

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF WIND EXCLUSION CREDIT

OWNERS FORMS

Territory	$L^{(a)}$	$d$	$F^{(b)}$	$(I-V)^{(c)}$	$k$	$B^{(d)}$	$R^{(e)}$	$d'$	$d'R$	$D$	$I$	$r$	$p_f$	$p_m$	$C_f$	$C_m$
110	2,077.23	0.214	78.64	0.7490	0.243	78.22	1,679.14	0.0004	0.73	0.00	3,098	1.000	1.013	0.911	2,411	2,167
120	2,081.45	0.112	86.61	0.7490	0.147	91.71	2,554.33	0.0005	1.24	0.00	3,632	1.002	1.001	0.901	3,200	2,882
130	896.14	0.348	80.35	0.7490	0.402	49.76	684.42	0.0008	0.51	0.00	1,895	0.999	1.158	1.070	1,564	1,444
140	1,248.12	0.222	89.56	0.7490	0.274	63.91	1,333.00	0.0009	1.22	0.00	2,531	1.002	1.016	0.906	2,059	1,836
150	633.67	0.408	94.57	0.7490	0.485	41.95	465.57	0.0012	0.55	0.00	1,476	1.001	1.077	0.958	1,061	943
160	686.63	0.363	103.13	0.7490	0.446	45.13	652.07	0.0015	0.96	0.00	1,650	1.001	1.036	0.930	1,201	1,078

TENANTS

Territory	$L^{(a)}$	$d$	$F^{(b)}$	$(I-V)^{(c)}$	$k$	$B^{(d)}$	$R^{(e)}$	$d'$	$d'R$	$D$	$I$	$r$	$p_f$	$p_m$	$C_f$	$C_m$
110	52.00	0.354	16.28	0.7490	0.508	3.87	37.39	0.0001	0.00	0.00	124	1.000	1.007	0.902	76	68
120	62.70	0.273	18.09	0.7490	0.436	4.40	65.58	0.0001	0.01	0.00	154	1.000	1.001	0.900	105	95
130	32.33	0.548	14.55	0.7490	0.688	2.46	18.50	0.0001	0.00	0.00	79	1.000	1.066	0.980	36	34
140	38.16	0.403	18.84	0.7490	0.600	2.99	33.13	0.0003	0.01	0.00	105	1.000	1.002	0.900	58	52
150	26.04	0.678	16.70	0.7490	0.804	1.87	10.73	0.0003	0.00	0.00	66	1.000	1.022	0.914	19	17
160	31.25	0.636	19.08	0.7490	0.774	2.36	18.32	0.0004	0.01	0.00	83	1.000	1.009	0.904	29	26

CONDOMINIUM UNIT OWNERS

Territory	$L^{(a)}$	$d$	$F^{(b)}$	$(I-V)^{(c)}$	$k$	$B^{(d)}$	$R^{(e)}$	$d'$	$d'R$	$D$	$I$	$r$	$p_f$	$p_m$	$C_f$	$C_m$
110	50.01	0.508	10.09	0.7490	0.591	3.18	30.01	0.0001	0.00	0.00	107	1.000	1.000	0.898	58	52
120	62.01	0.359	9.88	0.7490	0.447	3.91	57.51	0.0001	0.01	0.00	137	1.000	1.002	0.884	92	82
130	41.14	0.578	8.33	0.7490	0.649	2.46	22.64	0.0001	0.00	0.00	86	1.000	1.028	0.904	43	38
140	48.31	0.533	9.92	0.7490	0.613	2.69	32.05	0.0003	0.01	0.00	94	1.000	1.000	0.896	45	40
150	30.47	0.756	7.78	0.7490	0.806	1.84	9.53	0.0003	0.00	0.00	59	1.000	1.031	0.903	17	15
160	33.91	0.696	9.15	0.7490	0.761	2.00	16.39	0.0004	0.01	0.00	70	1.000	1.002	0.898	25	22

<sup>(a)</sup> equals column (9) on pages C-7, C-9 and C-11.

<sup>(b)</sup> equals the product of columns (2) and (4) on pages C-8, C-10 and C-12.

<sup>(c)</sup> equals (1.0 - statewide provisions for profit, dividends, contingencies, commission, taxes on page D-29).

<sup>(d)</sup> equals column (6) on pages C-8, C-10 and C-12.

<sup>(e)</sup> equals column (7) on pages C-8, C-10 and C-12.

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DERIVATION OF WIND EXCLUSION CREDITS

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

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

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

$I$  = Filed base class rate

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

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

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

$V$  = Variable expense provision

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

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

$R$  = Reinsurance provision as calculated on pages D-46 through D-48

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

$D$  = Selected deviation percentage

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

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

The derivation of the filed credits, using the formula defined above, is displayed on page C-14.

The  $d$  value is calculated as

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

where the numerator is calculated in the same manner as column (4) on pages C-7, C-9 and C-11 but with all wind losses excluded. The denominator is equal to column (6) on pages C-7, C-9 and C-11.

The  $d'$  value is calculated as

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

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

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DERIVATION OF WIND MITIGATION CREDITS - FRAME CONSTRUCTION

	Territory					
	110	120	130	140	150	160
(1) Current Wind Exclusion Credit - Frame	1,717	2,389	1,115	1,508	889	930
(2) Filed Wind Exclusion Credit - Frame	2,411	3,200	1,564	2,059	1,061	1,201
(3) Ratio of Filed and Current Wind Credits = (2)/(1)	1.404	1.339	1.403	1.365	1.193	1.291
<b>(4) Current Wind Mitigation Credits</b>						
Total Hip Roof	119	163	78	103	60	63
Opening Protection	122	167	78	104	59	65
Total Hip Roof and Opening Protection	241	328	154	207	118	128
<u>IBHS Designation:</u>						
Hurricane Fortified for Safer Living®	390	575	223	345	129	214
Hurricane Fortified for Existing Homes® Bronze Option 1	94	130	62	82	47	51
Hurricane Fortified for Existing Homes® Bronze Option 2	146	204	87	129	59	79
Hurricane Fortified for Existing Homes® Silver Option 1	234	346	125	210	62	128
Hurricane Fortified for Existing Homes® Silver Option 2	281	418	149	257	71	159
Hurricane Fortified for Existing Homes® Gold Option 1	299	440	167	262	93	162
Hurricane Fortified for Existing Homes® Gold Option 2	347	514	190	310	101	191
<b>(5) Revised Wind Mitigation Credits = (3)×(4)</b>						
Total Hip Roof	167	218	110	141	72	82
Opening Protection	171	224	110	143	70	83
Total Hip Roof and Opening Protection	338	439	217	283	140	165
<u>IBHS Designation:</u>						
Hurricane Fortified for Safer Living®	547	770	312	471	154	276
Hurricane Fortified for Existing Homes® Bronze Option 1	133	174	87	111	56	65
Hurricane Fortified for Existing Homes® Bronze Option 2	205	273	123	176	70	102
Hurricane Fortified for Existing Homes® Silver Option 1	329	463	175	287	74	165
Hurricane Fortified for Existing Homes® Silver Option 2	394	560	209	351	84	205
Hurricane Fortified for Existing Homes® Gold Option 1	420	590	235	357	110	209
Hurricane Fortified for Existing Homes® Gold Option 2	487	688	267	424	121	247

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DERIVATION OF WIND MITIGATION CREDITS - MASONRY CONSTRUCTION

	Territory					
	110	120	130	140	150	160
(1) Current Wind Exclusion Credit - Masonry	1,546	2,155	1,048	1,344	790	835
(2) Filed Wind Exclusion Credit - Masonry	2,167	2,882	1,444	1,836	943	1,078
(3) Ratio of Filed and Current Wind Credits = (2)/(1)	1.402	1.337	1.378	1.366	1.194	1.291
<b>(4) Current Wind Mitigation Credits</b>						
Total Hip Roof	108	146	73	92	54	57
Opening Protection	110	150	73	94	52	58
Total Hip Roof and Opening Protection	217	296	145	186	105	116
<u>IBHS Designation:</u>						
Hurricane Fortified for Safer Living®	352	518	209	307	115	192
Hurricane Fortified for Existing Homes® Bronze Option 1	84	118	57	72	42	45
Hurricane Fortified for Existing Homes® Bronze Option 2	131	184	82	115	52	71
Hurricane Fortified for Existing Homes® Silver Option 1	211	313	118	188	55	116
Hurricane Fortified for Existing Homes® Silver Option 2	253	377	140	229	62	142
Hurricane Fortified for Existing Homes® Gold Option 1	269	398	157	233	81	145
Hurricane Fortified for Existing Homes® Gold Option 2	311	464	179	276	90	171
<b>(5) Revised Wind Mitigation Credits = (3)×(4)</b>						
Total Hip Roof	151	195	101	126	64	74
Opening Protection	155	201	101	128	62	76
Total Hip Roof and Opening Protection	304	396	200	254	125	149
<u>IBHS Designation:</u>						
Hurricane Fortified for Safer Living®	493	692	288	419	137	248
Hurricane Fortified for Existing Homes® Bronze Option 1	118	158	79	99	50	58
Hurricane Fortified for Existing Homes® Bronze Option 2	184	246	113	157	62	92
Hurricane Fortified for Existing Homes® Silver Option 1	296	418	162	256	66	149
Hurricane Fortified for Existing Homes® Silver Option 2	355	505	193	313	75	183
Hurricane Fortified for Existing Homes® Gold Option 1	377	532	216	318	97	187
Hurricane Fortified for Existing Homes® Gold Option 2	437	621	247	377	107	221

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DERIVATION OF WIND-ONLY RATES

OWNERS FORMS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			=(1)/(2)		=(3)+(4)		=(3)+(6)
	Fixed		Fixed	Revised	Revised	Revised	Revised
	Expense	1-V	Expense	Wind Exclusion	Wind-Only	Wind Exclusion	Wind-Only
<u>Territory</u>	<u>Expense</u>	<u>1-V</u>	<u>Loading</u>	<u>Credit - Frame</u>	<u>Base Rate - Frame</u>	<u>Credit - Masonry</u>	<u>Base Rate - Masonry</u>
110	78.64	0.749	104.99	2,411	2,516	2,167	2,272
120	86.61	0.749	115.63	3,200	3,316	2,882	2,998
130	80.35	0.749	107.28	1,564	1,671	1,444	1,551
140	89.56	0.749	119.57	2,059	2,179	1,836	1,956
150	94.57	0.749	126.26	1,061	1,187	943	1,069
160	103.13	0.749	137.69	1,201	1,339	1,078	1,216

TENANTS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			=(1)/(2)		=(3)+(4)		=(3)+(6)
	Fixed		Fixed	Revised	Revised	Revised	Revised
	Expense	1-V	Expense	Wind Exclusion	Wind-Only	Wind Exclusion	Wind-Only
<u>Territory</u>	<u>Expense</u>	<u>1-V</u>	<u>Loading</u>	<u>Credit - Frame</u>	<u>Base Rate - Frame</u>	<u>Credit - Masonry</u>	<u>Base Rate - Masonry</u>
110	16.28	0.749	21.74	76	98	68	90
120	18.09	0.749	24.15	105	129	95	119
130	14.55	0.749	19.43	36	56	34	53
140	18.84	0.749	25.15	58	83	52	77
150	16.70	0.749	22.30	19	41	17	39
160	19.08	0.749	25.47	29	55	26	52

CONDOMINIUM UNIT OWNERS							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			=(1)/(2)		=(3)+(4)		=(3)+(6)
	Fixed		Fixed	Revised	Revised	Revised	Revised
	Expense	1-V	Expense	Wind Exclusion	Wind-Only	Wind Exclusion	Wind-Only
<u>Territory</u>	<u>Expense</u>	<u>1-V</u>	<u>Loading</u>	<u>Credit - Frame</u>	<u>Base Rate - Frame</u>	<u>Credit - Masonry</u>	<u>Base Rate - Masonry</u>
110	10.09	0.749	13.47	58	71	52	65
120	9.88	0.749	13.19	92	105	82	95
130	8.33	0.749	11.11	43	54	38	49
140	9.92	0.749	13.25	45	58	40	53
150	7.78	0.749	10.39	17	27	15	25
160	9.15	0.749	12.22	25	37	22	34

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DERIVATION OF WIND-ONLY RATES

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

The wind-only rates are calculated as follows.

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

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

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

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

$V$  = Variable expense provision

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### HOMEOWNERS INSURANCE

#### EXPLANATORY MEMORANDUM

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

#### Premium and Loss Experience

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

The Commissioner appointed the following statistical agents for the collection of homeowners insurance experience in North Carolina: Insurance Services Office (ISO), Independent Statistical Services, Inc. (ISS), American Association of Insurance Services (AAIS), and National Independent Statistical Service (NISS).

Experience utilized in the filing was collected under the Personal Lines Statistical Plan and the 2016 Official Statistical Programs of ISO, the Statistical Plan for Homeowners Policies, Mobilehome Policies, and Dwelling Policies and the 2016 Statistical Programs of ISS, the Homeowners Statistical Plan developed by the NISS and the 2016 Statistical Programs of the NISS. In substance, the statistical plans of these statistical agents are similar in North Carolina, and provide for the recording and reporting of the experience in the detail required for ratemaking and in such form that the experience of all companies can be combined. The experience collected by AAIS and in the ISO Stat Agent plan (which totals less than 0.35% of the aggregate experience) is collected in lesser detail and has not been used in this review.

The licensing of an organization and its appointment as a statistical agent in North Carolina 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.

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. and National Independent Statistical Service are provided to the Insurance Services Office. The Insurance Services Office combines the experience and develops the analysis included in this filing. This work is performed at the direction of the North Carolina Rate Bureau.



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**Statewide Rate Level Exhibits**

1. Experience

Homeowners insurance experience was compiled on a calendar accident year basis for the years ended December 31, 2016, 2015, 2014, 2013, and 2012. For any twelve-month period, the accident year experience brings together the losses resulting from accidents occurring during that period with the average rating factors and number of exposures "earned" during the same period. Since this filing utilizes computer models to estimate the average annual 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 exposures earned during the experience period by the base rates and rating factors 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.

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

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Homeowners claims generally are settled, and are therefore 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 experience of companies reporting to ISO and three large company-groups reporting to the ISS, by policy form, and are as follows:

<u>Accident Year Ended</u>	<u>Factor to Develop to 63 Months</u>		
	<u>Owners Forms</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
December 31, 2016	1.025	1.013	0.994
December 31, 2015	1.001	1.008	0.995
December 31, 2014	0.999	1.001	0.994
December 31, 2013	0.999	1.001	1.001
December 31, 2012	1.000	1.000	1.000

The derivation of the factors shown above is presented on pages D-12-14. By applying these factors, the reported incurred losses have been changed to the amounts at which it is believed they will ultimately be settled.

4. "Excess Wind" Losses and Modeled Hurricane Losses

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

With respect to the excess wind procedure (pages D-33-36), two adjustments to reported (non-hurricane) incurred losses are made. First, excess wind losses, which result from unusually severe non-hurricane wind activity, are removed from the rate-making experience. Second, the excess losses for a given year are replaced with an expected excess wind loss loading, by application of the statewide "excess wind factor". This statewide excess wind factor is based on the long-term (non-hurricane) wind history and, therefore, is not subject to the type of yearly variation inherent in actual wind losses. Note that in order to have a complete history of wind experience, the earliest years used in the calculation of the excess wind factor are based on North Carolina Dwelling Extended Coverage experience. For these years, the total-minus-wind losses are calculated as  $P \times B/A$ , where  $P$  = Dwelling Extended Coverage premium for the given year,  $B$  = Dwelling Extended Coverage expected loss and fixed expense ratio and  $A$  = the average wind-to-total-minus-wind ratio for years 1961 through 2016. The derivation of the excess wind factor is described below.

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

The "normal" wind-to-total-minus-wind ratio is determined by first capping the historical ratios for unusually large wind loss years at 5 times the median statewide value. (The capped wind-to-total-minus-wind ratios are

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EXPLANATORY MEMORANDUM

shown in column (5) of the excess wind factor exhibit, pages D-33-35). An excess wind-to-total-minus-wind ratio for a given year is composed of two parts:

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

The excess wind factor is calculated as:

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

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

The modeled hurricane losses used in this filing are based on analysis performed by Aon Benfield on behalf of the North Carolina Rate Bureau and are displayed on page D-38.

5. Loss Adjustment Expense

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 and the effects of loss trend and expense trend are incorporated into the calculated loading. See pages D-30-31 and item 11 below.

A separate Loss Adjustment Expense factor was used for modeled hurricane losses. (See testimony of S. Fiete.)

6. Credibility Factor Determination

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

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

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

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for the Tenants Form, and 190,000 house years for the Condominium Unit Owner Form. (See page D-26.)

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### HOMEOWNERS INSURANCE

#### EXPLANATORY MEMORANDUM

##### 7. Loss Trend

Loss trends are quantified by using the information provided by external inflation indices and the observed growth in pure-premiums and severities that occurred during the historical experience period. This procedure is displayed on pages D-15-19, D-21, D-23 and D-25.

In order to measure the effect of inflation on losses, in terms of external index information, the Current Cost Index (CCI) is constructed using the Boeckh Residential Index (BRI) for North Carolina and components of the Consumer Price Index ("Modified Consumer Price Index", MCPI).

For Owners, the MCPI is a weighted average of the following subgroups of the Consumer Price Index: House Furnishings (48%), Medical Care (20%), Apparel Commodities (16%) and Entertainment Commodities (16%). The Boeckh Residential and the Modified Consumer Price indices are weighted 80% and 20%, respectively. These weights are based on Homeowners loss distributions.

Since Tenants covers only contents and Condominium Unit Owners covers primarily contents, the Modified Consumer Price Index is used exclusively for the Tenants and Condominium Unit Owner policy forms, and is a weighted average of the following subgroups of the "All-Urban" Consumer Price Index: House furnishings (54%), Apparel Commodities (18%), Entertainment Commodities (18%) and Medical Care (10%).

In this filing the BRI index has been rebased to 2012. Additionally, each component of the CPI index was also rebased to 2012 and then weighed together to form the MCPI. The rebasing of these indices was performed to ensure that the selected weights between the two indices have the intended effect. Prior to the rebasing, the BRI values were comparatively larger than the MCPI values and therefore the BRI index was receiving more weight than intended. Similarly, the Medical Care component of the CPI had also grown at a higher rate than the other components of the MCPI resulting in larger index values. The larger index values for Medical Care effectively caused this component to receive more weight than intended in the MCPI.

