CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Homeowners Insurance Rates and Rules

On December 20, 2018, the Rate Bureau filed with the Commissioner of Insurance proposed revised homeowner’s insurance rates for homeowners’ coverages subject to the Rate Bureau’s jurisdiction. The Rate Bureau’s rate filing proposed (1) a statewide average rate level change of +17.4% for all homeowner forms, with changes varying by form and by territory; (2) revised windstorm or hail exclusion credits; (3) revised wind mitigation credits; and (4) revised wind-only rates for the Windstorm and Hail Policy Program (stand-alone wind only program).

The rate filing included miscellaneous manual rules revisions:

In the Homeowners Manual, Special State Requirements in the State Exception Pages:
- Paragraph D of Rule A1. Special State Requirements in the State Exception Pages has been updated to match Section XV of the current Plan of Operation of the North Carolina Insurance Underwriting Association.
- Rule A3. Windstorm or Hail Exclusion of the State Exception Pages has been revised to clarify that the Windstorm or Hail Exclusion credit should be removed from the Key Premium before calculating the premium for the options priced in Rules 501, 502, 507 and 513. Additionally, a correction to the name of the North Carolina Insurance Underwriting Association was made in Paragraph A.1.
- Rule 522. Landlord Furnishings was removed.

In the Windstorm and Hail Policy Manual Supplement:
- Pricing for Rented Personal Property is being added to Rule 515. As a result, endorsement HS 05 46 and Rule 522. Landlords Furnishings are no longer necessary and are being withdrawn.
- The Premium Determination paragraphs for Rule 501. Building Additions and Alterations at Other Residences and Rule 502. Building Additions and Alterations - Increased Limit - HS 00 04 have been revised to refer to the HS 00 04 Base Class Premium.
- Rule 513. Ordinance or Law Increased Amount of Coverage - HS 00 04 and HS 00 06 has been revised for a typographical error.

The Rate Bureau and the Department of Insurance have negotiated an agreement as to the rate level revision, and on September 26, 2019, the Commissioner signed a Consent Order approving settlement of this filing. The Consent Order approves the rate filing,
subject to several modifications which include (1) an approved overall statewide average rate level increase of 4% for all homeowner forms; as well as (2) the resulting approved base rates, (3) the resulting approved windstorm or hail exclusion credits; (4) the resulting approved wind mitigation credits; and (5) the resulting approved wind-only rates.

The various approved rates, relativities, credits, and manual rules are set forth in the following revised manual pages:

- Exhibit A-1 – revised pages for the Homeowners Policy Program Manual, with changes marked (8 pages)
- Exhibit A-2 – clean revised pages for the Homeowners Policy Program Manual (8 pages)
- Exhibit B-1 – revised pages for the Homeowners Windstorm and Hail Policy Program Supplement (stand-alone wind only program), with changes marked (5 pages)
- Exhibit B-2 – clean revised pages for the Homeowners Windstorm and Hail Policy Program Supplement (stand-alone wind only program) (5 pages)

The approved changes are to be implemented in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after May 1, 2020.

The enclosed exhibits are 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.

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 insure continued compliance with the 15-day advance notice requirement.

Please see to it that this circular letter is immediately brought to the attention of all interested personnel in your company.

Sincerely,

Andy Montano

Director, Personal Lines

AM:ko
Attachments
P-19-5
**Rule 301. Base Class Premium Computation**

**Base Class Premium Table**

<table>
<thead>
<tr>
<th>TERRITORY</th>
<th>HO 00 03</th>
<th>HO 00 04</th>
<th>HO 00 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>2,017,236</td>
<td>1,941,48</td>
<td>10,021</td>
</tr>
<tr>
<td>120</td>
<td>3,065,784</td>
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<td>12,349</td>
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<tr>
<td>130</td>
<td>1,584,518</td>
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<td>702,45</td>
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<td>140</td>
<td>2,138,042</td>
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<td>150</td>
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<td>966,82</td>
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<td>160</td>
<td>1,423,375</td>
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<td>646,11</td>
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<td>803,241</td>
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<td>566,56</td>
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<td>938,499</td>
<td>630,31</td>
<td>585,21</td>
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<td>1,199,082</td>
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<td>670,41</td>
<td>646,11</td>
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<tr>
<td>210</td>
<td>864,631</td>
<td>606,78</td>
<td>535,06</td>
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<td>768,58</td>
<td>545,18</td>
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<td>1,135,092</td>
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<td>506,6</td>
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<tr>
<td>250</td>
<td>947,924</td>
<td>585,56</td>
<td>598,77</td>
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<tr>
<td>260</td>
<td>627,342</td>
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<td>270</td>
<td>708,844</td>
<td>504,84</td>
<td>556,44</td>
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<td>622,202</td>
<td>454,34</td>
<td>416,39</td>
</tr>
<tr>
<td>290</td>
<td>772,873</td>
<td>519,04</td>
<td>504,84</td>
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<td>300</td>
<td>827,416</td>
<td>536,56</td>
<td>434,11</td>
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<td>310</td>
<td>876,415</td>
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<td>434,11</td>
</tr>
<tr>
<td>320</td>
<td>771,020</td>
<td>514,44</td>
<td>444,44</td>
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<tr>
<td>330</td>
<td>584,885</td>
<td>488,44</td>
<td>488,44</td>
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<td>340</td>
<td>621,820</td>
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<td>474,75</td>
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<td>350</td>
<td>660,850</td>
<td>505,64</td>
<td>484,44</td>
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<tr>
<td>360</td>
<td>571,863</td>
<td>398,44</td>
<td>374,44</td>
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<tr>
<td>370</td>
<td>577,512</td>
<td>484,48</td>
<td>48</td>
</tr>
<tr>
<td>380</td>
<td>577,288</td>
<td>494,49</td>
<td>494,49</td>
</tr>
<tr>
<td>390</td>
<td>586,899</td>
<td>46</td>
<td>474,75</td>
</tr>
</tbody>
</table>

Table 301. Base Class Premium
ADDITIONAL RULE(S)

RULE A1.
SPECIAL STATE REQUIREMENTS

A. Special Provisions Endorsement HO 32 32
Use this endorsement with all Homeowners policies.

B. Windstorm Exterior Paint And Waterproofing Exclusion Endorsement HO 32 86
Use this endorsement with all Homeowners policies in Territories 110 and 120.

C. Flood, Earthquake, Mudslide, Mudflow, Landslide Or Windstorm Or Hail Insurance Notice
North Carolina law provides that an insurer selling property insurance that does not provide coverage for the perils of flood, earthquake, mudslide, mudflow, landslide, or windstorm or hail shall provide a specific notice (a "warning" set forth in the related statute) to the policyholder as to which of the listed perils are not covered under the policy.

The required notice must be:

1. Provided upon issuance and renewal of each policy;
2. In Times New Roman 16-point font or another equivalent font; and
3. Included in the policy on a separate page immediately before the Declarations page.

The following warning, citing which peril is not covered, must be furnished with each new policy and upon each renewal:

"WARNING: THIS PROPERTY INSURANCE POLICY DOES NOT PROTECT YOU AGAINST LOSSES FROM [FLOODS], [EARTHQUAKES], [MUDSLIDES], [MUDFLOWS], [LANDSLIDES], [WINDSTORM OR HAIL]. YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING COVERAGE FOR THESE LOSSES. THIS IS NOT A COMPLETE LISTING OF ALL OF THE CAUSES OF LOSSES NOT COVERED UNDER YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT COVERED."

D. North Carolina Insurance Joint Underwriting Association

Section XV of the Plan of Operation of the North Carolina Insurance Underwriting Association (Beach Plan) sets forth the following as to "Member Insurer Responsibility with Respect to Cancellation or Nonrenewals":

As respects risks eligible under the Plan of Operation, each participating insurer agrees that with respect to cancellation or nonrenewals initiated by it, it will give to policyholders, except in cases of nonpayment of premium, material misrepresentation, or evidence of incendiarism, 30 days to avail themselves of the Plan of Operation and the insurer shall, in writing, explain to the policyholder the procedures for making application under the Plan of Operation.

E. Company Rates/State Rate Pages
References in the manual to "state company rates" means "state rate pages" in North Carolina.

