exhibit A.

It appearing to the Commissioner that the Rate Bureau and the Department have, after consultation with their respective legal, actuarial and economic advisors and subject to approval by the Commissioner and to the conditions hereinafter set forth, entered into a settlement of all matters and things in dispute in connection with the 2018 Dwelling Filing; and it further appearing to the Commissioner that a settlement under the circumstances set forth herein results in rates that are neither excessive, inadequate, unreasonable, or unfairly discriminatory, that such settlement is in the public interest, that such settlement is fair and reasonable and should be approved and that, to the extent that the current rates and/or the filed rates differ from the rates approved by this order, the current rates and/or the filed rates are either excessive, inadequate, unreasonable or unfairly discriminatory;

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

1. The 2018 Dwelling Filing is approved subject to the modifications set forth in paragraph 2, below.
2. The approved overall statewide rate level increase, considering all forms and territories, is 4.8%. The approved territory rate level changes by form are set forth on the attached Exhibit A. The resulting approved territory base class premiums by form are set forth on the attached Exhibit B. The approved windstorm or hail exclusion credits by form are set forth on the attached Exhibit C. The approved wind mitigation credits by form are set forth on the

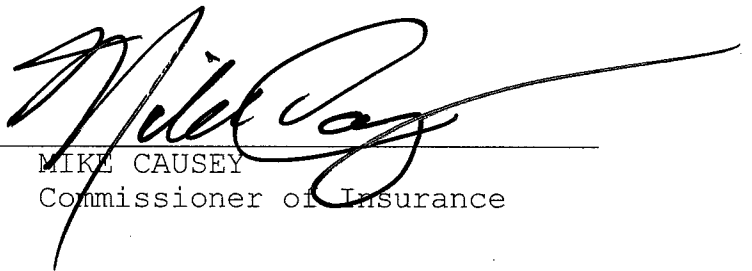
attached Exhibit D. Exhibits A through D are incorporated herein by reference.

3. The revised rates and other approved changes are to become effective in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after February 1, 2019.

4. The parties acknowledge that, by entering into this Consent Order, neither is condoning, validating, accepting or agreeing to the other's theories, methodologies or calculations regarding or pertaining to profit, dividends and deviations, computer models, catastrophe loadings, and/or any other theory, methodology or calculation not specifically enumerated herein. The parties further acknowledge that by entering into this Consent Order neither is bound or limited in filing, reviewing or contesting any future rate filings in any line of insurance subject to the Bureau's jurisdiction by the theories, methodologies or calculations contained in the 2018 Dwelling Filing.

This 27th day of June, 2018.



MIKE CAUSEY
Commissioner of Insurance

WE CONSENT TO THE SIGNING AND ENTRY OF THIS ORDER:

NORTH CAROLINA RATE BUREAU

BY: Raymond F. Evans by Hanna Piliouris
RAYMOND F. EVANS
General Manager

NORTH CAROLINA DEPARTMENT OF INSURANCE

BY: Fred Fuller by [Signature]
FRED FULLER
Deputy Commissioner, Property and Casualty

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Statewide and Territory Rate Level Changes