The "Current Cost Factors" derived from the external indices trend the rate-making losses from a given historical year to the midpoint of the latest quarter included in the index information (May 15, 2018). To project the ratemaking losses to the level anticipated one year beyond the assumed effective date (October 1, 2019), a projection factor is derived from the least-squares "fitted" annual rate of change of the index values. Since the external indices do not account for the effect of deductibles on underlying loss trends, a "trend-from-first-dollar adjustment factor" is incorporated into the index trend calculations. This factor is used to adjust the index projection factor so as to properly account for deductible effects. Note that, while the historical experience represents the five years ending 2016, the modeled hurricane experience represents only the latest year. Therefore, the first-dollar factor for historical losses and modeled losses are calculated slightly differently.

While the index trend constitutes part of the loss trend methodology, the information provided by the historical experience is not ignored. To incorporate the historical information, pure-premiums and severities are calculated by year in cause-of-loss (i.e., fire-related, water-related, etc) detail and fitted least-squares annual rates of change are computed. Based on a comparison of the external index rates of change and the fitted changes for the historical pure-premiums and severities, "Loss Trend Adjustment" factors of 3%, 0% and 5% were selected for the Owners, Tenant and Condominium forms, respectively, and incorporated into the projection calculations.

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8. Premium Trend

The premium trend procedure is based on the observed growth in yearly average policy amount relativities. (For the Owners forms, these relativities reflect the Coverage A limit selections made by insureds. For the Tenant and Condominium Unit Owners forms, these relativities reflect the Coverage C limit selections made by insureds.) In order to derive the required trend factors, a least-squares fitted annual change is calculated for the historical average relativities. Based on the calculated value, a selection for the annual change is made. (The selected annual changes reflect consideration of the calculated value and the overall pattern in average relativity growth observed during the experience period.) The selected annual changes are 1.0%, -1.4%, and 0.2% in the Owners, Tenant and Condominium forms, respectively.

The selected annual changes are used to derive "Current Amount Factors" and the "Premium Projection Factor". The Current Amount Factor trends the average policy amount relativity (and, therefore, the Average Rating Factor used in the derivation of the statewide and territory rate level indications) from a given historical year to the point in time corresponding to the May 15, 2018 midpoint of the latest quarter of the external index ("CCI") used in the loss trend procedure (described above). The Premium Projection factor accounts for trend that occurs between this midpoint and six months beyond the assumed effective date.

The premium trend calculations are displayed on pages D-20-25.

9. Composite Loss/Premium Trend

Since the base-class pure-premium is the basic quantity underlying the overall rate-making procedure, and since it is in the form: (average pure premium) / (average rating factor), the loss and premium trend factors are applied in a composite form of "Current Cost/Amount" factors and "Composite Projection Factor" (CPF). The Current Cost/Amount Factor for a given year is the ratio of the Current Cost Factor and the Current Amount Factor. The Composite Projection Factor is the ratio of the Loss Projection and Premium Projection factors. These calculations are shown on pages D-21, D-23 and D-25.

10. Expense Trend

The selected annual change to be applied to general expense, other acquisition expense and loss adjustment expense costs is based on the observed growth in the All Items Consumer Price Index and the Compensation Cost Index. The selected annual change is 2.5% based on analysis and review of the index data, which are displayed on pages D-27-28. Item 12 below describes how the selected annual change is used in the derivation of the loadings for general, other acquisition and loss adjustment expenses.

11. Trend Periods

The effective date assumed in this filing is October 1, 2019 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 April 1, 2020.
- losses are trended from July 1 of the given year to October 1, 2020.
- general expense and other acquisition expense loadings, since they are based on 2014-2016 data, are trended from July 1, 2015 to April 1, 2020.

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### HOMEOWNERS INSURANCE

#### EXPLANATORY MEMORANDUM

- loss adjustment expense percentages, since they are based on 2012-2016 data, are trended from July 1, 2014 to October 1, 2020.

#### 12. Expense Loadings

General and Other Acquisition Expenses (Fixed Expenses)- The loadings for these "fixed" expenses are based on the information collected in special "calls" for North Carolina expense experience and reflect the 2014, 2015, and 2016 call results as reported by all companies licensed in North Carolina during those years. Based on the information in these calls, the provisions for these expenses are expressed as percentages of all-policy-forms premium. The percentage provision for these expenses (which, in effect, represents the ratio of a "numerator" of expense dollars and a "denominator" of premium dollars) is trended. The numerator is trended based on the indices shown on page D-27, from which a selection of 2.5% annual growth was made, and the denominator is trended using (a subset of) the premium trend factors that are needed in the overall ratemaking methodology. Once the percentage provision for general and other acquisition expenses is trended, it is converted to a corresponding dollar value which can be incorporated into the pure-premium ratemaking methodology utilized in this filing. The dollar value is obtained by multiplying the trended percentage by the trended average rate at current-manual level. Distinct dollar values are generated for the Owners, Tenant and Condominium forms. These values by form reflect the judgment that the premium for a single Tenant or Condominium policy requires a dollar loading that is 50% of the dollar loading required by the premium for a single Owners policy.

The calculations described above, and the conversion to the base-class level that is required by the ratemaking methodology utilized in this filing, is shown in detail on page D-32. The underlying experience is shown on page D-29.

Commissions and Taxes (Variable Expenses)- The loadings for these expenses are based on the same special call information, and same years, as described above for general and other acquisition expenses. Since these expenses are "variable", there is no need for trending or conversion to a dollar value. The underlying experience for these expenses is shown on page D-29.

Loss Adjustment Expense- The percentage loading for this expense is based on the same special call information as described above for general and other acquisition expenses. Since loss adjustment expense is measured relative to losses, a longer time period, 2012-2016, is used. The selected LAE factor is based on the average LAE ratio over the five years excluding the highest and lowest ratios. The percentage loading for loss adjustment expense is trended in a manner that is analogous to the trending of the percentage loading for general and other acquisition expenses: the numerator, i.e., dollars of expense, is trended using the indices shown on pages D-27-28 and the denominator, i.e., dollars of loss, is trended using (a subset of) the loss trend factors that are needed in the overall ratemaking methodology. This calculation and the underlying data are displayed in detail on pages D-30-31.

A separate Loss Adjustment Expense factor was used for modeled hurricane losses. (See testimony of S. Fiete.)

Net Cost of Reinsurance- The provisions for the net cost of reinsurance are based on an analysis provided by Aon Benfield. This analysis generates the total dollars required by policy form and by territory based on latest-year house years. The conversion to the required base-class level is shown on pages D-46-48. (See also pre-filed testimony of S. Fiete.)

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Compensation for Assessment Risk- The Compensation for Assessment Risk provision is calculated as  $(0.028 \times \text{Current Average Base Rate}) / (1.0 - (\text{Provision for Commissions} + \text{Provision for Taxes}))$ .

The 0.028 value is based on analysis performed by P. Anderson. The commission and tax provisions are those shown on pages D-29. (See also pre-filed testimony of P. Anderson.)

Dividends- A dividend provision of 0.4% was selected based on the dividend dollars from companies issuing dividends as a percentage of industry-wide written premium from 2012-2016. See Exhibit (1)(h)(ii-vi) in Section E.

Profit- Statewide provision of 9.0% was selected. (See pre-filed testimony of D. Appel and J. Vander Weide).

Contingencies - Statewide provision of 1.0% was selected. (See pre-filed testimony of M. Berry, Y. Yao and P. Anderson.)

**Determination of Base-Class Loss Costs by Territory**

1. Non-Hurricane Base-Class Loss Cost

A five-year non-hurricane base-class loss cost by territory is derived by dividing five-year territory losses excluding actual hurricane losses by the product of the five-year average rating factor and five-year house-years. For the Owners forms, the loss cost also excludes actual wind losses and includes a territory (non-hurricane) "wind provision"(described below). The losses and average rating factors are trended to the latest year in the experience period so as to be compatible with the modeled hurricane losses (which reflect exposures for the latest year).

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

The statewide wind provision is defined as

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

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

In the second step, the long-term history of wind losses by territory is used to distribute the statewide wind provision to each territory. This calculation is illustrated on page D-37.

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2. Credibility

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

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

The full credibility standard is 60,000 house years for the Owners Forms, 75,000 house years for the Tenants Form, and 50,000 house years for the Condominium Unit Owner Form (see page D-26). The complement of credibility is assigned to the statewide five-year base-class loss cost excluding hurricane.

3. Modeled Hurricane Base-Class Loss Cost

The modeled hurricane base-class loss cost is derived by dividing untrended modeled hurricane losses by the product of the latest-year average rating factor and latest-year house-years.

4. Total Base-Class Loss Cost

The base-class loss cost for all losses is the sum of the credibility-weighted non-hurricane base-class loss cost and the modeled hurricane base-class loss cost.

5. Indicated Territory Relativity

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 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.

**Determination of Base Rates by Territory**

1. Fixed Expenses (i.e., General and Other Acquisition Expenses) By Territory

The statewide (trended) 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, Dividends, Profit and Contingency Loading

These provisions are shown on page D-29 and do not vary by territory. The variable expense loadings include provisions for commissions and taxes.



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3. Compensation for Assessment Risk

The Compensation for Assessment Risk provision is calculated as

$(0.028 \times \text{Current Average Base Rate}) / (1.0 - (\text{Provision for Commissions} + \text{Provision for Taxes}))$ .

The 0.028 value is based on analysis performed by P. Anderson. The commission and tax provisions are those shown on page D-29.

4. Net Cost of Reinsurance

The provisions for the net cost of reinsurance are based on analysis provided by Aon Benfield. This analysis generates the total dollars required by policy form to cover the cost of the expense and profit components of the reinsurance premium paid by the primary insurers. The conversion to the base-class level that is required by the ratemaking methodology utilized in this filing is shown on pages D-46-48.

5. Selected Deviation

A 0% deviation provision was selected by the NCRB.

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

OWNERS FORMS

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	303,252,747	313,063,857	314,350,865	314,938,868	314,414,297
2006	356,647,113	363,317,217	363,674,236	364,015,346	363,874,351
2007	412,520,322	415,702,616	415,675,924	415,632,471	415,318,365
2008	548,683,259	583,227,571	584,801,408	585,291,688	584,955,978
2009	701,257,695	709,549,336	710,574,390	710,391,838	707,413,140
2010	838,344,973	843,274,527	841,845,005	840,335,409	839,785,578
2011	1,675,568,207	1,707,244,143	1,708,743,892	1,708,376,953	1,706,101,629
2012	761,430,005	796,093,645	802,599,695	803,427,631	801,994,158
2013	642,959,930	657,197,316	657,530,875	655,126,722	
2014	714,712,872	731,447,447	736,682,437		
2015	687,974,381	700,101,837			
2016	947,994,624				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	1.032	1.004	1.002	0.998
2006	1.019	1.001	1.001	1.000
2007	1.008	1.000	1.000	0.999
2008	1.063	1.003	1.001	0.999
2009	1.012	1.001	1.000	0.996
2010	1.006	0.998	0.998	0.999
2011	1.019	1.001	1.000	0.999
2012	1.046	1.008	1.001	0.998
2013	1.022	1.001	0.996	
2014	1.023	1.007		
2015	1.018			
Average	<u>27:15</u> 1.024	<u>39:27</u> 1.002	<u>51:39</u> 1.000	<u>63:51</u> 0.999
Selected	1.024	1.002	1.000	0.999

Loss Development Factors

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1.000	0.999	0.999	1.001	1.025

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LOSS DEVELOPMENT

TENANTS

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	6,091,851	6,223,979	6,196,871	6,201,373	6,201,373
2006	7,419,519	7,089,381	7,192,233	7,220,423	7,237,603
2007	9,590,294	9,784,096	9,666,094	9,676,889	9,724,089
2008	11,282,004	11,477,043	11,450,204	11,266,466	11,263,301
2009	13,856,748	14,147,557	14,509,309	14,421,351	14,424,028
2010	15,753,663	15,889,412	16,060,554	16,160,801	16,133,563
2011	19,838,564	19,797,026	20,105,648	20,089,857	20,090,637
2012	17,665,561	17,495,463	17,567,704	17,639,230	17,629,230
2013	18,977,949	18,706,958	18,934,617	19,085,330	
2014	17,851,606	17,935,338	17,986,896		
2015	18,782,429	19,261,559			
2016	20,282,260				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	1.022	0.996	1.001	1.000
2006	0.956	1.015	1.004	1.002
2007	1.020	0.988	1.001	1.005
2008	1.017	0.998	0.984	1.000
2009	1.021	1.026	0.994	1.000
2010	1.009	1.011	1.006	0.998
2011	0.998	1.016	0.999	1.000
2012	0.990	1.004	1.004	0.999
2013	0.986	1.012	1.008	
2014	1.005	1.003		
2015	1.026			
Average	<u>27:15</u> 1.005	<u>39:27</u> 1.007	<u>51:39</u> 1.000	<u>63:51</u> 1.001
Selected	1.005	1.007	1.000	1.001

Loss Development Factors

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1.000	1.001	1.001	1.008	1.013

NORTH CAROLINA

HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

CONDOMINIUM UNIT OWNERS

Accident Year	Incurred Losses as of:				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2005	3,754,240	3,740,314	3,795,854	3,754,751	3,772,022
2006	4,772,613	4,767,765	4,717,475	4,695,573	4,695,473
2007	4,930,168	4,911,154	4,893,308	4,881,503	4,881,503
2008	5,879,345	5,875,684	5,857,175	5,778,021	5,776,416
2009	7,842,948	7,790,231	7,853,956	7,862,655	7,870,972
2010	8,631,006	8,617,534	8,571,267	8,463,509	8,428,582
2011	10,238,830	10,073,678	10,110,254	9,968,498	10,007,623
2012	8,721,722	8,869,222	8,975,075	8,968,866	8,969,446
2013	8,524,488	8,477,990	8,307,568	8,291,648	
2014	10,799,462	10,849,918	10,949,270		
2015	12,002,471	12,098,378			
2016	10,816,312				

Accident Year	Link Ratios			
	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2005	0.996	1.015	0.989	1.005
2006	0.999	0.989	0.995	1.000
2007	0.996	0.996	0.998	1.000
2008	0.999	0.997	0.986	1.000
2009	0.993	1.008	1.001	1.001
2010	0.998	0.995	0.987	0.996
2011	0.984	1.004	0.986	1.004
2012	1.017	1.012	0.999	1.000
2013	0.995	0.980	0.998	
2014	1.005	1.009		
2015	1.008			
Average	<u>27:15</u> 0.999	<u>39:27</u> 1.001	<u>51:39</u> 0.993	<u>63:51</u> 1.001
Selected	0.999	1.001	0.993	1.001

Loss Development Factors

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1.000	1.001	0.994	0.995	0.994

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR  
 QUARTER ENDING JUNE 30, 2018

**PART A: MONTHLY CURRENT COST INDEX (CCI) WITH:**

20% Weight to Modified Consumer Price Index (MCPI)

80% Weight to Boeckh Residential Index (BRI) for N.C.

(MCPI base: 2012 = 100 BRI base: 2012 = 100)

<u>Month</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>	<u>QCCI</u>
	<u>2015</u>				<u>2016</u>				<u>2017</u>			
7	106.8	94.5	104.3		106.2	92.8	103.5		108.7	91.1	105.2	
8	106.9	94.2	104.4		106.2	92.9	103.5		108.8	91.1	105.3	
9	106.7	95.0	104.4	104.4	106.3	93.2	103.7	103.6	109.2	91.5	105.7	105.4
10	106.7	95.2	104.4		106.2	93.5	103.7		109.6	91.5	106.0	
11	106.6	94.4	104.2		106.2	92.6	103.5		109.6	90.6	105.8	
12	106.5	93.6	103.9	104.2	106.1	91.6	103.2	103.5	109.7	89.7	105.7	105.8
	<u>2016</u>				<u>2017</u>				<u>2018</u>			
1	106.0	93.8	103.6		106.2	92.3	103.4		110.5	90.3	106.5	
2	106.1	94.3	103.7		106.2	93.0	103.6		110.6	90.9	106.7	
3	106.3	94.4	103.9	103.7	106.3	93.1	103.7	103.6	111.0	91.2	107.0	106.7
4	106.1	94.4	103.8		107.1	92.8	104.2		111.6	91.4	107.6	
5	106.3	94.2	103.9		107.2	92.4	104.2		111.8	90.7	107.6	
6	106.2	93.4	103.6	103.8	107.4	92.0	104.3	104.2	112.3	90.0	107.8	107.7

**PART B: CALCULATION OF CURRENT COST FACTORS (CCF)**

<u>Calendar Year</u>	<u>Average CCI</u>	<u>Current Cost Factors</u>	
<u>YEAR</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>
			<u>Based on Average CCI Value for</u> <u>Quarter Ending 6/30/2018 = 107.7</u>
2012	100.0	100.0	100.0
2013	102.4	98.8	101.7
2014	104.9	96.8	103.3
2015	106.7	95.0	104.4
2016	106.2	93.4	103.6
			1.077
			1.059
			1.043
			1.032
			1.040

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR  
 QUARTER ENDING JUNE 30, 2018

**PART C: COMPUTATION OF LOSS PROJECTION FACTOR**

Calendar <u>Year</u>	Quarter <u>Ending</u>	Quarterly <u>CCI</u>
2015	Sep. 30	104.4
2015	Dec. 31	104.2
2016	Mar. 31	103.7
2016	Jun. 30	103.8
2016	Sep. 30	103.6
2016	Dec. 31	103.5
2017	Mar. 31	103.6
2017	Jun. 30	104.2
2017	Sep. 30	105.4
2017	Dec. 31	105.8
2018	Mar. 31	106.7
2018	Jun. 30	107.7
Fitted Quarterly Rate of Change <sup>(a)</sup>		0.003
Annual Rate of Change (1.0 + 0.003) <sup>4</sup>		1.012
Loss Projection Factor <sup>(b)</sup> (1.0 + 0.003) <sup>(28.5/3)</sup>		1.029

<sup>(a)</sup> From Least-Squares Fit of Quarterly CCI Values

<sup>(b)</sup> To Project Losses From 05/15/2018 to 10/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS AND CONDOMINIUM UNIT OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR  
 QUARTER ENDING JUNE 30, 2018

**PART A: MONTHLY CURRENT COST INDEX (CCI) WITH:**  
 Modified Consumer Price Index Only (Base: 2012 = 100)

<u>Month</u>	<u>MCPI</u> <u>QCCI</u>		<u>MCPI</u> <u>QCCI</u>		<u>MCPI</u> <u>QCCI</u>	
	<u>2015</u>		<u>2016</u>		<u>2017</u>	
7	92.8		90.5		88.2	
8	92.5		90.4		88.1	
9	93.4	92.9	90.7	90.5	88.5	88.3
10	93.5		91.0		88.6	
11	92.6		90.0		87.5	
12	91.7	92.6	88.9	90.0	86.5	87.5
	<u>2016</u>		<u>2017</u>		<u>2018</u>	
1	91.9		89.7		87.1	
2	92.3		90.3		87.7	
3	92.3	92.2	90.5	90.2	88.0	87.6
4	92.3		90.1		88.3	
5	92.1		89.6		87.5	
6	91.1	91.8	89.2	89.6	86.6	87.5

