

August 1, 2018

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Clarification for Mobile Home Rating
Dwelling Policy Program

The Commissioner of Insurance has approved a clarification to the Dwelling Extended Coverage Policy Program. The revisions are meant to clarify the rating on Mobile Homes that are written on Dwelling Program policy forms.

In that regard, please find attached Explanatory Memorandum and revised Dwelling pages which include changes to (1) Eligibility Rule 103; (2) Mobile or Trailer Homes Rule 404; and (3) Base Premium Computation Rule 301.

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

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

The enclosed exhibit is intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Reprinted manual pages will be distributed in the usual manner as soon as possible. In the meantime, notice of the changes should be sent as soon as possible to your company's North Carolina agents to make them aware of the revisions.

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:ko
Attachment
P-18-10

Dwelling Program – Mobile Home Clarification

About This Filing

The North Carolina Rate Bureau is clarifying the rules in the Dwelling Program to more clearly identify how mobile homes are to be rated.

Revised Rules

We are revising the following rules:

- ◆ Eligibility (Rule 103) – Clarification that both the DP 01 and the DP 02 policy form (the DP 02 only in conjunction with Actual Cash Value endorsement DP 04 76) may be used for Mobile Homes; note that this is a North Carolina state rule exception to the ISO program (DP-E-7).
- ◆ Mobile or Trailer Homes (Rule 404) – This rule was clarified to include both the DP 01 and the DP 02 with DP 04 76. In addition, the 1.25 factor for Extended Coverage that was previously included in this rule is now being incorporated directly into Rule 301 and being replaced with a 1.00 factor. No changes were made to the 0.90 factor for Fire. This rule will appear on both pages DP-E-7 and DP-R-17.
- ◆ Base Premium Computation (Rule 301) – Mobile Home (MH) is being explicitly added to the tables so incorporate the 1.25 factor for DP 00 01 and DP 00 02 Forms. This directly incorporates this rating factor into the correct Key Premiums by form and by Territory.

**NORTH CAROLINA
DWELLING INSURANCE**

**RULE 103.
ELIGIBILITY**

Paragraphs **B.1** and **B.4.** are replaced by the following:

1. Using Form **DP 00 01** only or **DP 00 02** in conjunction with Actual Cash Value Loss Settlement Endorsement **DP 04 76**;

4. For a policy period of not longer than three years; and

**RULE 404.
MOBILE OR TRAILER HOMES – DP 00 01 ONLY OR
DP 00 02 WITH DP 04 76**

The title of Rule 404., Mobile or Trailer Homes - DP 00 01, is replaced by the preceding title.

**NORTH CAROLINA
DWELLING INSURANCE**

**RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)**

Extended Coverage, Broad And Special Forms – Coverage A Key Premiums*				
Territory	Const.*	Forms		
		DP 00 01	DP 00 02	DP 00 03
110	M	148	157	163
	F	156	165	172
	MH	195	207	n/a
120	M	165	175	182
	F	174	184	191
	MH	218	231	n/a
130	M	122	129	134
	F	128	136	141
	MH	160	170	n/a
140	M	127	135	140
	F	134	142	147
	MH	168	178	n/a
150	M	120	127	132
	F	126	134	139
	MH	158	167	n/a
160	M	124	131	136
	F	130	138	143
	MH	163	173	n/a
170	M	59	80	89
	F	62	84	93
	MH	78	105	n/a
180	M	59	80	89
	F	62	84	93
	MH	78	105	n/a
190	M	59	80	89
	F	62	84	93
	MH	78	105	n/a
200	M	73	99	110
	F	77	104	116
	MH	96	130	n/a
210	M	49	66	74
	F	52	70	78
	MH	65	88	n/a
220	M	44	59	66
	F	46	62	69
	MH	58	78	n/a
230	M	69	93	104
	F	73	99	110
	MH	91	123	n/a
240	M	48	65	72
	F	51	69	77
	MH	64	86	n/a
250	M	49	66	74
	F	52	70	78
	MH	65	88	n/a

Extended Coverage, Broad And Special Forms – Coverage A Key Premiums*				
Territory	Const.*	Forms		
		DP 00 01	DP 00 02	DP 00 03
260	M	48	65	72
	F	50	68	75
	MH	63	85	n/a
270	M	35	47	53
	F	37	50	56
	MH	46	62	n/a
280	M	35	47	53
	F	37	50	56
	MH	46	62	n/a
290	M	44	59	66
	F	46	62	69
	MH	58	78	n/a
300	M	37	50	56
	F	39	53	59
	MH	49	66	n/a
310	M	29	39	44
	F	31	42	47
	MH	39	53	n/a
320	M	32	43	48
	F	34	46	51
	MH	43	58	n/a
330	M	35	47	53
	F	37	50	56
	MH	46	62	n/a
340	M	28	38	42
	F	29	39	44
	MH	36	49	n/a
350	M	29	39	44
	F	30	41	45
	MH	38	51	n/a
360	M	28	38	42
	F	29	39	44
	MH	36	49	n/a
370	M	29	39	44
	F	31	42	47
	MH	39	53	n/a
380	M	26	35	39
	F	27	36	41
	MH	34	46	n/a
390	M	26	35	39
	F	27	36	41
	MH	34	46	n/a

* **DP 00 01** Key Premiums are Non-seasonal and Seasonal. **DP 00 02** and **DP 00 03** Key Premiums are Non-seasonal only and include the charge for Extended Coverage and Vandalism and Malicious Mischief perils. M = Masonry, F = Frame, MH = Mobile Home. Masonry Veneer is rated as masonry. Aluminum or plastic siding over frame is rated as frame. **DP 00 02** Key Premiums for MH should be used in conjunction with Actual Cash Value Loss Settlement Endorsement **DP 04 76** Only; see Rule 305.