F. Insert – North Carolina Endorsement HO 32 46
Use this endorsement with all Homeowners policies.

G. Home-sharing Host Activities Amendatory Endorsements

Use the following endorsements with all Homeowners policies unless Broadened Home-sharing Host Activities Coverage is purchased:

1. HO 32 43, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 02)
2. HO 32 44, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 03)
3. HO 32 45, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 04)
4. HO 32 48, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 05)
5. HO 32 49, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 06)
6. HO 32 51, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 08)

Refer to the Additional Rule for the requirements for Broadened Home-sharing Host Activities Coverages.
RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY

A. The peril of Windstorm or Hail may be excluded if:
1. The property is located in an area eligible for such coverage from the North Carolina Insurance Underwriting Association; and
2. A Windstorm or Hail Rejection Form is secured and maintained by the company.

Use Absolute Windstorm Or Hail Exclusion Endorsement HO 32 94.

B. To compute the Base Premium:
1. Determine the appropriate Key Premium as described in Rule 301.
2. Subtract the Windstorm or Hail Exclusion credit shown on the state rate pages from the Key Premium.
3. Multiply the Key Premium excluding Windstorm or Hail Coverage developed in Step 2 by the Key Factor for the desired limit of liability.

For example:
Form HO 00 02 Key Premium = $1,310
Windstorm or Hail Exclusion Credit = $1,131
Key Factor for $100,000 = 1.109

Step 1. Determine the Key Premium
Key Premium = $1,310
Step 2. Subtract Windstorm or Hail Exclusion Credit from Key Premium
$1,310 – $1,131 = $179
Step 3. Multiply Key Factor for desired limit by amount in Step 2.
$179 x 1.109 = $199 = Base Premium

C. When Endorsement HO 32 94 is attached to the policy, enter the following on the Declarations page:
"This policy does not provide coverage for the peril of Windstorm or Hail".

D. When coverage for other specific structures or other structures rented to others is requested, refer to Rules 514.A.1.a. and 514.A.2.a.(1) in the state rate pages for the rates excluding windstorm or hail coverage.

E. For Rules 591, 502, 507 and 513 use the Key Premium excluding Windstorm or Hail Coverage from Paragraph B.2. to determine the premium per $1,000 for those options.

RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND HO 00 06

A. Coverage Description
The policy may be endorsed to provide coverage for property damage caused by waterbeds to non-owned property on the residence premises.

B. Premium
Charge the rate shown on the state rate pages.

C. Endorsement
Use Waterbed Liability Endorsement HO 32 40.

RULE A5.
YEAR OF CONSTRUCTION – NEWLY CONSTRUCTED DWELLINGS – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

A. A Dwelling is eligible for a discount depending on the calendar year that the dwelling was completed and first occupied. If the year first occupied is different than the year completed, the later year would apply.

B. To compute the premium for this provision, multiply the Base Premium by the appropriate credit factor selected from the following table:

<table>
<thead>
<tr>
<th>Age Of Dwelling (In Years)</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 1</td>
<td>.82</td>
</tr>
<tr>
<td>1 up to 2</td>
<td>.85</td>
</tr>
<tr>
<td>2 up to 3</td>
<td>.88</td>
</tr>
<tr>
<td>3 up to 4</td>
<td>.91</td>
</tr>
<tr>
<td>4 up to 5</td>
<td>.94</td>
</tr>
<tr>
<td>5 up to 6</td>
<td>.97</td>
</tr>
<tr>
<td>6 and over</td>
<td>No Credit Applies</td>
</tr>
</tbody>
</table>

Note: A dwelling under construction shall be considered to be completed and occupied during the current calendar year.

Table A5.B. Age Of Dwelling Credits

C. To develop a premium for this option, multiply the Base Premium by the appropriate credit factor.

RULE A6.
OPTIONAL INFLATION GUARD ENDORSEMENTS

Subject to the provisions noted in Paragraphs B. and C., the inflation guard endorsements referenced in this rule may be used instead of the endorsement noted in General Rule 405.

A. Eligible Forms
The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in Paragraph B.:
1. Forms HO 00 02, HO 00 03 and HO 00 05 – Coverages A, B, C and D; and
2. Forms HO 00 04 and HO 00 06 – Coverages C and D.

These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, billing notice or named on the form.
RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE

Paragraph B. is replaced by the following:

B. Increased Limits

The basic limit of liability may be increased to $10,000, $15,000 or $25,000.

Paragraph D. is replaced by the following:

D. Endorsement

Use Limited Water Back-up And Sump Discharge Or Overflow Coverage Endorsement HO 04 84.

RULE 522.
LANDLORDS FURNISHINGS

Rule 522. does not apply.

RULE 524.
OTHER MEMBERS OF A NAMED INSURED’S HOUSEHOLD

Paragraph B.1. is replaced by the following:

B. Coverage Description

1. The policy may be endorsed to provide coverage to a person who is a member of the named insured’s household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder, tenant or home-sharing occupant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.

RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT HO 00 04

Paragraph B. is replaced by the following:

B. Endorsement

Use Trust Endorsement – North Carolina HO 32 12.

RULE 528.
HOME BUSINESS INSURANCE COVERAGE

Paragraph C.4.b. does not apply.

Table 528.D.2.a is replaced by the following:

<table>
<thead>
<tr>
<th>Gross Annual Receipts*</th>
<th>HO 00 02, 3, 5 &amp; 8</th>
<th>HO 00 04</th>
<th>HO 00 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $50,000</td>
<td>.11</td>
<td>.46</td>
<td>.49</td>
</tr>
<tr>
<td>$50,001 to $100,000</td>
<td>.69</td>
<td>.73</td>
<td></td>
</tr>
<tr>
<td>100,001 to 175,000</td>
<td>.23</td>
<td>.97</td>
<td>1.04</td>
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<tr>
<td>175,001 to 250,000</td>
<td>.31</td>
<td>1.31</td>
<td>1.40</td>
</tr>
<tr>
<td>* New business, use $50,001 to $100,000 classification</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 528.D.2.a. Factors
ADDITIONAL RULE(S)

RULE A2.
INSTALLMENT PAYMENT PLAN
C. Charge per installment – $3

RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY

Frame Construction

<table>
<thead>
<tr>
<th>Territory</th>
<th>All Forms Except HO 00 04 And HO 00 06</th>
<th>HO 00 04</th>
<th>HO 00 06</th>
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</thead>
<tbody>
<tr>
<td>110</td>
<td>$1,093, 227</td>
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<td>120</td>
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<td>8024</td>
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<td>130</td>
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<tr>
<td>160</td>
<td>$905, 831</td>
<td>2248</td>
<td>1714</td>
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Table A3.#1 Wind Or Hail Exclusion Credit – Frame

Masonry Construction

<table>
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<tr>
<th>Territory</th>
<th>All Forms Except HO 00 04 And HO 00 06</th>
<th>HO 00 04</th>
<th>HO 00 06</th>
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<td>150</td>
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<td>1513</td>
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<td>160</td>
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<td>1512</td>
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Table A3.#2 Wind Or Hail Exclusion Credit – Masonry

RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND HO 00 06
B. Premium
Charge per policy – $14
### Table A9. Windstorm Loss Mitigation Credit – Frame

<table>
<thead>
<tr>
<th>Mitigation Feature</th>
<th>Territory 110</th>
<th>Territory 120</th>
<th>Territory 130</th>
<th>Territory 140</th>
<th>Territory 150</th>
<th>Territory 160</th>
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<tr>
<td>Total Hip Roof</td>
<td>437390</td>
<td>634575</td>
<td>241223</td>
<td>380345</td>
<td>128428</td>
<td>272214</td>
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<tr>
<td>Hurricane Fortified</td>
<td>105464</td>
<td>143433</td>
<td>67852</td>
<td>9022</td>
<td>47341</td>
<td>100469</td>
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<td>Hurricane Fortified</td>
<td>164146</td>
<td>225924</td>
<td>9472</td>
<td>142129</td>
<td>59376</td>
<td>109735</td>
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<td>135125</td>
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<td>168167</td>
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<td>Hurricane Fortified</td>
<td>389447</td>
<td>567516</td>
<td>205490</td>
<td>341310</td>
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<td>194191</td>
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</table>