**PART B: CALCULATION OF CURRENT COST FACTORS (CCF)**

<u>Calendar Year Average CCI</u>		Current Cost Factors
<u>YEAR</u>	<u>CCI</u>	Based on Average CCI Value for <u>Quarter Ending 6/30/2018 =87.5</u>
2012	100.0	0.875
2013	98.3	0.890
2014	95.7	0.914
2015	93.4	0.937
2016	91.1	0.960

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS AND CONDOMINIUM UNIT OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR  
 QUARTER ENDING JUNE 30, 2018

**PART C: COMPUTATION OF LOSS PROJECTION FACTOR**

Calendar <u>Year</u>	Quarter <u>Ending</u>	Quarterly <u>CCI</u>
2015	Sep. 30	92.9
2015	Dec. 31	92.6
2016	Mar. 31	92.2
2016	Jun. 30	91.8
2016	Sep. 30	90.5
2016	Dec. 31	90.0
2017	Mar. 31	90.2
2017	Jun. 30	89.6
2017	Sep. 30	88.3
2017	Dec. 31	87.5
2018	Mar. 31	87.6
2018	Jun. 30	87.5
Fitted Quarterly Rate of Change <sup>(a)</sup>		-0.006
Annual Rate of Change (1.0 + -0.006) <sup>4</sup>		0.976
Loss Projection Factor <sup>(b)</sup> (1.0 + -0.006) <sup>(28.5/3)</sup>		0.944

<sup>(a)</sup> From Least-Squares Fit of Quarterly CCI Values

<sup>(b)</sup> To Project Losses From 05/15/2018 to 10/01/2020



NORTH CAROLINA

HOMEOWNERS INSURANCE

ANNUAL PURE-PREMIUM AND SEVERITY RATES OF CHANGE

OWNERS FORMS

Year	<u>Excluding Wind</u>		<u>Fire</u>		<u>Theft</u>		<u>Liability</u>		<u>Other Physical Damage</u>		<u>Water</u>	
	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>
2012	10,186	238.44	24,869	116.32	3,356	16.06	6,837	12.32	4,892	13.53	8,553	80.21
2013	10,708	241.43	31,981	117.88	3,415	14.29	7,002	12.48	5,141	15.25	8,212	81.53
2014	10,870	293.36	34,327	123.23	3,490	12.05	8,950	14.12	4,786	26.56	9,159	117.40
2015	12,514	299.15	37,329	135.12	3,784	11.80	6,884	11.51	6,082	19.36	9,857	121.35
2016	13,143	288.19	35,521	141.28	3,778	9.71	7,678	12.82	6,778	19.70	9,688	104.68
Annual Change	6.9%	6.1%	9.1%	5.4%	3.5%	-11.3%	2.2%	0.0%	8.5%	10.4%	4.4%	9.7%

TENANTS FORM

Year	<u>Excluding Wind</u>		<u>Fire</u>		<u>Theft</u>		<u>Liability</u>		<u>Other Physical Damage</u>		<u>Water</u>	
	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>
2012	3,673	66.33	7,091	18.15	2,433	25.35	7,494	13.40	2,503	3.93	3,197	5.51
2013	4,040	68.33	9,149	19.30	2,424	23.49	8,424	15.87	2,574	4.06	3,404	5.61
2014	3,463	59.84	6,550	13.75	2,354	18.27	7,718	13.41	1,580	4.88	3,675	9.53
2015	4,149	63.29	7,914	16.59	2,394	17.16	9,047	15.79	2,454	4.23	3,776	9.52
2016	3,935	57.15	6,296	16.61	2,497	17.63	8,459	13.19	2,423	3.87	3,507	5.84
Annual Change	1.7%	-3.7%	-3.8%	-3.2%	0.4%	-9.9%	3.2%	-0.4%	-1.1%	0.1%	2.9%	6.7%

CONDOMINIUM UNIT OWNERS FORM

Year	<u>Excluding Wind</u>		<u>Fire</u>		<u>Theft</u>		<u>Liability</u>		<u>Other Physical Damage</u>		<u>Water</u>	
	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>	<u>Severity</u>	<u>Pure Premium</u>
2012	4,726	139.32	7,992	23.63	2,566	11.41	4,939	12.36	3,896	11.06	4,831	80.86
2013	4,580	128.63	8,382	18.04	2,528	9.57	4,031	8.88	3,438	8.74	4,793	83.41
2014	5,177	170.95	8,198	20.34	2,599	7.01	5,358	11.80	3,868	14.14	5,352	117.67
2015	5,523	188.37	9,155	22.81	2,123	5.59	6,152	14.92	3,883	14.02	5,711	131.03
2016	5,407	156.57	6,880	15.23	2,847	6.76	3,338	7.57	4,515	12.83	5,929	114.18
Annual Change	4.7%	6.3%	-2.1%	-6.2%	0.3%	-14.6%	-3.5%	-4.5%	4.3%	8.0%	6.0%	12.1%

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

<u>Year</u>	<u>X</u>	<u>Y = Avg. Rel.</u>	<u>Z = ln Y</u>	<u>X*Z</u>	<u>Year-to-Year Growth Y</u>
2012	-2.000	1.106	0.101	-0.202	
2013	-1.000	1.119	0.112	-0.112	1.012
2014	0.000	1.131	0.123	0.000	1.011
2015	1.000	1.142	0.133	0.133	1.010
2016	2.000	1.152	0.141	0.282	1.009
			0.610	0.101	
A (mean of fitted line) (Sum Z)/5 = 0.610 / 5					0.122
B (average annual increment) (Sum X×Z)/10 = 0.101 / 10					0.010
Fitted Annual Rate of Change $e^{(0.010)} - 1$					0.010
Selected Average Annual Rate of Change					0.010
Latest Year Relativity trended from 01/01/2016 to 05/15/2018 $1.152 \times [1.010 ^{(28.5 / 12)}]$					1.180

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

<u>Year</u>	(1) <u>Average Relativity</u>	(2) 1.180 <u>/ (1)<sup>(a)</sup></u>	(3) Current Amount Factor <u>[(2)-1] × 1.0 + 1</u>	(4) Current Cost Factor	(5) Current Cost/ Amount Factor
2012	1.106	1.067	1.067	1.077	1.009
2013	1.119	1.055	1.055	1.059	1.004
2014	1.131	1.043	1.043	1.043	1.000
2015	1.142	1.033	1.033	1.032	0.999
2016	1.152	1.024	1.024	1.040	1.016
(6) Premium Projection Factor * 1.010 ^ (22.5/12)					1.019
(7) Loss Projection Factor					1.029
(8) Adjustment to Trend from First Dollar of Loss <sup>(b)</sup>					1.007
(9) Annual Loss Trend Correction % (LTA)					1.030
(10) Total Period LTA 1.030 ^ (28.5/12)					1.073
(11) Composite Projection Factor for Loss Ratio [(7) × (8) × (10)] / (6)					1.091

<sup>(a)</sup> 1.180 is the projected average relativity at 05/15/2018

<sup>(b)</sup> 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 \$1,000 deductible.

Z = Five year total adjusted losses.

\* Premium projection factor reflects trend from 05/15/2018 to 04/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS FORM

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

<u>Year</u>	<u>X</u>	<u>Y = Avg. Rel.</u>	<u>Z = ln Y</u>	<u>X*Z</u>	<u>Year-to-Year Growth Y</u>
2012	-2.000	2.699	0.993	-1.986	
2013	-1.000	2.695	0.991	-0.991	0.999
2014	0.000	2.656	0.977	0.000	0.986
2015	1.000	2.606	0.958	0.958	0.981
2016	2.000	2.566	0.942	1.884	0.985
			4.861	-0.135	
A (mean of fitted line) (Sum Z)/5 = 4.861 / 5					0.972
B (average annual increment) (Sum X×Z)/10 = -0.135 / 10					-0.014
Fitted Annual Rate of Change $e^{(-0.014)} - 1$					-0.014
Selected Average Annual Rate of Change					-0.014
Latest Year Relativity trended from 01/01/2016 to 05/15/2018 $2.566 * [0.986 ^ (28.5 / 12)]$					2.482

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS FORM

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

	(1)	(2)	(3)	(4)	(5)
	Average	2.482	Current	Current	Current
<u>Year</u>	<u>Relativity</u>	<u>/(1)<sup>(a)</sup></u>	<u>Amount</u>	<u>Cost</u>	<u>Cost/</u>
			<u>Factor</u>	<u>Factor</u>	<u>Amount</u>
			<u>[(2)-1] × 1.0 + 1</u>		<u>Factor</u>
2012	2.699	0.920	0.920	0.875	0.951
2013	2.695	0.921	0.921	0.890	0.966
2014	2.656	0.934	0.934	0.914	0.979
2015	2.606	0.952	0.952	0.937	0.984
2016	2.566	0.967	0.967	0.960	0.993
(6) Premium Projection Factor *					0.974
0.986 ^ (22.5/12)					
(7) Loss Projection Factor					0.944
(8) Adjustment to Trend from First Dollar of Loss <sup>(b)</sup>					0.983
(9) Annual Loss Trend Correction % (LTA)					1.000
(10) Total Period LTA					1.000
1.000 ^ (28.5/12)					
(11) Composite Projection Factor for Loss Ratio					0.953
[(7) × (8) × (10)] / (6)					

<sup>(a)</sup> 2.482 is the projected average relativity at 05/15/2018

<sup>(b)</sup> 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 \$500 deductible.

Z = Five year total adjusted losses.

\* Premium projection factor reflects trend from 05/15/2018 to 04/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS FORM

TREND IN AVERAGE POLICY AMOUNT RELATIVITY

<u>Year</u>	<u>X</u>	<u>Y = Avg. Rel.</u>	<u>Z = ln Y</u>	<u>X*Z</u>	<u>Year-to-Year Growth Y</u>
2012	-2.000	4.525	1.510	-3.020	
2013	-1.000	4.566	1.519	-1.519	1.009
2014	0.000	4.576	1.521	0.000	1.002
2015	1.000	4.518	1.508	1.508	0.987
2016	2.000	4.604	1.527	3.054	1.019
			7.585	0.023	
A (mean of fitted line) (Sum Z)/5 = 7.585 / 5					1.517
B (average annual increment) (Sum X*Z)/10 = 0.023 / 10					0.002
Fitted Annual Rate of Change $e^{(0.002)} - 1$					0.002
Selected Average Annual Rate of Change					0.002
Latest Year Relativity trended from 01/01/2016 to 05/15/2018 $4.604 * [1.002 ^ (28.5 / 12)]$					4.626

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS FORM

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

	(1)	(2)	(3)	(4)	(5)
	Average	4.626	Current	Current	Current
<u>Year</u>	<u>Relativity</u>	<u>/ (1)<sup>(a)</sup></u>	<u>Amount</u>	<u>Cost</u>	<u>Cost/</u>
			<u>Factor</u>	<u>Factor</u>	<u>Amount</u>
			<u>[ (2)-1 ] × 1.0 + 1</u>		<u>Factor</u>
2012	4.525	1.022	1.022	0.875	0.856
2013	4.566	1.013	1.013	0.890	0.879
2014	4.576	1.011	1.011	0.914	0.904
2015	4.518	1.024	1.024	0.937	0.915
2016	4.604	1.005	1.005	0.960	0.955
(6) Premium Projection Factor *					1.004
1.002 ^ (22.5/12)					
(7) Loss Projection Factor					0.944
(8) Adjustment to Trend from First Dollar of Loss <sup>(b)</sup>					0.987
(9) Annual Loss Trend Correction % (LTA)					1.050
(10) Total Period LTA					1.123
1.050 ^ (28.5/12)					
(11) Composite Projection Factor for Loss Ratio					1.042
[(7) × (8) × (10)] / (6)					

<sup>(a)</sup> 4.626 is the projected average relativity at 05/15/2018

<sup>(b)</sup> 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 \$500 deductible.

Z = Five year total adjusted losses.

\* Premium projection factor reflects trend from 05/15/2018 to 04/01/2020

NORTH CAROLINA

HOMEOWNERS INSURANCE

CREDIBILITY TABLES

STATEWIDE CREDIBILITY

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

TERRITORY CREDIBILITY

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

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



NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF TREND FOR EXPENSES

<u>Month</u>	<u>All Items CPI Index</u>	<u>All Items (Less Energy) CPI Index</u>	<u>Compensation Cost Index</u>
Jul-14	238.3	238.2	
Aug-14	237.9	238.5	122.2
Sep-14	238.0	239.0	
Oct-14	237.4	239.6	
Nov-14	236.2	239.5	122.6
Dec-14	234.8	239.2	
Jan-15	233.7	239.7	
Feb-15	234.7	240.4	123.7
Mar-15	236.1	241.1	
Apr-15	236.6	241.8	
May-15	237.8	242.0	124.7
Jun-15	238.6	242.3	
Jul-15	238.7	242.4	
Aug-15	238.3	242.7	125.0
Sep-15	237.9	243.5	
Oct-15	237.8	244.1	
Nov-15	237.3	244.0	126.1
Dec-15	236.5	243.7	
Jan-16	236.9	244.5	
Feb-16	237.1	245.5	126.9
Mar-16	238.1	245.9	
Apr-16	239.3	246.5	
May-16	240.2	246.9	128.2
Jun-16	241.0	247.1	
Jul-16	240.6	247.0	
Aug-16	240.8	247.5	129.5
Sep-16	241.4	247.9	
Oct-16	241.7	248.4	
Nov-16	241.4	248.3	129.5
Dec-16	241.4	248.2	
Jan-17	242.8	249.1	
Feb-17	243.6	250.1	130.8
Mar-17	243.8	250.3	
Apr-17	244.5	250.7	
May-17	244.7	250.9	132.8
Jun-17	245.0	251.0	
Jul-17	244.8	251.0	
Aug-17	245.5	251.5	132.5
Sep-17	246.8	252.0	
Oct-17	246.7	252.6	
Nov-17	246.7	252.4	132.6
Dec-17	246.5	252.5	
Jan-18	247.9	253.6	
Feb-18	249.0	254.6	134.1
Mar-18	249.6	255.3	
Apr-18	250.5	255.8	
May-18	251.6	256.1	136.3
Jun-18	252.0	256.3	

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF TREND FOR EXPENSES

	<u>All Items</u> <sup>(a)</sup>	<u>All Items - Less Energy</u> <sup>(b)</sup>	<u>CCI</u> <sup>(c)</sup>	<u>Combined</u> <sup>(d)</sup>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	1.60%	1.85%	2.86%	2.29%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	2.05%	1.84%	2.93%	2.44%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.36%	1.90%	2.76%	2.44%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.14%	2.47%	3.92%	3.36%

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

<u>Year Ended</u>	<u>All Items</u> <sup>(a)</sup>	<u>All Items - Less Energy</u> <sup>(b)</sup>	<u>CCI</u> <sup>(c)</sup>
12/31/2015	237.0	242.3	124.9
06/30/2016	238.3	244.7	126.6
12/31/2016	240.0	247.0	128.5
06/30/2017	242.6	249.1	130.7
12/31/2017	245.1	251.2	132.2
06/30/2018	248.1	253.6	133.9

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

<u>Year Ended</u>	<u>All Items</u> <sup>(a)</sup>	<u>All Items - Less Energy</u> <sup>(b)</sup>	<u>CCI</u> <sup>(c)</sup>	<u>Combined</u> <sup>(d)</sup>
12/31/2015	1.063	1.058	1.091	1.076
06/30/2016	1.058	1.047	1.077	1.065
12/31/2016	1.050	1.038	1.060	1.052
06/30/2017	1.039	1.029	1.043	1.038
12/31/2017	1.028	1.020	1.031	1.028
06/30/2018	1.016	1.010	1.018	1.015

Selected Annual Change = 2.5% (based on Comp. Cost Index and CPI with and without energy)

<sup>(a)</sup> All Items CPI index (urban). Source: Bureau of Labor Statistics.

<sup>(b)</sup> All Items - Less Energy CPI index (urban). Source: Bureau of Labor Statistics.

