



November 23, 2021

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Homeowners Windstorm and Hail Policy Program  
Revised Manual Rules and Rates

Please find attached revised Homeowners Windstorm and Hail Policy Program manual rules and rates. These rate changes were approved by the Commissioner of Insurance as part of 2021 Homeowners Policy Program rate filing settlement. The Windstorm and Hail Policy Program is an optional program and is available only in territories 110, 120, 130, 140, 150 and 160.

In that regard, please find attached the revised Homeowners Windstorm and Hail Policy Manual Base Class Premium Table.

These changes become effective in accordance with the following Rule of Application:

This revision is effective with respect to all new and renewal policies becoming effective on or after June 1, 2022.

The enclosed exhibits are intended to enable you to implement the approved revisions contained in this circular letter in accordance with the above Rule of Application.

In connection with the implementation of the revised rates, your attention is further directed to G.S. 58-36-30(a) which provides in part as follows:

....no insurer and no officer, agent or representative of an insurer shall knowingly issue or deliver or knowingly permit the issuance or delivery of any policy of insurance in this State that does not conform to the rates, rating plans, classifications, schedules, rules and standards made and filed by the Bureau. An insurer may deviate from the rates promulgated by the Bureau if the insurer has filed the proposed deviation with the Bureau and the Commissioner, if the proposed deviation is based on sound actuarial principles and if the deviation is approved by the Commissioner....

Your attention is also directed to G. S. 58-36-45, which provides in part as follows:

Whenever an insurer changes the coverage other than at the request of the insured or changes the premium rate, it shall give the insured written notice of such coverage change or premium rate change at least 15 days in advance of the effective date of such change or changes with a copy of such notice to the agent. This section shall apply to all policies and coverages subject to the provisions of this Article. ...

In the past, some insurers have given notice of premium rate changes by providing to an insured and agent, at least 15 days in advance of the effective date, a renewal policy, renewal certificate, billing or endorsement showing revised rates, together with a written notice substantially as follows:

#### NOTICE OF RATE CHANGE - NORTH CAROLINA

The premium for this policy reflects changes in rates applicable to North Carolina placed into effect under the provisions of Article 36, Chapter 58 of the North Carolina General Statutes.

The form of this notice has varied at the option of the insurer (printed notice, stamp, stick-on label, etc.). Companies should consult legal counsel with respect to the appropriateness of their own procedures under this statute. It is important that each Company establish procedures that will ensure continued compliance with the 15-day advance notice requirement.

Please see to it that this Circular is brought to the attention of all interested personnel in your Company.

Sincerely,

Andy Montano

Director, Personal Lines

AM:amt  
Attachment

P-21-12

**WINDSTORM AND HAIL POLICY PROGRAM  
HOMEOWNERS MANUAL SUPPLEMENT**

**NORTH CAROLINA**

**PART III  
BASE PREMIUM COMPUTATION RULES**

**RULE 301.  
BASE PREMIUM COMPUTATION**

**A. All Forms Except HS 00 04 And HS 00 06**

**1. One- And Two-family Dwelling**

- a. From the following Base Class Premium Table, select the Form **HS 00 03** premium for the territory and construction that applies.
- b. From the following Key Factor Table, select the Key Factor for the desired limit of liability.
- c. Multiply the Base Class Premium from Paragraph a. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

**Base Class Premium Table**

	Territory					
	110	120	130	140	150	160
<b>Frame Construction</b>						
<b>HS 00 03</b>	\$ <u>2,181</u> <del>2,008</del>	\$ <u>2,981</u> <del>2,750</del>	\$ <u>1,403</u> <del>1,314</del>	\$ <u>1,896</u> <del>1,779</del>	\$ <u>1,087</u> <del>1,017</del>	\$ <u>1,138</u> <del>1,104</del>
<b>HS 00 04</b>	<u>9598</u>	<u>1124</u> <del>46</del>	<u>5055</u>	<u>6874</u>	<u>3335</u>	<u>4447</u>
<b>HS 00 06</b>	<u>4866</u>	<u>7993</u>	<u>2845</u>	<u>3149</u>	<u>1127</u>	<u>1629</u>
<b>Masonry Construction</b>						
<b>HS 00 03</b>	\$ <u>1,976</u> <del>1,820</del>	\$ <u>2,691</u> <del>2,488</del>	\$ <u>1,299</u> <del>1,248</del>	\$ <u>1,704</u> <del>1,599</del>	\$ <u>9799</u> <del>47</del>	\$ <u>1,036</u> <del>1,005</del>
<b>HS 00 04</b>	<u>8790</u>	<u>1034</u> <del>07</del>	<u>4753</u>	<u>6467</u>	<u>3234</u>	<u>4345</u>
<b>HS 00 06</b>	<u>4560</u>	<u>7184</u>	<u>2644</u>	<u>2946</u>	<u>1125</u>	<u>1527</u>

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

**Key Factor Table**

Cov. A Amt. (In 000)	Factor
**\$ 10	.258
50	.453
75	.556
100	.644
150	.822
200	1.000
300	1.339
500	1.972
750	2.764
1,000	3.556
1,500	5.111
2,000	6.667
3,000	9.778
4,000	12.889
5,000	16.000
<b>Each Add'l \$1,000</b>	0.003
<b>Minimum Limits Of Liability</b>	
<b>**Section I – Property</b>	<b>HS 00 02 And HS 00 03</b>
Primary Location	\$ 25,000
Secondary Location	\$ 15,000
	<b>HS 00 08</b>
	\$ 10,000

**Table 301.A.1.c.#2 Key Factors**

**2. Three- And Four-family Dwelling**

Multiply the One- and Two-family Dwelling Base Premium by the three- and four-family factor of 1.04 to arrive at the Base Premium.

**WINDSTORM AND HAIL POLICY PROGRAM  
HOMEOWNERS MANUAL SUPPLEMENT**

**NORTH CAROLINA**

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**Base Class Premium Table**

	Territory					
	110	120	130	140	150	160
<b>Frame Construction</b>						
<b>HS 00 03</b>	\$ 2,181	\$ 2,981	\$ 1,403	\$ 1,896	\$ 1,087	\$ 1,138
<b>HS 00 04</b>	95	112	50	68	33	44
<b>HS 00 06</b>	48	79	28	31	11	16
<b>Masonry Construction</b>						
<b>HS 00 03</b>	\$ 1,976	\$ 2,691	\$ 1,299	\$ 1,704	\$ 979	\$ 1,036
<b>HS 00 04</b>	87	103	47	64	32	43
<b>HS 00 06</b>	45	71	26	29	11	15

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<b>Minimum Limits Of Liability</b>		
<b>**Section I – Property</b>	<b>HS 00 02 And HS 00 03</b>	<b>HS 00 08</b>
Primary Location	\$ 25,000	\$ 15,000
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