### Table A9. Windstorm Loss Mitigation Credit – Masonry

<table>
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<th>Mitigation Feature</th>
<th>Territory 110</th>
<th>Territory 120</th>
<th>Territory 130</th>
<th>Territory 140</th>
<th>Territory 150</th>
<th>Territory 160</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hip Roof</td>
<td>394262</td>
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<td>222529</td>
<td>338317</td>
<td>114414</td>
<td>199412</td>
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<td>130111</td>
<td>6052</td>
<td>7820</td>
<td>42741</td>
<td>87421</td>
</tr>
<tr>
<td>Hurricane Fortified</td>
<td>146131</td>
<td>203184</td>
<td>8782</td>
<td>127145</td>
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<td>94741</td>
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<tr>
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<td>345313</td>
<td>125148</td>
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<td>Hurricane Fortified</td>
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<td>147142</td>
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<td>8081</td>
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<td>348311</td>
<td>511464</td>
<td>190429</td>
<td>304226</td>
<td>89801</td>
<td>177121</td>
</tr>
</tbody>
</table>
### Table A9. Windstorm Loss Mitigation Credit – Frame

<table>
<thead>
<tr>
<th>Mitigation Feature</th>
<th>Territory 110</th>
<th>Territory 120</th>
<th>Territory 130</th>
<th>Territory 140</th>
<th>Territory 150</th>
<th>Territory 160</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hip Roof</td>
<td>$13,140</td>
<td>$16,013</td>
<td>$8,928</td>
<td>$14,303</td>
<td>$60,634</td>
<td>$60,634</td>
</tr>
<tr>
<td>Opening Protection</td>
<td>$14,541</td>
<td>$18,413</td>
<td>$11,414</td>
<td>$17,718</td>
<td>$89,645</td>
<td>$89,645</td>
</tr>
<tr>
<td>Total Hip Roof and Opening Protection</td>
<td>$27,921</td>
<td>$36,428</td>
<td>$20,315</td>
<td>$31,421</td>
<td>$147,285</td>
<td>$147,285</td>
</tr>
</tbody>
</table>

**IBHS Designation on or after March 31, 2019:**

- **FORTIFIED for Safer Living**
  - 634,653
  - 890,828

- **FORTIFIED Roof – Hurricane – Existing Roof**
  - 164,466
  - 225,204

- **FORTIFIED Home – Hurricane – Silver – Existing Roof**
  - 26,234
  - 38,234

- **FORTIFIED Home – Hurricane – New Roof**
  - 315,281
  - 461,148

- **FORTIFIED Home – Hurricane – Gold – Existing Roof**
  - 335,290
  - 485,440

- **FORTIFIED Home – Hurricane – Gold – New Roof**
  - 389,347
  - 567,514

### Table A9. Windstorm Loss Mitigation Credit – Masonry

<table>
<thead>
<tr>
<th>Mitigation Feature</th>
<th>Territory 110</th>
<th>Territory 120</th>
<th>Territory 130</th>
<th>Territory 140</th>
<th>Territory 150</th>
<th>Territory 160</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hip Roof</td>
<td>$12,140</td>
<td>$16,146</td>
<td>$8,723</td>
<td>$10,198</td>
<td>$54,782</td>
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<tr>
<td>Total Hip Roof and Opening Protection</td>
<td>$25,480</td>
<td>$34,696</td>
<td>$19,084</td>
<td>$55,872</td>
<td>$107,464</td>
<td>$107,464</td>
</tr>
</tbody>
</table>

**IBHS Designation on or after March 31, 2019:**

- **FORTIFIED for Safer Living**
  - 634,653
  - 890,828

- **FORTIFIED Roof – Hurricane – Existing Roof**
  - 164,466
  - 225,204

- **FORTIFIED Roof – Hurricane – New Roof**
  - 146,331
  - 203,484

- **FORTIFIED Home – Hurricane – Silver – Existing Roof**
  - 236,211
  - 345,313

- **FORTIFIED Home – Hurricane – Silver – New Roof**
  - 26,325
  - 415,277

- **FORTIFIED Home – Hurricane – Gold – Existing Roof**
  - 301,289
  - 438,385

- **FORTIFIED Home – Hurricane – Gold – New Roof**
  - 348,331
  - 511,464

Table A9. Windstorm Loss Mitigation Credit – Masonry
RULE 515.
PERSOM PROPRITY

A. Increased Limit
3. Rate Per $1,000:
   HO 00 02 or HO 00 03 – $2
   HO 00 05 – $3

B. Increased Limit – Other Residences
3. Rate Per $1,000 – $7

C. Increased Limit – Self-storage Facilities
2. Rate per $1,000 – $5

D. Reduction In Limit
2. Credit per $1,000 – $1

E. Increased Special Limits Of Liability
1. Jewelry, Watches and Furs – Rate per $1,000 – $18
   Increased sub-limit per article:
   Rate for $2,000 – $9
   Rate for $2,500 – $18
2. Money Rate per $100 – $6
3. Securities – Rate per $100 – $4
4. Silverware – Rate per $500 – $3.25
5. Firearms – Rate per $100 – $3
6. Portable Electronic Equipment in or upon a motor vehicle – Rate per $500 – $10

F. Refrigerated Personal Property
3. Charge per policy – $10

G. Theft Coverage Increase – HO 00 08
3. Premium
   a. On-Premises
      Rate per $2,000 – $19
   b. Off-Premises
      Additional Charge – $10

H. Additional Coverage – Jewelry And Furs
3. Charge per policy – $7
   Rate per $1,000 – $15
   Increased sub-limit per article:
   Rate for $2,000 – $7.50
   Rate for $2,500 – $15

I. Rented Personal Property
1. Basic Limit
   c. Premium
      Theft (Burglary Peril Added) – Charge per unit – $3
   c. Rate per $1,000 per unit:
      Including Theft – $3
      Excluding Theft – $2

RULE 517.
RENTAL TO OTHERS – EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH
HO 32 95 OR HO 00 06 WITH HO 32 35

B. Premium
Rate per policy – $30

RULE 518.
SINKHOLE COLLAPSE COVERAGE ALL FORMS
EXCEPT HO 00 04 AND HO 00 06

B. Premium Determination
1. Rate per $1,000 – $.35

RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 32 95 OR
HO 00 06 WITH HO 32 35

B. Premium
Charge per policy – $15

RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR
OVERFLOW COVERAGE

D. Premium
1. Basic Limit
   Charge per policy – $22
2. Increased Limits

<table>
<thead>
<tr>
<th>Limit</th>
<th>10,000</th>
<th>15,000</th>
<th>25,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>$30</td>
<td>35</td>
<td>40</td>
</tr>
</tbody>
</table>

Table 521.D.2. Increased Limits Premium

RULE 522.
LANDLORDS FURNISHINGS

C. Premium
Rate per $500 per unit
Forms HO 00 02, HO 00 03 and HO 00 05 – $1

RULE 523.
ASSISTED LIVING CARE COVERAGE

C. Premium
1. Section I and Section II Basic Limits
   Rate per unit – $77
2. Increased Limits
   Add to the basic limit Rate in Paragraph 1.:
   a. Coverage C – Rate per $1,000 – $7

HO-R-7
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Insurance Services Office, Inc., with its permission.
### Rule 301
### Base Premium Computation

<table>
<thead>
<tr>
<th>TERRITORY</th>
<th>HO 00 03</th>
<th>HO 00 04</th>
<th>HO 00 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>2,617</td>
<td>124</td>
<td>102</td>
</tr>
<tr>
<td>120</td>
<td>3,068</td>
<td>141</td>
<td>125</td>
</tr>
<tr>
<td>130</td>
<td>1,584</td>
<td>79</td>
<td>79</td>
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<tr>
<td>140</td>
<td>2,138</td>
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<td>86</td>
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<tr>
<td>150</td>
<td>1,310</td>
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<td>160</td>
<td>1,423</td>
<td>76</td>
<td>64</td>
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<tr>
<td>170</td>
<td>803</td>
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<td>180</td>
<td>939</td>
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<td>190</td>
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<td>67</td>
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<td>220</td>
<td>1,012</td>
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<td>230</td>
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<td>250</td>
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<td>772</td>
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<td>50</td>
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<td>300</td>
<td>827</td>
<td>53</td>
<td>49</td>
</tr>
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<td>637</td>
<td>54</td>
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</tr>
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<td>360</td>
<td>571</td>
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<td>370</td>
<td>621</td>
<td>45</td>
<td>48</td>
</tr>
<tr>
<td>380</td>
<td>577</td>
<td>45</td>
<td>46</td>
</tr>
<tr>
<td>390</td>
<td>588</td>
<td>46</td>
<td>47</td>
</tr>
</tbody>
</table>

Table 301. Base Class Premium
ADDITIONAL RULE(S)

RULE A1.
SPECIAL STATE REQUIREMENTS

A. Special Provisions Endorsement HO 32 32
Use this endorsement with all Homeowners policies.

B. Windstorm Exterior Paint And Waterproofing Exclusion Endorsement HO 32 86
Use this endorsement with all Homeowners policies in Territories 110 and 120.