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

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

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPENSE, DIVIDEND, PROFIT AND CONTINGENCIES

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Average</u>	<u>Selected</u>
Commission & Brokerage	251,017,525	258,497,116	264,810,973		
Written Premium Including Deviations	2,070,080,023	2,145,465,277	2,227,481,165		
Ratio	0.121	0.120	0.119	0.120	0.120
Other Acquisition Expense	142,564,410	148,427,266	156,968,451		
Earned Premium Excluding Deviations	2,098,060,616	2,132,915,339	2,211,419,393		
Earned Premium at Current Manual Level	2,216,896,351	2,235,295,275	2,317,567,524		
Ratio	0.064	0.066	0.068	0.066	0.066
General Expense	98,815,397	102,061,832	95,792,249		
Earned Premium Excluding Deviations	2,098,060,616	2,132,915,339	2,211,419,393		
Earned Premium at Current Manual Level	2,216,896,351	2,235,295,275	2,317,567,524		
Ratio	0.045	0.046	0.041	0.044	0.044
Taxes, Licenses & Fees	55,804,467	59,277,891	59,780,449		
Written Premium Including Deviations	2,070,080,023	2,145,465,277	2,227,481,165		
Ratio	0.027	0.028	0.027	0.027	0.027

  

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Average</u>	<u>Selected</u>
Direct Written Premium of Companies w/ Dividends	93,178,022	108,646,018	123,674,110	132,247,663	127,336,223		
Direct Written Premium (Statutory Page 14)	1,972,922,956	2,143,382,081	2,275,777,335	2,337,630,079	2,422,544,236		
Ratio of DWP w/ Dividends to Total DWP	4.7%	5.1%	5.4%	5.7%	5.3%		
Total Dividends	7,621,372	9,201,345	9,525,783	10,331,019	9,333,581		
Ratio of Dividends to Direct Written Premium	0.390%	0.430%	0.420%	0.440%	0.390%	0.414%	0.40%

  

	<u>Statewide</u>
Profit	9.0%
Contingencies	1.0%
1.0 - (Commission, Tax, Profit, Contingencies, Dividends)	0.749
Compensation for Assessment Risk	2.8%
Selected Deviation	0.0%

NORTH CAROLINA

HOMEOWNERS INSURANCE

NON-MODELED LOSS ADJUSTMENT EXPENSES

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Average</u> <sup>(a)</sup>
Allocated LAE	17,087,993	17,981,277	13,889,918	16,940,391	15,735,066	
Unallocated LAE	111,683,503	114,329,679	121,493,274	128,293,961	164,740,968	
Total LAE	128,771,496	132,310,956	135,383,192	145,234,352	180,476,034	
Incurred Losses	946,129,758	859,182,857	942,931,660	928,926,754	1,229,359,077	
Ratio: LAE/I.L.	0.136	0.154	0.144	0.156	0.147	0.148

<sup>(a)</sup> A selection of 0.148 was made by excluding the high and low years (2012 and 2015)

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

A. Selected Annual Expense Trend Factor	1.025
B. Midpoint of Historical LAE Experience (2012 - 2016)	July 1, 2014
C. LAE Projected to	October 1, 2020 *
D. Number of months between midpoint and projection dates	75
E. Trend Factor for LAE dollars, $A^{(D/12)}$	1.167

\* one year past assumed effective date

	<u>Owners</u>	<u>Tenants</u>	Condominium Unit <u>Owners</u>
F. 2014 Current Cost Factor	1.043	0.914	0.914
G. Loss Projection Factor **	1.112	0.928	1.046
H. Trend Factor for losses (F × G)	1.160	0.848	0.956
I. Historical Average LAE ratio (2012 - 2016, excluding high/low)	0.148	0.148	0.148
J. Trended LAE Factor (1.000 + ( I × E / H ))	1.149	1.204	1.181

\*\* CCI Projection Factor × Total Period Loss Trend Adjustment factor

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF LOADINGS FOR GENERAL AND OTHER ACQUISITION EXPENSES (GE, OA)

Calculation of Trend factor for GE, OA Dollars

A. Selected Annual Expense Trend Factor	1.025
B. Midpoint of Historical GE, OA Experience (2014 - 2016)	July 1, 2015
C. GE, OA Expenses Projected to	April 1, 2020 *
D. Number of months between midpoint and projection dates	57
E. Trend Factor for GE, OA expense dollars = $A^{(D/12)}$	1.124

\* six months past assumed effective date

Calculation of Trend Factor for Premiums and Average All-Forms GE, OA Dollar Loading

	(1) 2015 Earned <u>Premium</u>	(2) 2015 Current <u>Amount Factor</u>	(3) Premium Projection <u>Factor</u>	(4) Trended Premium <u>(1) × (2) × (3)</u>
Owners	1,973,905,556	1.033	1.019	2,077,786,284
Tenant	69,350,438	0.952	0.974	64,305,055
<u>Condominium</u>	<u>27,080,603</u>	1.024	1.004	<u>27,841,460</u>
Total	2,070,336,597			2,169,932,799

F. All-Forms Premium Trend Factor (Total (4) / Total (1))	1.048
G. Historical Average GE OA ratio (2014 - 2016)	0.110
H. Trended GE OA ratio (G × E / F)	0.118
I. All-Forms Trended Average Rate **	\$922.45
J. All-Forms Dollar loading for GE, OA (H × I)	\$108.85

\*\* The All-Forms Trended Average Rate is based on 2016 Earned Premiums trended to six months past the assumed effective date

Calculation of Base-Class GE, OA Dollar Loading by Form

	(5) 2016 House- Years	(6) Selected Relativity for GE, OA Dollars Per Policy ***	(7) Average GE, OA Loading (6) × J / Total (6)	(8) 2016 Average Rating Factor	(9) 2016 Current Amount Factor	(10) Premium Projection Factor	(11) GE, OA Loading at Base-Class Level <u>(7)/((8)×(9)×(10))</u>
Owners	1,898,379	1.00	\$120.54	1.332	1.024	1.019	\$86.73
Tenant	363,604	0.50	\$60.27	3.527	0.967	0.974	\$18.14
<u>Condominium</u>	<u>75,512</u>	<u>0.50</u>	<u>\$60.27</u>	<u>7.312</u>	<u>1.005</u>	<u>1.004</u>	<u>\$8.17</u>
Total	2,337,495	0.903					

\*\*\* Total (6) calculated as weighted average of the column (6) relativities by form using column (5) as weights

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

Year	(1) Reported Wind Losses	(2) Reported Total Losses	(3) Reported Non-Wind Losses (2) - (1)	(4) Wind Ratio (1) / (3)	(5) Capped Wind Ratio < (5 × Med)	(6) Capped Excess Wind Ratio (5) - Avg(5)	(7) Capped Excess Wind Losses (3) × (6)	(8) Excess Wind Ratio Above The Cap (5) - (6)	(9) Excess Wind Losses Above The Cap (8) × (3)	(10) Total Excess Wind Losses (7) + (9)
1950 <sup>(a)</sup>	312,200	1,388,467	4,684,567	0.067	0.067	0.000	0	0.000	0	0
1951 <sup>(a)</sup>	290,780	1,422,207	4,798,403	0.061	0.061	0.000	0	0.000	0	0
1952 <sup>(a)</sup>	792,365	1,440,159	4,858,971	0.163	0.163	0.000	0	0.000	0	0
1956 <sup>(a)</sup>	1,928,925	2,297,877	7,752,837	0.249	0.249	0.045	348,878	0.000	0	348,878
1957 <sup>(a)</sup>	839,255	2,117,102	7,142,918	0.117	0.117	0.000	0	0.000	0	0
1961	301,538	2,663,173	2,361,635	0.128	0.128	0.000	0	0.000	0	0
1962	272,921	3,126,852	2,853,931	0.096	0.096	0.000	0	0.000	0	0
1963	694,065	5,638,155	4,944,090	0.140	0.140	0.000	0	0.000	0	0
1964	607,512	6,064,576	5,457,064	0.111	0.111	0.000	0	0.000	0	0
1965	671,048	6,901,947	6,230,899	0.108	0.108	0.000	0	0.000	0	0
1966	719,568	8,005,594	7,286,026	0.099	0.099	0.000	0	0.000	0	0
1967	915,862	8,050,817	7,134,955	0.128	0.128	0.000	0	0.000	0	0
1968	498,227	10,627,905	10,129,678	0.049	0.049	0.000	0	0.000	0	0
1969	563,307	13,143,012	12,579,705	0.045	0.045	0.000	0	0.000	0	0
1970	2,479,513	17,038,702	14,559,189	0.170	0.170	0.000	0	0.000	0	0
1971	2,627,662	21,885,664	19,258,002	0.136	0.136	0.000	0	0.000	0	0
1972	1,260,381	21,914,689	20,654,308	0.061	0.061	0.000	0	0.000	0	0
1973	2,266,976	30,436,168	28,169,192	0.080	0.080	0.000	0	0.000	0	0
1974	9,401,408	43,362,415	33,961,007	0.277	0.277	0.073	2,479,154	0.000	0	2,479,154
1975	5,485,456	53,538,527	48,053,071	0.114	0.114	0.000	0	0.000	0	0
1976	2,972,442	52,540,898	49,568,456	0.060	0.060	0.000	0	0.000	0	0
1977	3,476,744	60,315,936	56,839,192	0.061	0.061	0.000	0	0.000	0	0
1978	10,628,669	70,467,546	59,838,877	0.178	0.178	0.000	0	0.000	0	0
1979	3,105,986	71,072,268	67,966,282	0.046	0.046	0.000	0	0.000	0	0
1980	6,474,397	106,691,350	100,216,953	0.065	0.065	0.000	0	0.000	0	0
1981	4,950,144	109,000,823	104,050,679	0.048	0.048	0.000	0	0.000	0	0
1982	9,654,141	118,487,782	108,833,641	0.089	0.089	0.000	0	0.000	0	0
1983	9,722,115	123,552,849	113,830,734	0.085	0.085	0.000	0	0.000	0	0

NORTH CAROLINA

HOMEOWNERS INSURANCE

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Reported Wind Losses	Reported Total Losses	Reported Non-Wind Losses (2) - (1)	Wind Ratio (1) / (3)	Capped Wind Ratio < (5 × Med)	Capped Excess Wind Ratio (5) - Avg(5)	Capped Excess Wind Losses (3) × (6)	Excess Wind Ratio Above The Cap (5) - (6)	Excess Wind Losses Above The Cap (8) × (3)	Total Excess Wind Losses (7) + (9)
Year										
1984	21,436,988	140,713,231	119,276,243	0.180	0.180	0.000	0	0.000	0	0
1985	30,960,043	179,473,338	148,513,295	0.208	0.208	0.004	594,053	0.000	0	594,053
1986	16,262,975	157,609,675	141,346,700	0.115	0.115	0.000	0	0.000	0	0
1987	23,190,753	185,616,181	162,425,428	0.143	0.143	0.000	0	0.000	0	0
1988	66,411,702	243,501,978	177,090,276	0.375	0.375	0.171	30,282,437	0.000	0	30,282,437
1989	83,498,398	278,467,229	194,968,831	0.428	0.428	0.224	43,673,018	0.000	0	43,673,018
1990	37,671,988	220,252,894	182,580,906	0.206	0.206	0.002	365,162	0.000	0	365,162
1991	18,151,400	219,353,728	201,202,328	0.090	0.090	0.000	0	0.000	0	0
1992	26,654,935	222,532,035	195,877,100	0.136	0.136	0.000	0	0.000	0	0
1993	97,830,965	321,921,890	224,090,925	0.437	0.437	0.233	52,213,186	0.000	0	52,213,186
1994	28,862,821	278,066,775	249,203,954	0.116	0.116	0.000	0	0.000	0	0
1995	52,370,482	291,974,195	239,603,713	0.219	0.219	0.015	3,594,056	0.000	0	3,594,056
1996	40,901,941	332,747,529	291,845,588	0.140	0.140	0.000	0	0.000	0	0
1997	37,382,138	303,669,980	266,287,842	0.140	0.140	0.000	0	0.000	0	0
1998	120,075,356	394,840,091	274,764,735	0.437	0.437	0.233	64,020,183	0.000	0	64,020,183
1999	58,232,430	350,186,938	291,954,508	0.199	0.199	0.000	0	0.000	0	0
2000	86,652,848	447,040,839	360,387,991	0.240	0.240	0.036	12,973,968	0.000	0	12,973,968
2001	29,726,203	371,449,659	341,723,456	0.087	0.087	0.000	0	0.000	0	0
2002	46,670,010	511,786,136	465,116,126	0.100	0.100	0.000	0	0.000	0	0
2003	112,051,939	466,385,684	354,333,745	0.316	0.316	0.112	39,685,379	0.000	0	39,685,379
2004	61,608,200	394,284,296	332,676,096	0.185	0.185	0.000	0	0.000	0	0
2005	48,759,994	427,428,940	378,668,946	0.129	0.129	0.000	0	0.000	0	0
2006	94,077,678	496,085,897	402,008,219	0.234	0.234	0.030	12,060,247	0.000	0	12,060,247
2007	90,878,475	552,538,866	461,660,391	0.197	0.197	0.000	0	0.000	0	0
2008	256,718,100	756,466,619	499,748,519	0.514	0.514	0.310	154,922,041	0.000	0	154,922,041
2009	208,743,189	761,556,251	552,813,062	0.378	0.378	0.174	96,189,473	0.000	0	96,189,473
2010	289,177,645	909,422,572	620,244,927	0.466	0.466	0.262	162,504,171	0.000	0	162,504,171
2011	988,749,951	1,541,428,800	552,678,849	1.789	0.700	0.496	274,128,709	1.089	601,867,267	875,995,976



NORTH CAROLINA

HOMEOWNERS INSURANCE

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Reported Wind Losses	Reported Total Losses	Reported Non-Wind Losses (2) - (1)	Wind Ratio (1) / (3)	Capped Wind Ratio < (5 × Med)	Capped Excess Wind Ratio (5) - Avg(5)	Capped Excess Wind Losses (3) × (6)	Excess Wind Ratio Above The Cap (5) - (6)	Excess Wind Losses Above The Cap (8) × (3)	Total Excess Wind Losses (7) + (9)
Year										
2012	371,441,730	884,213,049	512,771,319	0.724	0.700	0.496	254,334,574	0.024	12,306,512	266,641,086
2013	218,088,994	723,503,760	505,414,766	0.432	0.432	0.228	115,234,567	0.000	0	115,234,567
2014	220,721,970	826,110,026	605,388,056	0.365	0.365	0.161	97,467,477	0.000	0	97,467,477
2015	177,522,252	781,943,267	604,421,015	0.294	0.294	0.090	54,397,891	0.000	0	54,397,891
<u>2016</u>	<u>275,586,635</u>	<u>846,342,707</u>	<u>570,756,072</u>	<u>0.483</u>	<u>0.483</u>	<u>0.279</u>	<u>159,240,944</u>	<u>0.000</u>	<u>0</u>	<u>159,240,944</u>
Total	4,420,984,735	16,792,108,515	12,395,859,189	13.533	12.420	3.674	1,630,709,568	1.113	614,173,779	2,244,883,347
Average				0.222	0.204	0.060		0.018		
					Average of Column (5)					
					Median value of Column (4)					
					Median × 5					
					Excess Factor					
					$1.0 + [(Avg(6) + Avg(8)) / (1.0 + Avg(5) - Avg(6))]$					

<sup>(a)</sup> Col (1) Reported Wind Losses are Dwelling E.C. Losses  
 Col (2) Reported Total Losses are Dwelling E.C. Premiums  
 Col (3) Reported Non-Wind Losses are calculated as:  
 Dwelling E.C. Premiums × (Balance Point from last Dwelling E.C. filing / Average Wind Ratio for Years 1961-2016)

NORTH CAROLINA

HOMEOWNERS INSURANCE

DEVELOPMENT OF EXCESS LOSSES ON \$1,000 DEDUCTIBLE LEVEL - OWNERS FORMS

<u>Year</u>	(1) <u>Excess Ratio*</u>	(2) Adjusted Wind Losses <u>At \$1,000 Deductible</u>	(3) (1)×(2) Adjusted Excess Losses <u>At \$1,000 Deductible</u>
2012	0.718	322,349,975	231,447,282
2013	0.528	190,043,752	100,343,101
2014	0.442	203,551,847	89,969,916
2015	0.306	165,818,762	50,740,541
2016	0.578	269,093,859	155,536,251

\* 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) × (2)</u>	"Expected" Wind Distribution <u>(3) / Total (3)</u>
<u>Territory</u>		<u>Latest Five Years</u>		
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) (7) (8) "Expected" Wind Distribution			(9) (10) (11) Territory Wind Provision		
	Statewide Wind Provision***	Territory A	Territory B	Territory C	Territory A <u>(5) × (6)</u>	Territory B <u>(5) × (7)</u>	Territory C <u>(5) × (8)</u>
<u>Year</u>							
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) on page C-7, actual non-modeled wind losses are replaced with the wind provisions by territory.

\*\* 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) × Excess Factor  
- (Non-Hurricane Losses - Non-Hurricane Wind Losses)

NORTH CAROLINA

HOMEOWNERS INSURANCE

MODELED HURRICANE LOSSES <sup>(a)</sup>

<u>Territory</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
110	28,037,654	35,862	32,078
120	27,437,383	125,938	373,633
130	6,514,015	25,260	21,569
140	72,487,851	848,421	680,791
150	13,771,334	115,228	27,502
160	13,351,292	170,935	88,226
170	417,389	3,434	1
180	9,760,986	155,672	20,536
190	3,250,515	29,902	800
200	1,815,817	11,357	18
210	2,773,826	33,045	1,200
220	7,280,661	86,750	16,573
230	2,442,801	22,408	1,416
240	7,552,351	66,057	4,275
250	3,372,019	29,491	1,064
260	1,623,893	10,632	199
270	25,228,620	485,294	105,390
280	3,338,809	49,924	20,230
290	3,105,976	23,805	10,995
300	864,557	5,297	167
310	9,926,191	145,923	45,206
320	5,105,116	48,187	9,694
330	187,953	996	120
340	14,238,902	237,239	129,062
350	2,606,450	22,022	5,533
360	3,648,269	33,645	17,159
370	148,825	523	1,781
380	422,860	2,418	1,166
390	448,564	1,691	968
Statewide	271,160,877	2,827,353	1,617,353

<sup>(a)</sup> As provided by Aon Benfield (without trend and LAE)

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DERIVATION OF MODELED BASE-CLASS LOSS COST

<u>Territory</u>	(1) Untrended Modeled <u>Losses</u>	(2) Latest-Year House- <u>Years</u>	(3) Latest-Year Average <u>Rating Factor</u>	(4) Modeled Base Class <u>Loss Cost</u>
110	28,037,654	14,803	1.545	1,225.92
120	27,437,383	14,742	1.340	1,388.93
130	6,514,015	10,832	1.404	428.32
140	72,487,851	78,739	1.265	727.75
150	13,771,334	43,955	1.209	259.14
160	13,351,292	39,010	1.122	305.04
170	417,389	4,079	1.216	84.15
180	9,760,986	48,666	1.164	172.31
190	3,250,515	12,688	1.118	229.15
200	1,815,817	5,806	1.280	244.33
210	2,773,826	19,785	1.116	125.63
220	7,280,661	53,398	1.125	121.20
230	2,442,801	13,272	1.088	169.17
240	7,552,351	73,287	1.198	86.02
250	3,372,019	31,419	1.187	90.42
260	1,623,893	27,963	1.480	39.24
270	25,228,620	274,373	1.462	62.89
280	3,338,809	41,530	1.702	47.24
290	3,105,976	32,034	1.411	68.72
300	864,557	13,565	1.169	54.52
310	9,926,191	257,762	1.266	30.42
320	5,105,116	128,014	1.229	32.45
330	187,953	7,153	1.393	18.86
340	14,238,902	296,129	1.443	33.32
350	2,606,450	93,111	1.255	22.31
360	3,648,269	202,925	1.444	12.45
370	148,825	10,744	1.587	8.73
380	422,860	35,401	1.553	7.69
390	448,564	39,004	1.738	6.62