<u>New Territory</u>	<u>Current Territory</u>	<u>FIRE</u>		<u>EXTENDED COVERAGE</u>	
		<u>Buildings</u>	<u>Contents</u>	<u>Buildings</u>	<u>Contents</u>
110	7	-0.1%	-17.5%	9.4%	11.1%
120	8	-12.5%	-27.8%	10.5%	12.0%
130	48	-25.7%	-38.6%	21.6%	26.6%
140	52	-21.3%	-35.1%	15.5%	18.8%
150	49	-20.4%	-34.3%	17.6%	-15.3%
160	52	-7.6%	-23.8%	12.5%	-11.1%
170	45	-20.7%	-34.6%	29.9%	-8.9%
180	45	-18.2%	-32.5%	29.9%	25.5%
190	45	-16.5%	-31.0%	30.1%	42.6%
200	41	-22.1%	-35.7%	51.2%	70.1%
210	47	-15.6%	-30.4%	29.7%	24.1%
220	34	-17.6%	-31.6%	30.4%	42.1%
220	45	-25.1%	-38.5%	-4.9%	-43.1%
230	41	-19.8%	-33.8%	43.5%	55.2%
240	47	-13.4%	-28.5%	27.8%	11.5%
250	47	-20.3%	-34.2%	31.2%	-6.3%
260	46	-23.3%	-36.7%	55.0%	8.7%
270	32	-31.4%	-44.0%	22.0%	-7.0%
270	53	-13.7%	-26.7%	26.2%	-7.0%
280	53	-19.4%	-33.5%	27.4%	-10.7%
290	47	-26.9%	-39.7%	14.2%	-19.9%
300	44	-7.1%	-23.4%	29.5%	27.8%
310	36	-25.8%	-36.6%	55.8%	33.6%
310	46	-42.8%	-48.6%	-2.6%	-33.2%
310	57	-20.7%	-36.6%	19.9%	33.6%
310	60	-10.6%	-28.1%	19.9%	-33.2%
320	57	-22.3%	-36.3%	29.8%	44.5%
320	60	-12.3%	-27.8%	29.8%	-27.7%
330	57	-17.5%	-31.9%	41.5%	-0.8%
340	38	-30.4%	-38.3%	60.9%	33.1%
340	39	-25.3%	-42.2%	37.9%	33.1%
340	60	-21.5%	-38.3%	11.4%	-33.4%
350	39	-14.8%	-30.5%	41.2%	45.4%
350	60	-10.5%	-25.9%	14.0%	-27.3%
360	60	-25.8%	-38.7%	10.6%	-22.5%
370	60	-18.0%	-32.3%	17.4%	-17.7%
380	60	-25.8%	-38.7%	5.4%	-26.1%
390	60	-22.9%	-36.4%	3.6%	-27.3%
Statewide		-19.7%	-33.7%	19.0%	8.3%
Statewide for both Classes:		-20.8%		18.7%	
Combined Statewide Change for all Forms and Classes:			4.8%		

Approved Base-Class Premiums

<u>Territory</u>	<u>Territory</u>	FIRE		EXTENDED COVERAGE	
		<u>Buildings</u>	<u>Contents</u>	<u>Buildings</u>	<u>Contents</u>
110	7	17	4	156	22
120	8	17	4	174	26
130	48	31	9	128	19
140	52	28	9	134	19
150	49	29	9	126	12
160	52	32	11	130	14
170	45	44	13	62	5
180	45	45	14	62	6
190	45	46	14	62	7
200	41	62	16	77	10
210	47	41	13	52	4
220	34	41	12	46	3
220	45	41	12	46	3
230	41	64	17	73	9
240	47	42	13	51	3
250	47	38	12	52	3
260	46	47	13	50	2
270	32	30	10	37	2
270	53	30	10	37	2
280	53	28	9	37	2
290	47	35	11	46	2
300	44	47	15	39	4
310	36	35	11	31	1
310	46	35	11	31	1
310	57	35	11	31	1
310	60	35	11	31	1
320	57	34	11	34	1
320	60	34	11	34	1
330	57	36	12	37	1
340	38	31	9	29	1
340	39	31	9	29	1
340	60	31	9	29	1
350	39	35	11	30	1
350	60	35	11	30	1
360	60	29	9	29	2
370	60	32	10	31	2
380	60	29	9	27	1
390	60	30	10	27	1

**Extended Coverage
 Windstorm or Hail Exclusion Credits**

<u>New Territory</u>	<u>Current Territory</u>	<u>Construction</u>	<u>Buildings</u>	<u>Contents</u>
110	7	Masonry	127	16
		Frame	134	17
		Mobile Home	167	22
120	8	Masonry	139	19
		Frame	146	20
		Mobile Home	182	26
130	48	Masonry	85	12
		Frame	90	12
		Mobile Home	112	15
140	52	Masonry	92	12
		Frame	97	12
		Mobile Home	121	15
150	49	Masonry	88	11
		Frame	93	11
		Mobile Home	116	14
160	52	Masonry	92	12
		Frame	97	12
		Mobile Home	121	15