C. Flood, Earthquake, Mudslide, Mudflow, Landslide Or Windstorm Or Hail Insurance Notice
North Carolina law provides that an insurer selling property insurance that does not provide coverage for the perils of flood, earthquake, mudslide, mudflow, landslide, or windstorm or hail shall provide a specific notice (a "warning" set forth in the related statute) to the policyholder as to which of the listed perils are not covered under the policy.

The required notice must be:
1. Provided upon issuance and renewal of each policy;
2. In Times New Roman 16-point font or another equivalent font; and
3. Included in the policy on a separate page immediately before the Declarations page.

The following warning, citing which peril is not covered, must be furnished with each new policy and upon each renewal:

"WARNING: THIS PROPERTY INSURANCE POLICY DOES NOT PROTECT YOU AGAINST LOSSES FROM [FLOODS], [EARTHQUAKES], [MUDSLIDES], [MUDFLOWS], [LANDSLIDES], [WINDSTORM OR HAIL]. YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING COVERAGE FOR THESE LOSSES. THIS IS NOT A COMPLETE LISTING OF ALL OF THE CAUSES OF LOSSES NOT COVERED UNDER YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT COVERED."

D. North Carolina Insurance Underwriting Association
Section XV of the Plan of Operation of the North Carolina Insurance Underwriting Association (Beach Plan) sets forth the following as to "Member Insurer Responsibility with Respect to Cancellation or Nonrenewals":

With regard to risks eligible for coverage by the Association, each Member Insurer agrees that with respect to cancellation or non-renewals initiated by it, the Member Insurer will give to all of its policyholders, except in cases of non-payment of premium, material misrepresentation or evidence of incendiarism, thirty (30) days to obtain coverage from the Association of the cancelled or non-renewed risks and shall, in writing, explain to the policyholder the procedures for making application for coverage from the Association.

E. Company Rates/State Rate Pages
References in the manual to "state company rates" means "state rate pages" in North Carolina.

F. Insert – North Carolina Endorsement HO 32 46
Use this endorsement with all Homeowners policies.

G. Home-sharing Host Activities Amendatory Endorsements
Use the following endorsements with all Homeowners policies unless Broadened Home-sharing Host Activities Coverage is purchased:

1. HO 32 43, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 02)
2. HO 32 44, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 03)
3. HO 32 45, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 04)
4. HO 32 48, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 05)
5. HO 32 49, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 06)
6. HO 32 51, Home-sharing Host Activities Amendatory Endorsement – North Carolina (For Use With HO 00 08)

Refer to the Additional Rule for the requirements for Broadened Home-sharing Host Activities Coverages.

RULE A2.
INSTALLMENT PAYMENT PLAN

Annual Policy
When a policy is issued on an installment basis, the following rules apply:

A. The first installment shall be due on the effective date of the policy and the due date of the last installment shall be no later than one month prior to the policy anniversary date.

B. The premium calculated for the first installment payment, exclusive of installment charges, shall not be less than the pro rata charge for the period from the inception date of the policy to the due date of the next installment.
RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY

A. The peril of Windstorm or Hail may be excluded if:
   1. The property is located in an area eligible for such coverage from the North Carolina Insurance Underwriting Association; and
   2. A Windstorm or Hail Rejection Form is secured and maintained by the company.

Use Absolute Windstorm Or Hail Exclusion Endorsement HO 32 94.

B. To compute the Base Premium:
   1. Determine the appropriate Key Premium as described in Rule 301.
   2. Subtract the Windstorm or Hail Exclusion credit shown on the state rate pages from the Key Premium.
   3. Multiply the Key Premium excluding Windstorm or Hail Coverage developed in Step 2. by the Key Factor for the desired limit of liability.

   For example:
   Form HO 00 02 Key Premium = $1,310
   Windstorm or Hail Exclusion Credit = $1,131
   Key Factor for $100,000 = 1.109
   Step 1. Determine the Key Premium
   Key Premium = $1,310
   Step 2. Subtract Windstorm or Hail Exclusion Credit from Key Premium
   $1,310 – $1,131 = $179
   Step 3. Multiply Key Factor for desired limit by amount in Step 2.
   $179 x 1.109 = $198.51, round to $199 = Base Premium

C. When Endorsement HO 32 94 is attached to the policy, enter the following on the Declarations page:
   "This policy does not provide coverage for the peril of Windstorm or Hail".

D. When coverage for other specific structures or other structures rented to others is requested, refer to Rules 514.A.1.a and 514.A.2.a.(1) in the state rate pages for the rates excluding windstorm or hail coverage.

E. For Rules 501, 502, 507 and 513 use the Key Premium excluding Windstorm or Hail Coverage from Paragraph B.2. to determine the premium per $1,000 for those options.

RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND HO 00 06

A. Coverage Description
   The policy may be endorsed to provide coverage for property damage caused by waterbeds to non-owned property on the residence premises.

B. Premium
   Charge the rate shown on the state rate pages.

C. Endorsement
   Use Waterbed Liability Endorsement HO 32 40.

RULE A5.
YEAR OF CONSTRUCTION – NEWLY CONSTRUCTED DWELLINGS – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

A. A Dwelling is eligible for a discount depending on the calendar year that the dwelling was completed and first occupied. If the year first occupied is different than the year completed, the later year would apply.

B. To compute the premium for this provision, multiply the Base Premium by the appropriate credit factor selected from the following table:

<table>
<thead>
<tr>
<th>Age Of Dwelling (In Years)</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 1</td>
<td>.82</td>
</tr>
<tr>
<td>1 up to 2</td>
<td>.85</td>
</tr>
<tr>
<td>2 up to 3</td>
<td>.88</td>
</tr>
<tr>
<td>3 up to 4</td>
<td>.91</td>
</tr>
<tr>
<td>4 up to 5</td>
<td>.94</td>
</tr>
<tr>
<td>5 up to 6</td>
<td>.97</td>
</tr>
<tr>
<td>6 and over</td>
<td>No Credit Applies</td>
</tr>
</tbody>
</table>

Note: A dwelling under construction shall be considered to be completed and occupied during the current calendar year.

Table A5.B. Age Of Dwelling Credits

C. To develop a premium for this option, multiply the Base Premium by the appropriate credit factor.

RULE A6.
OPTIONAL INFLATION GUARD ENDORSEMENTS

Subject to the provisions noted in Paragraphs B. and C., the inflation guard endorsements referenced in this rule may be used instead of the endorsement noted in General Rule 405.

A. Eligible Forms
   The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in Paragraph B.:
   1. Forms HO 00 02, HO 00 03 and HO 00 05 – Coverages A, B, C and D; and
   2. Forms HO 00 04 and HO 00 06 – Coverages C and D.

   These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, billing notice or named on the form.
RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE

Paragraph B. is replaced by the following:

B. Increased Limits
The basic limit of liability may be increased to $10,000, $15,000 or $25,000.

Paragraph D. is replaced by the following:

D. Endorsement
Use Limited Water Back-up And Sump Discharge Or Overflow Coverage Endorsement HO 04 84.

RULE 522.
LANDLORDS FURNISHINGS

Rule 522. does not apply.

RULE 524.
OTHER MEMBERS OF A NAMED INSURED’S HOUSEHOLD

Paragraph B.1. is replaced by the following:

B. Coverage Description
1. The policy may be endorsed to provide coverage to a person who is a member of the named insured’s household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder, tenant or home-sharing occupant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.

RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT HO 00 04

Paragraph B. is replaced by the following:

B. Endorsement
Use Trust Endorsement – North Carolina HO 32 12.

RULE 528.
HOME BUSINESS INSURANCE COVERAGE

Paragraph C.4.b. does not apply.

Table 528.D.2.a. is replaced by the following:

<table>
<thead>
<tr>
<th>Gross Annual Receipts*</th>
<th>HO 00 02, 3, 5 &amp; 8</th>
<th>HO 00 04</th>
<th>HO 00 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $50,000</td>
<td>.11</td>
<td>.46</td>
<td>.49</td>
</tr>
<tr>
<td>$ 50,001 to $ 100,000</td>
<td>.16</td>
<td>.69</td>
<td>.73</td>
</tr>
<tr>
<td>100,001 to 175,000</td>
<td>.23</td>
<td>.97</td>
<td>1.04</td>
</tr>
<tr>
<td>175,001 to 250,000</td>
<td>.31</td>
<td>1.31</td>
<td>1.40</td>
</tr>
<tr>
<td>* New business, use $50,001 to $100,000 classification</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 528.D.2.a. Factors

RULE 529.
LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

Rule 529. does not apply.