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS FORM

DERIVATION OF MODELED BASE-CLASS LOSS COST

<u>Territory</u>	(1) Untrended Modeled <u>Losses</u>	(2) Latest-Year House <u>Years</u>	(3) Latest-Year Average <u>Rating Factor</u>	(4) Modeled Base Class <u>Loss Cost</u>
110	35,862	307	3.935	29.69
120	125,938	855	3.656	40.29
130	25,260	436	4.526	12.80
140	848,421	12,395	3.395	20.16
150	115,228	4,199	3.903	7.03
160	170,935	5,090	3.360	9.99
170	3,434	399	4.036	2.13
180	155,672	10,573	3.348	4.40
190	29,902	1,397	3.954	5.41
200	11,357	426	4.262	6.26
210	33,045	3,089	3.532	3.03
220	86,750	9,772	3.212	2.76
230	22,408	1,488	3.735	4.03
240	66,057	7,974	3.797	2.18
250	29,491	3,215	3.822	2.40
260	10,632	2,701	3.919	1.00
270	485,294	98,538	3.341	1.47
280	49,924	11,864	3.757	1.12
290	23,805	3,708	4.074	1.58
300	5,297	1,028	4.185	1.23
310	145,923	56,352	3.480	0.74
320	48,187	16,094	3.795	0.79
330	996	489	4.400	0.46
340	237,239	90,198	3.442	0.76
350	22,022	10,338	3.828	0.56
360	33,645	26,619	4.156	0.30
370	523	491	5.013	0.21
380	2,418	2,587	4.679	0.20
390	1,691	2,190	4.523	0.17

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS FORM

DERIVATION OF MODELED BASE-CLASS LOSS COST

<u>Territory</u>	(1) Untrended Modeled <u>Losses</u>	(2) Latest-Year House <u>Years</u>	(3) Latest-Year Average <u>Rating Factor</u>	(4) Modeled Base Class <u>Loss Cost</u>
110	32,078	252	6.228	20.44
120	373,633	1,815	6.251	32.93
130	21,569	202	7.478	14.28
140	680,791	5,982	6.065	18.76
150	27,502	576	8.000	5.97
160	88,226	1,513	6.889	8.46
170	1	0	7.294	0.63
180	20,536	876	6.255	3.75
190	800	15	9.408	5.67
200	18	1	3.672	4.88
210	1,200	58	8.504	2.43
220	16,573	1,215	7.718	1.77
230	1,416	68	5.512	3.78
240	4,275	260	8.446	1.95
250	1,064	79	8.935	1.51
260	199	25	8.869	0.90
270	105,390	11,334	7.711	1.21
280	20,230	2,539	8.057	0.99
290	10,995	1,042	7.423	1.42
300	167	21	6.942	1.14
310	45,206	9,272	7.284	0.67
320	9,694	1,972	7.177	0.68
330	120	27	8.519	0.52
340	129,062	26,639	7.440	0.65
350	5,533	1,509	7.202	0.51
360	17,159	8,429	8.564	0.24
370	1,781	1,408	6.320	0.20
380	1,166	830	7.456	0.19
390	968	616	9.555	0.16

NORTH CAROLINA

HOMEOWNERS INSURANCE

DERIVATION OF STATEWIDE MODELED HURRICANE BASE-CLASS LOSS COST

	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
A. Untrended Modeled Hurricane Losses	271,160,877	2,827,353	1,617,353
B. Trend Factor for Modeled Hurricane Losses	1.156	0.891	1.004
C. Hurricane Loss Adjustment Expense	1.060	1.060	1.060
D. Trended Modeled Hurricane Losses (including LAE) (A) × (B) × (C)	332,269,692	2,670,322	1,721,251
E. Latest-Year House-Years	1,924,189	384,812	78,575
F. Latest-Year Average Rating Factor	1.332	3.527	7.312
G. Latest-Year Current Amount Factor	1.024	0.967	1.005
H. Premium Projection Factor	1.019	0.974	1.004
I. Modeled Base-Class Loss Cost (D) / (E × F × G × H)	124.24	2.09	2.97



NORTH CAROLINA

HOMEOWNERS INSURANCE

ACTUAL HURRICANE LOSSES (Excluded from Experience)\*

<u>Territory</u>	<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
110	2012	729,467	0	317
	2014	1,376,183	0	0
	2015	122,085	0	0
	2016	5,587,716	0	5,399
120	2012	146,899	0	0
	2014	208,840	0	0
	2015	416,940	0	3,596
	2016	2,365,881	6,499	37,888
130	2012	296,826	0	0
	2014	136,893	0	0
	2015	73,384	0	0
	2016	5,048,048	4,375	477
140	2012	390,453	4,510	0
	2014	2,015,474	0	20,926
	2015	2,106,879	2,548	11,892
	2016	14,746,056	14,354	94,191
150	2012	306,205	0	0
	2014	208,061	0	3,127
	2015	287,124	1,576	0
	2016	7,246,831	22,723	10,650
160	2012	143,837	256	0
	2014	124,661	0	0
	2015	622,246	0	1,250
	2016	8,178,460	16,442	0
170	2012	46,229	0	0
	2014	8,463	0	0
	2015	74,497	0	0
	2016	501,841	1,181	0
180	2012	260,006	1,118	2,131
	2014	189,171	450	0
	2015	467,504	0	0
	2016	18,040,494	131,062	23,778
190	2012	88,101	0	0
	2014	47,994	0	0
	2015	84,858	0	0
	2016	8,865,185	26,526	2,324
200	2012	24,159	0	0
	2014	12,747	0	0
	2015	205,472	0	0
	2016	8,581,575	35,436	0

NORTH CAROLINA

HOMEOWNERS INSURANCE

ACTUAL HURRICANE LOSSES (Excluded from Experience)\*

<u>Territory</u>	<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
210	2012	82,474	0	0
	2014	51,301	126	0
	2015	179,035	0	0
	2016	4,079,886	71,920	0
220	2012	314,220	9,033	2,067
	2014	128,965	0	0
	2015	767,980	1,538	3,054
	2016	36,032,159	287,995	57,168
230	2012	38,228	0	0
	2014	10,967	0	0
	2015	128,109	0	0
	2016	16,483,620	135,063	398
240	2012	312,428	1,338	0
	2014	269,085	0	0
	2015	429,167	0	0
	2016	12,661,532	41,917	0
250	2012	107,198	0	0
	2014	63,491	7,318	0
	2015	353,224	0	0
	2016	12,616,957	100,733	0
260	2012	37,289	1,487	0
	2014	17,039	0	0
	2015	134,776	151	0
	2016	766,260	8,614	0
270	2012	854,474	42,153	54,129
	2014	856,589	9,574	38,979
	2015	2,386,151	24,966	12,424
	2016	37,406,739	177,133	286,840
280	2012	73,954	1,870	45,478
	2014	14,408	0	11,228
	2015	387,016	0	0
	2016	1,470,655	5,764	3,156
290	2012	79,331	0	0
	2014	50,733	16,442	0
	2015	226,728	0	11,463
	2016	6,358,367	47,169	27,159
300	2012	57,380	0	0
	2014	46,776	0	0
	2015	96,298	0	0
	2016	1,457,632	4,819	0

NORTH CAROLINA

HOMEOWNERS INSURANCE

ACTUAL HURRICANE LOSSES (Excluded from Experience)\*

<u>Territory</u>	<u>Year</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condominium Unit Owners</u>
310	2012	961,162	2,929	44,682
	2014	299,539	7,379	0
	2015	2,494,768	39,212	40,230
	2016	4,068,732	51,176	48,249
320	2012	420,770	0	3,617
	2014	287,157	3,665	0
	2015	1,277,717	1,169	0
	2016	1,703,240	444	13,003
330	2012	28,001	0	0
	2014	7,103	0	0
	2015	85,220	0	0
	2016	16,900	0	0
340	2012	1,197,349	2,402	14,182
	2014	967,908	6,684	24,593
	2015	4,795,522	26,021	27,404
	2016	6,233,928	80,889	245,404
350	2012	347,999	5,685	6,760
	2014	140,479	0	0
	2015	962,565	525	0
	2016	621,100	6,237	5,174
360	2012	1,335,596	4,190	6,433
	2014	157,658	21,596	0
	2015	1,631,414	32,035	8,489
	2016	1,013,738	20,740	17,707
370	2012	25,254	0	0
	2014	8,056	0	0
	2015	44,000	0	1,944
	2016	22,744	0	0
380	2012	112,776	6,545	0
	2014	44,511	0	0
	2015	178,270	0	0
	2016	126,516	0	0
390	2012	109,742	0	0
	2014	48,794	0	0
	2015	206,208	0	0
	2016	137,330	0	0

\* There were no Hurricane Losses in year 2013. Loss amounts reflect adjustment to base deductible level and application of loss development factors.

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DERIVATION OF NET REINSURANCE COST AT BASE-CLASS LEVEL

<u>Territory</u>	(1) <u>Total</u> Reinsurance <u>Cost</u>	(2) <u>Latest-Year</u> House Years	(3) <u>Latest-Year</u> Average <u>Rating Factor</u>	(4) <u>Latest-Year</u> Current Amount <u>Factor</u>	(5) <u>Premium</u> Projection <u>Factor</u>	(6) <u>Variable</u> Expense <sup>(a)</sup>	(7) <u>Reinsurance</u> Cost at Base Class Level <sup>(b)</sup>
110	30,013,744	14,803	1.545	1.024	1.019	0.251	1,679.14
120	39,436,129	14,742	1.340	1.024	1.019	0.251	2,554.33
130	8,134,955	10,832	1.404	1.024	1.019	0.251	684.42
140	103,768,840	78,739	1.265	1.024	1.019	0.251	1,333.00
150	19,336,238	43,955	1.209	1.024	1.019	0.251	465.57
160	22,305,742	39,010	1.122	1.024	1.019	0.251	652.07
170	575,830	4,079	1.216	1.024	1.019	0.251	148.54
180	15,966,102	48,666	1.164	1.024	1.019	0.251	360.63
190	5,548,459	12,688	1.118	1.024	1.019	0.251	500.47
200	3,005,695	5,806	1.280	1.024	1.019	0.251	517.49
210	4,984,015	19,785	1.116	1.024	1.019	0.251	288.82
220	13,172,979	53,398	1.125	1.024	1.019	0.251	280.58
230	4,212,553	13,272	1.088	1.024	1.019	0.251	373.27
240	14,241,979	73,287	1.198	1.024	1.019	0.251	207.55
250	6,238,620	31,419	1.187	1.024	1.019	0.251	214.04
260	3,056,209	27,963	1.480	1.024	1.019	0.251	94.49
270	52,949,496	274,373	1.462	1.024	1.019	0.251	168.90
280	8,007,033	41,530	1.702	1.024	1.019	0.251	144.94
290	5,933,695	32,034	1.411	1.024	1.019	0.251	167.97
300	1,738,090	13,565	1.169	1.024	1.019	0.251	140.24
310	25,439,564	257,762	1.266	1.024	1.019	0.251	99.75
320	12,577,089	128,014	1.229	1.024	1.019	0.251	102.29
330	437,935	7,153	1.393	1.024	1.019	0.251	56.24
340	37,685,151	296,129	1.443	1.024	1.019	0.251	112.84
350	5,568,898	93,111	1.255	1.024	1.019	0.251	60.98
360	10,129,098	202,925	1.444	1.024	1.019	0.251	44.23
370	404,957	10,744	1.587	1.024	1.019	0.251	30.39
380	1,093,880	35,401	1.553	1.024	1.019	0.251	25.46
390	1,898,394	39,004	1.738	1.024	1.019	0.251	35.83
SW	457,861,369	1,924,189	1.332	1.024	1.019	0.251	228.57

<sup>(a)</sup> Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

<sup>(b)</sup> Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4) × (5)] / [(1- (6))]

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANTS FORM

DERIVATION OF NET REINSURANCE COST AT BASE-CLASS LEVEL

<u>Territory</u>	(1) <u>Total</u> <u>Reinsurance</u> <u>Cost</u>	(2) <u>Latest-Year</u> <u>House Years</u>	(3) <u>Latest-Year</u> <u>Average</u> <u>Rating Factor</u>	(4) <u>Latest-Year</u> <u>Current Amount</u> <u>Factor</u>	(5) <u>Premium</u> <u>Projection</u> <u>Factor</u>	(6) <u>Variable</u> <u>Expense</u> <sup>(a)</sup>	(7) <u>Reinsurance</u> <u>Cost at Base</u> <u>Class Level</u> <sup>(b)</sup>
110	31,863	307	3.935	0.967	0.974	0.251	37.39
120	144,612	855	3.656	0.967	0.974	0.251	65.58
130	25,747	436	4.526	0.967	0.974	0.251	18.50
140	983,524	12,395	3.395	0.967	0.974	0.251	33.13
150	124,015	4,199	3.903	0.967	0.974	0.251	10.73
160	221,023	5,090	3.360	0.967	0.974	0.251	18.32
170	3,195	399	4.036	0.967	0.974	0.251	2.81
180	181,594	10,573	3.348	0.967	0.974	0.251	7.27
190	37,349	1,397	3.954	0.967	0.974	0.251	9.58
200	13,966	426	4.262	0.967	0.974	0.251	10.90
210	42,291	3,089	3.532	0.967	0.974	0.251	5.49
220	109,958	9,772	3.212	0.967	0.974	0.251	4.97
230	27,679	1,488	3.735	0.967	0.974	0.251	7.06
240	87,679	7,974	3.797	0.967	0.974	0.251	4.10
250	37,606	3,215	3.822	0.967	0.974	0.251	4.34
260	12,971	2,701	3.919	0.967	0.974	0.251	1.74
270	716,541	98,538	3.341	0.967	0.974	0.251	3.09
280	88,591	11,864	3.757	0.967	0.974	0.251	2.82
290	31,348	3,708	4.074	0.967	0.974	0.251	2.94
300	7,465	1,028	4.185	0.967	0.974	0.251	2.46
310	270,430	56,352	3.480	0.967	0.974	0.251	1.95
320	89,106	16,094	3.795	0.967	0.974	0.251	2.07
330	1,749	489	4.400	0.967	0.974	0.251	1.15
340	510,596	90,198	3.442	0.967	0.974	0.251	2.33
350	38,955	10,338	3.828	0.967	0.974	0.251	1.40
360	91,125	26,619	4.156	0.967	0.974	0.251	1.17
370	1,090	491	5.013	0.967	0.974	0.251	0.63
380	4,626	2,587	4.679	0.967	0.974	0.251	0.54
390	5,881	2,190	4.523	0.967	0.974	0.251	0.84
SW	3,942,575	384,812	3.527	0.967	0.974	0.251	4.12

<sup>(a)</sup> Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

<sup>(b)</sup> Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4) × (5)] / [(1- (6))]

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDOMINIUM UNIT OWNERS FORM

DERIVATION OF NET REINSURANCE COST AT BASE-CLASS LEVEL

<u>Territory</u>	(1) <u>Total</u> <u>Reinsurance</u> <u>Cost</u>	(2) <u>Latest-Year</u> <u>House Years</u>	(3) <u>Latest-Year</u> <u>Average</u> <u>Rating Factor</u>	(4) <u>Latest-Year</u> <u>Current Amount</u> <u>Factor</u>	(5) <u>Premium</u> <u>Projection</u> <u>Factor</u>	(6) <u>Variable</u> <u>Expense</u> <sup>(a)</sup>	(7) <u>Reinsurance</u> <u>Cost at Base</u> <u>Class Level</u> <sup>(b)</sup>
110	35,596	252	6.228	1.005	1.004	0.251	30.01
120	493,154	1,815	6.251	1.005	1.004	0.251	57.51
130	25,843	202	7.478	1.005	1.004	0.251	22.64
140	878,660	5,982	6.065	1.005	1.004	0.251	32.05
150	33,201	576	8.000	1.005	1.004	0.251	9.53
160	129,091	1,513	6.889	1.005	1.004	0.251	16.39
170	1	0	7.294	1.005	1.004	0.251	0.73
180	25,100	876	6.255	1.005	1.004	0.251	6.06
190	1,070	15	9.408	1.005	1.004	0.251	10.03
200	27	1	3.672	1.005	1.004	0.251	9.73
210	1,852	58	8.504	1.005	1.004	0.251	4.97
220	22,399	1,215	7.718	1.005	1.004	0.251	3.16
230	1,958	68	5.512	1.005	1.004	0.251	6.91
240	7,039	260	8.446	1.005	1.004	0.251	4.24
250	1,499	79	8.935	1.005	1.004	0.251	2.81
260	295	25	8.869	1.005	1.004	0.251	1.76
270	180,497	11,334	7.711	1.005	1.004	0.251	2.73
280	41,055	2,539	8.057	1.005	1.004	0.251	2.66
290	17,336	1,042	7.423	1.005	1.004	0.251	2.97
300	302	21	6.942	1.005	1.004	0.251	2.74
310	96,332	9,272	7.284	1.005	1.004	0.251	1.89
320	19,733	1,972	7.177	1.005	1.004	0.251	1.84
330	222	27	8.519	1.005	1.004	0.251	1.28
340	391,183	26,639	7.440	1.005	1.004	0.251	2.61
350	12,350	1,509	7.202	1.005	1.004	0.251	1.50
360	57,983	8,429	8.564	1.005	1.004	0.251	1.06
370	6,531	1,408	6.320	1.005	1.004	0.251	0.97
380	2,575	830	7.456	1.005	1.004	0.251	0.55
390	6,009	616	9.555	1.005	1.004	0.251	1.35
SW	2,488,893	78,575	7.312	1.005	1.004	0.251	5.73

<sup>(a)</sup> Variable Expense represents the combined loading for Taxes, Commissions, Dividends, Profit and Contingencies

<sup>(b)</sup> Reinsurance Base Class Loss Cost = (1) / [(2) × (3) × (4) × (5)] / [(1- (6))]

NORTH CAROLINA  
HOMEOWNERS INSURANCE  
SUPPLEMENTAL MATERIAL

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NORTH CAROLINA  
HOMEOWNERS INSURANCE  
SUPPLEMENTAL MATERIAL

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NORTH CAROLINA

HOMEOWNERS INSURANCE

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

EARNED PREMIUMS AT ACTUAL AND CURRENT RATE LEVEL

I. Earned Premium at Collected Level

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2012	1,542,137,182	41,208,063	20,647,715
2013	1,607,592,729	45,734,610	22,635,431
2014	1,714,539,599	52,438,818	25,800,092
2015	1,782,886,970	58,517,350	28,035,074
2016	1,852,574,868	63,258,937	30,779,840

II. Earned Premium at Current Level

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2012	1,932,918,046	58,124,211	25,052,502
2013	1,937,417,525	61,302,156	25,935,383
2014	1,951,269,782	64,192,147	26,873,366
2015	1,973,905,556	69,350,438	27,080,603
2016	2,017,285,314	72,370,871	29,047,171

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PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE

I. Paid Losses

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

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

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2012	779,425,712	19,778,939	10,212,347
2013	649,011,217	21,626,230	9,695,412
2014	761,053,784	20,027,891	12,970,076
2015	733,716,078	23,153,190	14,542,396
2016	823,618,595	22,259,351	12,544,721

(a) Incurred losses are developed, include actual wind losses and do not include loss adjustment expenses. These expenses are reflected via a factor. For the Owners, Tenant and Condominium-Unit Owners forms these factors are 14.9%, 20.4% and 18.1%, respectively. These losses are adjusted to the \$1,000 base deductible for Owners and \$500 base deductible for Tenants and Condominium Unit Owners.