Table 301.A.#41(R) Extended Coverage, Broad And Special Forms – Coverage A Key Premiums

**NORTH CAROLINA
DWELLING INSURANCE**

**RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)**

Extended Coverage, Broad And Special Forms – Coverage C Key Premiums*				
Territory	Const.*	Forms		
		DP 00 01	DP 00 02	DP 00 03
110	M	21	22	23
	F	22	23	24
	MH	<u>28</u>	<u>30</u>	<u>n/a</u>
120	M	25	27	28
	F	26	28	29
	MH	<u>33</u>	<u>35</u>	<u>n/a</u>
130	M	18	19	20
	F	19	20	21
	MH	<u>24</u>	<u>25</u>	<u>n/a</u>
140	M	18	19	20
	F	19	20	21
	MH	<u>24</u>	<u>25</u>	<u>n/a</u>
150	M	11	12	12
	F	12	13	13
	MH	<u>15</u>	<u>16</u>	<u>n/a</u>
160	M	13	14	14
	F	14	15	15
	MH	<u>18</u>	<u>19</u>	<u>n/a</u>
170	M	5	7	8
	F	5	7	8
	MH	<u>6</u>	<u>8</u>	<u>n/a</u>
180	M	6	8	9
	F	6	8	9
	MH	<u>8</u>	<u>11</u>	<u>n/a</u>
190	M	7	9	11
	F	7	9	11
	MH	<u>9</u>	<u>12</u>	<u>n/a</u>
200	M	10	14	15
	F	10	14	15
	MH	<u>13</u>	<u>18</u>	<u>n/a</u>
210	M	4	5	6
	F	4	5	6
	MH	<u>5</u>	<u>7</u>	<u>n/a</u>
220	M	3	4	5
	F	3	4	5
	MH	<u>4</u>	<u>5</u>	<u>n/a</u>
230	M	9	12	14
	F	9	12	14
	MH	<u>11</u>	<u>15</u>	<u>n/a</u>
240	M	3	4	5
	F	3	4	5
	MH	<u>4</u>	<u>5</u>	<u>n/a</u>
250	M	3	4	5
	F	3	4	5
	MH	<u>4</u>	<u>5</u>	<u>n/a</u>

Extended Coverage, Broad And Special Forms – Coverage C Key Premiums*				
Territory	Const.*	Forms		
		DP 00 01	DP 00 02	DP 00 03
260	M	2	3	3
	F	2	3	3
	MH	<u>3</u>	<u>4</u>	<u>n/a</u>
270	M	2	3	3
	F	2	3	3
	MH	<u>3</u>	<u>4</u>	<u>n/a</u>
280	M	2	3	3
	F	2	3	3
	MH	<u>3</u>	<u>4</u>	<u>n/a</u>
290	M	2	3	3
	F	2	3	3
	MH	<u>3</u>	<u>4</u>	<u>n/a</u>
300	M	4	5	6
	F	4	5	6
	MH	<u>5</u>	<u>7</u>	<u>n/a</u>
310	M	1	1	2
	F	1	1	2
	MH	<u>1</u>	<u>1</u>	<u>n/a</u>
320	M	1	1	2
	F	1	1	2
	MH	<u>1</u>	<u>1</u>	<u>n/a</u>
330	M	1	1	2
	F	1	1	2
	MH	<u>1</u>	<u>1</u>	<u>n/a</u>
340	M	1	1	2
	F	1	1	2
	MH	<u>1</u>	<u>1</u>	<u>n/a</u>
350	M	1	1	2
	F	1	1	2
	MH	<u>1</u>	<u>1</u>	<u>n/a</u>
360	M	2	3	3
	F	2	3	3
	MH	<u>3</u>	<u>4</u>	<u>n/a</u>
370	M	2	3	3
	F	2	3	3
	MH	<u>3</u>	<u>4</u>	<u>n/a</u>
380	M	1	1	2
	F	1	1	2
	MH	<u>1</u>	<u>1</u>	<u>n/a</u>
390	M	1	1	2
	F	1	1	2
	MH	<u>1</u>	<u>1</u>	<u>n/a</u>

* **DP 00 01** Key Premiums are Non-seasonal and Seasonal. **DP 00 02** and **DP 00 03** Key Premiums are Non-seasonal only and include the charge for Extended Coverage and Vandalism and Malicious Mischief perils. M = Masonry, F = Frame, MH = Mobile Home. Masonry Veneer is rated as masonry. Aluminum or plastic siding over frame is rated as frame. **DP 00 02** Key Premiums for MH should be used in conjunction with Actual Cash Value Loss Settlement Endorsement **DP 04 76** Only; see Rule 305.

Table 301.A.#44(R) Extended Coverage, Broad And Special Forms – Coverage C Key Premiums

**NORTH CAROLINA
DWELLING INSURANCE**

**RULE 404.
MOBILE OR TRAILER HOMES – (DP 00 01 ONLY OR
DP 00 02 WITH DP 04 76)**

Multiply the Frame Construction, Coverage A or C Base Premium by .9 for Fire and multiply the Mobile Home Construction, Coverage A or C Base Premium by 1.25 for Extended Coverage.