RULE 530.
IDENTITY FRAUD EXPENSE COVERAGE

Rule 530. does not apply.

RULE 531.
LIMITED THEFT COVERAGE OPTIONS FOR DWELLINGS NEWLY CONSTRUCTED OR UNDER CONSTRUCTION

The title of Rule 531. Limited Coverage For Theft Of Personal Property Located In A Dwelling Under Construction is replaced by the preceding title.
ADDITIONAL RULE(S)

RULE A2.
INSTALLMENT PAYMENT PLAN

C. Charge per installment – $3

RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES
110, 120, 130, 140, 150 AND 160 ONLY

<table>
<thead>
<tr>
<th>Frame Construction</th>
<th>Territory</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>110</td>
</tr>
<tr>
<td>All Forms Except HO 00 04 And HO 00 06</td>
<td>$1,903</td>
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<tr>
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<td>76</td>
</tr>
<tr>
<td>HO 00 06</td>
<td>53</td>
</tr>
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</table>

Table A3.#1 Wind Or Hail Exclusion Credit – Frame

<table>
<thead>
<tr>
<th>Masonry Construction</th>
<th>Territory</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>110</td>
</tr>
<tr>
<td>All Forms Except HO 00 04 And HO 00 06</td>
<td>$1,715</td>
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<tr>
<td>HO 00 04</td>
<td>68</td>
</tr>
<tr>
<td>HO 00 06</td>
<td>47</td>
</tr>
</tbody>
</table>

Table A3.#2 Wind Or Hail Exclusion Credit – Masonry

RULE A4.
WATERBED LIABILITY – FORMS HO 00 04 AND HO 00 06

B. Premium

Charge per policy – $14
**Table A9. Windstorm Loss Mitigation Credit – Frame**

<table>
<thead>
<tr>
<th>Mitigation Feature</th>
<th>Territory 110</th>
<th>Territory 120</th>
<th>Territory 130</th>
<th>Territory 140</th>
<th>Territory 150</th>
<th>Territory 160</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hip Roof</td>
<td>$ 133</td>
<td>$ 180</td>
<td>$ 84</td>
<td>$ 113</td>
<td>$ 60</td>
<td>$ 65</td>
</tr>
<tr>
<td>Opening Protection</td>
<td>137</td>
<td>184</td>
<td>84</td>
<td>114</td>
<td>59</td>
<td>68</td>
</tr>
<tr>
<td>Total Hip Roof and Opening Protection</td>
<td>270</td>
<td>362</td>
<td>166</td>
<td>228</td>
<td>117</td>
<td>133</td>
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<td>IBHS Designation prior to March 31, 2019:</td>
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<td></td>
</tr>
<tr>
<td>Hurricane Fortified for Safer Living®</td>
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<td>Hurricane Fortified for Existing Homes® Bronze Option 1</td>
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<tr>
<td>Hurricane Fortified for Existing Homes® Bronze Option 2</td>
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<td>94</td>
<td>142</td>
<td>59</td>
<td>82</td>
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</tr>
<tr>
<td>Hurricane Fortified for Existing Homes® Silver Option 2</td>
<td>315</td>
<td>461</td>
<td>161</td>
<td>283</td>
<td>70</td>
<td>165</td>
</tr>
<tr>
<td>Hurricane Fortified for Existing Homes® Gold Option 1</td>
<td>335</td>
<td>485</td>
<td>180</td>
<td>288</td>
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</tr>
<tr>
<td>Hurricane Fortified for Existing Homes® Gold Option 2</td>
<td>389</td>
<td>567</td>
<td>205</td>
<td>341</td>
<td>100</td>
<td>198</td>
</tr>
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</table>

**Table A9. Windstorm Loss Mitigation Credit – Masonry**

<table>
<thead>
<tr>
<th>Mitigation Feature</th>
<th>Territory 110</th>
<th>Territory 120</th>
<th>Territory 130</th>
<th>Territory 140</th>
<th>Territory 150</th>
<th>Territory 160</th>
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<tr>
<td>Total Hip Roof</td>
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<td>$ 161</td>
<td>$ 77</td>
<td>$ 101</td>
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<td>Opening Protection</td>
<td>123</td>
<td>165</td>
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<td>103</td>
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<tr>
<td>Total Hip Roof and Opening Protection</td>
<td>243</td>
<td>326</td>
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<td>IBHS Designation prior to March 31, 2019:</td>
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<td></td>
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<tr>
<td>Hurricane Fortified for Safer Living®</td>
<td>394</td>
<td>570</td>
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<td>199</td>
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<tr>
<td>Hurricane Fortified for Existing Homes® Bronze Option 1</td>
<td>94</td>
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<tr>
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<tr>
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<tr>
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<tr>
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### Frame Construction

<table>
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<tr>
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<th>Territory 140</th>
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<tbody>
<tr>
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<td>$180</td>
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<td>634</td>
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Table A9. Windstorm Loss Mitigation Credit – Frame

### Masonry Construction

<table>
<thead>
<tr>
<th>Mitigation Feature</th>
<th>Territory 110</th>
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<td>177</td>
</tr>
</tbody>
</table>

Table A9. Windstorm Loss Mitigation Credit – Masonry
RULE 515.
PERSONAL PROPERTY

A. Increased Limit
   3. Rate Per $1,000:
      HO 00 02 or HO 00 03 – $2
      HO 00 05 – $3

B. Increased Limit – Other Residences
   3. Rate Per $1,000 – $7

C. Increased Limit – Self-storage Facilities
   2. Rate per $1,000 – $5

D. Reduction In Limit
   2. Credit per $1,000 – $1

E. Increased Special Limits Of Liability
   1. Jewelry, Watches and Furs – Rate per $1,000 – $18
      Increased sub-limit per article:
      Rate for $2,000 – $9
      Rate for $2,500 – $18
   2. Money Rate per $100 – $6
   3. Securities – Rate per $100 – $4
   4. Silverware – Rate per $500 – $3.25
   5. Firearms – Rate per $100 – $3
   6. Portable Electronic Equipment in or upon a
      motor vehicle – Rate per $500 – $10

F. Refrigerated Personal Property
   3. Charge per policy – $10

G. Theft Coverage Increase – HO 00 08
   3. Premium
      a. On-Premises
         Rate per $2,000 – $19
      b. Off-Premises
         Additional Charge – $10

H. Additional Coverage – Jewelry And Furs
   3. Charge per policy – $7
      Rate per $1,000 – $15
      Increased sub-limit per article:
      Rate for $2,000 – $7.50
      Rate for $2,500 – $15

I. Rented Personal Property
   1. Basic Limit
      c. Premium
         Theft (Burglary Peril Added) – Charge per
         unit – $3
   2. Increased Limits
      c. Rate per $1,000 per unit:
         Including Theft – $3
         Excluding Theft – $2

RULE 517.
RENTAL TO OTHERS – EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH
HO 32 95 OR HO 00 06 WITH HO 32 35

B. Premium
   Rate per policy – $30

RULE 518.
SINKHOLE COLLAPSE COVERAGE ALL FORMS
EXCEPT HO 00 04 AND HO 00 06

B. Premium Determination
   1. Rate per $1,000 – $.35

RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 32 95 OR
HO 00 06 WITH HO 32 35

B. Premium
   Charge per policy – $15

RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR
OVERFLOW COVERAGE

D. Premium
   1. Basic Limit
      Charge per policy – $22
   2. Increased Limits

<table>
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<th>Limit</th>
<th>$10,000</th>
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<tr>
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<td>Table 521.D.2. Increased Limits Premium</td>
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RULE 523.
ASSISTED LIVING CARE COVERAGE

C. Premium
   1. Section I and Section II Basic Limits
      Rate per unit – $77
   2. Increased Limits
      Add to the basic limit Rate in Paragraph 1.: 
      a. Coverage C – Rate per $1,000 – $7
### 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

<table>
<thead>
<tr>
<th>Territory</th>
<th>HS 00 03</th>
<th>HS 00 04</th>
<th>HS 00 06</th>
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<tr>
<td></td>
<td>Frame Construction</td>
<td>Masonry Construction</td>
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<tr>
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<td>130</td>
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<td>$1,448</td>
<td>$1,448</td>
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<td>160</td>
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#### Key Factor Table

<table>
<thead>
<tr>
<th>Cov. Amt. (in 000)</th>
<th>Factor</th>
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<tbody>
<tr>
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<tr>
<td>50</td>
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<td>75</td>
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<td>Each Add'l $1,000</td>
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#### Minimum Limits Of Liability

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<tr>
<th><strong>Section I – Property</strong></th>
<th>HS 00 02 And HS 00 03</th>
<th>HS 00 08</th>
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<tr>
<td>Primary Location</td>
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<tr>
<td>Secondary Location</td>
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<td>$10,000</td>
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</tbody>
</table>

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.
PART V  
SECTION I – PROPERTY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES

RULE 501.  
BUILDING ADDITIONS AND ALTERATIONS AT OTHER RESIDENCES

A. Coverage Description
The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

B. Premium Computation
To develop the premium per $1,000 of insurance, multiply the HS 00 04 Key Factor for “Each Add'l $1,000” by the HS 00 04 Base Class Premium.