(b) Hurricane Losses have been removed.

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ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

The anticipated loss and LAE ratio included in the 2014 filing was 0.282. The anticipated loss and LAE ratio included in the 2012 filing was 0.288.

## NORTH CAROLINA

### HOMEOWNERS INSURANCE

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

#### EXCLUDED COMPANIES

The market shares shown are based on 2016 Statutory Page 14 Homeowners premium for licensed companies and residual market Homeowners premium reported to ISO.

The historical experience used to develop the statewide rate-level indications, territory rate-level indications, premium trend factors, loss trend factors and wind exclusion credits is based on the experience of companies and residual market entities reporting to the Insurance Services Office (full statistical plan), the Independent Statistical Service, and the National Insurance Statistical Service. The historical premium and loss experience utilized in this filing, after accounting for the premium and loss experience of reporting companies whose data were not included (as described below) accounts for 94.83% of the total North Carolina Homeowners market. The experience reported to the American Association of Insurance Services and to Insurance Services Office under the Statistical Agent Plan is excluded because it is not available in sufficient detail. This experience accounts for approximately 0.11% of the total North Carolina Homeowners market.

Premium/loss and trend experience for the following insurers is not included in the filed experience: AIG Property Casualty Company, American Automobile Insurance Company, American Fire & Casualty Company, American Home Assurance Company, Associated Indemnity Corporation, Balboa Insurance Company, Bankers Standard Insurance Company, Century-National Insurance Company, Cincinnati Insurance Company, Federal Insurance Company, Fireman's Fund Insurance Company, Grain Dealers Mutual Insurance Company, Graphic Arts Mutual Insurance Company, Lighthouse Property Insurance Corporation, Lititz Mutual Insurance Company, Merastar Insurance Company, Meritplan Insurance Company, National Surety Corporation, Ohio Casualty Insurance Company, Pacific Indemnity Company, Praetorian Insurance Company, QBE Insurance Corporation, Republic-Franklin Insurance Company, Southern Fire & Casualty Company, Southern Pilot Insurance, State Automobile Mutual Insurance Company, State Auto P&C Insurance Company, Unitrin Direct Property & Casualty Company, Universal North America Insurance Company, Utica Mutual Insurance Company, Vigilant Insurance Company and West American Insurance Company. The experience for these companies was not included pending resolution of data anomalies. Based on 2016 written premium, the premium/loss data for these companies represents 5.07% of the total North Carolina Homeowners market.

NORTH CAROLINA

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STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
REQUIREMENTS FOR A HOMEOWNERS RATE FILING  
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EXCLUDED COMPANIES

The loss development factors used in the calculation of the rate level indications are based on ISO North Carolina experience and on the North Carolina experience of three major company-groups reporting to the ISS. Based on 2016 written premium, this combined experience represents 80.88% of the total North Carolina Homeowners market.

See also the prefiled testimony of P. Anderson, M. Berry and Y. Yao.

House-years by year are as follows:

<u>Year</u>	<u>Owners Forms</u>	<u>Tenants Form</u>	<u>Condominium Unit Owners Form</u>
2012	1,916,971	295,191	72,783
2013	1,900,999	312,770	73,728
2014	1,900,408	331,592	75,020
2015	1,898,379	363,604	75,512
2016	1,924,189	384,812	78,575

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA  
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AS PER 11 NCAC 10.1105

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

Adjustments made to premiums, losses, loss adjustment expenses, and expenses are set forth below and in the prefiled testimony of P. Anderson, M Berry, S. Fiete, E. Henderson and Y. Yao.

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

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

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

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

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

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

EARNED PREMIUM AT PRESENT RATES CALCULATION

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

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

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

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

(1)	Base rate	\$1,278
(2)	Form factor	1.30
(3)	Coverage A factor	1.000
(4)	Protection-construction factor	1.10
(5)	Age Of Dwelling Factor	0.94
(6)	Additional Coverage C charge	\$36
(7)	Earned Exposure	0.55
(8)	Earned Premium at present rates $(((1) \times (2) \times (3) \times (4) \times (5)) + (6)) \times (7)$	\$964.64

## NORTH CAROLINA

## HOMEOWNERS INSURANCE

## TOP TEN HOMEOWNERS INSURANCE WRITERS

<u>Company Name</u>	<u>2017 Written Premium<sup>(a)</sup></u>	<u>2017 Written Market Share</u>	<u>2017 Earned Premium<sup>(a)</sup></u>	<u>2017 Earned Market Share</u>
State Farm Fire and Casualty Company	469,096,000	18.29%	465,194,000	18.55%
North Carolina FB Mutual Ins Co	320,172,000	12.48%	315,343,000	12.57%
Allstate Indemnity Company	116,034,000	4.52%	114,588,000	4.57%
Nationwide Mutual Insurance Company	103,708,000	4.04%	107,968,000	4.31%
United Services Automobile Association	101,776,000	3.97%	98,356,000	3.92%
Nationwide Mutual Fire Insurance Company	100,173,000	3.91%	100,657,000	4.01%
Erie Insurance Exchange	84,091,000	3.28%	89,503,000	3.57%
Liberty Mutual Fire Insurance Company	74,308,000	2.90%	71,550,000	2.85%
Nationwide General Insurance Company	72,223,000	2.82%	64,947,000	2.59%
USAA Casualty Insurance Company	61,295,000	2.39%	58,387,000	2.33%
Total	1,502,876,000	58.59%	1,486,493,000	59.27%
Grand Total	2,564,886,000		2,507,845,000	

<sup>(a)</sup> 2017 Annual Statement, Statutory Page 14, Line 4.0 (Homeowners).

## Notes:

The Beach and Fair plans are not included in this report.



NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
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2016 TOP 50 HOMEOWNERS INSURERS

2016 UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS EARNED

Line of Business		Net Premiums Written	Unearned Premiums Prior Year	Unearned Premiums Current Year	Net Earned Premiums
1	Fire	1,328,456,000	689,818,000	683,094,000	1,335,176,000
2	Allied lines	1,355,374,000	642,562,000	664,302,000	1,333,635,000
3	Farmowners multiple peril	799,608,000	378,650,000	389,001,000	789,255,000
4	Homeowners multiple peril	38,056,503,000	19,667,054,000	19,912,394,000	37,811,171,000
5	Commercial multiple peril	7,766,314,000	3,753,881,000	3,701,271,000	7,818,925,000
6	Mortgage guaranty	14,657,000	13,124,000	16,316,000	11,465,000
8	Ocean marine	108,947,000	51,485,000	46,350,000	114,078,000
9	Inland marine	2,427,653,000	1,055,550,000	1,225,495,000	2,257,709,000
10	Financial guaranty	(13,000)	1,000	3,000	(15,000)
11.1	Medical professional liability - occurrence	51,610,000	22,485,000	23,619,000	50,478,000
11.2	Medical professional liability - claims-made	26,057,000	12,748,000	12,043,000	26,762,000
12	Earthquake	412,675,000	200,137,000	205,268,000	407,546,000
13	Group accident and health	268,362,000	17,029,000	14,346,000	271,045,000
14	Credit accident and health (group and individual)	12,839,000	28,000	38,000	12,829,000
15	Other accident and health	67,452,000	20,032,000	20,396,000	67,085,000
16	Workers' compensation	2,964,200,000	1,122,604,000	1,105,966,000	2,980,839,000
17.1	Other liability - occurrence	4,401,410,000	2,185,743,000	2,314,235,000	4,272,922,000
17.2	Other liability - claims-made	874,443,000	372,832,000	481,348,000	765,926,000
17.3	Excess Workers' Compensation	12,877,000	8,808,000	6,049,000	15,635,000
18.1	Products liability - occurrence	264,720,000	123,693,000	121,602,000	266,811,000
18.2	Products liability - claims-made	6,508,000	3,108,000	3,291,000	6,327,000
19.1, 19.2	Private passenger auto liability	28,930,857,000	8,378,710,000	8,891,828,000	28,417,742,000
19.3, 19.4	Commercial auto liability	3,329,669,000	1,510,534,000	1,537,619,000	3,302,582,000
21	Auto physical damage	22,615,464,000	6,853,294,000	7,145,054,000	22,323,706,000
22	Aircraft (all perils)	18,574,000	13,352,000	7,992,000	23,937,000
23	Fidelity	41,489,000	24,863,000	23,268,000	43,088,000
24	Surety	252,406,000	137,650,000	137,979,000	252,079,000
26	Burglary and theft	12,555,000	6,247,000	6,224,000	12,575,000
27	Boiler and machinery	51,588,000	21,228,000	22,432,000	50,386,000
28	Credit	39,769,000	17,434,000	29,050,000	28,156,000
29	International	298,000	116,000	41,000	373,000
30	Warranty	78,564,000	130,922,000	126,707,000	82,780,000
31	Reinsurance - Nonproportional Assumed Property	53,839,000	9,773,000	12,279,000	51,332,000
32	Reinsurance - Nonproportional Assumed Liability	32,481,000	9,786,000	10,609,000	31,658,000
33	Reinsurance - Nonproportional Assumed Financial Lines	1,474,000	100,000	1,300,000	274,000
34	Aggregate write-ins for other lines of business	14,547,000	6,464,000	6,017,000	14,993,000
35	<b>TOTALS</b>	<b>116,694,215,000</b>	<b>47,461,861,000</b>	<b>48,904,810,000</b>	<b>115,251,269,000</b>

NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
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2017 TOP 50 HOMEOWNERS INSURERS

2017 UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS EARNED

Line of Business		Net Premiums Written	Unearned Premiums Prior Year	Unearned Premiums Current Year	Net Earned Premiums
1	Fire	1,223,628,000	645,820,000	623,186,000	1,246,260,000
2	Allied lines	1,323,610,000	631,981,000	640,015,000	1,315,576,000
3	Farmowners multiple peril	841,548,000	388,999,000	412,419,000	818,128,000
4	Homeowners multiple peril	39,215,964,000	19,903,589,000	20,633,219,000	38,486,335,000
5	Commercial multiple peril	7,718,522,000	3,688,276,000	3,688,466,000	7,718,332,000
6	Mortgage guaranty	1,000	0	0	1,000
8	Ocean marine	73,421,000	34,523,000	35,011,000	72,930,000
9	Inland marine	2,421,308,000	1,222,657,000	1,290,823,000	2,353,141,000
10	Financial guaranty	15,000	2,000	(5,000)	22,000
11.1	Medical professional liability - occurrence	47,783,000	23,020,000	23,371,000	47,431,000
11.2	Medical professional liability - claims-made	27,538,000	7,873,000	11,956,000	23,456,000
12	Earthquake	307,038,000	201,697,000	163,709,000	345,027,000
13	Group accident and health	171,483,000	2,666,000	3,864,000	170,285,000
14	Credit accident and health (group and individual)	13,643,000	38,000	40,000	13,640,000
15	Other accident and health	33,659,000	2,270,000	4,764,000	31,167,000
16	Workers' compensation	2,788,309,000	1,079,384,000	1,020,909,000	2,846,788,000
17.1	Other liability - occurrence	4,469,778,000	2,197,780,000	2,284,854,000	4,382,706,000
17.2	Other liability - claims-made	818,846,000	381,993,000	441,374,000	759,467,000
17.3	Excess Workers' Compensation	12,567,000	5,586,000	5,378,000	12,776,000
18.1	Products liability - occurrence	252,881,000	120,916,000	118,159,000	255,640,000
18.2	Products liability - claims-made	6,781,000	2,405,000	3,194,000	5,992,000
19.1, 19.2	Private passenger auto liability	30,689,839,000	8,884,642,000	9,438,127,000	30,136,351,000
19.3, 19.4	Commercial auto liability	3,419,658,000	1,525,842,000	1,561,675,000	3,383,823,000
21	Auto physical damage	23,750,907,000	7,137,745,000	7,555,428,000	23,333,225,000
22	Aircraft (all perils)	11,056,000	4,900,000	5,183,000	10,772,000
23	Fidelity	33,585,000	19,697,000	17,842,000	35,439,000
24	Surety	264,885,000	135,403,000	144,879,000	255,407,000
26	Burglary and theft	12,980,000	5,531,000	6,606,000	11,908,000
27	Boiler and machinery	48,613,000	20,703,000	20,885,000	48,431,000
28	Credit	76,599,000	28,998,000	39,535,000	66,065,000
29	International	456,000	41,000	76,000	422,000
30	Warranty	66,911,000	119,006,000	118,755,000	67,162,000
31	Reinsurance - Nonproportional Assumed Property	63,439,000	12,179,000	13,870,000	61,744,000
32	Reinsurance - Nonproportional Assumed Liability	41,996,000	10,631,000	12,254,000	40,371,000
33	Reinsurance - Nonproportional Assumed Financial Lines	5,769,000	1,300,000	6,050,000	1,018,000
34	Aggregate write-ins for other lines of business	13,346,000	6,017,000	5,753,000	13,610,000
35	TOTALS	120,268,386,000	48,454,093,000	50,351,630,000	118,370,843,000

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2016 UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - LOSSES PAID AND INCURRED

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid	Net Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Assumed from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported	Direct	Reinsurance Assumed	Reinsurance Ceded		
1 Fire	325,921,000	194,439,000	272,993,000	247,363,000	192,305,000	99,504,000	185,597,000	353,581,000	39,110,000
2 Allied lines	410,661,000	193,555,000	388,809,000	215,408,000	307,140,000	86,301,000	294,839,000	314,007,000	41,532,000
3 Farmowners multiple peril	68,382,000	89,351,000	25,041,000	132,693,000	34,551,000	25,174,000	8,014,000	184,402,000	46,408,000
4 Homeowners multiple peril	4,586,402,000	1,660,357,000	1,725,802,000	4,520,955,000	3,178,371,000	1,227,676,000	1,199,990,000	7,727,018,000	2,392,833,000
5 Commercial multiple peril	1,994,269,000	2,296,560,000	926,556,000	3,364,270,000	1,246,004,000	1,328,771,000	711,441,000	5,227,601,000	2,115,741,000
6 Mortgage guaranty	0	827,000	0	827,000	0	229,000	0	1,057,000	0
8 Ocean marine	19,798,000	45,730,000	30,935,000	34,594,000	11,150,000	34,254,000	16,797,000	63,201,000	14,994,000
9 Inland marine	125,501,000	73,350,000	78,674,000	120,176,000	111,601,000	108,150,000	91,167,000	248,760,000	112,614,000
10 Financial guaranty	0	0	0	0	0	11,000	8,000	3,000	0
11.1 Medical professional liability - occurrence	46,661,000	12,095,000	1,667,000	57,087,000	(1,999,000)	22,266,000	3,201,000	74,155,000	30,310,000
11.2 Medical professional liability - claims-made	816,000	49,610,000	13,277,000	37,148,000	804,000	59,359,000	14,578,000	82,731,000	24,128,000
12 Earthquake	513,000	915,000	86,000	1,341,000	2,231,000	1,784,000	898,000	4,457,000	1,147,000
13 Group accident and health	216,000	12,646,000	1,258,000	11,606,000	1,683,000	14,213,000	3,241,000	24,259,000	2,327,000
14 Credit accident and health (group and individual)	4,211,000	0	3,908,000	303,000	12,687,000	0	11,629,000	1,361,000	474,000
15 Other accident and health	3,286,000	8,384,000	471,000	11,198,000	462,000	8,430,000	464,000	19,626,000	1,061,000
16 Workers' compensation	5,063,990,000	3,702,982,000	4,298,690,000	4,468,284,000	5,557,632,000	3,672,564,000	4,806,841,000	8,891,643,000	1,344,002,000
17.1 Other liability - occurrence	2,117,782,000	2,352,849,000	1,611,225,000	2,859,409,000	3,778,534,000	3,208,591,000	2,546,089,000	7,300,441,000	1,529,584,000
17.2 Other liability - claims-made	105,279,000	414,619,000	132,879,000	387,020,000	58,539,000	953,386,000	302,594,000	1,096,351,000	419,929,000
17.3 Excess Workers' Compensation	184,406,000	77,754,000	185,125,000	77,034,000	127,588,000	119,118,000	144,981,000	178,759,000	16,752,000
18.1 Products liability - occurrence	511,086,000	316,172,000	293,243,000	534,011,000	532,613,000	596,184,000	332,145,000	1,330,661,000	578,842,000
18.2 Products liability - claims-made	25,000	12,883,000	664,000	12,243,000	3,726,000	14,469,000	5,127,000	25,313,000	5,975,000
19.1, 19.2 Private passenger auto liability	14,910,372,000	12,298,751,000	10,832,510,000	16,376,611,000	7,655,263,000	5,583,857,000	5,853,924,000	23,761,804,000	4,788,568,000
19.3, 19.4 Commercial auto liability	1,733,334,000	1,963,821,000	1,137,445,000	2,559,713,000	1,110,215,000	1,287,066,000	982,513,000	3,974,482,000	627,599,000
21 Auto physical damage	(25,023,000)	420,951,000	(34,806,000)	430,736,000	419,894,000	(21,182,000)	323,539,000	505,907,000	420,755,000
22 Aircraft (all perils)	67,261,000	55,164,000	101,881,000	20,544,000	1,211,000	12,920,000	3,514,000	31,161,000	7,251,000
23 Fidelity	5,015,000	7,962,000	1,343,000	11,633,000	16,674,000	22,632,000	8,408,000	42,534,000	8,930,000
24 Surety	(15,089,000)	20,519,000	(29,496,000)	34,925,000	24,869,000	27,814,000	11,182,000	76,425,000	29,944,000
26 Burglary and theft	958,000	1,603,000	306,000	2,256,000	388,000	1,313,000	373,000	3,581,000	603,000
27 Boiler and machinery	17,000,000	7,942,000	17,535,000	7,406,000	6,289,000	5,478,000	3,638,000	15,540,000	2,173,000
28 Credit	6,881,000	1,727,000	6,471,000	2,137,000	15,576,000	1,876,000	14,581,000	5,009,000	682,000
29 International	0	995,000	247,000	748,000	0	2,792,000	985,000	2,554,000	71,000
30 Warranty	22,000	460,000	408,000	75,000	7,272,000	8,913,000	9,019,000	7,240,000	259,000
31 Reinsurance - nonproportional assumed Property	0	25,212,000	578,000	24,634,000	0	18,535,000	(1,197,000)	44,366,000	1,179,000
32 Reinsurance - nonproportional assumed Liability	0	130,039,000	36,183,000	93,856,000	0	232,522,000	104,901,000	221,478,000	9,071,000
33 Reinsurance - nonproportional assumed Financial Lines	0	1,042,000	4,000	1,037,000	0	1,402,000	23,000	2,415,000	115,000
34 Aggregate write-ins for other lines of business	35,000	186,000	10,000	211,000	767,000	534,000	573,000	939,000	229,000
35 TOTALS	32,269,962,000	26,451,450,000	22,061,923,000	36,659,488,000	24,414,047,000	18,766,914,000	17,995,619,000	61,844,825,000	14,615,197,000