**Extended Coverage
Windstorm Mitigation Credits**

Buildings

	Construction		Territory			
	110	120	130	140	150	160
Frame						
Total Hip Roof	7	7	4	4	5	4
Opening Protection	7	7	4	4	5	4
Total Hip Roof and Opening Protection	14	14	9	9	9	9
IBHS Designation:						
Hurricane Fortified for Safer Living®	24	26	10	16	12	16
Hurricane Fortified for Existing Homes® Bronze Option 1	5	5	3	3	4	3
Hurricane Fortified for Existing Homes® Bronze Option 2	9	9	4	6	5	6
Hurricane Fortified for Existing Homes® Silver Option 1	14	16	6	10	6	10
Hurricane Fortified for Existing Homes® Silver Option 2	17	19	7	12	7	12
Hurricane Fortified for Existing Homes® Gold Option 1	18	19	9	12	9	12
Hurricane Fortified for Existing Homes® Gold Option 2	20	23	10	15	10	15
Masonry						
Total Hip Roof	7	7	4	4	5	4
Opening Protection	7	7	4	4	5	4
Total Hip Roof and Opening Protection	14	14	9	9	9	9
IBHS Designation:						
Hurricane Fortified for Safer Living®	22	24	10	16	12	16
Hurricane Fortified for Existing Homes® Bronze Option 1	5	5	3	3	4	3
Hurricane Fortified for Existing Homes® Bronze Option 2	9	9	4	6	5	6
Hurricane Fortified for Existing Homes® Silver Option 1	14	16	6	10	6	10
Hurricane Fortified for Existing Homes® Silver Option 2	17	18	7	12	7	12
Hurricane Fortified for Existing Homes® Gold Option 1	17	18	9	12	9	12
Hurricane Fortified for Existing Homes® Gold Option 2	19	22	10	15	10	15

Contents

	Construction		Territory			
	110	120	130	140	150	160
Frame						
Total Hip Roof	1	1	1	1	1	1
Opening Protection	1	1	1	1	1	1
Total Hip Roof and Opening Protection	1	2	1	1	1	1
IBHS Designation:						
Hurricane Fortified for Safer Living®	4	4	2	3	2	3
Hurricane Fortified for Existing Homes® Bronze Option 1	1	1	1	1	1	1
Hurricane Fortified for Existing Homes® Bronze Option 2	1	2	1	1	1	1
Hurricane Fortified for Existing Homes® Silver Option 1	2	2	1	2	1	2
Hurricane Fortified for Existing Homes® Silver Option 2	2	3	1	2	1	2
Hurricane Fortified for Existing Homes® Gold Option 1	3	3	1	2	1	2
Hurricane Fortified for Existing Homes® Gold Option 2	3	3	2	2	2	2
Masonry						
Total Hip Roof	1	1	1	1	1	1
Opening Protection	1	1	1	1	1	1
Total Hip Roof and Opening Protection	1	2	1	1	1	1
IBHS Designation:						
Hurricane Fortified for Safer Living®	4	4	2	3	2	3
Hurricane Fortified for Existing Homes® Bronze Option 1	1	1	1	1	1	1
Hurricane Fortified for Existing Homes® Bronze Option 2	1	2	1	1	1	1
Hurricane Fortified for Existing Homes® Silver Option 1	2	2	1	2	1	2
Hurricane Fortified for Existing Homes® Silver Option 2	2	3	1	2	1	2
Hurricane Fortified for Existing Homes® Gold Option 1	3	3	1	2	1	2
Hurricane Fortified for Existing Homes® Gold Option 2	3	3	2	2	2	2