C. Endorsement
Use Building Additions And Alterations Other Residence Endorsement HO 04 49.

RULE 502.  
BUILDING ADDITIONS AND ALTERATIONS - INCREASED LIMIT - HS 00 04

The title of Rule 502. Building Additions And Alterations - Increased Limit - HO 00 04, is replaced by the preceding title.

A. Coverage C Increase
The limit of Liability of 10% of Coverage C maybe increased.

B. Premium Computation
To develop the premium per $1,000 of insurance, multiply the HS 00 04 Key Factor for “Each Add'l $1,000” by the HS 00 04 Base Class Premium.

C. Endorsement
Use Building Additions And Alterations Increased Limit Form HO 00 04 Endorsement HS 04 51.

RULE 503.  
BUSINESS PROPERTY – INCREASED LIMIT

A. On premises
1. The $2,500 limit of liability for business property on the residence premises may be increased to $10,000 in increments of $2,500.
2. Rate per $2,500 increase - $50.
3. The limit of liability in excess of $2,500 does not apply to:
   a. Business property in storage or held as a sample or for sale or delivery after sale;
   b. Business property pertaining to a business actually conducted on the residence premises.

4. The property described in Paragraphs 3.a. and 3.b. are covered under the following optional endorsement: Permitted Incidental Occupancies.

B. Off premises
When the on-premises limit is increased, the off-premises limit of $1,500 is automatically increased, at no additional charge, to an amount that is 60% of the total on-premises limit of liability.

C. Endorsement
Use Increased Limits On Business Property Endorsement HO 04 12.

RULE 504.  
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD OR ACCESS DEVICE, FORGERY AND COUNTERFEIT MONEY

Rule 504. does not apply.

RULE 505.  
EARTHQUAKE COVERAGE

Rule 505. does not apply.

RULE 506.  
FIRE DEPARTMENT SERVICE CHARGE

Rule 506. does not apply.

RULE 507.  
FORM HS 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS

The title of Rule 507. Form HO 00 06 Coverage A Dwelling Basic And Increased Limits And Special Coverage - HO 00 06 is replaced by the preceding title.

A. Basic Limits
The policy automatically provides a basic Coverage A limit of $1,000 on a named perils basis. If increased limits are not desired, enter "$1,000" under Coverage A – Dwelling in the Policy Declarations.

B. Increased Limits
The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional $1,000 of insurance, multiply the HS 00 06 Key Factor for “Each Add'l $1,000” by the HS 00 06 Base Class Premium.

RULE 508.  
FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS

Rule 508. does not apply.

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RULE 509.  
HOME DAY CARE COVERAGE
Rule 509, does not apply.

RULE 510.  
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE PREMISES
A. Coverage Description
Coverage for a permitted incidental occupancy is limited under Section I Property Coverages. The policy may be endorsed to provide expanded Section I Coverage on a permitted incidental occupancy in the dwelling or in an other structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement HS 04 42 for Section I Coverage.

B. Permitted Incidental Occupancies
Examples of such occupancies are Offices, Schools or Studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

C. Other Structures
If the permitted incidental occupancy is located in an other structure, Coverage B does not apply to that structure. See Paragraph E. for charge for specific insurance on the structure.

D. Personal Property
The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage C limits stated in the declarations. If increased Coverage C limits are desired, see Rule 515.A.

E. Premium Computation
1. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
2. If the permitted incidental occupancy is located in an other structure, charge the following amount per $1,000 of specific insurance on the structure – $5.

RULE 511.  
SUPPLEMENTAL LOSS ASSESSMENT COVERAGE
Rule 511, does not apply.

RULE 513.  
ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HS 00 04 AND HS 00 06
The title of Rule 513, Ordinance Or Law Increased Amount Of Coverage - HO 00 04 And HO 00 06, is replaced by the preceding title.

A. Coverage Increase
1. The basic amount of coverage may be initially increased to 100% of the Form HS 00 04 Building Additions and Alterations limit or 50% of the Form HS 00 06 Coverage A limit.
2. The amount may be further increased in 25% increments above those listed in Paragraph 1.

B. Premium Determination
1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional $1,000 of insurance is developed by multiplying the HS 00 04 or HS 00 06, whichever is appropriate, Key Factor for “Each Add’l $1,000” by the appropriate Base Class Premium.

RULE 514.  
OTHER STRUCTURES
A. On-Premises Structures
When insurance is written on a specific structure on the residence premises the rates per $1,000 of insurance shall apply separately to each structure.

1. Specific Structure – Increased Limits
   a. Premium
      Rate per $1,000 for policies with Windstorm Or Hail Coverage – $4
   b. Endorsement
      Use Other Structures On The Residence Premises – Increased Limits Endorsement HO 04 48.

2. Structure On The Residence Premises Rented To Others
   a. Premium
      Rate per $1,000 for policies with Windstorm Or Hail Coverage – $5.
   b. Endorsement
      Use Structures Rented To Others – Residence Premises Endorsement HS 04 40.
RULE 514. OTHER STRUCTURES (Conf’d)

B. Structures Off The Residence Premises
1. Forms HS 00 02 and HS 00 03
   a. Coverage Description
      (1) The policy automatically provides Coverage B – Other Structures on a
          blanket basis to structures located on the residence premises.
      (2) This blanket coverage may be endorsed to expand coverage to include structures
          located away from the residence premises if used in connection with the
          residence premises.
   b. Premium
      Off-premises structures charge per policy - $15.
   c. Endorsement
      Use Other Structures Away From The Residence Premises Endorsement

2. All Forms
   a. Premium
      (1) When insurance is written on a specific structure located away from the
          residence premises, the rate per $1,000 of insurance shall apply separately to
          each location.
      (2) Specific structures – Off-premises Rate per $1,000 - $5.
   b. Endorsement
      Use Specific Structures Away From Residence Premises Endorsement

RULE 515. PERSONAL PROPERTY

A. Increased Limit
   1. The limit of liability for Coverage C may be increased.
   2. Rate per $1,000:
      HS 00 02 or HS 00 03 - $2.

B. Increased Limits – Other Residences
   1. Coverage for personal property usually located at other residences is limited in the policy form to
      10% of Coverage C or $1,000, whichever is greater. This limit may be increased.
   2. Charge the additional company rate per $1,000.
   3. Rate per $1,000 - $7.
   4. Use Increased Limits On Personal Property In Other Residences Endorsement HO 04 50.

C. Increased Limit – Self-storage Facilities
   1. Coverage for personal property located in self-storage facilities is limited in the policy form to
      10% of Coverage C, or $1,000, whichever is greater. This limit may be increased.
   2. Charge the additional company rate per $1,000 of insurance.
   3. Rate per $1,000 - $5 Refer to state company rates for additional charges.
   4. Use Increased Amount of Insurance For Personal Property Located In A Self-storage Facility Endorsement HO 06 14.

D. Reduction In Limit
   1. The limit of liability for Coverage C may be reduced in accordance with Rule 101.C.
   2. Credit per $1,000 - $1.

E. Rented Personal Property
   1. Basic Limit
      Under Forms HS 00 02 and HS 00 03, the policy automatically provides, at no additional charge,
      $2,500 of landlord’s furnishings coverage, for property regularly rented or held for rental in an
      apartment on the residence premises.
   2. Increased Limits
      a. The basic limit noted in Paragraph 1. may be increased up to the Coverage C limit of liability.
      b. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.
      c. Rate per $1,000 per unit - $2.
   3. Endorsement
      a. Rented Personal Property Endorsement HO 32 21 indicates when the Increased Limits option is selected.
      b. The Theft Option designated on the endorsement does not apply and should not be selected.
      c. When Increased Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.