NORTH CAROLINA  
HOMEOWNERS MULTIPLE PERIL  
2017 AGGREGATE ANNUAL STATEMENT DATA  
2017 TOP 50 HOMEOWNERS INSURERS

2017 UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - LOSSES PAID AND INCURRED

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid	Net Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Assumed from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported	Direct	Reinsurance Assumed	Reinsurance Ceded		
1 Fire	306,017,000	178,242,000	249,485,000	234,777,000	409,755,000	115,153,000	397,980,000	361,701,000	35,720,000
2 Allied lines	1,020,288,000	339,264,000	1,108,407,000	251,147,000	408,117,000	154,562,000	396,190,000	417,639,000	66,253,000
3 Farmowners multiple peril	57,474,000	219,637,000	59,206,000	217,905,000	39,657,000	44,022,000	36,657,000	264,928,000	51,617,000
4 Homeowners multiple peril	4,719,671,000	2,361,887,000	2,001,803,000	5,079,759,000	3,882,982,000	1,634,674,000	2,080,738,000	8,516,681,000	2,484,038,000
5 Commercial multiple peril	2,075,789,000	2,638,791,000	1,218,403,000	3,496,176,000	1,294,156,000	1,550,250,000	878,273,000	5,462,309,000	2,095,815,000
6 Mortgage guaranty	0	0	0	0	0	0	0	0	0
8 Ocean marine	22,660,000	35,615,000	28,940,000	29,335,000	9,543,000	27,704,000	13,704,000	52,874,000	9,274,000
9 Inland marine	93,484,000	73,818,000	51,906,000	115,397,000	113,519,000	153,927,000	112,969,000	269,874,000	119,885,000
10 Financial guaranty	0	0	0	0	0	54,000	19,000	35,000	1,000
11.1 Medical professional liability - occurrence	48,483,000	11,672,000	524,000	59,629,000	254,000	18,301,000	346,000	77,838,000	29,963,000
11.2 Medical professional liability - claims-made	1,504,000	41,654,000	11,961,000	31,199,000	516,000	40,432,000	5,485,000	66,663,000	12,758,000
12 Earthquake	237,000	488,000	128,000	596,000	1,458,000	1,652,000	687,000	3,014,000	806,000
13 Group accident and health	208,000	4,308,000	66,000	4,451,000	2,190,000	6,128,000	1,908,000	10,859,000	1,708,000
14 Credit accident and health (group and individual)	3,472,000	0	3,171,000	301,000	14,749,000	0	13,513,000	1,537,000	444,000
15 Other accident and health	3,466,000	1,829,000	357,000	4,938,000	458,000	6,771,000	413,000	11,751,000	890,000
16 Workers' compensation	4,818,238,000	3,428,200,000	4,055,624,000	4,190,812,000	5,510,557,000	3,291,690,000	4,675,994,000	8,317,063,000	1,237,578,000
17.1 Other liability - occurrence	1,987,172,000	2,393,910,000	1,530,388,000	2,850,690,000	3,502,450,000	2,965,446,000	2,172,219,000	7,146,363,000	1,464,296,000
17.2 Other liability - claims-made	98,722,000	263,212,000	64,192,000	297,743,000	53,670,000	707,918,000	170,315,000	889,019,000	406,063,000
17.3 Excess Workers' Compensation	168,834,000	74,592,000	166,548,000	76,878,000	160,443,000	111,339,000	172,859,000	175,801,000	16,217,000
18.1 Products liability - occurrence	579,852,000	305,255,000	302,753,000	582,350,000	455,543,000	558,274,000	298,445,000	1,297,721,000	564,329,000
18.2 Products liability - claims-made	421,000	1,746,000	573,000	1,594,000	2,622,000	10,622,000	3,302,000	11,535,000	6,654,000
19.1, 19.2 Private passenger auto liability	15,193,150,000	13,048,342,000	11,474,069,000	16,767,424,000	8,072,985,000	6,041,998,000	6,402,386,000	24,480,022,000	5,038,728,000
19.3, 19.4 Commercial auto liability	1,828,301,000	2,291,281,000	1,364,912,000	2,754,669,000	1,262,546,000	1,375,718,000	1,129,116,000	4,263,813,000	667,264,000
21 Auto physical damage	(118,214,000)	350,681,000	(112,480,000)	344,945,000	574,236,000	147,528,000	433,112,000	633,593,000	480,447,000
22 Aircraft (all perils)	2,256,000	12,974,000	3,807,000	11,424,000	1,062,000	4,821,000	1,695,000	15,609,000	4,981,000
23 Fidelity	2,052,000	2,776,000	484,000	4,343,000	10,535,000	19,577,000	5,165,000	29,295,000	6,262,000
24 Surety	4,583,000	13,563,000	(12,434,000)	30,582,000	27,592,000	36,472,000	13,165,000	81,481,000	27,337,000
26 Burglary and theft	867,000	414,000	203,000	1,077,000	326,000	1,700,000	458,000	2,643,000	680,000
27 Boiler and machinery	16,017,000	4,985,000	15,550,000	5,452,000	9,385,000	7,665,000	7,707,000	14,796,000	2,661,000
28 Credit	4,455,000	(58,000)	3,831,000	566,000	17,871,000	6,449,000	15,710,000	9,178,000	1,074,000
29 International	0	994,000	271,000	723,000	0	2,434,000	1,128,000	2,029,000	128,000
30 Warranty	80,000	36,000	68,000	48,000	6,989,000	735,000	1,596,000	6,175,000	221,000
31 Reinsurance - nonproportional assumed Property	0	28,968,000	1,863,000	27,106,000	0	(49,367,000)	98,000	(22,359,000)	1,447,000
32 Reinsurance - nonproportional assumed Liability	0	127,098,000	33,687,000	93,410,000	0	219,086,000	92,296,000	220,201,000	8,667,000
33 Reinsurance - nonproportional assumed Financial Lines	0	1,672,000	8,000	1,665,000	0	1,624,000	20,000	3,269,000	148,000
34 Aggregate write-ins for other lines of business	47,000	158,000	8,000	196,000	749,000	592,000	606,000	934,000	116,000
35 TOTALS	32,939,601,000	28,258,001,000	23,628,286,000	37,569,313,000	25,846,925,000	19,215,942,000	19,536,283,000	63,095,896,000	14,844,468,000

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

STATUTORY PAGE 14

	2016	2017
Written Premium	2,328,544,000	2,415,996,000
Earned Premium	2,280,937,000	2,365,438,000
Dividends	9,334,000	10,203,000
Unearned Prem Reserves	1,202,053,000	1,251,624,000
Losses Paid	1,211,407,000	1,207,494,000
Losses Incurred	1,312,163,000	1,171,540,000
Losses Unpaid	422,699,000	377,230,000
Defense & Cost Containment Paid	15,653,000	15,193,000
Defense & Cost Containment Incurred	15,966,000	14,957,000
Defense & Cost Containment Unpaid	28,112,000	27,482,000
Commission	280,151,000	295,756,000
Taxes	63,094,000	65,793,000

## **HOMEOWNERS**

### **1. ACE American Insurance Company**

- New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
- Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
- Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
- Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
- Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%
- Eff. 9-1-92

### **2. ACE Fire Underwriters Insurance Company**

- New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
- Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
- Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%.
- Eff. 5-1-92

### **3. AIU Insurance Company**

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

### **4. 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 Construction Deviation Forms HO 00 02, HO 00 03 and HO 00 05.
- Amount of Insurance, All Territories Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Renovation Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Roof Rating Deviation, Forms HO 00 02, HO 00 03 and HO 00 05.
- Home Purchase Deviation, Forms HO 00 02, HO 00 03, HO 00 05, and HO 00 06.
- Gated Community Deviation, Forms HO 00 02, HO 00 03, and HO 00 05.
- Flex Check Payment Option-Installment Payment Plan, Forms HO 02, HO 03, HO 04, HO 05 and HO 06.
- Personal Status Deviation.
- Associate Discount Deviation.
- Increased Special Limits of Liability.
- Intra-Agency/Terms with Prior Carrier Discount Deviation – Forms 2, 3, 5, 4 and 6.
- Multi line Deviation.
- Eff 8-4-14 NWPC-129565318 [NCDOI](#)

### **5. 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](#)
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)**
- Premium Credit Factors - Claims Free Forms HO 0002, HO 0003, HO 0005 and HO 0008.
  - Premium Credit Factors - Claims Free for forms HO 0004 and HO 0006.
  - Row and Townhouses - discount.
  - Account Discount.
  - Insurance Score Discount.
  - Newly Constructed Residences (not applicable to Forms 4 and 6).
  - Amount of insurance relativities – Coverage A forms HO 00 02 HO 00 03 HO 00 05 and HO 00 08.
  - Installment Payment Plan-Electronic Funds Transfer.
  - Effective 5-1-11 AFAL-127042137 [NCDOI](#)
9. **Alliance Mutual Insurance Company**
- Flat Deductibles.
  - Higher Windstorm or Hail Deductibles – Flat deductible.
  - Protective Devices.
  - Eff 7-1-06 PC094461 [North Carolina Department of Insurance](#)
10. **Allstate Indemnity Company**
- Tier-Claim Rating Deviation.
  - Claims Free Discount.
  - New/renovated Home Discount.
  - Home and Auto Discount Deviation.
  - The Good Hands People Discount Deviation.
  - Zone Deviation.
  - Eff 11-1-14 ALSE-129687693 [NCDOI](#)

11. **Allstate Insurance Company**

- Deductible factors.
- Personal Property Replacement Cost Deviation.
- Protective devise discount.
- Year of construction-New/Renovated Home discount.
- Age 55 & Retired Discount Factor.
- Home and auto discount deviation.
- The Good Hands People discount.
- Waterbed Liability Deviation HO4 and HO6.
- Installment payment plan – Allstate Easy Payment Plan.
- Three or four family dwelling.
- 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 11-1-14 ALSE-129687689 [NCDOI](#)

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. 12-1-03 PC065125 [Filing Detail](#)

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

- Select Tier Broad Form, Base Rate.
- Choice Tier Broad Form, Base Rate.
- Elite Tier Broad Form, Base Rate.
- Select Tier Comprehensive form Base Rate.
- Choice Tier Comprehensive form Base Rate.
- Elite Tier Comprehensive form Base Rate.
- Senior Discount Territory 2 and Territory 3.
- Claim Free Credit, Territory 2 and Territory 3.
- Eff. 1-1-11 ASPX-G126837901 [North Carolina Department of Insurance](#)

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 Family Home Insurance Company**

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

18. **American Home Assurance Company**

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

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 when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only). Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.

- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance Refrigerated Property with KIP policy.
- Form 3: KIP only: Ord or Law: Include 12.5% at no additional charge. Wind and Hail Deds for Form 3: Blkt Limits dev (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047937 [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.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only).
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 prem x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply.
- Eff. 2-25-02 PC047938 [North Carolina Department of Insurance](#)

**23. American States Insurance Company**

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

**24. 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

**25. American Strategic Insurance Corporation**

- Territory Zone Deviation
- Protection Class Construction – Forms HO 00 03, HO 00 04 and HO 00 05.
- Key Factors – Forms HO 00 03, HO 00 04 and HO 00 05.
- Age of Home.
- Tier Forms HO 00 03 and HO 00 04.
- Companion Policy – All Forms.
- “E Policy” – All Forms.
- New Purchase – HO 00 03.
- Senior Retiree – Forms HO 00 03 and HO 00 05.
- Age of Insured – Form HO 00 04.
- Non Smoker – All Forms.

- Accredited Builder – Forms HO 00 03 and HO 00 05.
- Wind Mitigation Forms HO 00 03 and HO 00 05.
- Personal Property Replacement Cost – All Forms.
- Protective Devices - All Forms.
- Territory Definitions.
- Eff 11-1-13 AMSI-129212914 [NCDOI](#)

26. **AMICA Mutual Insurance Company**

- Waive the additional premium for Coverage C, Personal Property at 75% of Coverage A.
- Form HO 00 04 rate deviation by policy amount.
- Additional Amounts of Insurance-1.00 All territories with exceptions.
- Personal Property-Increased Limit, \$1.60 for all forms.
- Premium Payment Option.
- Multi-Line Discount, Optional Rating Characteristics. Various discounts in all territories with exceptions.
- Preferred Risk Deviation, Optional Rating Characteristics.
- Eff. 10-27-14 AMMA-129610839 [NCDOI](#)

27. **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

28. **Amerisure Mutual Insurance Company**

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

29. **Armed Forces Insurance Exchange**

- Deductible Credits.
- Newer Home Discount; All Forms, except HO 00 04 & HO 00 06.
- Earthquake Coverage.
- Sinkhole Collapse Coverage: All Forms except HO 00 04 and HO 00 06. (Does not include basic, only increased amount)
- Base Premium Computation.
- Minimum policy premium waived.
- Protective Devices-Maximum credit.
- Personal Property Increased Limits charge per \$1000.
- Eff 7-1-13 ARMD-128953788 [NCDOI](#)

30. **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](#)

31. **Associated Indemnity Corporation**

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

32. **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

33. **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

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

- Base Rate Deviation.
- Coverage A relativity curve.
- Deductible Credits.
- Protective Device Credit.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-17-14 TRVA-129270639 [NCDOI](#)

35. **Auto-Owners Insurance Company**

- Key factors.
- Deductibles – Waiver of Minimum charges.
- Protective Device Credit.

- Protective Device Credit – alarm systems.
- Mature Homeowner Discount.
- Townhouse or row house deviation.
- Credit card, fund transfer card, forgery and counterfeit money.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Personal Injury coverage-no charge.
- Special Personal Property Coverage HO 00 05.
- Multi-Policy Discount.
- Section II liability watercraft.
- Life/Homeowners Multi-Policy Discount
- Home/Umbrella Multi-Policy discount.
- Paid in Full discount.
- Personal Property Increased Limits.
- All Forms except HO 00 04 and HO 00 06.
- Protection Class Relativities.
- Age of Construction Discount.
- Base Class Premium.
- Windstorm or Hail Exclusion.
- Windstorm Mitigation.
- Changes or Cancellations.
- Theft Coverage.
- Underwriting Score.
- Solid Fuel Heating.
- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.
- Eff. 10-2-14 AOIC-129620222 [NCDOI](#)

36. **Balboa Insurance Company**

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

37. **Bankers Standard Insurance Company**

- Deviation forms HO 00 02, HO 00 03, HO 00 04, HO 00 06, HO 00 05 and HE-7.
- Key Factors Coverage A over \$750,000.
- Protective Devices maximum credit allowed is deleted.
- Optional Higher Deductibles forms HO 00 04 and HO 00 06.
- Named Storm Percentage Deductible.
- Additional Amounts of Insurance.
- Gated Community Credit.
- Valuable Articles Credit-Multi Policy.
- Mass Merchandising Discount.
- Eff. 2-1-13 ACEH-128729770 [NCDOI](#)

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

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



- Fire Insurance Association.
- Eff.8-15-02 PC054137 [North Carolina Department of Insurance](#)

39. **Central Mutual Insurance Company**

**Owners Program**

- Deviation by territory and protection class.
- Homeowners Enhancement Program – Deviation by form HE-7 and HE-7 with HE-20.
- Deviation by amount of insurance and insurance score.
- Insurance Score Deviation.
- Customer loyalty deviation.
- Company Deductible Credits B. Optional Deductibles.
- Payment timelines deviation.
- Loss history deviation.
- Personal Property Replacement Cost.
- Accompanying schedule or boat deviation.
- Age of dwelling.
- Home buyer deviation.
- Gated community deviation.
- Non-Packaged Risk deviation.
- Wood Roof Factor.
- Residence held in trust deviation.
- Package deviation.
- Installment Payment with Electronic Transfer.
- Deviation for Waiver of Premium.
- Group Rating.
- **Condo Program**
- Deviation by territory, protection class.
- Deviation by amount of insurance.
- Deviation by insurance score.
- Customer loyalty deviation.
- Deductible Optional Higher Deductibles.
- Payment timelines deviation.
- Loss history Deviation.
- Accompanying schedule or boat deviation.
- Form HO 00 06 Coverage A Dwelling Basic and Increased Limits and Special Coverage.
- Residence held in trust.
- Package Deviation.
- Installment Payment Plan.
- Deviation for waiver of premium.
- Deviation by Group Rating.
- **Tenants Program**
- Base Class territory and protection class.
- Amount of insurance deviation.
- Insurance score deviation.
- Customer loyalty deviation.
- Deductibles B. Optional Higher Deductibles.
- Payment timelines deviation
- Loss history deviation.
- Accompanying schedule or boat deviation.
- Package Deviation.
- Installment Payment Plan with Electronic Transfer.
- Deviation for waiver of premium.
- Deviation by Group Rating.
- Eff 8-1-14 CEMC-129472761 [NCDOI](#)

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

- Base Rate Deviation.

- Coverage A relativity curve.
- Protective Devices.
- Personal Property Increased Limit Coverage C.
- Account Credit Homeowners policy written in conjunction with Travelers Private Passenger Automobile policy.
- Loss Free Customer Credit Homeowners policy written in conjunction with Travelers Private Passenger Auto policy.
- Loss History.
- Insurance Score.
- New Home Credits.
- Home Buyer Credit.
- Installment Payment Plan.
- Eff 5-17-14 TRVA-129270673 [NCDOI](#)

41. **Chartis Property Casualty Company**

- Base Premium by Territory Form HO 00 03.
- Key Factor Deviation.
- Protective Devices.
- Eff 1-1-11 APCG-126633095 [North Carolina Department of Insurance](#)

42. **Cincinnati Indemnity Company**

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

43. **The Cincinnati Insurance Company**

- Year of construction-Newly Constructed Dwellings Age of Dwelling Credits.
- Base Rate Deviations by Territory.
- Installment Payment Plan.
- Homeowners Enhancement Deviation.
- Watercraft Liability deviation.
- Preferred Risk credit.
- Superior Risk Credit – Forms HO 00 03 and HE 00 07 only.
- Insurance Score Factor – All Forms.
- Package Credit-Multi Policy credit – All Forms.
- Automatic Water Shut-Off System Credit.
- Mature Homeowners Discount – All Forms.
- Secured Community Credit.
- Wood Burning or Solid Fuel Heating Appliances.
- Earthquake Coverage.
- Wood Roof.
- Eff 8-1-14 CNNB-129343842 [NCDOI](#)

44. **Continental Indemnity Company**

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.



- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Cov C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Cov, charge will be deleted when certain coverages & increased limits options are selected
- Eff. 1-1-01 PC038500 [North Carolina Department of Insurance](#)

45. **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](#)

46. **Economy Premier Assurance Company**

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

- Other Structures-On Premises Structures Specific Structures-Rented to Others.
- Eff. 7-1-13 METX-G129007172 [NCDOI](#)

47. **Electric Insurance Company**

- Protective Device Credits.
- Deductible Factors.
- Unscheduled Jewelry, Watches and Furs.
- Silverware, Goldware and Pewterware.
- Firearms.
- Group Marketing discount.
- Eff. 3-16-13 ELEC-128801672 [NCDOI](#)

48. **EMCASC0 Insurance Company**

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

49. **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](#)

50. **Encompass Indemnity Company**

- Forms 2, 3, and 8 Base Rate Deviations by Territory.
- Form 4 Base Rate Deviation by Territory.
- Form 6 Base Rate Deviation by Territory.
- Gated Community Discount.
- New Home Discount.
- Deductible Credits Discount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount.
- Protective Devices.
- Automatic Sprinkler Systems.
- Special Personal Property Coverage HO 6 only.
- Companion Policy Discount.
- Preferred Rate Deviation.
- Windstorm or Hail deviation.
- Policy Group Determination.
- Effective 10-11-13 ALSE-129953793 [NCDOI](#)

51. **Erie Insurance Company**

- Erie Base Rate Deviations.
- Form Factor deviation.
- Protection Construction Factor Deviation.

- Windstorm or Hail Exclusion Credit deviation.
- Amount of Insurance.
- Optional Deductible Factors HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Multi Policy Deviation.
- Underwriting tier deviation.
- Claims tier deviation.
- Occupancy deviation.
- Home Age/Policy Age deviation.
- Townhouse or row-house deviation.
- Business Pursuits.
- Waterbed Liability.
- Refrigerated Property Coverage.
- Rented Personal Property.
- Increased Special Limits of Liability.
- Outboard Motors and Watercraft Deviation.
- Other Members of a Named Insured's Household.
- Installment Payment Plan.
- Special Personal Property Coverage.
- Eff 5-1-14 ERPP-129228608 [NCDOI](#)

52. **Erie Insurance Exchange**

- Base Rate Deviations.
- Amount of Insurance Deviation all forms except HO 00 04 & HO 00 06.
- Multi-Policy Discount.
- New Home Discount.
- Optional Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation.
- Increased Special Limits of Liability HO 04 64 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost.
- Townhouse or rowhouse charge eliminated except HO 00 04 and HO 00 06.
- Earthquake Coverage.
- Outboard Motors & Watercraft.
- Building Addition & Alterations Increased Coverage C limit - Form HO 00 04 (HO 0451).
- Seasonal Dwelling Factors.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06.
- Refrigerated Property Coverage.
- Personal Property Increased Limits; HE 7.
- Premium payment plan service charge – installment payments.
- Tiered Rating
- Other Members of a Named Insured's Household.
- Advance Quote Discount – New business.
- Claims Experience Rating Program.
- Age of Insured Discount.
- Windstorm or Hail Exclusion Credit.
- County Factors.
- Windstorm Mitigation Credits.
- Eff. 9-1-14 ERPP-129552067 [NCDOI](#)

53. **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

54. **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](#)

55. **Federal Insurance Company**

- Payment Options-Installment fees waived or Auto recurring payments.
- Maximum credit for protective devices.
- Optional Higher Deductibles.
- Named Storm Deductible.
- Additional Amount of Insurance deviation.
- Replacement Cost Loss Settlement.
- Supplemental Loss assessment Coverage Premium for Additional Location.
- Water Back-Up and Sump Discharge or Overflow.
- Gated Community Credit.
- Effective 10-6-14 CHUB-129646103 [NCDOI](#)

56. **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

57. **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](#)

58. **Fidelity & Guaranty Insurance Underwriters**

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: H0 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation.
- Eff. 4-15-00 PC030953 [North Carolina Department of Insurance](#)

59. **Firemans Fund Insurance Company**

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

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

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

61. **First Community Insurance Company**

- Base Premium HO 00 03.
- Base Premium HO 00 04.
- Base Premium HO 00 06.
- Windstorm or Hail Exclusion HO 00 03.
- Age of Home.
- Book Transfer Discount.
- Multiple Policy Discount.
- Prior Insurance HO 0003 and HO 0006.
- Occupancy Factors HO 00 03 and HO 00 06.
- Experience Rating Factors.
- Mature Homeowners Discount All Forms.
- New Purchase Discount.
- Underwriting Tier.
- Hip Roof Discount.
- Preferred Builder Discount.
- Renovation Discount.
- Secured Community.

- Key Factor Table HO 00 03 Discount.
- Key Factor Table HO 00 04 Discount.
- Key Factor Table HO 00 06 Discount.
- Superior Construction-All Forms.
- Eff 12-1-13 BKIC-129103587 [NCDOI](#)

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

- Tier Discount, HO 00 03.
- Tier Discount HO 00 06.
- Base Premium HO 00 03.
- Base Premium HO 00 06.
- Deductibles.
- Windstorm or Hail Exclusion Credits.
- Personal Property-Additional Coverage-Jewelry and Furs.
- Sinkhole Collapse Coverage.
- Coverage A Dwelling Basic and Increased Limits.
- Earthquake Coverage.
- Protective Devices.
- Loss History.
- Auto and Home Combination Discount.
- Refrigerated Personal Property.
- Installment Payment Plan.
- Eff 10-14-14 USAA-129529717 [NCDOI](#)

63. **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](#)

64. **Government Employees Insurance Company**

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.



- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge.
- Eff. 3-1-95

65. **Grain Dealers Mutual Insurance Company**

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

66. **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

67. **Graphic Arts Mutual Insurance Company**

- Personal Property Replacement Cost.
- Mass Merchandising Plan.
- -5% W.I.S.E./Affinity program discount,
- Deviation for Owners Forms for risks located in territories 7, 8, 41, 45, 46, 48, 49 and 52.
- Deviation for Owners Forms for risks located in territories 36, 44 and 60.
- Deviation for Owners Forms for risks located in territories 38 and 39.
- Deviation for Owners Forms risks located in territory 34.
- Deviation for Owners Forms for risks located in territory 57.
- Deviation for Owners Forms for risks located in territory 53.
- Deviation for Owners Forms 32.
- Deviation for Owners Forms in territory 47.
- Deviation for Non-Owners Forms for risks in territories 36, 44, 57 and 60.
- Deviation for Non-Owners Forms for risks located in territories 38 and 39.
- Deviation for Non-Owners Forms for risk located in territories 7, 8, 34, 41, 45, 46, 47, 48, 49, 52 and 53.
- Personal Lines Account Credit
- Homeowners Extension Package
- Protection Class deviation/Suburban Rating.
- Eff. 7-1-13 UTCX-G128995997 [NCDOI](#)

68. **Hanover American Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits.
- Personal Property Replacement Cost for all forms except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost for forms HO 00 04 and HO 00 06.
- Account Credit Discount.
- Loss of Use-Increased Limits – Reduced premium charge.
- Condominium Unit Owners-Coverage A Dwelling – Basic and Increased Limits.
- Coverage A Dwelling: Basic & Increased Limits for form HO 00 06.
- Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits All forms, except HO 00 04 and HO 00 06.
- Special Personal Property, all forms except HO 00 02, HO 00 04 and HO 00 06.
- Electronic Funds Transfer Plan Discount.
- Group Modification Plan Discount.
- Direct Bill Policies.

- Cap on total credits/discounts.
- Territorial Deviation.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879116 [NCDOI](#)

69. **Hanover Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6.
- Account Credit: All forms.
- Loss of Use-Increased Limits: All forms.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property Increased Limits.
- Special Personal Property.
- Electronic Funds Transfer Installment Payment Plan.
- Group Modification Plan Discount (Mass Merchandising Plan)
- Direct Bill Policies Installment payment plan.
- Cap on credits/discounts
- Relativity curve deviation HO 00 03.
- Relativity Curve deviation forms HO 00 04 and HO 00 06.
- Eff. 2-1-12 HNVX-G127879210 [NCDOI](#)

70. **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

71. **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

72. **Harleysville Preferred Insurance Company**

- Group Mass Marketing Discount.
- Preferred customer discount – all territories except 07, 08, 41, 48, 49, 81 and 86.
- HE-7 Enhancement Deviations by certain Territories.
- StarPak Program Discount
- Companion Credit (homeowners and private passenger auto policy).
- Newly Purchased Home Credit Forms HO 02, HO 03, HO 05, and HE 7.
- Mature Homeowner Discount (HO 03, HO 05 and HE 7 only) 55 years of age or older.
- Life Insurance Policy Discount (life insurance/annuity policy).
- Coverage A Key Factors discount.
- HO 00 04 or HO 00 06, Base Premium deviation for certain Territories.
- Personal Property Increased Limit.
- Other Members of a Named Insured's Household.
- Electronic Funds Transfer (EFT).
- Eff 7-30-14 HRLV-129513803 [NCDOI](#)

73. **Hartford Accident and Indemnity Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49, 52.
- 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.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Effective 3-3-13 HART-128759763 [NCDOI](#)

74. **Hartford Casualty Insurance Company**

- Age of Dwelling Credit for all territories except 7, 8, 41, 48, 49 and 52.
- 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.
- Insurance Score.
- Prior Losses.
- Territory Deviation.
- Eff. 3-3-13 HART-128759773 [NCDOI](#)

75. **Hartford Fire Insurance Company**

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

76. **Hartford Insurance Company of Midwest**

- Age of Dwelling credit for all territories except 7, 8, 41, 48, 49 and 52.
- 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 – Forms HO 00 04 and HO 00 06.
- Retirement Community/Limited Access Community Credit.
- Key factors.
- Insurance Score.
- Prior Losses.
- Territory Deviation Factor.
- Effective 3-3-13 HART-128759931 [NCDOI](#)

77. **Hartford Underwriters Insurance Company**

- Age of Dwelling Credit.
- Account Credit for all territories.
- Retiree Credit.
- Limited Access Credit.
- Product Factors.
- Key Factors deviation.
- Insurance score.
- Prior Losses.
- Territory deviation.
- Eff. 12-7-13 HART-129001566 [NCDOI](#)

78. **Homesite Insurance Company**

- Preferred Risk Group 1 Discount on form HO 00 03 and HO 00 06.
- Preferred Risk Group 2 Discount on form HO 00 03.
- Partner Discount-Form HO 00 04.
- Eff 12-1-13 HMSS-129132804 [NCDOI](#)

79. **Horace Mann Insurance Company**

- Installment Payment Plan.
- Installment Payments - Electronic Funds Transfer.
- Eff. 4-1-14 HRMN-129256234 [NCDOI](#)

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

- Installment Payment Plan Waive initial \$3 installment fee.
- Multi-Line Deviation.
- Credit Rating Tier/Insurance Score.
- Installment Payments - Electronic Funds Transfer.
- Eff 4-1-14 HRMN-129256439 [NCDOI](#)

81. **IDS Property casualty Insurance Company**

- Form HO 00 03 – Amount of Insurance.
- Form HO 00 04 – Amount of Insurance.
- Form HO 00 06 – Amount of Insurance.
- Protective Device Credits
- Deductible Credits Forms HO 00 03, HO 00 04 HO 00 06.
- Home and Auto Discount.
- Replacement Cost on Contents Discount Forms HO 00 03, HO 00 04 HO 00 06.
- Condo Coverage A increased limits.
- Newly Constructed Dwellings-Utilities Rating Plan.
- Coverage C Increased Limits.
- Refrigerated Personal Property

- Townhouse/Rowhouse
- Costco Discount
- Base Rates (Form HO 00 03) by territories
- Base Rates (Form HO 00 06) by territories
- Electronic Funds Transfer.
- Eff 7-1-13 PRCA-128947193 [NCDOL](#)

**82. 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

**83. 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

**84. 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

**85. 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

**86. 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

**87. Integon Indemnity Corporation**

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
- Eff. 5-1-92

88. **Integon National Insurance Company**

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

89. **Liberty Mutual Fire Insurance Company**

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

90. **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

91. **Lighthouse Property Insurance Corporation**

- Base Premium HO 00 03 deviation.
- Age of Dwelling deviation.
- Book transfer discount.
- Claim free discount.
- Companion policy discount.
- Golden age discount.
- New purchase discount.
- Secured Communities discount.
- E-Policy discount.
- Maximum discount.
- Seasonal/secondary home deviation.
- Wood burning stove deviation.
- Experience rating deviation.
- Eff 11-1-14 MERL-129692800 [NCDOI](#)

92. **Lititz Mutual Insurance Company**

- New Home Credit.
- Specified Additional Amount of Insurance.
- Optional Higher Deductibles Deviation.
- All Perils deductible.
- Eff 9-1-13 LITZ-128996481 [NCDOI](#)

93. **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](#)

94. **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](#)

95. **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

96. **Massachusetts Bay Insurance Company**

- Mature Homeowners Credit.
- Deductible Credits for all forms except HO 00 04 and HO 00 06.
- Deductible Credits for Forms HO 00 04 and HO 00 06.
- Windstorm & Hail Deductible Credits: All forms, except HO 00 04 and HO 00 06.
- Personal Property Replacement Cost.
- Personal Property Replacement Cost on Coverage C: Forms HO 00 04 and HO 00 06
- Account Credit: All forms.
- Loss of Use-Increased Limits.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits.
- Watercraft Liability Rates: All forms.
- Personal Property - Increased Limits.
- Special Personal Property.

- Electronic Funds Transfer Installment Payment Plan Discount.
- Group Modification Plan (Mass Merchandising Plan).
- Direct Bill Policies installment payment plan.
- Cap on total credits/discounts of 35%.
- Territorial Deviation: All forms, except HO 00 04 and HO 00 06.
- Relativity Curve Deviation Forms HO 00 03.
- Relativity Curve Deviation Forms HO 00 04 and HO 00 06.
- Eff 2-1-12 HNVX-G127879161 [NCDOI](#)

97. **Max America Insurance Company**

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

98. **Medmarc Casualty Insurance Company**

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

99. **The Members Insurance Company**

- Account Credit, Forms HO 00 03 and HE 00 07 By Territories, Tier.
- Unit Owner's Building Increase Limits and Special Coverage-Form HO 00 06.
- Form HE 00 07,Coverage A Amount.
- Base Premium Form HO 00 03, By Territory and Tier.
- Base Premium Form HO 00 06, By Territory, and Tier Bronze.
- Key Factors HO 00 03,Coverage A Amount.
- Tier Bronze, Key Factors HO 00 06, Coverage C Amount.
- Form HE 00 07 Factor Deviations, By Territory.
- Home Buyer Credit, Forms HO 00 02, HO 00 03 and HE 00 07.
- Loss Free Credit, Platinum, Gold, Silver, and Bronze.
- AAA Affinity Factors.
- Protective Devices credit.
- Eff 11-6-13 CMCG-129178433 [NCDOI](#)

100. **Merastar Insurance Company**

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

101. **Meritplan Insurance Company**

- Affinity Discount.
- Electronic DFT and Online Processing Discount.
- Eff 11-5-10 BALB-126700430 [North Carolina Department of Insurance](#)

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

- Territory deviation.
- Deductible Deviation.
- Additional Limits of Liability
- Personal Property Replacement Cost Loss Settlement.
- Year of Construction – Newly Constructed Dwellings.
- Protective Devices
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation
- Met ReWards Claim Free Discount.
- Increased Ordinance or Law Coverage
- Earthquake Coverage
- Platinum Coverage Package.
- Tier Program.
- Eff. 10-30-14 METX-G129672932 [NCDOL](#)

103. **Metropolitan Property & Casualty Insurance Company**

**Standard Program**

- Territory Deviation.
- Deductible Deviation.
- Additional Limits of Liability.
- Personal Property Replacement Cost Loss Settlement.
- Year of construction – Newly Constructed Dwellings.
- Protective Devices.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Mass Merchandising Account Deviation:
- Small Employer Group Program.
- Claim Free Discount.
- Increase Ordinance or Law coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- GrandProtect Coverage Package.
- Water Back-Up and Sump Discharge or Overflow.
- Tier Program.

**Conversion Program**

- Territory Deviation.
- Deductible Deviation.
- Windstorm or Hail Percentage Deductible.
- Personal Property Replacement Cost.
- Year of Construction New Home Discount.
- Protective Devices Premium Credits for Alarm Systems: Credit applies to base premium.
- Mature Homeowners Discount.
- Multi-Policy Discount.
- Met Rewards Claim Free Discount when criteria are met.
- Increased Ordinance or Law Coverage.
- Earthquake Coverage.
- Platinum Coverage Package – Form HO 00 05.
- Waterbed Liability.
- Coverage A Dwelling Special Coverage HO 00 06.
- Tier Program.
- Eff 10-30-14 METX-G129672818 [NCDOL](#)



104. **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](#)

105. **Mosaic Insurance Company**

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge.
- Eff.10-18-00 PC035279 [North Carolina Department of Insurance](#)

106. **NGM Insurance Company**

- Age of Dwelling Deviation: Forms HO 00 02, HO 00 03 and HO 00 05.
- Combined Personal Protection Program.
- Deductible credits/charges, factor varies by ded amount.
- Protective device credits.
- Replacement Cost on Contents.
- Specified Additional Amount of Insurance Coverage A Dwelling.
- Personal Property Replacement Cost.
- Personal Injury.
- Water Back-up of Sewers or Drains.
- Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money.
- Special Computer Coverage.
- Coverage C Special Limits of Liability.
- Coverage D increased to 30% of Coverage A.
- Installment Payment Plan Deviation.
- Ordinance or Law Deviation – Increased Amount of Coverage.
- Refrigerated Property Coverage.
- Insurance Score Discount factor varies by Insurance Score.
- Eff. 10-1-14 NGMC-129581010 [NCDOI](#)



107. **National General Insurance Company**

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

108. **National Specialty Insurance Company**

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County - 0% - 22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium.
- Eff. 5-1-92 *Name changed from State National Specialty Company effective 3/16/04*

109. **National Surety Corporation**

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

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

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