RULE 516. PERSONAL PROPERTY – SCHEDULED

Rule 516. does not apply.

RULE 517. RENTAL TO OTHERS - EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH HO 05 24 OR HO 00 06 WITH HO 05 24 OR HO 00 06 WITH HO 17 31

Rule 517. does not apply.
RULE 518.
SINKHOLE COLLAPSE COVERAGE – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

Rule 518. does not apply.

RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH HO 05 24 OR HO 00 06 WITH HO 17 31

Rule 519. does not apply.

RULE 520.
LIVESTOCK COLLISION COVERAGE

Rule 520. does not apply.

RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE

Rule 521. does not apply.

RULE 522.
LANDLORDS FURNISHINGS

A. Basic Limit
Forms HS 00 02 and HS 00 03 automatically cover, on a named perils basis, landlord furnishings in an apartment or on the residence premises regularly rented or held for rental. The basic limit per apartment unit is $2,500.

B. Increased Limits
The basic limit of $2,500 may be increased in increments of $500 up to a total of $10,000 per apartment. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.

C. Premium
Rate per $500 per unit:
Forms HS 00 02 and HS 00 03 – $1.

D. Endorsement
Use Landlord’s Furnishings Endorsement HS 05 46.

RULE 523.
ASSISTED LIVING CARE COVERAGE

Rule 523. does not apply.

RULE 524.
OTHER MEMBERS OF A NAMED INSURED’S HOUSEHOLD

A. Introduction
The policy provides coverage to named insureds, resident relatives who are members of the insured's household and persons under the age of 21 who are in the care of an insured.

B. Coverage Description
1. The policy may be endorsed to provide coverage to a person who is a member of the named insured’s household but does not fall under the definition of insured in the policy. It does not cover a guest, resident employee, roomer, boarder or tenant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.

2. All coverages and provisions under Sections I of the policy that apply to insureds also apply to the persons described in Paragraph 1, except Coverages A, B and D (Fair Rental Value only).

C. Premium
Section I additional charge:
Rate per person named in the Schedule – $60

D. Endorsement
Use Other Members Of Your Household Endorsement HS 04 58.

RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

Rule 525. does not apply.

RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT HS 00 04

The title of Rule 526, Residence Held In Trust – All Forms Except HO 00 04, is replaced by the preceding title.

A. Coverage
A Homeowners Windstorm And Hail Policy may be endorsed to insure a trustee, and if applicable, a trust under Section I – Property Coverages, for any insurable interest in the dwelling or other structure held in trust.

B. Endorsement
Use Trust Endorsement HS 32 12.

C. Premium
For basic limits rates:
Trust charge per policy - $26.
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

<table>
<thead>
<tr>
<th>Territory</th>
<th>110</th>
<th>120</th>
<th>130</th>
<th>140</th>
<th>150</th>
<th>160</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frame Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HS 00 03</td>
<td>$2,008</td>
<td>$2,750</td>
<td>$1,311</td>
<td>$1,779</td>
<td>$1,017</td>
<td>$1,104</td>
</tr>
<tr>
<td>HS 00 04</td>
<td>98</td>
<td>116</td>
<td>55</td>
<td>71</td>
<td>35</td>
<td>47</td>
</tr>
<tr>
<td>HS 00 06</td>
<td>66</td>
<td>93</td>
<td>45</td>
<td>49</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Masonry Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HS 00 03</td>
<td>$1,820</td>
<td>$2,489</td>
<td>$1,218</td>
<td>$1,599</td>
<td>$917</td>
<td>$1,005</td>
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<tr>
<td>HS 00 04</td>
<td>90</td>
<td>107</td>
<td>53</td>
<td>67</td>
<td>34</td>
<td>45</td>
</tr>
<tr>
<td>HS 00 06</td>
<td>60</td>
<td>84</td>
<td>41</td>
<td>46</td>
<td>25</td>
<td>27</td>
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</tbody>
</table>

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

Key Factor Table

<table>
<thead>
<tr>
<th>Cov. Amt. (In 000)</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$10</strong></td>
<td>.258</td>
</tr>
<tr>
<td>50</td>
<td>.453</td>
</tr>
<tr>
<td>75</td>
<td>.556</td>
</tr>
<tr>
<td>100</td>
<td>.644</td>
</tr>
<tr>
<td>150</td>
<td>.822</td>
</tr>
<tr>
<td>200</td>
<td>1.000</td>
</tr>
<tr>
<td>300</td>
<td>1.339</td>
</tr>
<tr>
<td>500</td>
<td>1.972</td>
</tr>
<tr>
<td>750</td>
<td>2.764</td>
</tr>
<tr>
<td>1,000</td>
<td>3.556</td>
</tr>
<tr>
<td>1,500</td>
<td>5.111</td>
</tr>
<tr>
<td>2,000</td>
<td>6.667</td>
</tr>
<tr>
<td>3,000</td>
<td>9.778</td>
</tr>
<tr>
<td>4,000</td>
<td>12.889</td>
</tr>
<tr>
<td>5,000</td>
<td>16.000</td>
</tr>
<tr>
<td>Each Add’l $1,000</td>
<td>0.003</td>
</tr>
</tbody>
</table>

Minimum Limits Of Liability

<table>
<thead>
<tr>
<th></th>
<th>HS 00 02 And HS 00 03</th>
<th>HS 00 08</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section I – Property</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Location</td>
<td>$25,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Secondary Location</td>
<td>$15,000</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

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.
PART V
SECTION I – PROPERTY – ADDITIONAL COVERAGE
AND INCREASED LIMITS RULES

RULE 501.
BUILDING ADDITIONS AND ALTERATIONS AT OTHER
RESIDENCES

A. Coverage Description
The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

B. Premium Computation
To develop the premium per $1,000 of insurance, multiply the HS 00 04 Key Factor for "Each Add'l $1,000" by the HS 00 04 Base Class Premium.

C. Endorsement
Use Building Additions And Alterations Other Residence Endorsement HO 04 49.

RULE 502.
BUILDING ADDITIONS AND ALTERATIONS -
INCREASED LIMIT - HS 00 04

The title of Rule 502. Building Additions And Alterations - Increased Limit - HO 00 04, is replaced by the preceding title.

A. Coverage C Increase
The limit of Liability of 10% of Coverage C maybe increased.

B. Premium Computation
To develop the premium per $1,000 of insurance, multiply the HS 00 04 Key Factor for "Each Add'l $1,000" by the HS 00 04 Base Class Premium.

C. Endorsement
Use Building Additions And Alterations Increased Limit Form HS 00 04 Endorsement HS 04 51.

RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT

A. On premises
1. The $2,500 limit of liability for business property on the residence premises may be increased to $10,000 in increments of $2,500.
2. Rate per $2,500 increase - $50.
3. The limit of liability in excess of $2,500 does not apply to:
   a. Business property in storage or held as a sample or for sale or delivery after sale;
   b. Business property pertaining to a business actually conducted on the residence premises.

4. The property described in Paragraphs 3.a. and 3.b. are covered under the following optional endorsement: Permitted Incidental Occupancies.

B. Off premises
When the on-premises limit is increased, the off-premises limit of $1,500 is automatically increased, at no additional charge, to an amount that is 60% of the total on-premises limit of liability.

C. Endorsement
Use Increased Limits On Business Property Endorsement HO 04 12.

RULE 504.
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD
OR ACCESS DEVICE, FORGERY AND COUNTERFEIT
MONEY

Rule 504. does not apply.

RULE 505.
EARTHQUAKE COVERAGE

Rule 505. does not apply.

RULE 506.
FIRE DEPARTMENT SERVICE CHARGE

Rule 506. does not apply.

RULE 507.
FORM HS 00 06 COVERAGE A DWELLING BASIC AND
INCREASED LIMITS

The title of Rule 507. Form HO 00 06 Coverage A Dwelling Basic And Increased Limits And Special Coverage - HO 00 06 is replaced by the preceding title.

A. Basic Limits
The policy automatically provides a basic Coverage A limit of $1,000 on a named perils basis. If increased limits are not desired, enter "$1,000" under Coverage A – Dwelling in the Policy Declarations.

B. Increased Limits
The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional $1,000 of insurance, multiply the HS 00 06 Key Factor for "Each Add'l $1,000" by the HS 00 06 Base Class Premium.

RULE 508.
FORM HO 00 06 UNITS REGULARLY RENTED TO
OTHERS

Rule 508. does not apply.
RULE 509.
HOME DAY CARE COVERAGE

Rule 509. does not apply.

RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE PREMISES

A. Coverage Description
Coverage for a permitted incidental occupancy is limited under Section I Property Coverages. The policy may be endorsed to provide expanded Section I Coverage on a permitted incidental occupancy in the dwelling or in another structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement HS 04 42 for Section I Coverage.

B. Permitted Incidental Occupancies
Examples of such occupancies are Offices, Schools or Studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

C. Other Structures
If the permitted incidental occupancy is located in another structure, Coverage B does not apply to that structure. See Paragraph E. for charge for specific insurance on the structure.

D. Personal Property
The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage C limits stated in the declarations. If increased Coverage C limits are desired, see Rule 515.A.

E. Premium Computation
1. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
2. If the permitted incidental occupancy is located in another structure, charge the following amount per $1,000 of specific insurance on the structure – $5.

RULE 511.
SUPPLEMENTAL LOSS ASSESSMENT COVERAGE

Rule 511. does not apply.

RULE 513.
ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HS 00 04 AND HS 00 06

The title of Rule 513, Ordinance Or Law Increased Amount Of Coverage - HO 00 04 And HO 00 06, is replaced by the preceding title.

A. Coverage Increase
1. The basic amount of coverage may be initially increased to 100% of the Form HS 00 04 Building Additions and Alterations limit or 50% of the Form HS 00 06 Coverage A limit.
2. The amount may be further increased in 25% increments above those listed in Paragraph 1.

B. Premium Determination
1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional $1,000 of insurance is developed by multiplying the HS 00 04 or HS 00 06, whichever is appropriate, Key Factor for “Each Add’l $1,000” by the appropriate Base Class Premium.

RULE 514.
OTHER STRUCTURES

A. On-Premises Structures
When insurance is written on a specific structure on the residence premises the rates per $1,000 of insurance shall apply separately to each structure.

1. Specific Structure – Increased Limits
   a. Premium
      Rate per $1,000 for policies with Windstorm Or Hail Coverage – $4
   b. Endorsement
      Use Other Structures On The Residence Premises – Increased Limits Endorsement HO 04 48.

2. Structure On The Residence Premises Rented To Others
   a. Premium
      Rate per $1,000 for policies with Windstorm or Hail coverage – $5.
   b. Endorsement
      Use Structures Rented to Others – Residence Premises Endorsement HS 04 40.
RULE 514.
OTHER STRUCTURES (Cont’d)

B. Structures Off The Residence Premises
1. Forms HS 00 02 And HS 00 03
   a. Coverage Description
      (1) The policy automatically provides Coverage B – Other Structures on a
          blanket basis to structures located on the residence premises.
      (2) This blanket coverage may be endorsed to expand coverage to include structures
          located away from the residence premises if used in connection with the residence
          premises.
   b. Premium
      Off-premises structures charge per policy - $15.
   c. Endorsement
      Use Other Structures Away From The Residence Premises Endorsement HO 04 91.

2. All Forms
   a. Premium
      (1) When insurance is written on a specific structure located away from the
          residence premises, the rate per $1,000 of insurance shall apply separately to
          each location.
      (2) Specific structures – Off-premises Rate per $1,000 - $5.
   b. Endorsement
      Use Specific Structures Away From Residence Premises Endorsement HO 04 92.

RULE 515.
PERSONAL PROPERTY

A. Increased Limit
   1. The limit of liability for Coverage C may be increased.
   2. Charge the additional company rate per $1,000 of insurance.
   3. Rate per $1,000:
      HS 00 02 or HS 00 03 - $2.

B. Increased Limits – Other Residences
   1. Coverage for personal property usually located at other residences is limited in the policy form to
      10% of Coverage C or $1,000, whichever is greater. This limit may be increased.
   2. Charge the additional company rate per $1,000.
   3. Rate per $1,000 - $7.
   4. Use Increased Limits On Personal Property In Other Residences Endorsement HO 04 50.

C. Increased Limit – Self-storage Facilities
   1. Coverage for personal property located in self-storage facilities is limited in the policy form to
      10% of Coverage C, or $1,000, whichever is greater. This limit may be increased.
   2. Charge the additional company rate per $1,000 of insurance.
   3. Rate per $1,000 - $5.
   4. Use Increased Amount of Insurance For Personal property Located In A Self-storage Facility Endorsement HO 06 14.

D. Reduction In Limit
   1. The limit of liability for Coverage C may be reduced in accordance with Rule 101.C.
   2. Credit per $1,000 - $1.

E. Rented Personal Property
   1. Basic Limit
      Under Forms HS 00 02 and HS 00 03, the policy automatically provides, at no additional charge,
      $2,500 of landlord’s furnishings coverage, for property regularly rented or held for rental in an
      apartment on the residence premises.
   2. Increased Limits
      a. The basic limit noted in Paragraph 1. may be increased up to the Coverage C limit of
         liability.
      b. The increased limit applies to the same perils that apply to the basic limit and may
         vary by rented unit.
      c. Rate per $1,000 per unit - $2.
   3. Endorsement
      a. Rented Personal Property Endorsement HO 32 21 indicates when the Increased
         Limits option is selected.
      b. The Theft Option designated on the endorsement does not apply and should not
         be selected.
      c. When Increased Limits are selected, the increased limit and the total limit of liability
         are designated on the endorsement.

RULE 516.
PERSONAL PROPERTY – SCHEDULED

Rule 516. does not apply.

RULE 517.
RENTAL TO OTHERS - EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH HO 05 24 OR HO 00 06 WITH HO 05 31

Rule 517. does not apply.
RULE 518.
SINKHOLE COLLAPSE COVERAGE – ALL FORMS
EXCEPT HO 00 04 AND HO 00 06

Rule 518. does not apply.

RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 05 24 OR
HO 00 06 WITH HO 17 31

Rule 519. does not apply.

RULE 520.
LIVESTOCK COLLISION COVERAGE

Rule 520. does not apply.

RULE 521.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR
OVERFLOW COVERAGE

Rule 521. does not apply.

RULE 522.
LANDLORDS FURNISHINGS

Rule 522. does not apply.

RULE 523.
ASSISTED LIVING CARE COVERAGE

Rule 523. does not apply.

RULE 524.
OTHER MEMBERS OF A NAMED INSURED'S
HOUSEHOLD

A. Introduction
The policy provides coverage to named insureds,
resident relatives who are members of the insured's
household and persons under the age of 21 who are
in the care of an insured.

B. Coverage Description
1. The policy may be endorsed to provide coverage
to a person who is a member of the named
insured's household but does not fall under the
definition of insured in the policy. It does not
cover a guest, residence employee, roomer,
boarder or tenant. Coverage extends to the
person named in the endorsement, and a person
under the age of 21 who is in the legal custody
of that person.

2. All coverages and provisions under Sections I of
the policy that apply to insureds also apply to the
persons described in Paragraph 1. except
Coverages A, B and D (Fair Rental Value only).

C. Premium
Section I additional charge:

Rate per person named in the Schedule – $60

D. Endorsement
Use Other Members Of Your Household
Endorsement HS 04 58.

RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS
COVERAGE

Rule 525. does not apply.

RULE 526.
RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT
HS 00 04

The title of Rule 526. Residence Held In Trust – All Forms
Except HO 00 04, is replaced by the preceding title.

A. Coverage
A Homeowners Windstorm And Hail Policy may be
endorsed to insure a trustee, and if applicable, a
trust under Section I – Property Coverages, for any
insurable interest in the dwelling or other structure
held in trust.

B. Endorsement
Use Trust Endorsement HS 32 12.

C. Premium
For basic limits rates:
Trust charge per policy - $26.

RULE 527.
STUDENT AWAY FROM HOME

A. Introduction
The policy provides coverage for a full-time student,
who was a resident of the named insured's
household before moving out to attend school and is
under the age of:
1. 24 and a relative of the named insured; or
2. 21 and in the care of the named insured or a
resident relative.

B. Coverage Description
The policy may be endorsed to provide
coverage for other types of students who were
residents of the named insured's household
before moving out to attend school. For example,
part-time students or students 24 or older.

C. Premium Determination
Section I
Rate per location – $68.

D. Endorsement
Use Additional Insured – Student Living Away From The
Residence Premises Endorsement HS 05 27.